

# Triodos Investment Management

**SIMS Metal Management AGM Date: 2013-11-14**

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|---|---------------|
| <b>1. Re-elect Mr Christopher Renwick</b>   | <b>For</b>    |
| <b>2. Elect Mr Tamotsu (Tom) Sato</b>   | <b>For</b>    |
| <b>3. Elect Mr Robert Bass</b>  | <b>For</b>    |
| <b>4. Approve the Remuneration Report</b><br>Overall remuneration levels paid during the year are considered excessive as share-based payments to all Senior executives exceeded 200% of base salary. In addition, there is no disclosure of the targets for the STI awards. The stock options have no performance conditions and rights have only a single performance condition. Based on these concerns Triodos opposes.   | <b>Oppose</b> |
| <b>5. Approve Grant of Signing RSU award to Mr Claro</b><br>Signing awards are not considered to be best practice, especially where there are no performance conditions other than continued employment. On this basis Triodos opposes  | <b>Oppose</b> |
| <b>6. Approve participation in the Long Term Incentive Plan by Mr. Claro</b><br>The Board is seeking shareholder approval under ASX Listing Rule 10.14, which provides that the Company must not permit a director of the Company to acquire securities under the LTIP without approval of Shareholders. Mr Claro will be entitled to an LTI award (FY2014 LTI Award), comprising: 123,436 Performance Rights with a relative Total Shareholder Return (TSR) performance hurdle set against a peer group of companies and vesting conditions based on this hurdle and on continued employment; 78,153 Performance Rights with an earnings performance hurdle, with vesting conditions based on this hurdle and on continued employment; and 138,714 Options with a market price exercise price, with vesting conditions based on continued employment. The FY2014 LTI Award has a value of US\$1,533,333. The stock options have no performance condition other than stock price appreciation and continued employment. The performance rights are subject to a TSR hurdle. In order for rights to vest, the Company's TSR must be at the 51st percentile or higher against the TSR peer group. Above the 51st percentile, vesting is prorated, with full vesting occurring at the 75th percentile. The Performance rights with an earnings hurdle are based on cumulative EPS. One-half will vest at a cumulative EPS of \$2.00 per share and 100% will vest at \$3.00 per share. The Board may adjust the EPS Figure to exclude the effects of material business acquisitions or divestments and for certain one-off costs. | <b>Oppose</b> |

There is a lack of performance conditions attached to the option awards. The use of a single hurdle for the Performance rights is not considered to be best practice. Therefore, Triodos opposes.

**7. Approve Termination Benefits for Mr Claro**

The exercise of discretion by the Board to give Mr Claro the Pro-Rata Bonus and/or to permit the Continued Equity Award Vesting, and the payment of any Accrued Benefits above his statutory entitlement, may be considered to be a benefit given in connection with his termination. Therefore, Triodos opposes

**Oppose**