



## **NOMINATION/GOVERNANCE COMMITTEE CHARTER**

### **Composition of the Committee**

- The Nomination/Governance Committee ('Committee') of the board of directors ('Board') of Sims Metal Management Limited ('Sims MM' or the 'Company') shall comprise at least three directors of the Company, with a majority being independent.
- Appointments, rotations and resignations of Committee members will be recommended to the Board by the Chairperson of the Committee ('Committee Chairperson').
- The Committee Chairperson shall be appointed by the Board and shall be an independent director, other than the Chairperson of the Board.
- Committee members shall be considered independent if they do not have any of the relationships identified in Box 2.1 of the Australian Securities Exchange ('ASX') Corporate Governance Council Corporate Governance Principles and Recommendations 2nd edition (August 2007) and have been determined by the Board to be independent, as defined in and to the extent required by the applicable rules of the United States Securities and Exchange Commission ('SEC'), the listing standards of the New York Stock Exchange, Inc. ('NYSE') and other applicable law and regulations, as they may be amended from time to time.
- The Group Company Secretary of Sims MM, or his nominee, will act as Secretary of the Committee.

### **Role of the Committee**

The primary role of the Committee is to support and advise the Board in fulfilling its responsibilities to the shareholders of the Company in having a Board comprising individuals who are best able to discharge the responsibilities of directors.

## **Functions of the Committee**

The Committee is to:

- Review the corporate governance procedures of the Company and any statement on corporate governance and recommend changes to the Board as appropriate.
- Assess necessary and desirable competencies of Board members.
- Review Board succession plans to ensure they maintain an appropriate mix of skills, experience, expertise and diversity on the Board.
- Establish procedures for and oversee the performance evaluation of non-executive directors, the Board as a whole, and its various committees.
- Recommend new nominees for membership of the Board in accordance with the policy contained in Appendix A.
- Monitor the effectiveness of the Company's Workplace Diversity Policy ('Policy') to the extent it relates to Board diversity and review and recommend to the Board any updates to the Policy as deemed necessary.
- Review and recommend any update to this Charter as deemed necessary.
- Perform an evaluation of the Committee's performance at least annually.

## **Operations of the Committee**

- The Committee shall meet at least twice each year and more frequently if required.
- A meeting of the Committee shall be taken to be convened if all Committee members are present.
- An Agenda for a Committee meeting shall, where practicable, be prepared and circulated to Committee members and other relevant individuals at least 48 hours prior to the time of the meeting.
- A Committee meeting may be held by Committee members communicating with each other by any technological means by which they are able to simultaneously hear each other and participate in discussion. The minutes of the meeting shall record the method of communication by which the meeting was conducted.

- Minutes of a Committee meeting shall be taken and tabled at the next convenient Board meeting. The Committee Chairperson shall report to the Board on any matters of significance recorded in the minutes.
- The Committee, through the Committee Chairperson, may request the attendance at Committee meetings of management and/or staff of Sims MM on a regular or irregular basis, as it deems necessary, to provide appropriate information or explanations.

### **Authority of the Committee**

- In order to perform its duties, the Committee is authorised, via the Group Chief Executive Officer, to seek any information it requires from any employee of Sims MM.
- The Committee is authorised to obtain, at Sims MM's expense:
  - legal advice; and
  - advice from senior management of Sims MM,  
on Committee issues; and
  - other professional advice on any matters within its Charter.

## Appendix A

### **NOMINATION/GOVERNANCE COMMITTEE'S POLICY AND PROCEDURES FOR THE SELECTION AND APPOINTMENT OF NEW DIRECTORS AND THE RE-ELECTION OF INCUMBENT DIRECTORS**

The Board seeks to ensure that:

- at any point in time, its membership comprises persons with an appropriate mix of skills, knowledge, experience and diversity to maximise its effectiveness and its contribution to Sims MM; and
- the size of the Board is conducive to effective discussion and efficient decision making.

The appointment of new directors to the Board is considered and nominated by the Committee.

When the need for a new director is identified, the Committee will review the range of skills, experience, expertise and diversity on the Board, identify its needs and prepare a short-list of candidates with appropriate criteria. Where necessary, advice will be sought from independent search consultants.

The required commitment of time for candidates will be considered by the Committee prior to preparation of the short-list. In support of his or her candidature for directorship, a candidate will be required to provide the Committee with details of other commitments and an indication of time involved. A candidate is required to acknowledge that he or she has, and will continue to have, the time available to discharge his or her responsibilities to the Company.

The Committee will then nominate those candidates it considers appropriate for appointment as a director and recommend such nominees to the Board accordingly.

The full Board will then elect and appoint the most suitable nominee(s).

Directors (other than the Group Chief Executive Officer) must retire and seek re-election at the third annual general meeting following their appointment or after three years (whichever is longer). In addition, a director (other than the Group Chief Executive Officer) appointed to fill a casual vacancy or as an addition to the Board must retire and seek re-election at the first annual general meeting following his or her appointment. Information submitted to shareholders about candidates standing for election or re-election as directors must include their biographical details (including competencies and qualifications and information

sufficient to enable an assessment of their independence), details of their relationships with the Company and its directors, details of any other directorships held, particulars of other positions which involve significant time commitments, any term of office already served and any other particulars required by law.

In support of his or her candidature for re-election, a non-executive director will be required to provide the Committee with details of other commitments and an indication of time involved. Prior to being submitted for re-election, a non-executive director will be required to specifically acknowledge to the Company that he or she will have sufficient time to meet what is expected of he or she.

New directors will be provided with a letter of appointment setting out their responsibilities, rights and the terms and conditions of their tenure. All new directors will participate in a formal orientation process which covers financial, strategic, operations and risk management issues as well as expectations for director behaviour.