



Company	Sims Limited
Code	SGM
Meeting	AGM
Date	10 November 2020
Venue	09:00am ONLINE
Monitor	Nick Bury

Number attendees at meeting	63, comprising of shareholders, 1 proxy holder and guests.
Number of holdings represented by ASA	69
Value of proxies	\$2,352,435.20
Number of shares represented by ASA	229, 730
Market capitalisation	\$2.06 Billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, by phone with Chairman Geoff Brunsdon

Sims managed its AGM as best it could in the given circumstance

The meeting was proficiently conducted, given the strictures that virtual meetings place on the effectiveness of a publicly listed company’s AGM. Much of the material presented was covered more comprehensively in the Sims 2020 Annual Report, see <https://smm-corporate.s3.amazonaws.com/2021/Sims+Annual+Report+2020.pdf> , and also referred to in the previously circulated SGM AGM Notice.

The ASA asked 4 questions, which all closely related to the VIs previously submitted, and which were all submitted in writing, and read out to the meeting. Chairman Geoff Brunsdon answered each question in turn. Firstly, he advised that SGM would be seeking damages and legal costs in the event of successfully defending the subject seemingly opportunistic class action brought against it. Such a successful action might serve as a disincentive to future type actions against publicly listed companies on spurious grounds.

NED's Heather Ridout and Thomas Gorman were overwhelmingly re-elected by percentages of 99.24% and 99.61% from votes of 162,487,972 and 163,095,117 votes cast in their respective favours.

The great disadvantage of this type of meeting is that it takes the heat right out of any publicly conducted forensic type examination of a company's misdeeds that really require scrutiny, if the shareholder interest is to be upheld.

SGM's Remuneration Report is best described as appalling, for all those reasons stated in ASA's previously prepared VI's, yet was amazingly passed by 95.66% of proxies cast (being 156,475,498 votes). Likewise CEO Alistair Field's LTI Plan was passed by 155,468,946 proxies cast, being 94.96% of votes.

The ASA's decade long battle with SGM regarding their ongoing capitulation to their US based staff when adopting American style remuneration practices has only ever enjoyed intermittent periods of success, and is greatly reduced in effectiveness when the ASA Monitor is unable to publicly articulate at an AGM to shareholders and the press present about the reasons why these practices are to be abhorred, for all those good reasons formerly stated this year and in past years.

To his credit Chairman Geoff Brunsdon seeks to return to the old AGM public meeting format, even though that process does ventilate the shortcomings of its remuneration practices, but this year yet again he defended the latter as best he could in response to the ASA's written questions put in these regards.

He is a very competent Chairman with regard to his oversight of the company's operations, as otherwise shareholders would be in a much worse position concerning the financial health of their company, than is the current status quo.

Mr Brunsdon also advised that over the past few years the company has largely paid fully franked dividends. The Australian government recently announced COVID-19 taxation relief policies, including carry back of tax losses and the immediate write-off of capital expenditure. Assuming the company meets the eligibility criteria, it is highly likely that any dividends over the medium term will be substantially unfranked.

Diversity, equity and inclusion did not occupy a large part of either the Chair's or CEO's addresses. In some past years before Mr Brunsdon became Chair, these topics had seemingly coincidentally been made a key/lengthy item when the company's performance had been poor. Less time in those years was then spent by the company answering hard questions put about financial performance failures for the years in question.

