



SMS MANAGEMENT & TECHNOLOGY LIMITED

REMUNERATION & NOMINATIONS COMMITTEE

CHARTER

Document Information:

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Approved By	
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Revision History

Revised Date	Revision Approval	Version Number	Summary of Changes
28.08.07	Sarah Turner	1.1	Various minor amendments
29.10.10	Sarah Turner	1.2	Amendments to comply with 2010 changes to the Corporate Governance Principles and Recommendations

1. OBJECTIVES & AUTHORITY

The objective of the Remuneration & Nominations Committee is:

- A. in relation to its Remuneration responsibilities, to assist the Board of Directors in ensuring that the Company's remuneration levels:
 - i. are appropriate from the shareholders' perspective, consistent with the implicit partnership between staff and shareholders which has been a key element of the Company's success; and
 - ii. are applied, and seen to be applied, fairly.
- B. in relation to its Nomination responsibilities, to focus appropriate attention on the competency, selection, appointment, induction and evaluation of Directors.

2. STRUCTURE

The provisions of the Constitution of the Company will govern the regulation of the meetings and proceedings of the Nomination & Remuneration Committee, so far as the Constitution may be applicable.

This Charter should be read in conjunction with the Board of Directors Charter and the Company's Statement of Corporate Governance Principles.

3. COMPOSITION

The Committee will consist of at least three members and all members must be independent Non-Executive Directors who are free from any relationships which might, in the opinion of the Board of Directors, be construed as a conflict of interest.

The Chief Executive Officer and other senior executives of the Company may be invited to attend meetings at the discretion of the Chairman but will have no voting rights and may not be involved in deciding their own remuneration.

4. CHAIRMAN

The Chairman of the Board shall be appointed chairman of the Committee by the Board of Directors. If the chairman of the Committee is not present at a meeting of the Committee, the members present may elect a Chairman for that meeting.

The Chairman is responsible for ensuring the Committee meets its objectives.

5. MEETINGS

The Committee will hold at least one regular meeting per year with additional meetings as the Chairman of the Committee shall deem appropriate in order to fulfil the duties of the Committee. In addition, the Chairman of the Committee is required to call a meeting of the Committee if requested to do so by any Committee member, the Chief Executive Officer, the Executive Committee or the Board of Directors.

Each member will have equal voting rights. Voting by proxy will be allowed.

The agenda and papers will be distributed 7 business days prior to the meeting. Minutes will normally be published within 14 calendar days and be included in the Board papers.

6. SECRETARY

The Company Secretary shall act as Secretary to the Committee and shall attend all meetings of the Committee. The Secretary will be responsible, in conjunction with the Chairman of the Committee, for drawing up the agenda (supported by explanatory documentation) and circulating it to Committee members prior to each meeting.

The Secretary will also be responsible for keeping the minutes of meetings of the Committee, obtaining approval of the minutes by the Chairman of the Committee and circulating them to Committee members and to the other members of the Board of Directors. Minutes of meetings shall be confirmed and signed at the next subsequent meeting of the Committee or earlier if possible.

7. DISCLOSURE

Members of the Committee or persons in attendance shall declare any material personal interest in any matter under consideration, or shall notify the Committee if aware that any other member or person in attendance has or may have a material personal interest in a matter under consideration. On such a declaration or notification the Committee shall determine whether the person may consider the matter. That person will not be eligible to vote on the matter.

8. QUORUM

A quorum shall consist of two members of the Committee who are eligible to vote, one of whom must be the Chairman.

9. MOTION

A motion shall be passed by a simple majority of votes cast in favour by members present and eligible to vote. The Chairman of the Committee shall not hold a casting vote. In the event of an equal number of votes being cast for and against a motion, the motion will be referred to the Board of Directors for resolution.

10. ATTENDANCE

In addition to the members of the Committee, such Company Executives and/or parties external to the Company as the Chairman of the Committee thinks fit may be invited to attend meetings.

Parties invited to attend meetings will have no voting rights.

11. WRITTEN CONSENT

Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if a written consent thereto is signed by all members of the Committee provided that such written consent shall be filed with the minutes of the meeting of the Committee.

12. ACCESS

The Committee shall have unlimited access to senior management of the Company and its main subsidiaries.

The Committee shall also have the power to consult independent experts on any matters within the Committee's scope of responsibilities. Committee members may seek independent professional advice for Company related matters at the Company's expense subject to the estimated cost being approved by the Chairman of the Board, in advance, as being reasonable.

This Charter will be made available, upon request, to senior management and any other parties as deemed appropriate by the Chairman of the Committee.

13. DUTIES AND RESPONSIBILITIES

The Committee has the authority to:

- A. in relation to its Remuneration responsibilities:
 - i. review and monitor the implementation of the overall people development strategy;
 - ii. review and make recommendations to the Board regarding the design of executive incentive based plans;
 - iii. review and recommend to the Board the remuneration policy and other terms and conditions for the Chief Executive Officer and other executives, including in relation to diversity and remuneration by gender;
 - iv. review and approve the selection (including remuneration) of direct reports to the Chief Executive Officer, and as appropriate other executives, including in relation to diversity and remuneration by gender;
 - v. develop performance management processes for the direct reports to the Chief Executive Officer;
 - vi. monitor the plans for the development and succession of the Chief Executive Officer and other business critical roles;
 - vii. review and approve proposed termination payments for the Chief Executive Officer and direct reports to the Chief Executive Officer;
 - viii. consider and recommend to the Board a policy for the overall structuring of the Company's retirement plan;
 - ix. advise the Board in relation to Non Executive Director remuneration;
 - x. review and approve on behalf of the Board of Directors recommendations for annual staff remuneration, including allocations made under the Company employee option scheme (if any), performance linked compensation packages for management and retirement payments for Directors and Executive Committee members and including related disclosures. This review is to include consideration of the performance of the Company's Executive Committee; and
 - xi. review and make recommendations to the Board on remuneration relating to individuals or groups of individuals including but not limited to:
 - a. the cessation of engagement of Board members;
 - b. recommendations of the Chief Executive Officer involving significant exceptions to policy;
 - c. proposals for changes to remuneration policies;
 - d. abnormal remuneration recommendations relating to individuals or groups of individuals which are significant because of their sensitivity, precedent or disclosure implications; and

- e. remuneration recommendations relating to the Chairman, the Chief Executive Officer and Non Executive Directors, including allocations made under the Company employee options scheme (if any).

B. in relation to its Nominations responsibilities:

- i. assessing the skills, experience, expertise and diversity required of the Board;
- ii. assessing the extent to which the required skills, experience, expertise and diversity 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. reviewing the Board's succession plan ensuring the Company maintains a balance of skills, experience and expertise on the Board.