



## **REMUNERATION COMMITTEE CHARTER**

### **Composition of the Committee**

- The Remuneration 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 independent.
- 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 on the implementation and maintenance of coherent, fair and responsible remuneration policies at Sims MM which are observed and which enable it to attract and retain executives and directors who will create value for shareholders of the Company.

## Functions of the Committee

- Reviewing and making recommendations to the Board on:
  - remuneration policies and practices for the Group Chief Executive Officer and any direct reports to the Group Chief Executive Officer, incorporating the use, where appropriate, of external benchmarking;
  - the progressive linking, where appropriate, of pay with performance against goals established under any relevant Sims MM policies;
  - the remuneration and incentive performance packages of the Group Chief Executive Officer and direct reports to the Group Chief Executive Officer ensuring that they are reasonable, fair and market-competitive and (in the case of incentive or equity-based remuneration) are linked to appropriate and clearly specified performance targets and made in accordance with any necessary shareholder approval;
  - remuneration by gender, including considering whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;
  - Sims MM's recruitment, retention and termination policies and procedures;
  - any changes to the overall Sims MM Group's policy regarding remuneration;
  - the introduction and application of equity based schemes, including allocations;
  - superannuation and retirement plans;
  - the establishment and review of performance goals for the Group Chief Executive Officer;
  - directors' and officers' indemnity and liability insurance policies; and
  - the level of fees (including superannuation where applicable) for the non-executive directors, where necessary with the aid of advice or information from external consultants.
- Overseeing the annual performance appraisal of the Group Chief Executive Officer.
- On the recommendation of the Group Chief Executive Officer, reviewing and approving, on a periodic basis, the remuneration and incentive performance packages and payments of the direct reports to the Group Chief Executive Officer.

- On the recommendation of the Group Chief Executive Officer, reviewing and approving the average salary increase percentages used for the annual salary review.
- Reviewing any transactions between Sims MM and the directors, or any interests associated with the directors, to ensure the structure and the terms of the transaction comply with the law and are appropriately disclosed.
- With regard to employee share, option and other equity based plans:
  - reviewing and making recommendations to the Board regarding the design of all equity based plans;
  - keeping all plans under review in the light of legislative, regulatory and market developments;
  - ensuring that the terms of equity based plans clearly prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under the plans;
  - ensuring that equity based plans are structured in a manner that is consistent with the Company's policy on dealing in its securities; and
  - reviewing and making recommendations to the Board regarding proposed awards to the Group Chief Executive Officer under each plan.
- Overseeing management's preparation of the annual Remuneration Report for inclusion in SimsMM's annual report, and recommending the report to the Board for approval.
- Overseeing the establishment and implementation of appropriate human resources policies and specific remuneration policies (within the overall policy approved by the Board) for the SimsMM Group.
- Overseeing the remuneration framework applied across the SimsMM Group, and making recommendations to the Board as appropriate.
- Reviewing and recommending any update to this Charter as deemed necessary.
- Performing an evaluation of the Committee's performance at least annually to determine whether it is functioning effectively by reference to current best practice.

### **Annual General Meeting**

- The Chairman of the Committee will attend and be available to answer questions regarding the annual Remuneration Report at the Annual General Meeting of the Company.

## **Operations of the Committee**

- The Committee shall meet at least twice each year and as required.
- A meeting of the Committee shall be taken to be convened if at least two Committee members are present, including the Committee Chairperson.
- 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 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.

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