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## CORPORATE GOVERNANCE

### Board Charter



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## 1. PURPOSE

The purpose of this document is to recognize and publish the respective roles and responsibilities of the Valmec Limited board and senior executives.

## 2. CHARTER

The Board of Valmec Limited seeks to ensure that it adds value by guiding, assisting and supporting senior executives, to achieve the Company's goals. This includes creating and maintaining a Company which generates sustainable growth and profitability for the benefit of all stakeholders.

The Board is committed to abiding by all relevant laws and regulations and to providing employees with a safe and rewarding working environment. It will have consideration in its deliberations for the broader community, external and internal stakeholders and the Company's responsibilities as a corporate citizen of good standing.

The Board is responsible for the overall control, accountability systems, operation and stewardship of the Valmec and, in particular, is responsible for:

### 2.1 Strategy

- ✔ Providing input into, and approval of, the Group's strategic direction and business plans as developed by management;
- ✔ Directing, monitoring and assessing the Group's performance against strategic direction and business plans;
- ✔ Approving and monitoring capital management including major capital expenditure, acquisitions and divestments.

### 2.2 Risk Management

- ✔ Ensuring a process is in place to identify the principal risks of the Group's business;
- ✔ Reviewing, ratifying and assessing the integrity of the Group's systems of risk management, legal compliance, and internal compliance and control and codes of conduct.

### 2.3 Reporting and Disclosure

- ✔ Approving and monitoring financial and other reporting, including reporting to shareholders and other stakeholders;
- ✔ Establishing procedures to ensure implementation and adherence by appropriate management levels of the Company's continuous reporting policy.

### 2.4 Management

- ✔ Appointment, terms of engagement and removal of the Managing Director;
- ✔ Endorsement of the Managing Director's recommendations for any appointment and removal of senior executives;
- ✔ Ensuring that a process is in place such that the remuneration and conditions of service of senior executives are appropriate;
- ✔ Ensuring that a process is in place for executive succession planning, and monitoring that process;
- ✔ Delegating authority to the Managing Director.

### 2.5 Performance

- ✔ Evaluating the Managing Director's performance;
- ✔ Approving criteria for assessing performance of senior executives and for monitoring and evaluating the performance of senior executives;
- ✔ Undertaking an annual performance evaluation of itself;
- ✔ Establishing and reviewing succession plans for Board membership.

### 2.6 Corporate Governance

- ✔ Establishing appropriate standards and encouraging ethical behaviour and compliance with the Group's own governing documents, including the Group's Code of Conduct;
- ✔ Monitoring the Company's compliance with corporate governance standards.

### 2.7 Board Committees

Establishing the following Board Committees and adopting Charters for each:

- ✔ Audit, Finance and Risk Committee;
- ✔ Remuneration and Nominations Committee;
- ✔ Mergers & Acquisitions Committee; and
- ✔ Strategic Planning Committee.

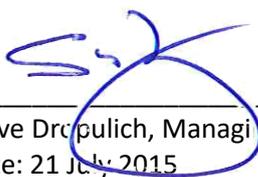
### 2.8 Delegation of Authority to Management

- ✔ The Board through this charter, subject to Valmec's Register of Delegated Authority and Commercial and Contractual Riverbanks, delegates authority to the Managing Director for the management of the company, and to ensure all appropriate decisions are adequately determined.

In performing the responsibilities set out above, the Directors should act at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on them by the Company's Constitution and by law.

## 3. APPROVAL

This charter was approved by resolution of the Valmec Limited Board:

  
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Steve Droopulich, Managing Director  
Date: 21 July 2015