



PROCEDURES FOR THE SELECTION AND APPOINTMENT OF THE EXTERNAL AUDITORS AND FOR THE ROTATION OF EXTERNAL AUDIT ENGAGEMENT PARTNERS

It is the policy of Sims Metal Management Limited ("Sims MM") and its Risk, Audit & Compliance Committee to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

PricewaterhouseCoopers were appointed as the external auditors in 1991. It is PricewaterhouseCoopers' current policy to rotate audit engagement partners on listed companies at least every five years. A new audit engagement partner was introduced for the year ended 30 June 2008.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in a note to Sims MM's annual financial statements. Sims MM has a policy regarding the services, other than the external audit, that may be provided by the external auditors and it is also the policy of the external auditors to provide an annual declaration of their independence to the Risk, Audit & Compliance Committee.