



# NOTICE OF 2020 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT SIMS LIMITED (**COMPANY**) WILL HOLD ITS ANNUAL GENERAL MEETING (**MEETING**) OF THE SHAREHOLDERS AT 9.00AM (AEDT) ON TUESDAY, 10 NOVEMBER 2020 AS A VIRTUAL MEETING, ONLINE AT [AGMLIVE.LINK/SGM20](https://agmlive.link/SGM20) FOR THE PURPOSE OF TRANSACTING THE BUSINESS SET OUT IN THIS NOTICE. ONLINE REGISTRATIONS FOR THE AGM WILL COMMENCE AT 8.00AM.

SIMS LIMITED ACN: 114 838 630

8 October 2020

Dear Shareholder

I have the pleasure of inviting you to the 2020 Annual General Meeting of Sims Limited. The health and safety of our people, shareholders and the communities in which we operate is of paramount importance to Sims. Accordingly, in light of the potential health risks created by the COVID-19 pandemic, and taking into consideration the actions taken by Governments to address these concerns, this year Sims' AGM will be held virtually.

We are pleased to offer shareholders the following ways of participating in the AGM online:

- **attending the meeting online.** The online platform will allow shareholders to view the meeting, and vote and submit questions in real-time. Instructions on how to do so are included in the Notice of Meeting and further details are published on the Sims' website. The AGM will be available at [agmlive.link/SGM20](https://agmlive.link/SGM20).
- **lodging a directed proxy in advance of the meeting.** You can do this online at [investorcentre.link/marketservices.com.au](https://investorcentre.link/marketservices.com.au). Instructions on how to appoint a proxy are detailed on the back of the Proxy Form. Proxy Forms must be received no later than 9.00am (AEDT) on Sunday, 8 November 2020 to be valid for the AGM. Proxy Forms may be lodged online or returned by mail or by fax on +612 9287 0309.
- **lodging questions in advance of the meeting.** Shareholder questions can be submitted to the Company Secretary at [gretchen.johanns@simsmm.com](mailto:gretchen.johanns@simsmm.com) at any time before 5.00pm (AEDT) on Tuesday, 3 November 2020.

We encourage all shareholders to vote and ask questions in advance of the meeting. In the event that it is necessary for Sims to give further updates on the arrangements for the meeting, we will inform you through Sims' website and the ASX Market Announcements Platform. We will not be sending shareholders a hard copy of the Notice of Meeting by post ahead of the AGM. This approach is consistent with the relief provided by the Commonwealth Treasurer in response to the COVID-19 pandemic and the Sims Purpose: Create a World without Waste to Preserve Our Planet.

I look forward to your attendance at the Meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read "Gretchen Johannis".

**Gretchen Johannis**  
Company Secretary

# AGENDA ITEMS

## ACCOUNTS AND REPORTS

To receive and consider the financial statements of the Company and its controlled entities for the year ended 30 June 2020 and the related Directors' Report, Directors' Declaration and Auditor's Report.

## RE-ELECTION AND ELECTION OF DIRECTORS MRS HEATHER RIDOUT

### RESOLUTION 1

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mrs Heather Ridout, who retires by rotation at the Annual General Meeting in accordance with the Company's Constitution and the ASX Listing Rules and having offered herself for re election and being eligible, be re-elected as a Director of the Company."

## MR THOMAS GORMAN

### RESOLUTION 2

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Thomas Gorman, who having been appointed as an additional Director since the last Annual General Meeting retires at the Annual General Meeting in accordance with the Company's Constitution and the ASX Listing Rules and having offered himself for election and being eligible, be elected as a Director of the Company."

## REMUNERATION REPORT

### RESOLUTION 3

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2020 (as set out in the Directors' Report) is adopted."

A voting exclusion applies to this resolution.

## PARTICIPATION IN THE COMPANY'S LONG TERM INCENTIVE PLAN BY MR FIELD

### RESOLUTION 4

To consider and, if thought fit, pass the following resolution as a ordinary resolution:

"That approval is given for the purpose of ASX Listing Rule 10.14 and for all other purposes, for the Company to issue to Mr Alistair Field, the Chief Executive Officer and Managing Director of the Company, 320,802 Performance Rights (representing 134,181 TSR Performance Rights and 186,621 Strategic Performance Rights) under the terms of the Company's Long Term Incentive Plan, as more particularly described in the Explanatory Memorandum accompanying this notice of meeting."

A voting exclusion applies to this resolution.

Further information in relation to the Meeting and the business to be considered is set out in the following pages, which form part of this Notice of Meeting.

## By order of the Board



Gretchen Johannis  
Company Secretary  
8 October 2020

# INFORMATION FOR STAKEHOLDERS

## ELIGIBILITY TO VOTE

For the Meeting, shares will be taken to be held by persons who are registered as shareholders as at 7.00pm (AEDT) on Monday, 9 November 2020. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Meeting.

## REGISTRATION

Shareholders may register to attend the Meeting virtually and vote via the online platform at [agmlive.link/SGM20](https://agmlive.link/SGM20).

Online registration for the AGM will commence from 8.00am on Tuesday, 10 November 2020 (AEDT).

## VOTING ON RESOLUTIONS

Each of the resolutions set out in this Notice of Meeting will be decided by poll.

## ONLINE PLATFORM

Due to the COVID-19 situation, this year, shareholders (or their proxies) have the ability to attend the meeting and vote, ask questions and make comments in real-time using the online platform.

The Company recommends logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting 9.00am (AEDT) using the instructions below.

- Enter the Company voting link [agmlive.link/SGM20](https://agmlive.link/SGM20) into the web browser on a mobile or online device;
- Shareholders will need their Securityholder Reference Number or Holder Identification Number; and
- Proxyholders will need their proxy code, which Link Market Services will provide via email no later than 24 hours prior to the Meeting.

More information about online participation in the Meeting is available in the AGM Online Guide at [www.simsltd.com/AGM](https://www.simsltd.com/AGM).

## WEBCAST

Shareholders also may view a live webcast of the meeting at [agmlive.link/SGM20](https://agmlive.link/SGM20).

## SHAREHOLDER VOTING & PROXIES

Each shareholder who is entitled to vote at the Meeting has the right to appoint a proxy to attend online and vote on the shareholder's behalf. The proxy need not be a shareholder of the Company and may be an individual or a body corporate. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the proxy appointments do not specify a proportion or number, each proxy may exercise half of the shareholder's votes.

Even if you plan to attend the virtual Meeting, you are still encouraged to submit a directed proxy in advance of the Meeting so that your vote can be counted if for any reason you cannot attend (for example, if there is an issue with your internet connection on the day of the Meeting).

## LODGING YOUR PROXY FORM PRIOR TO THE MEETING

A Proxy Form (and any power of attorney or other authority under which it is signed (if any), or a certified copy of the power of attorney or authority), must be received by the Company by **9.00am (AEDT) on Sunday, 8 November 2020**. Proxy Forms received after this time will not be effective for the Meeting.

Proxy Forms may be lodged with the Company:

- online at the Company Share Registry's website: [investorcentre.linkmarketservices.com.au](https://investorcentre.linkmarketservices.com.au)
- by depositing at the share registry of the Company, Link Market Services Limited (**Link**), located at Level 12, 680 George Street, Sydney NSW 2000 or 1A Homebush Bay Drive, Rhodes NSW 2138 (or by mail to Locked Bag A14, Sydney South NSW 1235); or

- by sending by facsimile to the Company Share Registry on +612 9287 0309.

## CORPORATE REPRESENTATIVES

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should send a properly executed letter or other document confirming their authority to act as the Shareholder's representative to the Company Secretary at [gretchen.johanns@simsmm.com](mailto:gretchen.johanns@simsmm.com) by 7.00pm (AEDT) on Monday, 9 November 2020.

## DIRECTING YOUR PROXY HOW TO VOTE

If you want to direct your proxy how to vote on a particular Item of Business, please mark the appropriate box on the Proxy Form.

If you mark the abstain box for a particular Item of Business, you are directing your proxy not to vote on that item.

If you do not mark any particular Item of Business, you are directing your proxy to vote as he or she decides, subject to any voting exclusions that may apply to the proxy.

## KEY MANAGEMENT PERSONNEL (KMP) APPOINTED PROXY

If a shareholder appoints a member of the Company's KMP (which includes Directors) as proxy, they will not be able to cast the shareholder's vote on items 3 and 4, unless the shareholder directs them how to vote or the Chairman of the meeting is or becomes the proxy (see below).

## CHAIRMAN APPOINTED PROXY

A shareholder may appoint the Chairman of the Meeting as proxy. The Chairman of the Meeting will be deemed to be a shareholder's proxy if the shareholder submits the Proxy Form, but does not name a proxy or if the person appointed proxy does not attend the Meeting online.

If the shareholder provides a voting direction on a particular item of Business, the Chairman must vote in accordance with the direction on a poll.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items on the agenda.

## SHAREHOLDER QUESTIONS

If you would like to submit a question to the Company or the Auditor in advance of the Meeting, please email your question to the Company Secretary at [gretchen.johanns@simsmm.com](mailto:gretchen.johanns@simsmm.com).

To allow time to collate questions and prepare answers, questions are to be received by the Company Secretary by 5.00pm on Tuesday, 3 November 2020. The Chairman will endeavour to address as many of the most frequently raised topics as possible during the Meeting but there may not be time to address all questions. Please note that individual responses will not be sent to shareholders.

## TECHNICAL DIFFICULTIES

It is possible that technical difficulties may arise during the course of a virtual meeting. The Chairman of the Meeting has discretion as to whether and how the Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid instructions. For this reason, shareholders are encouraged to lodge a Proxy Form in advance of the Meeting even if they plan to attend the Meeting online.

## BUSINESS OF THE MEETING

### ACCOUNTS AND REPORTS

The Financial Report, Directors' Report and the Auditor's Report for the financial year ended 30 June 2020 (**FY2020**) will be laid before the Meeting.

Together, the Financial Report, Directors' Report and the Auditor's Report constitute the Company's FY2020 Annual Report. Unless Link has been notified otherwise, Shareholders will not be sent a hard copy of the Annual Report. All Shareholders can view the FY2020 Annual Report on the Company's website at [www.simsltd.com](http://www.simsltd.com).

Following the consideration of the Reports, the Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Auditor's Report or the conduct of the audit. A list of written questions, if any, submitted by Shareholders will be made available at the start of the Meeting and any written answers tabled by the Auditor at the Meeting will be made available as soon as practicable after the Meeting.

### RESOLUTION 1 – RE-ELECTION OF DIRECTOR – HEATHER RIDOUT (AGE 66)

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

The ASX Listing Rules require that the Company hold an election of Directors at least once per year. The Company's Constitution requires that at least one Director, excluding the Managing Director, must retire each year. The retiring Director is then eligible to offer herself for re-election by Shareholders.

Mrs Ridout retires by rotation and, being eligible, offers herself for re-election as a Director.

Mrs Ridout was appointed as a Director in September 2011. She was appointed Chairperson of the Remuneration Committee in December 2018, and is a member of the Safety, Health, Environment, Community & Sustainability (SHECS) Committee, the Risk Committee, and the Nomination/Governance Committee.

Mrs Ridout is an experienced company director with a long history as a leading figure in the public policy debate in Australia. She was formerly the Chief Executive Officer of the Australian Industry Group from 2004 until her retirement in April 2012. Mrs Ridout joined the Trustee Board of AustralianSuper, the largest pension fund in Australia, in 2007, served as Chair from 2013 until September 2019, and is currently an Alternate Director and member of the Investment Committee. Mrs Ridout also serves as a director of Australian Securities Exchange Limited since August 2012, and a director of the Australian Chamber Orchestra since December 2012.

Her previous appointments include member of the Board of the Reserve Bank of Australia from 2012 until 2017, a member of the Henry Tax Review panel, a board member of Infrastructure Australia and the Australian Workforce and Productivity Agency, and a member of the Climate Change Authority and the Prime Minister's Taskforce on Manufacturing. She has an economics degree, with honours, from the University of Sydney and, in 2013, was awarded the rank of Officer of the Order of Australia (AO). The Board considers Mrs Ridout to be an Independent Director.

Prior to submitting herself for re-election, Mrs Ridout acknowledged to the Company that she would have sufficient time to properly fulfil her duties to the Company.

#### **Board's recommendation**

*The Board, with Mrs Ridout absent and not voting, unanimously recommends that Shareholders vote in favour of the re-election of Mrs Ridout for the reasons summarised above.*

### RESOLUTION 2 – ELECTION OF DIRECTOR – THOMAS GORMAN (AGE 60)

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Gorman was appointed as a director of the Company with effect from 15 June 2020. In accordance with the Company's Constitution and the ASX Listing Rules, Mr Gorman offers himself for election at this Meeting.

Mr Gorman is a member of the Safety, Health, Environment, Community & Sustainability (SHECS) Committee.

Mr Gorman has broad experience in leading global businesses. He served as the Global Chief Executive Officer of Brambles Ltd for seven years, retiring in February 2017. Prior to Brambles, Mr Gorman held a number of senior executive positions over a 21 year career at Ford Motor Company, culminating in President and Chief Executive Officer of Ford Australia from 2004 to 2008. Mr Gorman also is an experienced company director. He is a director of two ASX-listed companies, Worley Ltd, a global provider of professional project and asset services, and Orora Ltd, a packaging solutions specialist. Mr Gorman holds a Bachelor of Arts in Economics from Tufts University, a Master of Business Administration from Harvard Business School, and a Global Master of Arts in International Relations and Affairs from Tufts University.

Prior to submitting himself for election, Mr Gorman acknowledged to the Company that he would have sufficient time to properly fulfil his duties to the Company.

Appropriate background checks were completed before Mr Gorman was appointed to the Board.

#### **Board's recommendation**

*The Board, with Mr Gorman absent and not voting, unanimously recommends that Shareholders vote in favour of the election of Mr Gorman for the reasons summarised above.*



## RESOLUTION 3 - REMUNERATION REPORT

The Remuneration Report is contained in the Directors' Report of the Company's FY2020 Annual Report. The Remuneration Report:

- explains the policies behind, and structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance; and
- sets out the remuneration details for the non-executive directors, the Group CEO and the group of executives of the Company who together have the authority and responsibility for planning, directing and controlling the activities of the Company.

The Corporations Act requires listed companies to put the Remuneration Report for each financial year to a resolution of members at their Annual General Meeting. Under section 250R(3) of the Corporations Act 2001 (Cth), the vote is advisory only and does not bind the Directors or the Company.

The Chairman will give Shareholders a reasonable opportunity at the Meeting to ask questions about or make comments on the Remuneration Report.

### Voting on Advisory Resolution 3

The Company will disregard any votes cast on this resolution:

- by or on behalf of a person who is a member of the key management personnel whose details are included in the Remuneration Report for the year ended 30 June 2020 or their closely related parties (regardless of the capacity in which the vote is cast); or
- as proxy by a person who is a member of the key management personnel on the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote:

- in accordance with the directions on the proxy form; or
- by the person chairing the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected with the remuneration of the key management personnel.

### Board's recommendation

*The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.*

## RESOLUTION 4 - PARTICIPATION IN THE COMPANY'S LONG TERM INCENTIVE PLAN (LTIP) BY MR FIELD

The Board (with Mr Field absent and not voting) believes it is appropriate that the Group CEO and Director, Mr Field, receive a grant of Performance Rights, subject to performance hurdles and more fully described below.

The Board considers it appropriate for shareholders to vote on the grant of Performance Rights under the LTIP to Mr Field, even though shareholder approval for the grant is not required under the Listing Rules because any shares will be purchased on-market.

The Board believes that the grant of the Performance Rights, pursuant to the LTIP introduced in 2007, is an important element of the Company's remuneration strategy for the Group CEO. For FY2021, the Group CEO's current total remuneration package is as follows:

- cash remuneration of A\$1,716,912 per annum (**Base**) and other benefits (**Total Fixed Remuneration or TFR**);
- a short-term incentive (**STI**) opportunity of 100% of Base (target) and 200% of Base (maximum); and
- an annual performance-based long-term incentive (**LTI**) award equal to 200% of Base at maximum vesting. Consequently, Mr Field's LTI award for FY2021 (**FY2021 LTI Award**) has a value of A\$3,433,824.

Shareholders are referred to the remuneration report for full details of Mr Field's remuneration.

Subject to Shareholders passing this Resolution 4, Mr Field will be entitled to the FY2021 LTI Award, comprising three parts:

1. **TSR Performance Rights.** A grant of 134,181 Performance Rights with a nil issue and exercise price, with vesting based on the TSR of the Company relative to the performance of a peer group of companies comprising the ASX200 Materials and Energy Sectors as of 1 July 2020 (subject to a continued employment vesting condition described in more detail below) (**TSR Performance Rights**). The list of these comparators is in Annexure 1 to this Explanatory Memorandum. This grant would constitute approximately 22% of Mr Field's FY2021 LTI Award based on the fair value of the grant on August 31, 2020 using a Monte Carlo simulation to determine the valuation of each Performance Right.
2. **Strategic Performance Rights.** A grant of 186,621 Performance Rights with a nil issue and exercise price, with vesting based on the achievement against a scorecard of three-year goals tied to the Company's strategic plan (subject to a continued employment vesting condition described in more detail below) (**Strategic Performance Rights**). This grant would constitute approximately 45% of Mr Field's FY2021 LTI Award based on the average closing price of ordinary shares traded on the ASX in the five trading days up to and including August 31, 2020.
3. **SSI Performance Rights.** A grant of 11,332 Strategic Share Incentives with the right to earn a cash award, which will be used for the on-market purchase of the Company's ordinary shares on the ASX (**Shares**). The Strategic Share Incentives will vest based on the achievement against a scorecard of one-year goals tied to the Company's strategic plan (**SSI Performance Rights**). Any shares purchased for Mr Field will have holding requirements of three years for 50% of the award and four years for the remaining 50% (**Deferred Shares**). The number of Deferred Shares actually received will depend on the closing price of the Company's ordinary shares at the date of vesting. This grant would constitute approximately 33% of Mr Field's FY2021 LTI Award.

The FY2021 LTI Award is subject to performance conditions that are closely aligned to the growth strategy the Company announced in April 2019. The Company is focused on broadening its participation in the environmental sector through a portfolio of businesses aligned to its Purpose, Create a World without Waste to Preserve Our Planet. The Board strongly believes that the FY2021 LTI framework with both strategic performance and TSR conditions will motivate the performance necessary to achieve the Company's strategic goals and maximise shareholder value creation.

The Board believes that the proposed grant of the FY2021 LTI Award to Mr Field is an approach that will support both the Company's strategic growth and shareholder expectations.

# EXPLANATORY MEMORANDUM FOR THE 2020 ANNUAL GENERAL MEETING (MEETING)

## Key terms of TSR Performance Rights, Strategic Performance Rights and SSI Performance Rights (together, the FY2021 Performance Rights)

### TSR Performance Rights

The TSR Performance Rights are subject to a vesting condition based on a TSR performance hurdle. The performance period in which the TSR Performance Rights will be tested is the three-year period commencing 1 July 2020 (**Start Date**) and ending 30 June 2023 (**Test Date**) (**Performance Period**).

TSR measures the change over a particular period in the price of shares plus dividends notionally re-invested in shares.

The Company's TSR for the Performance Period will be compared against the constituent companies of the ASX200 Materials and Energy Sectors as of 1 July 2020 (**Comparators**). The list of the Comparators is in Annexure 1 to this Explanatory Memorandum (**Comparator Group**). The Comparator Group may be adjusted from time to time by the Board in its discretion (for example, if a company is delisted in the future or its TSR is no longer ascertainable).

In order for any of Mr Field's TSR Performance Rights granted to him under the FY2021 LTI Award to vest, the Company's TSR for the relevant Performance Period must place the Company at, or above, the 50th percentile relative to the TSRs of the Comparator Group.

Based on the Company's relative TSR performance over the Performance Period, Mr Field's TSR Performance Rights will vest in accordance with the following table:

The Company's TSR relative to TSRs of Comparator Group	Proportion of TSR Performance Rights vesting	Number of TSR Performance Rights vesting
Below 50 <sup>th</sup> Percentile	0%	0
At 50 <sup>th</sup> Percentile	50%	67,091
Between 50 <sup>th</sup> and 75 <sup>th</sup> Percentile	Straight-line vesting between 50% and 100%	Straight-line vesting
At or Above 75 <sup>th</sup> Percentile	100%	134,181

TSR is calculated in each case on the following basis:

- dividends are re-invested on the ex-dividend date;
- Share prices are calculated as a volume weighted average sale price of Shares on the ASX for the three months preceding the Start Date and the three-month period up to and including the Test Date; and
- tax and any franking credits (or similar) will be ignored.

The TSR Performance Rights will be tested for satisfaction of the vesting conditions at the Test Date. Any TSR Performance Rights that have not vested as at the Test Date will immediately lapse.

If the TSR Performance Rights vest, they will be automatically exercised (with no further action required on the part of Mr Field) into one Share for each vested TSR Performance Right, as applicable, on the last business day in August 2023 (**Rights Vesting Date**).

### Strategic Performance Rights

The Strategic Performance Rights are subject to a vesting condition based on achievement of goals over the performance period and achievement of a Return on Capital (**ROC**) metric.

The performance period in which the Strategic Performance Rights will be tested is the three-year period commencing 1 July 2020 (**Start Date**) and ending 30 June 2023 (**Test Date**) (**Performance Period**).

The goals for the Strategic Performance Rights are tied to the Company's growth strategy that it announced in April 2019 and are set out in the table below:

Strategic Goals	Measure at Test Date (30 June 2023)
Expand metal volumes in favourable geographies	Global ferrous volumes of 8.0 million tonnes
Grow non-ferrous business	Sales of US non-ferrous volumes of 200,000 tonnes
Enter resource renewal	Commissioned Campbellfield Resource Renewal Facility Fully operational pilot plant in Rocklea, QLD Gain regulatory approval of the commercial use of Sims Plasma technology in Australia
Grow municipal recycling	Secure additional city municipal recycling contracts
Recycle the cloud	Recycle 100,000 tonnes of cloud material
Business Transformation	Progress toward the Company's announced goal of acquiring or building 50 megawatts of landfill energy by fiscal year 2025 outside Australia

# EXPLANATORY MEMORANDUM FOR THE 2020 ANNUAL GENERAL MEETING (MEETING)

The Board will assess each goal and determine an overall achievement level (**Strategic Rights Goal Achievement Percentage**) having regard to both the specific objectives underpinning the strategy and the extent to which the measures in the table above are achieved. While this introduces an element of subjectivity to the assessment, substantial achievement against the measures will be required for a partial achievement percentage to be awarded. The measures above will be transparently reported as will the progress against the strategic objectives.

The ROC metric achievement will be determined in accordance with the following table using achievement of FY23 ROC results:

FY23 ROC	ROC Achievement Percentage
10% or Below	70%
10%-12%	Straight line interpolation
12% or Above	100%

For this purpose, ROC is defined as Earnings before Interest and Tax, divided by Non-Current Assets.

The Strategic Performance Rights will vest in a percentage equal to the Strategic Rights Goals Achievement Percentage, multiplied by the ROC Achievement Percentage.

The Strategic Performance Rights will be tested for satisfaction of the vesting conditions at the Test Date. Any Strategic Performance Rights that have not vested as at the Test Date will immediately lapse.

If the Strategic Performance Rights vest, they will be automatically exercised (with no further action required on the part of Mr Field) into one Share for each vested Strategic Performance Right, as applicable, on the last business day in August 2023 (**Rights Vesting Date**).

The Board has discretion in relation to the calculation and testing of the Strategic Performance Rights and ROC measures. The decision to vest the Strategic Performance Rights is subject to the overriding discretion of the Board, which may adjust outcomes to reflect shareholder expectations or management performance.

## SSI Performance Rights

The SSI Performance Rights are subject to a vesting condition based on achievement of goals over the performance period. The value for the achieved SSI Performance Rights is AUD\$100 for each vested SSI Performance Right (**SSI Achievement Value**). The SSI Achievement Value is divided by the closing price of the Company's shares traded on the ASX on the Vesting Date to determine a number of Deferred Shares which must be purchased on market. The number of shares that Mr Field will receive (if any) will depend on whether the performance conditions (described below) are achieved and the share price of the Company's shares on the SSI Vesting Date.

The performance period in which the SSI Performance Rights will be tested is the one-year period commencing 1 July 2020 (**Start Date**) and ending 30 June 2021 (**SSI Test Date**) (**SSI Performance Period**).

The goals for the SSI Performance Rights are tied to the Company's growth strategy that it announced in April 2019 and are explained in the table below:

Weight	Goal	Measure at Test Date (30 June 2021)
10%	Expand metal volumes in favourable geographies	Global ferrous volumes of 7 million tonnes (including NFSR)  Expansion of operations in order to advance the Company's growth strategy and FY2025 goals
10%	Grow non-ferrous business	Sales of US non-ferrous volumes of 160 thousand tonnes  Expansion of operations in order to advance the Company's growth strategy and FY2025 goals
15%	Enter resource renewal	1. Complete lodgment of EPA Works approval and Council Planning Approval submissions for Campbellfield  2. Commence planned production trials in Oregon, USA  3. Approval by the Sims Board for the capital to construct of the Rocklea Pilot Plant
5%	Grow municipal recycling	Complete review of strategic alternatives.  Secure a new city municipal recycling contract for Sims Municipal Recycling
20%	Recycle the cloud	Recycle, reuse or redeploy 33,000 tonnes of cloud material
20%	One Sims - ERP	Achievement of certain success indicators, including: <ul style="list-style-type: none"><li>Release global HR solution</li><li>Release sales and outbound logistics for Global Trade, the US and the UK</li></ul>
20%	One Sims - Business Transformation	Successfully launch and embed new operating model in North America commercial and operations, and global support functions.

While some goals are able to be disclosed in advance, others are commercial in confidence. The Board will assess in detail each component of the goals described in the table above and determine an achievement level. The proportion of SSI Performance Rights that vest will be the weighted average achievement level for the goals. For each goal where SSI Performance Rights have been granted, the achievement giving rise to the grant will be described in the 2021 Remuneration Report.

The SSI Performance Rights will be tested for satisfaction of their vesting conditions at the SSI Test Date. Any SSI Performance Rights that have not vested as at the Test Date will immediately lapse.

If the SSI Performance Rights vest, they will be automatically exercised (with no further action required on the part of Mr Field) into a cash award, which will be used to purchase Shares on market as described above.

The Board has discretion in relation to the calculation and testing of the SSI measures. The decision to vest the SSI Performance Rights is subject to the overriding discretion of the Board, which may adjust outcomes to reflect shareholder expectations or management performance.

## TERMS APPLYING TO ALL FY2021 PERFORMANCE RIGHTS

### (a) *Continued employment vesting condition:*

In addition to the Company meeting the applicable performance hurdles specified above, subject to the terms of his Executive Employment Agreement, Mr Field must also continue to be a full-time employee of the Company (or its subsidiary) at the applicable Rights Vesting Date for the FY2021 Performance Rights to vest.

Under the terms of his Executive Employment Agreement, Mr Field's unvested FY2021 Performance Rights continue to vest in the following circumstances:

- (i) If Mr Field's employment is terminated by the Company for convenience, unless the Board determines otherwise acting reasonably having regard to the performance of Mr Field.
- (ii) If Mr Field terminates his employment for good reason.
- (iii) If Mr Field's employment is terminated on his death or permanent disablement.

If the above circumstances are not met, or the Board does not otherwise exercise its discretion under the terms of the LTIP, unvested FY2021 Equity Rights will lapse upon Mr Field's employment ceasing.

All FY2021 Performance Rights will lapse and be immediately forfeited in cases of fraud, gross dishonesty or termination of Mr Field's employment for cause.

### (b) *Change of control:*

The Board has the discretion to immediately vest Mr Field's unvested FY2021 Performance Rights if:

- (i) a person who did not control the Company at the date of grant of the FY2021 Performance Rights gains control of the Company; or
- (ii) a takeover bid is recommended by the Board, or a scheme of arrangement which would have a similar effect to a full takeover bid is approved by the Company's Shareholders.

## **Equity Rights generally**

In relation to Equity Rights, the LTIP Rules:

- (a) prohibit the executive from hedging unvested awards;
- (b) allow the Company to settle awards in cash upon vesting at the Board's discretion;
- (c) state that if, prior to their exercise, the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash), the terms of the Equity Rights will be changed to the extent necessary to comply with the ASX Listing Rules as they apply at the relevant time to a reorganisation of capital; and
- (d) state that the holder is not entitled to participate in a new issue of shares or other securities made by the Company to holders of its shares unless the Equity Rights are vested and exercised before the record date for the relevant issue.

The LTIP can be amended by the Board, subject to ASX Listing Rules.

## ASX LISTING RULES REQUIREMENTS

The following further information is provided for the purposes of the ASX Listing Rules:

- (a) Listing Rule 10.14 provides that a listed company must not issue shares to a Director under an employee incentive scheme unless it obtains the approval of its shareholders. The Company is seeking shareholder approval in relation to the grant of TSR Performance Rights and Strategic Performance Rights to Mr Field despite the fact that approval is not required under the Listing Rules because any shares will be purchased on-market. If approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Field.
- (b) Under Mr Field's FY2021 LTI Award, the maximum number of TSR Performance Rights that will be granted to him is 134,181 and the maximum number of Strategic Performance Rights that will be granted to him is 186,621. Each earned TSR Performance Right and Strategic Performance Right on vesting, entitles Mr Field to be issued one Share.
- (c) No issue price is payable by Mr Field for the grant of the FY2021 Performance Rights. No exercise price is payable to exercise the FY2021 Performance Rights (subject to the vesting conditions being satisfied).
- (d) A total of 1,790,866 Equity Rights have previously been granted to Mr Field for nil consideration under the LTIP since he commenced employment with Sims, of which 606,034 are unvested and remain subject to meeting performance conditions and 249,669 have been forfeited.
- (e) All Directors are eligible under the terms of the LTIP to participate in the LTIP, although there is no intention to make awards to Non-Executive Directors.
- (f) A voting exclusion statement for Resolution 4 is set out below.
- (g) No loan is advanced to Mr Field in relation to the proposed grant of the FY2021 Performance Rights.
- (h) If Resolution 4 is passed, the Company intends that the FY2021 Performance Rights will be granted to Mr Field on 11 November 2020. In any event, the Performance Rights will be granted no later than 12 months after the Meeting.
- (i) Details of any Performance Rights issued under the LTIP will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of shares under the LTIP after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.



## ***Voting exclusion statement***

The Company will disregard any votes on this resolution:

- cast in favour of the resolution by or on behalf of any Director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, that person; and
- cast as proxy by a person who is a member of the key management personnel on the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast:

- as proxy or attorney for a person entitled to vote in accordance with a direction given to the proxy or attorney to vote in that way; or
- by the person chairing the meeting as proxy for a person entitled to vote, in accordance with an express authorisation to vote as the proxy decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - o the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

## ***Board's recommendation***

*The Board, with Mr Field absent and not voting, unanimously recommends that Shareholders vote in favour of Resolution 4, which will complete the Company's remuneration strategy for Mr Field for FY2021.*

# ANNEXURE 1

## Comparator companies for TSR performance hurdle

Company Name	Ticker
ADBRI Limited	ABC
Alumina Limited	AWC
Amcor plc	AMC
BHP Group	BHP
BlueScope Steel Limited	BSL
Boral Limited	BLD
Brickworks Limited	BKW
CSR Limited	CSR
Evolution Mining Limited	EVN
Fletcher Building Limited	FBU
Fortescue Metals Group Limited	FMG
Gold Road Resources Limited	GOR
IGO Limited	IGO
Iluka Resources Limited	ILU
Incitec Pivot Limited	IPL
James Hardie Industries plc	JHX
Lynas Corporation Limited	LYC
Mineral Resources Limited	MIN
Newcrest Mining Limited	NCM
Northern Star Resources Limited	NST
Nufarm Limited	NUF
Orica Limited	ORI
Orocobre Limited	ORE
Orora Limited	ORA
OZ Minerals Limited	OZL
Perenti Global Limited	PRN
Perseus Mining Limited	PRU
Regis Resources Limited	RRL
Resolute Mining Limited	RSG
Rio Tinto Group	RIO
Sandfire Resources Limited	SFR
Saracen Mineral Holdings Limited	SAR
Silver Lake Resources Limited	SLR
Sims Limited	SGM
South32 Limited	S32
St Barbara Limited	SBM
Western Areas Limited	WSA
Ampol Limited	ALD
Beach Energy Limited	BPT
Cooper Energy Limited	COE
New Hope Corporation Limited	NHC
Oil Search Limited	OSH
Origin Energy Limited	ORG
Santos Limited	STO
Viva Energy Group Limited	VEA
Washington H. Soul Pattinson and Company Limited	SOL
Whitehaven Coal Limited	WHC
Woodside Petroleum Ltd	WPL
Worley Limited	WOR





**SIMS  
LIMITED**

Sims Limited  
ABN 69 114 838 630

## LODGE YOUR VOTE



**ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



**BY MAIL**  
Sims Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



**BY FAX**  
+61 2 9287 0309



**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000



**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



**X99999999999**

## PROXY FORM

I/We being a member(s) of Sims Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

☐ **the Chairperson of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairperson of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairperson of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **9:00am on Tuesday, 10 November 2020 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/SGM20> (refer to details in the Notice of Meeting).

**Important for Resolutions 3 & 4:** If the Chairperson of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairperson of the Meeting to exercise the proxy in respect of Resolutions 3 & 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairperson of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an ☒.**

#### Resolutions

**For Against Abstain\***

**1** Re-election of Mrs Heather Ridout

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**2** Election of Mr Thomas Gorman

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**3** Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**4** Participation in the Company's Long Term Incentive Plan by Mr Field

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

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Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**SGM PRX2001N**





## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [vote@linkmarketservices.com.au](mailto:vote@linkmarketservices.com.au) prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:00am on Sunday, 8 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Sims Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)