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CORPORATE GOVERNANCE

Remuneration and Nominations Committee Charter



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1. ROLE

- ❖ The role of the Remuneration and Nominations Committee (**Committee**) of Valmec Limited (**Company**) is to assist the Board of Directors (**Board**) in fulfilling the corporate governance and overseeing responsibilities in relation to nominating new Board members, reviewing remuneration policies and procedures and establishing remuneration levels for Directors and Senior Management.

2. COMMITTEE MEMBERSHIP

The Committee is to be appointed by the Board and is to comprise of:

- ❖ At least two non-executive Directors, and where possible the majority should be independent;
- ❖ A Chairman appointed by the Board who is an independent non-executive director and where possible not the Chairman of the Board.

3. DUTIES & RESPONSIBILITIES

3.1 Remuneration

In fulfilling its duties, the Committee is to review and recommend to the Board:

- ❖ Remuneration policies, procedures and contractual employment terms relating to Directors, Senior Executives and all other employees;
- ❖ Changes to remuneration packages of Directors and Senior Management;
- ❖ Other remuneration packages in excess of \$300,000 per annum prior to notification to the employee of the proposed package;
- ❖ The approval of the Managing Director recommendations in relation to annual salary reviews;
- ❖ Vacant senior executive management appointments;
- ❖ Share plans, incentive performance packages and succession planning.

3.2 Board Appointments

In fulfilling its duties, the Committee is to:

- ❖ Determine the criteria for selecting board members;
- ❖ Review the board membership on an annual basis to ensure the board has the appropriate mix of skills and competencies;
- ❖ Recommend new nominees to the Board, detailing the background, skill and experience which makes the nominees suitable for appointment.

4. AUTHORITY

The Committee is authorised to:

- ✔ Seek any information it requires from any employee in relation to matters within its Charter;
- ✔ Subject to consultation with the Chairman of the Board, obtain outside legal or other independent professional advice on any matters within its Charter at the Company's expense.

5. REPORTING

The Committee is to:

- ✔ Report to the Board at the next Board meeting, on the proceedings of the Committee meeting, including:
 - The committee's minutes;
 - Any formal resolutions and recommendations which require Board endorsement or approval;
 - Other matters the committee believes need to be reported to the board.
- ✔ Provide the Board an annual written report containing matters relevant to the committee's role and responsibilities under this charter including a review of the committee's charter and its achievement of the charter;
- ✔ Prepare any external reports required for compliance with laws and regulations.

6. MEETINGS

- ✔ The Committee is to meet at least once a year and such additional meetings held as necessary in order for the Committee to fulfil its duties;
- ✔ An agenda and any supporting documentation will be circulated to members of the Committee in advance on meetings;
- ✔ The company Secretary will be responsible for keeping minutes of the meeting of the Committee and circulating them to members;
- ✔ A quorum shall consist of a majority of Committee members;
- ✔ The Managing Director and CFO are to attend at the discretion of the Committee.

7. APPROVAL

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



Steve Droopulich, Managing Director
Date: 21 July 2015