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CORPORATE GOVERNANCE

Senior Executives Performance Review



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1. SCOPE

The Remuneration and Nominations Committee of Valmec Limited evaluates the requirements under corporate governance principle 1 of encouraging enhanced performance. It is therefore, responsible for the performance evaluations required of the senior executives.

2. PERFORMANCE PROCESS

Specifically there is a requirement for a review of the effectiveness and performance of the senior executives on an ongoing basis.

The Managing Director, under the delegated authority of the Board, determines the KPI's of the senior executive members. The Managing Director, with the Remuneration and Nominations Committee, formally reviews the performance of senior executives annually.

The performance evaluation of the senior executives is undertaken annually in the first quarter of each financial year.

The evaluations aim to assess:

- ✔ The completeness and effectiveness of each senior executive in meeting their KPIs on a quarterly, biannual and annual basis;
- ✔ Whether the senior executives provide an appropriate mix of skills and experience to allow the company to meet its corporate goals;
- ✔ Whether the senior executives provide a safe, secure, productive, harmonious and non-discriminatory environment for their employees to perform at their best.

3. FEEDBACK

The outcome of the above review will be communicated to the board for endorsement.

The Company Secretary is also provided with confirmation that this process has been completed and to document any specific issues that may have arisen, to ensure that the inclusion in the Annual Report is appropriately documented.

4. APPROVAL

This review document was approved by resolution of the Valmec Limited Board:



Steve Droulich, Managing Director
Date: 21 July 2015