

Salmat Limited - Corporate Governance Statement

The Board is responsible for the overall corporate governance of Salmat Limited (ABN 11 002 724 638) and its subsidiaries (Salmat), including setting Salmat's strategic direction, policies and practices, establishing goals for management and monitoring the achievement of those goals.

Salmat is committed to implementing the highest possible standards of corporate governance and ensures wherever possible, that its practices are consistent with the Australian Securities Exchange (ASX) Corporate Governance Principles and Recommendations (ASX Principles). This statement outlines the ways in which Salmat has met or departed from the Third Edition of the ASX Principles for the period ended June 2017.

	ASX Principle	Section Reference in Annual Report
	Principle 1 - Lay Solid Foundations for Management and Oversight	
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its Board and management, and;	On Salmat website at: http://www.salmat.com.au/our-company/corporate-governance/board-responsibilities
	(b) Those matters expressly reserved to the Board and those delegated to management	On Salmat website at: http://www.salmat.com.au/company/governance/board-responsibilities
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director, and ;(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	On Page 2 of Annual Report as is Board skills and experience matrix.
1.3	A listed entity should have a written agreement with each director and senior executive setting out their terms of employment.	Complies, held by People department in Workday application.
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the board.	Complies; statement on Page 1 of Annual Report.
1.5	A listed entity should: (a) have a Diversity Policy which includes requirements for the Board or a relevant committee of the Board to set measureable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it, and(c) disclose as at the end of each reporting period the measureable objectives for achieving gender diversity set by the Board or relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation(including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a	Diversity and Inclusion outlined On Salmat website at: http://www.salmat.com.au/company/diversity-and-inclusion Diversity reporting requirements at Pages 5-6 of Annual Report.

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	“relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “ Gender Equality Indicators”, as defined in and published under that Act.	
1.6	A listed entity should : (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	On Page 1 of Annual Report; the Board undertakes an annual review.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Review undertaken annually, outcome of 2017 review disclosed on page 12 of Annual Report.
	Principle 2 – Structure the Board to add value	
2.1	The Board of a listed entity should (a) have a nomination committee which : (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of that committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings ; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	<p>This function has been reserved for the Board due to its size. A statement to this effect is on page 3 of the Annual Report.</p> <p>Membership of all committees is disclosed on the Salmat website at http://www.salmat.com.au/company/governance/committee-membership</p>
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	<p>Published on Salmat website http://www.salmat.com.au/company/corporate-governance/board-skill-and-experience</p>
2.3	A listed entity should disclose : (a) the names of the directors considered by the Board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each director.	<p>The skills experience and independent status of directors is published on the Salmat website at http://www.salmat.com.au/company/governance/board-of-directors</p>
2.4	A majority of the Board of a listed entity should be independent directors.	<p>The definition of an independent director is published on Salmat’s website at http://www.salmat.com.au/company/governance/board-independence</p> <p>Of the Board members; 5 of the 6 members are independent and none are executive.</p>

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2.5	The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chairman of Salmat is not independent due to the shareholding he controls. He does not perform any executive function
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles effectively.	This is described on page 1 of the Annual Report.
	Principle 3 – Promote ethical and responsible decision making	
3.1	A listed entity should; (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Salmat has two policies in this area, (a) Code of Ethics published at http://www.salmat.com.au/company/governance/code-of-ethics (b) Doing the Right Thing published on Salmat intranet with a summary at http://www.salmat.com.au/company/governance/doing-the-right-thing
	Principle 4 – Safeguard integrity in financial reporting	
4.1	The Board of a listed entity should (a) have an audit committee which : (1) has at least three members, all of whom are Non-Executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not chair of the Board and disclose: (3) the charter of that committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Salmat has an Audit Risk and Compliance Committee; details of its operation, membership status and a link to its charter are on Salmat's website at; http://www.salmat.com.au/company/governance/audit,-risk-and-compliance-committee the qualifications and skills of directors are published on the Salmat website at: http://www.salmat.com.au/company/governance/board-of-directors The details of meetings of the committee and attendance are at page 11 of the Annual Report.
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from the CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	This is provided by the CEO and CFO at each six month release of financial results and is outlined at Page 5 of the Annual Report.

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4.3	A listed entity that has an AGM should ensure that its external auditor attend its AGM and is available to answer questions from security holders relevant to the audit.	Complies, and a statement to this effect included in the Annual Report at page 6.
	Principle 5 – Make timely and balanced disclosures	
51.	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Salmat has a Disclosure Policy setting out its approach to compliance with the continuous disclosure obligations of the Corporations Act and ASX Listing Rules. It is published on the Salmat website at: http://www.salmat.com.au/company/governance/disclosure-policy
	Principle 6 – Respect the rights of shareholders	
6.1	A listed entity should provide information about itself and its governance to investors via its website.	It is published on the Salmat website at: http://www.salmat.com.au/company/governance , and https://www.salmat.com.au/company/company-information/about-us
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Salmat has a staff member in charge of Investor Relations. Contact with Investor Relations is published on the Salmat website at: https://www.salmat.com.au/company/investor-relations
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	How to participate, including an outline of the process for participation at Annual General Meetings is contained in the Notice Of Meeting, available both electronically and via mail.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	This is available via the Registry Link Market Services website. Each time a security holder receives mail, a link is communicated to provide an alternate delivery via electronic means for future communications.
	Principle 7 – Recognise and manage risk	
7.1	The Board of a listed entity should (a) have a committee or committees to oversee risk, each of which : (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of that committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Salmat has an Audit Risk and Compliance Committee; details of its operation, membership status and a link to its charter are on Salmat's website at: http://www.salmat.com.au/company/governance/audit,-risk-and-compliance-committee

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		the qualifications and skills of directors are published on the Salmat website at: http://www.salmat.com.au/company/governance/board-of-directors The details of meetings of the committee and attendance are at page 11 of the Annual Report.
7.2	The Board or a committee of the Board: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	This is reviewed at each meeting of the audit risk and compliance committee.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it perform; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Salmat has a risk assurance function, its operation and responsibilities is described at page 5 of the Annual Report.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if it does how it manages or intends to manage those risks.	This is described in the Annual Report at page 9 under the title Business Risks.
	Principle 8 – Remunerate fairly and responsibly	
8.1	The Board of a listed entity should (a) have a remuneration committee which : (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of that committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration of directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Salmat has a People Performance Committee; details of its operation, membership status and a link to its charter are on Salmat's website at: http://www.salmat.com.au/company/governance/remuneration-and-compensation-committee Membership of all committees is disclosed on the Salmat website at: http://www.salmat.com.au/company/governance/committee-membership
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of executive directors and other senior executives.	The company publishes a Remuneration Report Pp 12 – 19 of the Annual Report.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions(whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and(b) disclose that policy or a summary of it	The company has a Securities Trading Policy at: www.salmat.com.au/our-company/corporate-governance/securities-trading-policy In section 3.4 of the Policy, limiting such risk is expressly forbidden.