

DEALING IN SIMS MM LIMITED SECURITIES

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1. Introduction & Purpose

This policy summarises the law relating to insider trading as it applies to all employees, including directors, who may deal in securities of Sims Metal Management Limited ("Sims MM" or the "Company"). It also sets out the policy of Sims MM in respect of directors, senior Sims MM executives and any other personnel identified by the Group Company Secretary as being potential "insiders" (collectively "Designated Persons") dealing in securities of Sims MM.

For the purpose of this policy, Sims MM securities includes shares, American Depositary Shares, options, warrants and futures or other financial products issued over or in relation to Sims MM shares.

If you do not understand this summary of the law or this policy, or how it applies to you, you should raise the matter with your manager or with the Group Company Secretary before trading in any securities which may be affected by this policy or the law.

This policy is only a summary of complex legal provisions, and should therefore only be used as a general guide, not as legal advice.

2. Dealings in Sims MM Securities

2.1 The insider trading prohibition

If you have "price-sensitive information" relating to Sims MM which has not been published or which is not otherwise "generally available", it is illegal for you to:

- subscribe for, purchase or sell or enter into an agreement to subscribe for, purchase or sell Sims MM securities;
- procure, incite, induce or encourage another person (for example, a family member, a friend, a family company or trust) to subscribe for, purchase or sell Sims MM securities; or
- communicate such information to another person, if you know or ought reasonably to know that the person may use the information to subscribe for, purchase or sell (or procure another person to subscribe for, purchase or sell) Sims MM securities.

Note that information does not have to originate from within the Company to be inside information. The prohibition applies to any information that is both "price-sensitive" and not "generally available", regardless of its source.

The Company has established certain windows for trading in its securities (discussed in section 3 below). However, employees should note that the insider trading law applies at all times (including during the trading windows) and it is the responsibility of each employee of Sims MM to ensure that they do not do any of the things prohibited by the insider trading law. The consequences for breach of this law may be severe.

2.2 What is "price- sensitive information"?

Information will be regarded as price-sensitive where a reasonable person would expect the information to have a material effect on the price or value of Sims MM securities. A material effect on price or value exists where the information is likely to influence persons who commonly invest in securities in deciding whether to subscribe for, purchase or sell Sims MM securities.

Examples of possible price-sensitive information include, but are not limited to:

- The financial performance of Sims MM against its budget or forecasts.
- Entry into or termination of a material contract.
- A material acquisition or sale of assets by Sims MM.
- An actual or proposed takeover or merger of, or by, Sims MM.

- An actual or proposed change to Sims MM's capital structure.
- A proposed dividend or a change in dividend policy.
- A material claim against Sims MM or other major unexpected liability.

2.3 When is the information "generally available"?

Information is generally available if:

- it consists of readily observable matter;
- it has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- it consists of deductions, conclusions or inferences made or drawn from other generally available information.

For example, the following information would be considered to be generally available:

- General market information that has been announced to a stock exchange or is contained in a public announcement by Sims MM (at least once it has been publicly available for some reasonable period to allow dissemination).
- Information obtained by investment research which is based on information freely made available by Sims MM to the researcher and is generally made available to anyone making similar enquiries.
- Published information of investment advisers and brokers.

3. Permitted windows

Except where he or she has price-sensitive information relating to Sims MM which has not been published or which is not otherwise generally available, a Designated Person may trade in Sims MM securities, but only during the following periods:

- The period 24 hours to twenty eight days after release of the Company's quarterly, half yearly and preliminary final results.
- The period 24 hours to twenty eight days following the conclusion of the Company's annual general meeting.
- During the currency of any capital raising prospectus issued by the Company, or takeover bid for the Company.

In addition, Designated Persons may only elect to participate or to

revoke their participation in the Company's Dividend Reinvestment Plan during a permitted window.

Notwithstanding the foregoing, Designated Persons may (by notice from the Group Company Secretary) be prohibited from trading in Sims MM securities during all or any part of any window period, or may (with the prior written approval of Sims MM's Chairperson ("Chairperson")) be permitted to trade outside the permitted windows (see section 4 below).

Under the terms of the Company's equity incentive plans, certain actions affecting the entitlements of Designated Persons (such as electing to participate in, and/or vesting of awards under, a plan) may also be permitted outside of trading windows. Plan participants should contact the Group Company Secretary for more information about the terms of their plans.

4. Notification procedure

At all other times outside the permitted windows, a Designated Person must advise the Chairperson, and receive the Chairperson's written approval, prior to entering into any dealings in Sims MM securities, and must notify the Chairperson of the dealing once it has taken place. A copy of the Chairperson's approval shall be forwarded by the Designated Person to the Group Company Secretary. Notwithstanding the giving of approval, the Chairperson shall bear no responsibility toward any Designated Person who acts upon such approval.

The Group Company Secretary shall table a schedule of all advised approvals at the following meeting of the board of directors of the Company.

5. No hedging

Designated Persons are prohibited from entering into transactions in products associated with Sims MM securities which operate to limit the economic risk of their security holding in the Company over unvested entitlements under any Sims MM equity incentive plans.

Where a Designated Person hedges vested Sims MM incentive securities, then the Designated Person is obliged to forthwith advise the Company, which will then, subject to materiality, forthwith disclose same to the market.

In addition, any Designated Person who enters into a margin loan or similar funding arrangement in relation to Sims MM securities must continue to comply with this policy. In particular, that person will need to obtain prior approval for trading in Sims MM securities outside the permitted windows even where he or she may be subject to a margin call (or other demand from his or her lender) requiring him or her to deal in the relevant securities.

6. Securities of Other Companies

Employees may also from time to time have access to price-sensitive information concerning other companies (for example, if they are involved in assessing a company for possible acquisition by Sims MM, or in the negotiation or award of an important contract to a supplier or customer of Sims MM). In such circumstances, employees should take care to ensure that they do not communicate that information or deal in securities of that other company if to do so would breach insider trading laws.

7. Consequences for breach of the insider trading law

Breach of the insider trading law by you or family members exposes you or them to criminal and civil liability, including fines or imprisonment. Breach of the insider trading law or this policy will also be regarded by Sims MM as serious misconduct which may lead to disciplinary action, including dismissal.

8. Review

The Sims MM board of directors will evaluate this policy on a periodic basis to determine whether the policy is effective in ensuring compliance with applicable legal requirements and market practice.

9. Additional Information

If you have any questions arising from this policy, you should contact the Group Company Secretary, located in Sydney, Australia.