

# Securities Trading Policy

## Corporate Policy

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# Contents

- 1. Purpose and Scope..... 3**
- 2. Disclosure of Information ..... 3**
  - 2.1. Company disclosure .....3
  - 2.2. Price Sensitive Information .....4
  - 2.3. Insider Trading: Salmat Securities.....4
  - 2.4. Insider Trading: Other Companies .....4
- 3. Share Trading Guidelines ..... 5**
  - 3.1. General restriction .....5
  - 3.2. Share Trading by Directors .....5
  - 3.3. Share Trading by Key Employees .....6
  - 3.4. Unvested Entitlements.....6
- 4. Exceptional Circumstances ..... 7**
  - 4.1. Procedure for Exceptional Circumstances.....7
- 5. Consequences of breach ..... 8**
- 6. Responsibility..... 8**
- 7. Documentation ..... 8**
- 8. References ..... 8**
- 9. Definitions ..... 9**
- Document Information..... 10**

# 1. Purpose and Scope

The purpose of this policy document is to provide employees, including Key Management Personnel and contractors of Salmat Limited and its related entities( Salmat) with price sensitive information with guidelines relating to the trading of Salmat Securities and to ensure that Salmat employees comply with the Corporations Act 2001 (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 Salmat employees including Key Management Personnel and contractors with price sensitive information. This policy does not provide comprehensive legal advice on share trading. If any person does not fully understand any aspect of the contents of this policy, then he or 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 obligation to disclose price sensitive information to The Australian Securities Exchange (ASX).

## 2. Disclosure of Information

### 2.1. Company disclosure

Under the listing rules of the ASX, Salmat must 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 one that 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 or contractor becomes 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 Salmat’s Disclosure Policy.

Hardcopy print date 26-Jun-2015	Version 10.0	Issue date 26-Jun-2015	File name securities trading policy - c (10.0).docx	Page 3 of 10
------------------------------------	-----------------	---------------------------	--	-----------------

## 2.2. 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).
- substantial litigation that Salmat may be involved in.;
- changes to the composition of the Board or possibly senior management.

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

## 2.3. Insider Trading: Salmat Securities

Insider trading is a serious offence under the Act.

If a Salmat employee, director, officer, contractor or a close family member of any of them 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 to reasonably 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. As of 30 January 2015 the maximum penalty for insider trading is 10 years imprisonment and/or a fine being the greater of \$765,000 or three times the amount of the benefit obtained. Civil penalties and compensation may be ordered against a person for engaging in insider trading.

## 2.4. Insider Trading: Other Companies

In the course of your duties with the Company, you may obtain price sensitive information in relation to non-Salmat listed 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.

Hardcopy print date 26-Jun-2015	Version 10.0	Issue date 26-Jun-2015	File name securities trading policy - c (10.0).docx	Page 4 of 10
------------------------------------	-----------------	---------------------------	--	-----------------

### 3. 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.

#### 3.1. General restriction

In line with obligations under the Act outlined above, all employees including Key Management Personnel and contractors (and any of their close family members) are prohibited from dealing with any Salmat Securities whilst in possession of unpublished price sensitive information.

#### 3.2. Share Trading by Directors

The 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 <sup>th</sup> December	1 <sup>st</sup> 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
15th June	1st 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 addition, 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.

Once a trade has been made, the director must send within 24 hours a copy of the trading note to the Chairman and Company Secretary in order that an appropriate ASX notification can be made.

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:
  - o 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;
  - o 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.

Once a trade has been made, the director must send within 24 hours a copy of the trading note to the Chairman and Company Secretary in order that an appropriate ASX notification can be made.

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.

Hardcopy print date 26-Jun-2015	Version 10.0	Issue date 26-Jun-2015	File name securities trading policy - c (10.0).docx	Page 5 of 10
------------------------------------	-----------------	---------------------------	--	-----------------

### 3.3. 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
15th December	1st 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
15th June	1st 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 performance rights or options are not subject to the prohibition period. However, any dealing in shares issued as a result of a performance right or option exercised 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 performance rights or 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. All parties must exercise utmost confidentiality when an embargo is put in place.

### 3.4. 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.

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.

Hardcopy print date 26-Jun-2015	Version 10.0	Issue date 26-Jun-2015	File name securities trading policy - c (10.0).docx	Page 6 of 10
------------------------------------	-----------------	---------------------------	--	-----------------

## 4. Exceptional Circumstances

A specific waiver from any prohibition in dealing with Salmat securities may be granted in exceptional circumstances. Exceptional circumstances includes where a Salmat employee (including Key Management Personnel) may need to deal in Salmat Securities:

1. By compulsion of a law or regulation. For example a court order or court enforceable undertaking to transfer or sell Salmat Securities; and
2. On account of severe financial hardship. For example where the employee has a pressing/urgent financial commitment that cannot be met other than by selling Salmat Securities.

By their nature, not all exceptional circumstances can be specified in advance and there may be a range of other circumstances not identified in this policy that may be deemed exceptional. As a general guide, the Salmat employee must provide reasonable proof that the circumstances are exceptional or that they are in financial hardship and that the proposed dealing is the only action available.

### 4.1. Procedure for Exceptional Circumstances

A waiver request must be submitted in writing to;

The Chairman, Lead Independent Director (if the chairman is not an independent director), Chairman of the Remuneration and Compensation Committee and the Company Secretary accompanied by supporting documentation declaring that;

1. The proposed dealing is the only action available; and;
2. They do not possess non-public price sensitive information affecting Salmat Securities.

These directors may seek any additional information or evidence from the Salmat employee making the request. Each case will be dealt with on a case by case basis.

The granting of the waiver is at Salmat's sole discretion. Salmat will review the waiver application within 7 working days of the application being made.

If the waiver request is being submitted by one of the directors who will review the waiver request, that director will not participate in the review of the waiver request and another director will be substituted for that director to review the waiver request.

If a waiver is granted;

1. The employee must effect the instructions to deal with the Salmat Securities within 24 hours;
2. The dealing must be executed by the end of the following business day; and
3. In the event the dealing is not completed by the end of the following business day, the waiver lapses and the employee must submit an additional waiver request.

Hardcopy print date 26-Jun-2015	Version 10.0	Issue date 26-Jun-2015	File name securities trading policy - c (10.0).docx	Page 7 of 10
------------------------------------	-----------------	---------------------------	--	-----------------

## 5. 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.

## 6. Responsibility

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

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

## 7. Documentation

Salmat Disclosure Policy (as published on salmat.com.au and updated from time to time)

Salmat Securities Trading Notification Form

## 8. References

Corporations Act

Australian Securities Exchange – Listing Rules

Hardcopy print date 26-Jun-2015	Version 10.0	Issue date 26-Jun-2015	File name securities trading policy - c (10.0).docx	Page 8 of 10
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## 9. Definitions

<b>Price Sensitive Information</b>	Any information that a reasonable person would expect to have a material effect on the price or value of Salmat shares.
<b>Insider Trading</b>	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.
<b>Options</b>	Options issued to employees of Salmat under the Salmat Executive Performance Rights Option Plan.
<b>Embargo</b>	A restricted period prescribed by the Salmat Board of Directors, during which time company Securities may not be traded. This includes transferring of Securities.
<b>Key Employee</b>	Any employee of Salmat (either permanent or contractor), who by virtue of their position, is privy to price sensitive information. It includes all executive Key Management Personnel.
<b>Key Management Personnel</b>	Are the directors, the CEO and his direct reports who plan, direct and control the activities directly or indirectly of the company as defined in AASB 124.
<b>Company</b>	Salmat Limited, its subsidiaries, affiliates, joint ventures, partnerships or any other legal entity used in its operations.
<b>Securities</b>	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.

## Document Information

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## Change history

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8.0	29-Oct-13	Updated onto new template, no content changes	Diane Reid	
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## Release authorisation

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