



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

The board of directors ("Board") of Sims Metal Management Limited ("Sims MM" or the "Company") seeks to ensure that:

- at any point in time, its membership comprises persons with an appropriate mix of skills, knowledge and experience 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 Sims MM's Nomination/Governance Committee. Details of the Nomination/Governance Committee's procedures are set out in its Charter.

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

The commitments of candidates are considered by the Nomination/Governance Committee prior to preparation of the short-list. A nominee 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 Nomination/Governance Committee will then nominate those candidates it considers appropriate for appointment as a director and advise the Board accordingly.

The full Board will then appoint the most suitable candidate.

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.

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 induction program which covers financial, strategic, operations and risk management issues as well as expectations for director behaviour.