

RISK, AUDIT & COMPLIANCE COMMITTEE CHARTER

Composition of the Committee

- The Risk, Audit & Compliance 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, all of whom are non-executive directors, with a majority being independent.
- All Committee members shall be financially literate and have an understanding of the industry in which Sims MM operates. At least one member shall have accounting or related financial management expertise, either as being a qualified accountant, or other financial professional with experience of financial and accounting matters.
- 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 elected by the Board and shall, at all times, be independent and not also be the Chairperson of the Board.
- 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 assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to Sims MM's accounting and financial reporting, internal control structure, risk management systems (including the review of risk mitigation, which includes insurance coverage), the internal and external audit functions, and compliance with legal and regulatory requirements.

Functions of the Committee

Internal Audit

- Reviewing and making recommendations to the Board in relation to:
 - the scope, adequacy, terms and budget of the internal audit work plan;
 - the objectivity and performance of the internal audit function; and
 - the appointment replacement, reassignment or removal of the Group Vice President of Internal Audit.

- Monitoring the adequacy of policies in place in relation to internal control systems.
- Managing the internal auditors with the Group Vice President of Internal Audit reporting directly to the Committee Chairperson.
- Annually approving an internal audit plan prepared by the Group Vice President of Internal Audit, which audit plan shall take into consideration the findings of an annual risk assessment undertaken by Internal Audit, and reporting on these matters to the next meeting of the Board.

External Audit

- Reviewing and making recommendations to the Board in relation to:
 - the appointment or removal of the external (or 'independent') auditors;
 - the rotation of the audit engagement partner;
 - the scope, plan and adequacy of the external audit;
 - the independence and performance of the external auditors; and
 - any proposal for the external auditors to provide non-audit services and whether it might compromise the independence of the external auditors.
- Annually reviewing the performance of the external auditors and requesting applications for tender of external audit services as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.
- Reviewing and assessing the independence of the external auditors, including but not limited to any relationships with Sims MM or any other entity that may impair or appear to impair the external auditors' judgement or independence in respect of Sims MM.
- Pre-approving all audit and non-audit services (including valuation, internal audit, legal and corporate services) provided by the external auditors and not engaging the external auditors to perform any non-audit/assurance services that may impair or appear to impair the external auditors' judgement or independence in respect of Sims MM.
- Establishing clear hiring policies for employees or former employees of the external auditors in order to prevent the impairment or perceived impairment of the external auditors' judgement or independence in respect of Sims MM.
- Managing on behalf of the Board the relationship between Sims MM, and the independent auditors, including the appointment, compensation, retention, termination, evaluation and oversight of the work of the independent auditors engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for Sims MM. The independent auditors shall report directly to the Committee. The Committee's authority includes resolution of disagreements between management and the

independent auditors regarding financial reporting and the receipt of communications from the independent auditors as may be required under professional standards applicable to the independent auditors.

- Annually reviewing the independent auditors' qualifications and performance, including reviewing and evaluating the performance of the lead partner of the independent auditors for Sims MM's account, and evaluating such other matters as the Committee may consider relevant to the engagement of the independent auditors, including views of management and internal finance employees, and whether the lead partner or auditing firm itself should be rotated.
- Discussing with the independent auditors the matters required to be discussed by Australian Standard on Auditing 260 Communicating with those charged with governance.
- Ensuring the receipt from the independent auditors of an annual formal written statement of all relationships between the independent auditors and Sims MM consistent with the applicable requirements under the Corporations Act 2001 (Cth) and Australian generally accepted auditing standards, and actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact on the objectivity and independence of the independent auditors.

Audits General

- Reviewing and approving the program for the co-ordination of the internal and external audit function to ensure the adequacy of coverage, mitigate the potential for redundant effort, and the effective use of audit resources.
- In conjunction with the external auditors, considering the scope, plan and division of the duties proposed by management of Sims MM to be performed by the internal and external auditors.
- Providing an open avenue of communication between the internal and external auditors, and the Board, and ensuring both the internal and external auditors have the right to request a meeting with the members of the Committee.
- Considering, discussing and reviewing with management and/or staff of Sims MM, internal and external audit reports (and management's response) that have drawn to the Committee's attention:
 - inadequacies in Sims MM's internal control procedures, computerised information systems and other areas of operations subject to audit;
 - the adequacy of progress made by management of Sims MM towards the improvement in procedures and systems or other matters arising from recommendations made by the external and internal auditors in prior audit reports;

- difficulties encountered during the course of external and internal audits, including any restrictions imposed on the scope of work or access to required information; or
- changes in the planned scope of the external and internal audit and reasons for the changes.

Financial Reports

- Reviewing and making recommendations to the Board in relation to:
 - the adequacy of Sims MM's corporate reporting processes;
 - whether Sims MM's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of Sims MM; and
 - the appropriateness of the accounting judgements or choices exercised by management in preparing Sims MM's financial statements.
- Reviewing with management and/or staff of Sims MM, including the internal auditors, and the external auditors, prior to public release, the audited annual financial statements and related information of Sims MM ('Annual Accounts') (including meeting separately with the external auditors without management present) focusing in particular on:
 - any matters where the exercise of judgement (eg adequacy of provisions) is required which may materially affect the Annual Accounts;
 - any material adjustments made to the Annual Accounts as a result of the audit;
 - the substance of any significant accruals or provisions which would have a material impact on the Annual Accounts;
 - the extent to which there are any significant items in dispute with the taxation authorities and the adequacy of tax provisions created within the Annual Accounts; and
 - any significant differences of opinion between the external auditors and management and/or staff of Sims MM on significant reporting issues, including the issues detailed above and report on these issues to the Board at the next meeting of the Board.
- Reviewing with management and/or staff of Sims MM, including the internal auditors, and the external auditors, prior to public release, the interim financial statements and related information of Sims MM ('Interim Accounts') focusing in particular on:
 - any matters where the exercise of judgement (eg adequacy of provisions) is required which may materially affect the Interim Accounts;
 - any material adjustments made to the Interim Accounts;

- the substance of any significant accruals or provisions which would have a material impact on the Interim Accounts;
 - the extent to which there are any significant items in dispute with the taxation authorities and the adequacy of tax provisions created within the Interim Accounts; and
 - any significant differences of opinion between the internal auditors and management and/or staff of Sims MM on significant reporting issues, including the issues detailed above and report on these issues to the Board at the next meeting of the Board.
- Approving all significant accounting policies as summarized in the footnote to the Annual Accounts, and approving all commodity hedging policies and revisions thereto.
 - Drafting an annual statement for inclusion in Sims MM's annual report of whether the Committee is satisfied that the provision of non-audit services by the external auditors is compatible with the external auditors' independence.
 - Resolving disagreements regarding financial reporting between management and/or staff of Sims MM and the external auditors.
 - Reviewing the external auditors' summary management report and management response and all representation letters signed by management to ensure that the financial information provided is complete and appropriate.

Risk Management

- Reviewing and making recommendations to the Board in relation to:
 - the adequacy of Sims MM's processes for managing risk, including reviewing Sims MM's risk management framework at least annually to satisfy itself that it continues to be sound;
 - any incident involving fraud or other break down of Sims MM's internal controls; and
 - Sims MM's insurance program, having regard to Sims MM's business and the insurable risks associated with its business.
- Establishing procedures for the evaluation of Sims MM's major financial risk exposures and meeting periodically with management to review Sims MM's major financial risk exposures and the steps management has taken to monitor and control such exposures.

Compliance

- Overseeing the implementation and monitoring the effectiveness of management systems designed to provide reasonable assurance of compliance with legal requirements and ethical compliance programs (including Sims MM's Code of Conduct).

- Requiring and receiving reports of compliance with all applicable legal requirements and contraventions identified within Sims MM and reports of any regulator identifying contraventions or deficiencies in compliance systems.

Continuous Disclosure

- Reviewing the Australian Securities Exchange Limited ('ASX') Listing Rules half yearly/preliminary final reports and associated reports prior to the filing of these with the ASX.
- Noting the ASX & Media releases accompanying the release of the Annual Accounts and the Interim Accounts prior to the filing of these with the ASX and media outlets.
- Reviewing and discussing, when time permits, via the Committee Chairperson, financial information and earnings guidance provided to the market.
- Reviewing the Company's policies and procedures designed to ensure compliance with the ASX Listing Rules on continuous disclosure.

Related party transactions

- Reviewing and monitoring related party transactions.

General

- Conducting or authorizing any special projects or investigations into any matters within the Committee's Charter or as may be requested from time to time by the Board.
- Reviewing and recommending any update to this Charter as deemed necessary.
- Performing an evaluation of the Committee's performance at least annually to determine whether it is functioning effectively by reference to current best practice.

Operations of the Committee

- The Committee shall meet at least four times per year and more frequently if circumstances require it.
- A meeting of the Committee shall be taken to be convened if at least two members are present, including the Committee Chairperson.
- 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 Committee 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. Representatives of the external auditors shall also attend Committee meetings when requested by the Committee via the Committee Chairperson.

Complaints and Anonymous Submissions

- The Committee shall establish and maintain procedures for:
 - the receipt, retention and treatment of complaints received by Sims MM regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of Sims MM of concerns regarding questionable accounting or auditing matters.
- If the Committee or the Board so determines, the submission procedures may also include a method for interested parties to communicate directly with the Committee Chairperson or with the non-executive directors of Sims MM as a group.

Authority of the Committee

- The Committee, via the Committee Chairperson, shall have the authority to conduct or authorise investigations into any matter within the scope of the Committee's Charter with full access to all books, records, facilities and personnel of Sims MM. The Committee is at all times authorized to have direct, independent and confidential access to the independent auditors to carry out the Committee's purposes. As the Committee deems necessary or appropriate to carry out its duties, it is authorized to select, engage (including approval of the fees and terms of engagement), oversee, terminate and obtain advice and assistance from outside legal, accounting or other advisers or consultants. Sims MM will provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors for their audit and audit-related, review and attest services, compensation to any advisers engaged by the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

- The Committee's function is one of oversight only and does not relieve the management of Sims MM of its responsibilities for preparing financial statements that accurately and fairly present Sims MM's financial results and condition, nor the independent auditors of their responsibilities relating to the audit or review of financial statements.

This Charter was reviewed and adopted by the Committee on 5 April 2018.