



REMUNERATION & NOMINATIONS COMMITTEE  
WEB SITE STATEMENT

## **Remuneration & Nominations Committee Web Site Statement**

The SMS Remuneration & Nominations Committee Charter sets out the functions and responsibilities of the Remuneration & Nominations Committee along with certain matters relevant to the operation of the Committee.

### **Committee's Role:**

The role of the Committee is to assist the Board of Directors in the effective discharge of its responsibilities for ensuring that the Company:

1. In relation to its Remuneration responsibilities:
  - i. Has remuneration policies and practices that are observed and that enable it to attract and retain executives and directors who will create value for shareholders;
  - ii. Fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executive and the external remuneration environment and;
  - iii. Fairly and responsibly remunerates and rewards employees of the Company.
2. In relation to its Nomination responsibilities, ensuring that the Board comprises individuals who are best able to discharge the responsibilities of Directors, having regard to the law and the highest standards of governance.

### **Committee's Rights:**

The Committee has the right to seek and obtain independent professional advice to assist it with its functions for Company related matters. This advice is at the Company's expense and is subject to an estimate of costs being first approved by the Chairman of the Board in advance as being reasonable.

### **Committee's Remuneration Responsibilities:**

- i. Reviewing the overall Human Resources strategy and monitoring its implementation;
- ii. Reviewing and making recommendations to the Board regarding the design of executive incentive based plans;
- iii. Reviewing and recommending to the Board the Remuneration Policy and other terms and conditions for the Chief Executive Officer and other executives;
- iv. Reviewing and approving the selection (including remuneration) of direct reports to the Chief executive Officer, and as appropriate other executives;
- v. Developing performance management processes for the direct reports to the Chief Executive Officer;
- vi. Monitoring the plans for the development and succession of the Chief Executive Officer and other business critical roles;

- vii. Reviewing and approving proposed termination payments for the Chief Executive Officer and direct reports to the Chief Executive Officer;
- viii. Considering and recommending to the Board a policy for the overall structuring of the Company's retirement plan;
- ix. Advising the Board in relation to Non Executive Director remuneration; and
- x. Recommending to the Board the final proposed remuneration for employees as submitted to the Committee by its sub committee.

**Committee's Nominations Responsibilities:**

- i. Assessing the skills required on the Board;
- ii. Assessing the extent to which the required skills are represented on the Board;
- iii. Establishing processes for the review of the performance of the Chief Executive Officer;
- iv. Establishing processes for the review of the performance of the Board as a whole and the individual non executive Directors;
- v. Establishing processes for the identification of suitable candidates for appointment to the Board and make corresponding recommendations;
- vi. Establishing processes for the removal of Board members and make corresponding recommendations;
- vii. Implementing processes for the induction of new Non-Executive Directors to the Company and processes for the continuing education of Directors; and
- viii. Review the Board's succession plan ensuring the Company maintains a balance of skills, experience and expertise on the Board.

**Committee Composition:**

The Committee must comprise at least three members and all members must be Independent Non-Executive Directors.

The Chairman of the Committee is the Chairman of the Board as an Independent Non-Executive Director.

The Chief Executive Officer may be invited by the Committee Chairman to attend meetings of the Committee.

**Committee Meetings:**

The Committee meets at least once each year and more regularly as its responsibilities dictate on an as required basis.