

**ASX ANNOUNCEMENT****30 OCTOBER 2019**

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**GRANT OF PERFORMANCE RIGHTS IN LIEU OF DIRECTOR FEE - PETER MCMORROW**

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Valmec Ltd (**Valmec** or the **Company**) (ASX: VMX) announced on 23 October 2019 that Mr Peter McMorro is to be appointed as a Non-Executive Director of the Company effective from 1 November 2019.

The Company is pleased to announce that it has reached agreement with Mr McMorro for the grant of performance rights to him in lieu of a proportion of his annual Director's fee.

Mr McMorro is to be granted 103,448 performance rights under the Company's incentive awards plan (**Plan**) in lieu of \$30,000 of his annual Director fee (being 50% of total Director Fee of \$60,000).

- The number of performance rights was determined using the 5 day VWAP price of the Company's Shares to 22 October 2019, being \$0.29 per Share.
- The performance rights will expire 3 years from grant and will be subject to a vesting condition that Mr McMorro remains a Director for 12 months. In the event Mr McMorro ceases to be a Director during this 12 month period, the vesting condition will be deemed to be automatically waived in respect of that proportion of the performance rights equal to the proportion of the 12 month period that he was a Director of the Company, with the unvested proportion of the performance rights lapsing (unless the Board otherwise decides).
- The performance rights are subject to the terms and conditions of the Plan, which are summarized in the Company's Notice of Annual General Meeting announced to ASX on 23 October 2019.

The Company intends to grant the performance rights prior to Mr McMorro's appointment as a Director.

The grant of the performance rights to Mr McMorro was verbally agreed in principle but not announced on 23 October 2019 as the exact number, expiry date and terms of the performance rights were still to be agreed at that time.

**For further information, please contact:**

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