

Securities Trading Policy



Securities Trading Policy

Corporate Policy



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Purpose and Scope

The purpose of this policy document is to provide Directors, officers and employees of Salmat Limited and its related entities (Salmat) with guidelines relating to the trading of Salmat Securities and to ensure that Salmat employees comply with the Corporations Act 20019 (Cth) (the Act) and/or other legislative prohibitions on insider trading.

This policy document has been adopted by the Board of Directors of Salmat Limited and applies, WITHOUT EXCEPTION, to all Directors, officers and employees of Salmat. This policy does not provide comprehensive legal advice on share trading. If any Director, 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.

This policy should be read in conjunction with the Disclosure Policy which details Salmat's obligations to disclose price sensitive information to The Australian Securities Exchange (ASX).

Disclosure of Information

Company disclosure

Under the listing rules of the ASX, Salmat must (as soon as it becomes aware) immediately disclose to the ASX, any information that a reasonable person would expect to have a material effect on the price or value of Salmat Securities. The Corporations Act imposes similar obligations on Salmat in relation to information which is not generally available. This information is referred to in this policy as "price sensitive information".

Generally, a reasonable person would be taken to expect information to have a "material effect" on the price or value of Salmat's Securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to buy or sell Salmat Securities

Information is "generally available" if it consists of a readily observable matter or it has been brought to the attention of investors through an announcement to the ASX, and a reasonable period has elapsed since the announcement.

If an employee became aware of any price sensitive information, he/she must immediately pass that information to the Chief Financial officer or to the Company Secretary in accordance with the Salmat's Disclosure Policy.

Price Sensitive Information

Price sensitive information could include the following;

- material contracts that Salmat is negotiating,
- any potential significant acquisitions or dispositions. Where the discussions are with another listed company insider trading law also covers the shares and other securities in that company as well as securities in Salmat;
- Information relating to the actual financial performance of Salmat (eg: changes in forecasts or expectations).

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- substantial litigation that Salmat may be involved in.;
- Changes to the composition of the Board or senior management.

The above list is intended as guide only, for further information on Salmat's disclosure obligations and what types of information is likely to be deemed as price sensitive, please refer to the Disclosure Policy.

Insider Trading : Salmat Securities

Insider trading is a serious offence under the Act.

If a director, officer or employee of Salmat is in possession of price sensitive information, which is not generally available they cannot:

1. Buy, sell or otherwise deal in Salmat Securities.
2. Advise, procure or encourage another person(for example , a family member, friend, family company or trust)to buy or sell Salmat Securities; or
3. Pass on information to any other person, if they know or ought reasonable know that the person may use the information to buy or sell (or procure another person to buy or sell) Salmat Securities

Insider trading is a criminal offence attracting fines with a maximum penalty for individuals of \$220,000 and/or five years imprisonment. Alternatively a civil penalty of up to \$200,000 may be imposed for an individual. In both cases, an offender may be ordered to pay compensation to anyone who suffers loss as a result of the insider trading.

Insider Trading : Other Companies

In the course of your duties as a Director, officer or employee, you may obtain price sensitive information in relation to non-Salmat entities. The prohibitions on insider trading outlined above extend to this information and you must not deal in the securities of the non-Salmat related entity.

Share Trading Guidelines

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

General restriction

In line with obligations under the Act outlined above, Directors, officers and employees are prohibited from dealing with any Salmat Securities while in possession of unpublished price sensitive information.

Where a Director, officer or employee is unsure as to whether they possess information that could constitute price sensitive information, they should contact the Company Secretary or seek independent legal advice.

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Share Trading by Directors

In addition, 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 Securities under their control, notify the Chairman and Secretary, who must in turn notify the full board;
 - if the transaction is more than 5% of Salmat Securities under their control, notify the Chairman and Secretary to ensure an appropriate communication process is undertaken to inform the market. The Chairman and/ or Secretary must also notify the full board.

The exercise of options are not subject to the prohibition period. However, any dealing in shares issued as a result of option exercise will be subject to the same trading restrictions as any other Securities 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.

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 Securities 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.

The exercise of options are not subject to the prohibition period. However, any dealing in shares issued as a result of option exercise will be subject to the same trading restrictions as any other Securities held by the Key Employees. The Board will determine the windows in which the options may be exercised for administrative convenience.

In addition to the prohibition period, the Board may impose an embargo upon dealings in Securities 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.

Unvested Entitlements

No Director or Key Employee or person covered by this policy, may at any time enter into any transaction of any type (including any hedging transaction) which has the effect of, or may potentially have the effect of, limiting the economic risk of directly or indirectly holding or participating in Unavailable Entitlements under any equity-based remuneration scheme.

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For the purposes of this policy “Unavailable Entitlements” means an entitlement, share, option or other right, whether held legally or beneficially, which is either unvested, subject to any restriction on disposal, or otherwise subject to a holding lock.

No mortgage, charge, pledge, lien or other encumbrance of any nature may be created over any Unavailable Entitlements.

Consequences of breach

Strict compliance with this policy is mandatory for all personnel covered by this policy. Contravention of the Act is a serious matter which may result in criminal or civil liability.

In addition, breaches of this policy may damage Salmat’s reputation in the investment community and undermine confidence in the market for Salmat Securities.

Breaches of this policy will be taken seriously and will be subject to disciplinary action which may include termination of employment. Any such action will be taken in accordance with the principles set out in Salmat’s Workplace Conduct and Performance Policy.

Responsibility

Each Director, officer and employee is responsible for ensuring that he/she complies with this policy.

The Company Secretary has the responsibility for maintenance of this policy.

Documentation

Salmat Share Trading Notification Form

Salmat Director & Key Employee List

References

Corporations Act

Australian Securities Exchange – Listing Rules

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Definitions

Price Sensitive Information	Any information that a reasonable person would expect to have a material effect on the price or value of Salmat shares.
Insider Trading	The illegal use of company information (including price sensitive information), in order to obtain a financial advantage , when trading in any securities 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 Securities may not be traded. This includes transferring of Securities.
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.
Securities	In this Policy Securities means shares, debentures, convertible notes, bonds, share options, warrants, puts, calls, units of shares or prescribed interests (as defined in the Corporations Law) and other securities issued by or derived from Salmat Limited or its related bodies corporate.

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Document information

The information in this document is for the sole use of Salmat staff. It contains Company Confidential information. This document should not be circulated outside Salmat without the written consent of a business unit manager or higher authority.

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
7.0	21-06-11	Updated	S Bardwell

Release authorisation

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