CORPORATE GOVERNANCE

Continuous Disclosure Policy

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1. INTRODUCTION

Valmec recognises the critical importance of timely disclosure to ensure the efficient operation of the securities market. The objective of this policy is to ensure that the management and delivery of price sensitive information by Valmec provides equality of opportunity to all shareholders and market participants and, in so doing, complies with the continuous disclosure obligations of the ASX Listing Rules and the Corporations Act.

2. DISCLOSURE PRINCIPLE

Valmec must immediately notify ASX of any information concerning Valmec that a reasonable person would expect to have a material effect on the price or value of Valmec's quoted securities, provided that the information does not fall within the exception to disclosure under the Listing Rules.

3. COMPLIANCE WITH POLICY

The Board is responsible for ensuring that Valmec complies with its continuous disclosure obligations. To this end, the Board is responsible for implementing and overseeing compliance with this Continuous Disclosure Policy.

The Board and Managing Director ("MD"), in conjunction with the Company Secretary, are responsible for determining whether information is price sensitive and should be released to the market.

In particular, upon notification of a potentially price sensitive matter in accordance with this policy, the MD and Company Secretary will assess whether the information falls within the disclosure exception in the Listing Rules.

4. ASX COMMUNICATIONS OFFICER

Valmec's ASX Communications Officer is responsible for:

- Ensuring that Valmec complies with the continuous disclosure obligations;
- Communicating with ASX in relation to Listing Rule matters;
- Overseeing and co-ordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public; and
- Educating directors, officers and employees on Valmec's disclosure obligations, policies and procedures and raising awareness of the principles underlying continuous disclosure.

The Company Secretary will be the primary ASX Communications Officer for the purpose of administering notifications to the ASX. The ASX Communications Officer should be made aware of all proposed disclosures to ASX in advance, including information to be presented during market discussions (see paragraph 7.7).

5. PRICE SENSITIVE INFORMATION

All information which is potentially price sensitive should be ultimately notified to the MD and Company Secretary through the Reporting Procedures discussed in paragraph 6 below. Some examples of matters which are either always or may, if material and dependent on each particular set of circumstances, be price sensitive are:

a) Profit forecasts;

b) Proposed issues of securities;

c) Borrowings;

d) Impending mergers, acquisitions, reconstructions, takeovers, etc;

e) Significant litigation;

f) Significant changes in operations;

g) New products/services and technology;

h) Proposed dividends;

i) Management restructuring; and

j) Material new or lost customers/contracts.

Information is considered price sensitive if it would or would be likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell Valmec's securities. The nature of the information should be assessed against this qualitative test, considering Valmec's business activities, size and place in the market.

Employees should not pre-judge whether any information is not price sensitive and should follow the reporting procedures set out in paragraph 6.

6. REPORTING PROCEDURES

Valmec's internal reporting procedures for ensuring potentially price sensitive information is notified to the MD and Company Secretary include reports from Board meetings and various scheduled meetings of management. In addition, senior management has regular contact with both the Executive Directors and other managers. This regular contact enables Senior Management to keep abreast of matters that are, or might become, price sensitive. Any potentially price sensitive issues arising from these contacts are to be notified to the Company Secretary who will, in consultation with the MD, determine whether the matter requires reporting to the ASX.

In addition, all matters which may be considered by any person to be potentially price sensitive are to be immediately reported to either of the MD or Company Secretary.

As noted above, the MD and the Company Secretary will liaise to determine if in fact a matter is to be considered price sensitive and whether or not disclosure is required under the ASX Listing Rules.

7. COMMUNICATION OF INFORMATION

7.1. Disclosure to ASX

All information which would be expected to have a material effect on the price or value of Valmec's securities will be released by the ASX Communications Officer to ASX before any other person.

Immediately following notification to the ASX, all Board members are to be provided with an electronic copy of the notification, except where the notification is a formal non-material obligation under the Listing Rules, eg exercise by an executive of a share option.

7.2. Placement on Website

All information disclosed to ASX in compliance with this policy will be promptly placed on Valmec's website following confirmation of receipt from ASX.

7.3. Further Dissemination

The MD will in each instance determine if further dissemination of information is required following release of material to the ASX. Eg. Press releases, media conferences, or mail outs to security holders.

7.4. Authorised Spokespersons

Unless otherwise advised, the nominated Valmec spokespersons are the MD and Company Secretary.

The spokespersons are entitled to clarify information publicly released through ASX, but they should not add to or reveal any additional information which may be considered as materially price sensitive.

7.5. Market Speculation and Rumours

Market speculation and rumours, whether substantiated or not, have a potential to impact Valmec and may contain factual errors. Speculation may also result in ASX formally or informally requesting disclosure by Valmec on the matter.

Valmec has a policy of not responding to speculation and market rumours and employees must observe this policy at all times. However, notwithstanding this "no comment" approach, Valmec may issue a statement in relation to market speculation or rumour where:

a) Valmec considers it has an obligation at that time to make a statement to the market about a particular matter;

b) Valmec is required to respond to a formal or informal request from ASX for information.

The MD will decide whether it is appropriate to issue such a statement. No Valmec employee is authorised to respond to speculation and market rumours except with the approval of the MD

7.6. Trading Halts

At times it may be necessary to request a trading halt from ASX to ensure orderly trading in Valmec's securities. The MD (or, in his absence, the Chairman) will make all decisions in relation to trading halts. No Valmec employee is authorised to seek a trading halt except with the approval of the MD (or, in his absence, the Chairman).

7.7. Contact with the Market (Market Discussions)

Having regard to the fact that price sensitive material is first released to the ASX, Valmec regularly interacts with the market in a variety of additional ways. These include presentations to the media, analysts and investors, including:

a) One on one briefings; and

b) In circumstances where senior executives act as a guest speaker.

Valmec recognises that it is important to have such market discussions, but also recognises that no price sensitive information is to be communicated during these discussions. The authorised company spokespersons may clarify information that Valmec has publicly released but must not comment on material price or value sensitive issues that have not been disclosed to the market generally.

7.8. Review of Analyst Reports

Valmec recognises the important role performed by analysts in assisting the establishment of an efficient market with respect to Valmec's securities.

However, Valmec is not responsible for, and does not endorse, analyst reports that contain commentary on Valmec.

7.9. Responding to Financial Projections and Reports

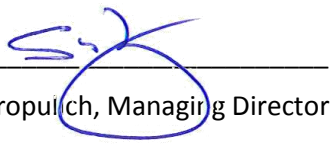
Comments on Valmec financial projections and reports will only be made in relation to material which has already been publicly disclosed. Valmec will publicly announce any material change in expectations before commenting to anyone outside Valmec.

8. BREACHES OF THIS POLICY

Breaches of this policy may lead to disciplinary action being taken against the employee including dismissal in serious cases.

9. APPROVAL

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



Steve Dropulich, Managing Director

Date: 21 July 2015