



## **NOMINATION/GOVERNANCE COMMITTEE CHARTER**

### **Composition of the Committee**

- The Nomination/Governance Committee ('Committee') of the board of directors ('Board') of Sims Metal Management Limited ('Sims MM' or the 'Company') shall comprise at least three directors of the Company, with a majority being independent.
- Appointments, rotations and resignations of Committee members will be recommended to the Board by the Chairperson of the Committee ('Committee Chairperson').
- The Committee Chairperson shall be appointed by the Board and shall be an independent director. The Committee Chairperson may also be the Chairperson of the Board, however, a separate Committee Chairperson shall be appointed if and when the Committee is dealing with the appointment of a successor to the Chairperson of the Board.
- The Group Company Secretary of Sims MM, or his nominee, will act as Secretary of the Committee.

### **Role of the Committee**

The primary role of the Committee is to support and advise the Board in fulfilling its responsibilities to the shareholders of the Company in having a Board comprising individuals who are best able to discharge the responsibilities of directors.

### **Functions of the Committee**

- Reviewing and making recommendations to the Board in relation to:
  - the corporate governance procedures of the Company and any statement on corporate governance required to be made by the Board;

- the appointment, including the process for recruitment, and re-election, of directors, taking into account the policy and procedures contained in Appendix A;
  - following periodic assessment, the necessary and desirable competencies of Board members;
  - Board succession plans generally;
  - induction and continuing professional development programs for directors;
  - the establishment of procedures for, and overseeing, the performance evaluation of non-executive directors, the Board as a whole, and its various committees; and
  - ensuring there are plans in place to manage the succession of the Group Chief Executive Officer and other senior executives.
- Regularly reviewing whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and on Board committees effectively and, where any gaps are identified, considering what training or development could be undertaken to fill those gaps.
  - Performing an evaluation of the Committee's performance at least annually to determine whether it is functioning effectively by reference to current best practice..
  - With regard to the Company's Workplace Diversity Policy ('Policy'):
    - reviewing, noting and monitoring the effectiveness of the Policy both as it relates to Company and Board diversity;
    - reviewing and recommending to the Board any updates to the Policy as deemed necessary;
    - reviewing and approving the measurable objectives for achieving diversity, and
    - annually reviewing both those objectives and progress in achieving them.
  - Reviewing and recommending any update to this Charter as deemed necessary.

## **Operations of the Committee**

- The Committee shall meet at least twice each year and more frequently if required.
- A meeting of the Committee shall be taken to be convened if all Committee members are present.
- An Agenda for a Committee meeting shall, where practicable, be prepared and circulated to Committee members and other relevant individuals at least 48 hours prior to the time of the meeting.
- A Committee meeting may be held by Committee members communicating with each other by any technological means by which they are able to simultaneously hear each other and participate in discussion. The minutes of the meeting shall record the method of communication by which the meeting was conducted.
- Minutes of a Committee meeting shall be taken and tabled at the next convenient Committee meeting. The Committee Chairperson shall report to the Board on any matters of significance recorded in the minutes.
- The Committee, through the Committee Chairperson, may request the attendance at Committee meetings of management and/or staff of Sims MM on a regular or irregular basis, as it deems necessary, to provide appropriate information or explanations.

## **Authority of the Committee**

- In order to perform its duties, the Committee is authorised, via the Sims MM Group Chief Executive Officer, to seek any information it requires from any employee of Sims MM.
- The Committee is authorised to obtain, at Sims MM's expense:
  - legal advice; and
  - advice from senior management of Sims MM,  
on Committee issues; and
  - other professional advice on any matters within its Charter,  
where the Committee considers that advice necessary or appropriate in the carrying out of its duties.

## **Appendix A**

### **NOMINATION/GOVERNANCE COMMITTEE'S POLICY AND PROCEDURES FOR THE SELECTION AND APPOINTMENT OF NEW DIRECTORS AND THE RE-ELECTION OF INCUMBENT DIRECTORS**

The Board seeks to ensure that:

- at any point in time, its membership comprises persons with an appropriate mix of skills, knowledge, experience and diversity to maximise its effectiveness and its contribution to Sims MM; and
- the size of the Board is conducive to effective discussion and efficient decision making.

The appointment of new directors to the Board is considered and nominated by the Committee.

When the need for a new director is identified, the Committee will review the range of skills, experience, expertise, independence and diversity on the Board, identify its needs and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. The Committee will then prepare a short-list of candidates with appropriate criteria. Where necessary, advice will be sought from independent search consultants.

The required commitment of time for candidates will be considered by the Committee prior to preparation of the short-list. In support of his or her candidature for directorship, a candidate will be required to provide the Committee with details of other commitments and an indication of time involved. A candidate is required to acknowledge that he or she has, and will continue to have, the time available to discharge his or her responsibilities to the Company.

The Committee will then nominate those candidates it considers appropriate for appointment as a director and recommend such nominees to the Board accordingly.

The full Board will then, after arranging the undertaking of appropriate background and reference checks, elect and appoint the most suitable nominee(s).

Directors (other than the Group Chief Executive Officer) must retire and seek re-election at the third annual general meeting following their appointment or after three years (whichever is longer). In addition, a director (other than the Group Chief Executive Officer) appointed to fill a casual vacancy or as an addition to the

Board must retire and seek re-election at the first annual general meeting following his or her appointment. Information submitted to shareholders about candidates standing for election or re-election as directors must include their biographical details (including competencies and qualifications and information sufficient to enable an assessment of their independence), details of their relationships with the Company and its directors, details of any other directorships held, particulars of other positions which involve significant time commitments, any term of office already served and any other particulars required by law.

In support of his or her candidature for re-election, a non-executive director will be required to provide the Committee with details of other commitments and an indication of time involved. Prior to being submitted for re-election, a non-executive director will be required to specifically acknowledge to the Company that he or she will have sufficient time to meet what is expected of he or she.

New directors will be provided with a letter of appointment setting out their responsibilities, rights and the terms and conditions of their tenure. All new directors will participate in a formal orientation process which covers financial, strategic, operations and risk management issues as well as expectations for director behaviour.

*This Charter was reviewed and adopted by the Committee on 4 April 2018.*