



BOARD CHARTER

Composition

- The board of directors ('Board') of Sims Metal Management Limited ('Sims MM' or the 'Company') shall comprise at least six directors, with a majority, including the Chairperson of the Board, being independent. The Chairperson must not also be the Group Chief Executive Officer or other officer or employee of Sims MM or of any of its consolidated subsidiaries.
- The Chairperson shall be elected by the full Board.
- The Board shall comprise directors with a broad range of skills, knowledge and experience.
- Board 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.

Role of the Board

The duty of directors is to Sims MM and the role of the Board is to protect and enhance the rights and interests of shareholders of the Company and other key stakeholders by monitoring and reviewing the proper management of Sims MM through the implementation of sound strategies and action plans and the development of an integrated framework of controls over Sims MM's resources, functions and assets including compliance with legislative and regulatory regimes.

Responsibilities of the Board

The Board is responsible for the overall management of Sims MM, including for the following matters:

- Overall corporate governance of Sims MM including oversight of its control and accountability systems.

- Appointing (following the nomination by the Nomination/Governance Committee), removing and appraising the performance of the Group Chief Executive Officer.
- On the recommendation of the Group Chief Executive Officer, appointing and, where appropriate, removing the Group Chief Financial Officer (or equivalent), the Group Company Secretary and the Head of Group Internal Audit.
- Input to, and final approval of, senior management's development of corporate strategy and performance objectives.
- Monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available.
- Enhancing and protecting the reputation of Sims MM by reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance.
- Approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures, and financial and other reporting.

Role of the Chairperson

The Company recognises that it is important that the Chairperson has a defined role in the organisation and operates in accordance with clear functional lines. The Chairperson will:

- chair Board meetings;
- establish the agenda for Board meetings, in consultation with the executive directors and the Group Company Secretary;
- be available to liaise with other directors between Board meetings;
- chair meetings of shareholders, including the Annual General Meeting of the Company;
- be the primary spokesperson for the Company at the Annual General Meeting;
- represent the views of the Board to shareholders of the Company, the general public, governmental authorities, regulators and other stakeholders; and
- develop and maintain key strategic relationships.

Powers delegated to management

The Board has delegated general authority to manage the businesses of Sims MM to the Group Chief Executive Officer, who in turn may delegate functions to other senior management. The Group Chief Executive Officer remains answerable to the Board and must comply with any limits on his authority established by the Board from time to time.

Committees of the Board

The Board has established five committees to assist in the execution of Board functions, namely, a Remuneration Committee, a Risk, Audit & Compliance Committee, a Safety, Health, Environment & Community Committee, a Nomination/Governance Committee and a Finance & Investment Committee. Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties. Descriptions of the current roles and responsibilities of these committees are set out in their respective charters.

Responsibilities of Individual Directors

Each director is bound by all of the Company's charters, policies and codes of conduct, including the Code of Conduct, the Market Disclosure Policy, the Share Trading Policy and the Anti-Corruption Code. The directors are expected to lead by example, setting standards of fairness, integrity and diligence which others within the Company can follow. In particular, the directors must:

- conduct their duties with the highest degree of honesty and integrity;
- observe both the rule and spirit of the law, and comply with any relevant ethical and technical standards;
- maintain the confidentiality of all information acquired in the course of conducting their role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the Listing Rules of the ASX or the listing standards of the NYSE;
- observe the principles of independence, accuracy and integrity in dealings with the Board, its committees, internal and external auditors and senior management within the Company; and
- disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes may compromise the reputation or performance of the Company.

Operations of the Board

- The Board shall meet at least four times per year, and otherwise as it considers necessary.
- A quorum for a Board meeting is two directors, unless determined otherwise by the directors.
- An Agenda for a Board meeting shall, where practicable, be prepared and circulated to Board members and other relevant individuals at least 48 hours prior to the time of the meeting.
- A Board meeting may be held by directors 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 Board meeting shall be taken and tabled at the next Board meeting.
- The Board, through its Chairperson, may request the attendance at Board 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.
- The Board will review and recommend any update to this Charter as deemed necessary.
- The Board will perform an evaluation of the Board's performance, utilising external consultants where necessary, at least annually to determine whether the Board is functioning effectively by reference to current best practice.

Authority of the Board

- The Board has direct and unlimited access to Sims MM's senior managers, including the right to seek additional information and explanation, during its meetings.
- Each director shall have the right to procure, at Sims MM's expense, and with the prior approval of the Chairperson, independent professional advice with respect to his or her duties and obligations as a director.