

Share Trading Policy

Corporate Policy



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Share Trading Policy

Corporate Policy



Purpose and Scope

The purpose of this policy document is to provide officers and employees of Salmat Limited (Salmat) with guidelines relating to the trading of Salmat shares and to ensure that Salmat employees comply with the law.

This policy document has been adopted by the Board of Directors of Salmat Limited (Salmat) and applies, WITHOUT EXCEPTION, to all officers and employees. This policy does not provide comprehensive legal advice on share trading. If any officer or employee does not fully understand any aspect of the contents of this policy, then he/she should contact the Company Secretary or seek independent legal advice.

Disclosure of Information

Company disclosure

Under the listing rules of the Australian Securities Exchange (ASX), Salmat must immediately disclose to the ASX, any information expected to have a material effect on the price or value of Salmat shares, that a reasonable person would expect to be notified of, once Salmat became aware of that information. The Corporations Act imposes similar obligations on Salmat in relation to information, which is not generally available ("price sensitive information").

Price Sensitive Information

Price sensitive information includes information on matters that have not yet been finalised, for example, material contracts that Salmat is negotiating, any potential acquisitions or dispositions or any substantial litigation that Salmat may be involved in. Price sensitive information also includes information that has not yet been released to the market, for example relating to the actual financial performance of Salmat.

Employee disclosure

If an employee became aware of any price sensitive information, he/she must immediately pass that information on to the Company Secretary or the Chief Financial Officer, who will report that information to the Board. The Board will then ensure that Salmat complies with its obligations under the listing rules.

In addition, if an employee holds price sensitive information, he/she must not sell or buy Salmat shares (or exercise any Salmat options) within the designated prohibition period(s) (see 'Share Trading by Key Employees' section). If an employee sells or buys or transfers Salmat shares within the designated prohibition period(s); he/she could be guilty of insider trading, which is an offence under the Corporations Act. An insider includes Directors, other officers and employees of Salmat and their associates. Therefore, a Salmat employee could also be guilty of insider trading if he/she passes price sensitive information to a third party that then buys or sells Salmat shares. The employee and the person receiving the information may be subject to a penalty, which may include a fine or imprisonment.

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Share Trading Guidelines

The purpose of this policy is to ensure that employees only sell or buy Salmat shares when the market has up-to-date information about Salmat.

Share Trading by Directors

Directors of Salmat, or any subsidiaries of Salmat, will be prohibited from dealing in Salmat securities, in the periods preceding the release of the Salmat half-yearly and yearly results as follows:

Announcement of Half Yearly Results	
From	To
15 th December	1 st day following the day that the announcement is released to the ASX (which must be within 60 days of 31 December under current ASX listing rules).

Announcement of Annual Results	
From	To
15 th June	1 st day following the day that the announcement is released to the ASX (which must be within 60 days of 30 June under current ASX listing rules).

In any case, a Director with less than 5% of the issued capital of Salmat Limited; before placing any order to buy, sell or otherwise deal with any Salmat Securities is required to notify the Chairman and Company Secretary using the Salmat Share Notification Form.

A Director with more than 5% of the issued capital of Salmat Limited before undertaking a transaction in Salmat Securities is required to do the following:

- i) before placing a buy order for Salmat Securities, notify the Chairman and Secretary;
- ii) before placing an order to sell or transfer Salmat Securities:
 - if the transaction is less than 5% of Salmat Limited shares under their control, notify the Chairman and Secretary;
 - if the transaction is more than 5% of Salmat Limited shares under their control, obtain the written consent of the Board before undertaking the transaction.

If Directors have options or deferred shares issued to them as part of the initial public offering, or are issued subsequently to them due to their employment with Salmat, such options once exercisable will not be subject to the prohibition period. The shares allocated from any such exercise will be subject to the same trading restrictions as any other shares held by the Directors. The Board will determine the windows in which the options may be exercised for administrative convenience.

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In addition to the prohibition period, the Board may impose an embargo upon share dealings by Directors (and on occasions other employees) if it believes that a market sensitive event has occurred or is likely to occur. The period of any such embargo will be clearly specified; all parties must exercise utmost confidentiality when an embargo is put in place.

Any prohibition or embargo on selling or otherwise dealing in the shares will not apply to Directors leaving the service of the company (subject to the written approval of the Board).

Share Trading by Key Employees

Key Employees of Salmat, or any subsidiaries of Salmat, will be prohibited from dealing in Salmat securities, in the periods preceding the release of the Salmat half-yearly and yearly results as follows:

Announcement of Half Yearly Results	
From	To
15 th December	1 st day following the day that the announcement is released to the ASX (which must be within 60 days of 31 December under current ASX listing rules).

Announcement of Annual Results	
From	To
15 th June	1 st day following the day that the announcement is released to the ASX (which must be within 60 days of 30 June under current ASX listing rules).

Key Employees should not discuss the trading of Salmat shares among themselves as this may involve sharing of price sensitive information.

Key Employees who place any order to buy, sell or otherwise deal in Salmat securities, must inform the Company Secretary once the transaction has been successfully completed, using the Salmat Share Trading Notification form.

If Key Employees have options or deferred shares issued to them as part of the initial public offering, or are issued subsequently to them due to their employment with Salmat, such options once exercisable will not be subject to the prohibition period. The shares allocated from any such exercise will be subject to the same trading restrictions as any other shares held by the Key Employee. The Board will determine the windows in which such options may be exercised for administrative convenience.

In addition to the prohibition period, the Board may impose an embargo upon share dealings by Key Employees if it believes that a market sensitive event has occurred or is likely to occur. The period of any such embargo will be clearly specified as to a period; all parties must exercise utmost confidentiality when an embargo is put in place.

Any prohibition or embargo on selling or otherwise dealing shares will not apply to Key Employees leaving the service of the company.

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Documentation

Salmat Share Trading Notification Form

Salmat Director & Key Employee List

References

Corporations Act

Australian Securities Exchange – Listing Rules

Definitions

Price Sensitive Information	Any information regarding the company of which the market is not aware and such information could reasonably be expected to have an influence on the share price of the company.
Insider Trading	The illegal use of company information (including price sensitive information), in order to obtain a financial advantage , when trading in shares on the stock exchange.
Options	Options issued to employees of Salmat under the Salmat Employee Share Option Plan.
Embargo	A restricted period prescribed by the Salmat Board of Directors, during which time company shares may not be traded. This includes transferring of shares.
Key Employee	Any employee of Salmat (either permanent or contractor), who by virtue of his position, is privy to price sensitive information .
Company	Salmat Limited, its subsidiaries, affiliates, joint ventures, partnerships or any other legal entity used in its operations.

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Change History

Version	Date	Change	By
0.1	9-Dec-2002	First draft	D Alexander/ S Bardwell
0.2	10-Dec-2002	Second draft	D Alexander
0.3	11-Dec-2002	Third draft	D Alexander
1.0	16-Dec-2002	Finalised for publishing	C.Bryant
2.0	15-Jan-2003	Changes to 'Share Trading by Directors' section.	D.Alexander
3.0	6-Feb-2004	Change period of release from 75 days to 60 days	D Alexander
4.0	26-Feb-2004	Changes to notification of share trading by key employees – Page 4 of document	D Alexander
5.0	1-Oct-2008	Rebranded, new logo and formatting	Diane Reid
6.0	24-12-2010	Updated	K. Sheedy

Release Authorisation

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