

**SALMAT**

**SALMAT LIMITED**

ABN 11 002 724 638

State of Incorporation/Registration: NSW

# **Disclosure**

Company policy.

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## Purpose and scope

Salmat recognises that timely, accurate and consistent disclosure of public information regarding its operations and financial position will have a beneficial impact on the Company's public profile and credibility. As well, the Company recognises its obligations under the ASX Listing Rules which provides a legal framework for disseminating information to investors and the financial marketplace.

The purpose of this policy is to provide general guidelines to Salmat management in disclosing Company-related information to external parties.

This policy is an integral part of the Company's Investor Relations program.

## Disclosure Objectives

Salmat's objectives in its disclosure practices are as follows:

- To ensure compliance with the ASX Listing Rules and in general, with the letter and the spirit of securities laws in Australia where the Company's securities are traded;
- To ensure that material public information is distributed based on the principle of continuous disclosure, the timely advising of information to keep the market informed of events and developments as they occur;
- To maintain a credible and consistent image with outside audiences;
- To ensure that competitive information is not released unless required and
- To provide accurate information concerning the Company's securities to the domestic capital market.
- To ensure employees are aware of Salmat's continuous disclosure obligations.

## Disclosure Practices

The following sections addresses disclosure requirements and the types of disclosure.

### General Requirements:

#### Disclosure of Material Information

Salmat's securities are listed on the Australian Stock Exchange (ASX). In this context, the Company is subject to regulations regarding its obligations to make public certain material information concerning its operations, corporate structure and financial position.

#### Nature of information which must be disclosed

In Australia, material information is generally construed as "any information concerning an entity that a reasonable person would expect to have a material

effect on the price or value of the entity's securities, the entity must immediately tell the ASX that information." The attached appendix lists examples of developments which are likely to be construed as material. As a guideline, any impact on group revenue or profit of more than 5% may be considered material.

## Timing of announcements

Timely disclosure of relevant information is regarded by The Australian Stock Exchange (ASX) as of prime importance in the operation of an efficient market. The principle underlying continuous disclosure is that timely disclosure must be made of information which may affect security values or influence investment decisions, and information in which security holders, investors and ASX have a legitimate interest.

Listed companies are required to disclose immediately to the ASX any information that might affect the price of their securities.

Prompt disclosure of material information is required, except as noted below.

## When ASX disclosure does not apply

Confidentiality is justified where discussions or negotiations with respect to a potential material development or transaction are at a preliminary stage, or where premature release would be unduly detrimental to the interests of the Company. Under these circumstances, no disclosure need be made if confidentiality can be maintained. Once past the preliminary stage (e.g., when the probability the event will occur has become real), the burden will be on the Company to make the necessary disclosure.

Examples of situations where disclosure may be delayed include the following:

- Where disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations. Disclosure should be made once concrete information such as finalisation of terms or a decision to proceed becomes available;
- Where it would be a breach of a law to disclose the information;
- Where the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- Where the information is generated for the entity's internal managements' purposes;
- Where the information is a trade secret.

## Insider information

Insider information is anything that is or could become material but which has not yet been disclosed. It is of extreme importance to note that any selective disclosure of material, non-public information could subject Salmat and its management to liability under ASX Listing Rules, bad publicity, and lack of credibility within the investment community. Insider information also gives rise to share trading restrictions enforceable by the Australian Securities and Investment

Commission (ASIC). Refer to Salmat's Trading Policy issued under separate cover.

## **Non selective disclosure**

Material information must not, under any circumstance, be disclosed in one-on-one discussions or meetings with outsiders or in group meetings, unless an appropriate public disclosure is made simultaneously.

There is a very limited exception to the above restriction: material information which is not public may be provided by the Company prior to general publication to its bankers, lawyers and other persons having a necessary and confidential business association. This exemption includes key support staff, such as secretaries. All of these persons are, in turn, bound by Salmat's Trading Policy.

## **Maintaining confidentiality:**

A leak of undisclosed material information could require general disclosure of the information at an inopportune time and thereby jeopardise a Company strategy or destroy an important opportunity as well as incur a liability under ASX Listing Rules and securities law.

All employees must make every effort to maintain the confidentiality of Salmat's internal information, including the secure handling and storing of sensitive documents. Access to information regarding sensitive projects should be restricted to individuals whose role provides them with a "need to know."

## **Types of Disclosure:**

### **Formal Releases of Material Information**

Formal release of information includes annual and half-yearly reports, and press releases. The disclosure rules will be regularly monitored by Salmat's Corporate Secretary and Chief Financial Officer and proposed disclosures will be handled only with their involvement.

Examples of formal releases of material information include announcements concerning significant contracts or major projects which will have a material effect on the price or value of Salmat's securities, joint ventures or changes in joint ventures, key management or Board changes, and acquisitions. (see Appendix I)

Formal releases should contain all needed material information. If "Questions and Answers" are prepared, these should contain only clarifications and supporting details to the formal release but not any new or additional material information.

### **Informal Disclosure**

Informal releases of information include replies to enquires by telephone, fax, letter, email or in person from securities analysts, shareholders, the media or members of the public. Examples of informal disclosure include commentary on

industry developments, the impact of government actions, and new products and services. These communications, while more informal, still can have significant impact on the Company and its position in the marketplace. As such, they must be handled by a Designated Spokesperson.

## Guidelines

The following are some basic guidelines that are to be respected in making informal disclosures:

- The individuals who may speak on behalf of Salmat are those indicated as Designated Spokespersons below. If necessary, these spokespersons may coordinate contacts between General, State or Senior managers and analysts. The objective of this guideline is to avoid leaks of sensitive material, and to avoid emitting conflicting or contradictory statements.
- Anyone acting as a spokesperson should be briefed by a Designated Spokesperson with a general review of what information is competitive and never to be disclosed, what is material or could become material, and what information is not yet disclosed.
- Designated Spokespersons must take care to avoid enmeshing the Company's view in analyst reports. The recommended approach is to review the facts and provide only general direction about underlying assumptions, without promoting a particular result. Commentary may be appropriate when all analysts are off the mark or if there are some notable errors. Comfort or discomfort should not be expressed over a particular earnings estimate, nor should a prediction or speculation of any kind (e.g., financial, operational, etc.) be made.
- A corporate blackout policy for two weeks preceding the end of the half-yearly and yearly point is to be strictly respected for all but the most factual information. Analysts generally respect a company for maintaining this policy.
- Disclosure binders are to be maintained for the following material:

*Externally generated reports:* Analyst reports, press accounts, etc. will be filed in order to provide a current and comprehensive account of external perceptions of the Company.

*Internally generated reports:* Written record of changes suggested to analysts' reports, fact books, any other information that may be sent to analysts or investors.

If, as part of a communication with an outsider, a Salmat spokesperson believes that some material, non-public information has been released, the spokesperson must consult with Salmat's Corporate Secretary and Chief Financial Officer to determine what corrective action, if any, should be taken. In extreme cases, it may be necessary to issue a special press release.

## Speeches and Public Presentations

All speeches and public presentations that contain references to financial or operating performances should first be cleared with the Chief Financial Officer. Those referring to corporate policies should be reviewed by the Corporate

Secretary. If it is known that media will or may be attending, the Manager of Marketing and Corporate Communications should be notified.

It is critical that presenters guard against unintended disclosure of material information.

## Responses to Public Comment (Rumours)

A company is not normally obliged to correct or comment on every inaccurate statement made by a third party or to respond to every rumour in the marketplace. It is usually sufficient to state that it is Salmat's policy not to comment on rumours and continue with approved key messages provided by the Manager, Marketing and Corporate Communications.

## Responsibilities - Designated Spokespersons

Only the Chairman, Joint Managing Director, Divisional Directors, CFO and Manager Marketing and Corporate Communications are authorised to provide comment on the company.

Enquiries are to be referred as set out below:

- **Contacts with analysts and professional investors:** Securities analysts, professional investors and other members of the investment community wishing to discuss financial, operating and industry matters are to be referred to the Chief Financial Officer, citing this policy if necessary.
- **Contacts with individual investors:** Routine requests for corporate reports or share or dividend information should be referred to the Company Secretary or Computershare at 1300 556 161 where the request will be recorded and processed.
- **Contacts with news media:** All enquires from news media related to corporate issues and policies are to be referred to Marketing and Corporate Communications at **(03) 9265 3658** in accordance with "Media Policies and Procedures - hca6311". Any media questions pertaining to financial matters should be forwarded to the Manager, Marketing and Corporate Communications.

General and State Managers may respond or be interviewed by local media on topics which relate to general business or local issues. Liaison with the manager, Marketing and Corporate Communications is required to ensure no information is likely to be material or confidential with the Manager, Marketing and Corporate Communications.

Under no circumstance may material information be disclosed to any person outside Salmat unless such information has been previously, or is being simultaneously, disclosed by way of a press release or publicly-filed report. The Chief Financial Officer, Corporate Secretary or Manager, Marketing and Corporate Communications must be involved in initiating such a report.

## Making and disseminating announcements

All material information will immediately be disclosed by the Company Secretary to the ASX.

Following confirmation by the ASX of lodgement the information will be:

- As soon as possible placed on the Salmat Website (by the manager, Marketing and Corporate Communications); and
- Broadcast by email / fax to the companies investor relations database of key shareholders, analysts and media.

The Salmat Website is the key information dissemination point to the broader market. All ASX announcements, media releases, presentations to analysts, brokers and fund managers must be placed on the site as soon as possible. The Manager Marketing and Corporation Communications is responsible for the content of the site.

## Appendix 1 - Material information examples.

While it is impractical to establish an absolute rule in determining what constitutes “*material information*” and whether or when disclosure is required, public disclosure should be considered in the following events (this list is not exhaustive):

1. Changes in revenue, or profit or loss forecasts;
2. Changes in asset values or the amount of liabilities;
3. Changes in taxation or accounting policy;
4. Relationships with new or existing significant customers or suppliers;
5. The formation or termination of a joint venture;
6. Changes in corporate structure, such as reorganisations, amalgamations, mergers, etc.;
7. Changes in share ownership that may affect control of the company;
8. Changes in capital structure (including stock splits);
9. Issuer bids by a company to purchase its own shares;
10. Borrowing of a significant amount of funds;
11. Public or private sale of additional securities;
12. Calling of securities for redemption;
13. Declarations or failure to declare dividends;
14. Increases or decreases in regular dividends;
15. Events of default under financing or other agreements;
16. Significant developments affecting the company’s resources (e.g., technology, production levels, products or markets, IP, downsizing)
17. Corporate acquisitions or significant disposals (shares or assets);
18. Gaining or losing of significant contracts;

19. Significant disputes with labour/unions, contractors or suppliers that would disrupt normal operating processes and procedures and will have a material financial impact;
20. Significant developments in litigation or regulatory proceedings;
21. Firm evidence of significant increases or decreases in near-term earnings prospects;
22. Significant changes in capital investment plans or corporate objectives;
23. Significant changes in management;
24. Changes in the Board of Directors; and
25. Any other development relating to the business and affairs of the Company that would reasonably be expected to significantly affect the market price or value of any of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decision.

As a general guideline, any financial impact which affects group revenue or profit by more than 5% may be considered as material.

Any questions relating to what constitutes 'material information' should be referred to the Chief Financial Officer or Company Secretary.