

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

SIMS METAL MANAGEMENT LIMITED

ABN

69 114 838 630

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of
+securities
issued or to
be issued

- (1) Performance rights [SGMAI]
- (2) Restricted stock units [SGMAI]
- (3) Options exp 14/11/ 2021 [SGMAK]

2 Number of
+securities
issued or to
be issued (if
known) or
maximum
number
which may
be issued

- (1) 1,006,570
- (2) 169,554
- (3) 1,358,069

+ See chapter 19 for defined terms.

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	(1) Under the Sims Metal Management Long Term Incentive Plan (“SimsMM Plan”), participants may be granted performance rights, which are the right to receive an ordinary share in the entity upon satisfaction of vesting conditions for a nil issue price. For performance rights to vest, the entity needs to, depending on the particular performance right issued, either: - meet or exceed a performance hurdle based on the Total Shareholder Return of the entity assessed against a peer group of companies, or - achieve an earnings performance hurdle based on the entity’s cumulative Earnings per Share, over the specified performance period. If these performance hurdles are met are met in respect of the particular performance right applicable, and the participant remains in the employ of the entity or a related party, or has ceased to be an employee as a result of a ‘qualifying cessation’, then ordinary shares will be issued on the last business day in August following the end of the performance period (being the 3 year period commencing 1 July 2014 and ending 30 June 2017). If the particular minimum performance hurdle is not met then no ordinary shares will be issued in respect of the particular performance rights, and the performance rights will lapse with effect as at 30 June 2017. 2 Under the SimsMM Plan, participants may be granted restricted stock units (“RSUs”), which are the right to receive an ordinary share in the entity upon satisfaction of vesting conditions for a nil issue price. For the RSUs to vest, and ordinary shares be issued, which they may do on 31 August, 2017 (the “Vesting Date”), the participants must remain in the employ of the entity or a related party, or have ceased to be an employee as a result of a ‘qualifying cessation’, on the Vesting Date. (3) Under the SimsMM Plan, participants are granted options, which are the right to receive an ordinary share in the entity upon satisfaction of a continued employment vesting condition and payment of the exercise price. For options to vest, the participant must remain in the employ of the entity or a related party, or have ceased to be an employee as a result of a ‘qualifying cessation’, on the option vesting dates, which are 31 August 2015, 31 August 2016 and 31 August 2017 respectively. The options expire 7 years after the date of grant on 14 November 2021. The option exercise price is A\$10.85.
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+ See chapter 19 for defined terms.

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	(1) - (2) A performance right or RSU to an ordinary share does not entitle a participant under the SimsMM Plan to participate in new issues of securities or to receive dividends. In the event that ordinary shares are issued under the SimsMM Plan at the end of the performance period pursuant to the vesting of performance rights or the vesting of RSUs, those ordinary shares will rank equally with existing ordinary shares. (3) An option does not entitle a participant under the SimsMM Plan to participate in new issues of securities or to receive dividends. In the event that ordinary shares are issued under the SimsMM Plan pursuant to the exercise of options, those ordinary shares will rank equally with existing ordinary shares.
5 Issue price or consideration	Nil

⁺ See chapter 19 for defined terms.

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6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(1) Issue of performance rights under the SimsMM Plan. (2) Issue of RSUs under the SimsMM Plan. (3) Issue of options under the SimsMM Plan.
6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i	N/A
6b The date the security holder resolution under rule 7.1A was passed	
6c Number of ⁺securities issued without security holder approval under rule 7.1	
6d Number of ⁺securities issued with security holder approval under rule 7.1A	
6e Number of ⁺securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	
6f Number of securities issued under an exception in rule 7.2	

⁺ See chapter 19 for defined terms.

6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	
7	Dates of entering *securities into uncertificated holdings or despatch of certificate	14 November 2014

+ See chapter 19 for defined terms.

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8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	⁺ Class
		204,691,883	Fully paid ordinary shares

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)				
		Number	⁺ Class		
		6,169,359	performance rights and restricted stock units [SGMAI] (this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the performance rights and restricted stock units assuming that the performance hurdles are met under the SimsMM Plan or the former Sims Metal Management Long Term Incentive Plan or individual contracts.		
		45,145	options exp 24/11/ 2015 [SGMAK] (issued to executive directors pursuant to the SimsMM Plan - this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the exercise of options).		
		273,999	options exp 2/04/2016 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the exercise of options)		
		850,946	options exp 17/06/2016 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the exercise of options).		
		4,747	options exp 22/10/2016 [SGMAK] (issued to executive pursuant to the SimsMM Plan - this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the exercise of options)		

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370,915	options exp 23/11/ 2016 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the exercise of options).
501,214	options exp 17/12/ 2016 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the exercise of options).
203,908	options exp 22/11/ 2017 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ADSs which may be issued pursuant to the exercise of options)
714,796	options exp 30/11/2017 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the exercise of options)
16,499	options exp 17/12/2017 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ADSs which may be issued pursuant to the exercise of options)
1,305,748	options exp 11/11/2018 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the exercise of options)
2,182,971	options exp 16/11/2019 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ordinary shares and ADSs, collectively, which may be issued pursuant to the exercise of options)
1,376,075	options exp 15/11/2020 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ordinary shares which may be issued pursuant to the exercise of options)
1,358,069	options exp 14/11/2021 [SGMAK] (issued to participants pursuant to the SimsMM Plan - this is the maximum number of ordinary shares which may be issued pursuant to the exercise of options)

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

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20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

⁺ See chapter 19 for defined terms.

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|----|---|-----|
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Despatch date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☐ Securities described in Part 1
- (b) ☐ All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A	
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	Number N/A	+Class N/A

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 3/12/2014
(Company secretary)

Print name: Frank Moratti

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

N/A

⁺ See chapter 19 for defined terms.