

18 September 2017

Company Announcements Office  
Australian Securities Exchange Ltd  
Level 4  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam,

**Re: Listing Rule 12.10 – Sims Metal Management Limited (Company)  
Securities Trading Policy**

In accordance with ASX Listing Rule 12.10, attached is a copy of the Company's updated Securities Trading Policy effective as at 12 September 2017.

Yours faithfully



Frank Moratti  
Group General Counsel and Company Secretary



## DEALING IN SIMS METAL MANAGEMENT LIMITED SECURITIES

### INTRODUCTION AND PURPOSE

Sims Metal Management Limited (Sims) aims to achieve high standards of corporate conduct and governance. Sims is committed to ensuring that the Company and its employees do not breach prohibitions on insider trading or create any perception of employees dealing in securities when they should not do so.

The Board considers that compliance with this Policy is essential to ensure that high standards of conduct are being met by all Directors and employees of Sims.

The purpose of this document is to detail the policy covering restrictions on dealing in Securities and to establish a procedure relating to trading in Securities that provides protection to both Sims and its employees against the misuse of unpublished information that could materially affect the value of Securities.

If you do not understand any part of this Policy or the summary of the law, or how it applies to you, you should raise the matter with the Group Company Secretary (Secretary) before dealing with any Securities covered by this Policy.

### INSIDER TRADING LAWS

Insider trading laws cover all Directors, employees and contractors.

Insider trading is a serious criminal offence under the *Corporations Act*, punishable by a substantial fine and/or imprisonment for up to 10 years. Insider trading may also expose you to significant civil penalties and/or liability to pay compensation to anyone who suffers loss or damage because of the transaction.

### GENERAL DEALING RESTRICTIONS – DIRECTORS, EMPLOYEES & CONTRACTORS

Securities dealings must be controlled to ensure that public confidence is maintained in the trading of Securities, as well as in the reputation of Sims, and its Directors, employees and contractors. Dealing restrictions apply to minimise the risk of breaching insider trading laws.

- You may deal in Securities unless you have inside information or are a Designated Person. Consider whether there are any perception issues, and consult with the Secretary if necessary, before you deal (i.e. if it could appear that you were taking advantage of your position in an inappropriate way).

- If you have inside information, do not:
  - deal in Securities;
  - advise, procure or encourage an associate or any other person to buy or sell Securities; and/or
  - share information with any other person if you know, or ought to know, that that person is likely to buy or sell Securities.
- Do not deal in Securities if Sims has formally notified you that you are restricted from dealing.
- Comply with your obligations in relation to the use of confidential information obtained in the course of your duties – including when dealing in the securities of other listed companies with which Sims may be negotiating or dealing.

#### ADDITIONAL DEALING RESTRICTIONS – DESIGNATED PERSONS

Designated Persons have more exposure to inside information and therefore additional dealing restrictions apply.

#### Approval to deal

- Designated Persons must inform the Secretary and obtain written approval to deal in Securities as follows:

DESIGNATED PERSON	APPROVER
Directors (other than the Chairman)	Chairman or, in his absence, the Secretary
Chairman	Group Chief Executive Officer or, in his absence, the Secretary
Any other Designated Person	Secretary or, in his absence, the Group Chief Financial Officer
Secretary	Chairman or, in his absence, the Group Chief Executive Officer

- A Designated Person approved to deal must deal no later than five business days commencing on the day after approval is received, otherwise new approval must be sought.
- A Designated Person must notify the Secretary of the dealing within five business days of it having taken place.
- Any approval to deal can be given or refused by Sims in its discretion, without giving any reason.
- Any approval to deal may be withdrawn at any time if there is a change in circumstance, and any decision to refuse approval is final and binding and must be kept confidential.

- A Designated Person seeking approval to deal in Securities must certify that they are not in possession of any inside information that might preclude them from trading at that time.
- If a Designated Person comes into possession of inside information after receiving approval to deal, they must not trade despite having received the approval.
- Directors must notify the Secretary of the relevant details of the trade within two business days of the trade to ensure Sims complies with its disclosure obligations under the Australian Securities Exchange (ASX) Listing Rules.
- The Secretary must maintain a record of any request to deal and of any approval given, and shall table a schedule of all advised approvals at the following meeting of the Board.

### **Black-out periods**

- Designated Persons must not deal in Securities during the following 'black-out periods':
  - the period from 20 June until 10am on the trading day following the release of Sims' full-year results to the ASX;
  - the period from 20 December until 10am on the trading day following the release of Sims' half-year results to the ASX;
  - the two week period immediately preceding 10am on the trading day following the day on which Sims holds its annual general meeting; and
  - any other period that Sims specifies as a black-out period.

### **Exceptional circumstances**

- Designated Persons that need to deal in Securities during a black-out period due to exceptional circumstances (such as demonstrated and severe financial hardship, or compulsion by court order), must obtain written approval to deal in Securities in accordance with this Policy.
- Particulars of those exceptional circumstances must accompany the relevant clearance request. The person seeking clearance to deal must satisfy the Chairman or, in his absence, the Secretary that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed dealing in Securities is the only reasonable course of action available.
- The determination of whether the person in question is in severe financial difficulty or whether there are other exceptional circumstances can only be made by the Chairman or, in his absence, the Secretary.

### **Prohibited dealings**

- Designated Persons must not enter into, create or deal in the following in respect of Securities:
  - margin loans or other secured financing arrangements;
  - Derivatives;

- hedging, including entering into hedging transactions to limit your exposure in respect of any unvested entitlement to Securities that you receive under an employee incentive scheme;
- short-term dealing, including buying and selling Securities or Derivatives on market within a three month period, other than the sale of Securities received under an employee incentive scheme where approval to deal under this Policy has been obtained; and
- short selling.

## DEALING RESTRICTIONS – ASSOCIATES

Associates of Directors, employees and contractors are subject to the same dealing restrictions that apply to that individual.

- Inform your Associates of applicable securities dealing restrictions.
- Designated Persons must obtain written approval to deal in Securities on behalf of their Associates from the relevant approver.

## SECURITIES OF OTHER COMPANIES

The prohibition on insider trading applies not only to information concerning Securities but also if you have inside information relating to any other company that is not publicly available.

## EXCLUDED DEALINGS

Certain dealings are excluded from the application of this Policy. These are:

- The acquisition of Securities through a dividend reinvestment plan or share purchase plan available to all retail shareholders, provided that a Designated Person must not commence or amend participation in a plan during a black-out period.
- The acquisition of Securities under a pro rata issue.
- The disposal of rights acquired under a pro rata issue.
- Applying for or acquiring Securities under an employee incentive scheme; however, for clarity, any subsequent dealing of Securities which cease to be held under the terms of a scheme remains subject to the provisions of this Policy.
- The disposal of Securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back.
- Any dealing that results in no effective change to the beneficial interest (e.g. transfer of Securities already held into a superannuation fund or trust of which you or your associate is a beneficiary), in respect of which prior written approval has been provided under this Policy.

- Any dealing under a pre-approved non-discretionary trading plan for which prior written approval has been provided under this Policy, provided the plan is not entered into or amended during a black-out period (e.g. a regular share acquisition plan).

## CAUTIONARY NOTE

For the avoidance of doubt, nothing in this Policy permits trading in contravention of the insider trading laws, where a person who possesses inside information about Securities is generally prohibited from trading in those Securities, and this applies even where:

- the dealing occurs at a time that would otherwise be outside a black-out period;
- the dealing falls within an exclusion in this Policy; or
- the person has been given clearance under this Policy to deal (whether in exceptional circumstances or otherwise).

Any approval to deal under this Policy is not an endorsement of the proposed dealing and the person doing the dealing is individually responsible for their investment decisions and their compliance with insider trading laws.

Therefore, before a Designated Person deals in Securities, they should consider carefully whether they are in possession of any inside information that might preclude them from dealing at that time and, if they have any doubt on that score, they should not deal.

## BREACHES OF THIS POLICY

Strict compliance with this Policy is a condition of employment. Breaches of this Policy will be subject to disciplinary action, which may include termination of employment.

## REVIEW

The Board 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.

**Approved by  
Sims Metal Management Limited Board  
September 2017**

## GLOSSARY TERMS

TERM	DEFINITION
<b>Associate</b>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• a close family member such as your spouse or minor child, or</li> <li>• a family company or family trust that you or your close family member(s) may control or have an interest in.</li> </ul>
<b>Board</b>	The Board of Directors of Sims.
<b>Deal or dealing</b>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• any acquisition or disposal of Securities (or entering into an agreement to acquire or dispose of Securities);</li> <li>• subscribing for new Securities (e.g. in a float);</li> <li>• entering into a contract or arrangement to secure profit or avoid a loss by reference to price fluctuations; or</li> <li>• disposing of or exercising options over Securities.</li> </ul>
<b>Director</b>	Any person who is a Director of Sims.
<b>Derivatives</b>	Financial products which provide a financial return based on price movements of Securities, including exchange traded options or options granted by third parties, and includes financial products (including equity swaps, caps and collars and other hedging arrangements) which have the effect of limiting exposure to risks associated with such price movements.
<b>Employee incentive scheme</b>	Any plan operated by Sims pursuant to which Securities are provided as an element of remuneration to employees or Directors.

<p><b>Inside information</b></p>	<p>Information that is:</p> <ul style="list-style-type: none"> <li>• not generally available to the market, and</li> <li>• if it were available, a reasonable person would expect it to have a material effect on the price or value of a security.</li> </ul> <p><b>Possible examples of inside information:</b></p> <ul style="list-style-type: none"> <li>• Sims considering a major acquisition or disposal of assets;</li> <li>• the threat of major litigation against Sims;</li> <li>• changes in Sims' actual or anticipated financial condition or business performance;</li> <li>• a significant new business development;</li> <li>• the likely granting, or loss, of a major contract or government approval;</li> <li>• a proposed dividend or change in dividend policy;</li> <li>• a proposed new share issue;</li> <li>• a significant change to the Board or other senior management;</li> <li>• a regulatory investigation or audit; or</li> <li>• a material breach of law.</li> </ul>
<p><b>Designated Person</b></p>	<p>Includes:</p> <ul style="list-style-type: none"> <li>• any Director of Sims;</li> <li>• executives who are members of the Sims Executive Leadership Team; and</li> <li>• any other employee who has regular access to inside information relating to Sims and/or been advised by the Secretary that they are subject to the additional dealing restrictions.</li> </ul>
<p><b>Securities</b></p>	<p>Includes, in relation to Sims:</p> <ul style="list-style-type: none"> <li>• ordinary and preference shares;</li> <li>• options, performance rights, share rights and restricted shares;</li> <li>• American Depositary Shares;</li> <li>• debentures;</li> <li>• convertible notes; and</li> <li>• any other financial product relating to securities whether or not the product is created by Sims or by a third party.</li> </ul>