SIMS METAL MANAGEMENT

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2 November 2016

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

Sims Metal Management Limited (Company)
Resolutions to be considered at the Company's 2016 AGM (AGM) on 9 November 2016

Reference is made to the Company's Notice of AGM lodged with the ASX on 10 October 2016 and the resolutions to be considered at the AGM.

Following comments made by certain Proxy Advisors and queries received from several shareholders, the following further information is provided to allow shareholders to fully consider the resolutions.

RESOLUTION 3 – APPROVAL OF AMENDMENTS TO CONSTITUTION

One of the concerns raised by shareholders relates to the proposed amendment to clause 19.1 to limit the maximum number of Directors to 10.

Given these concerns, if Resolution 3 to amend the Constitution as proposed is passed by shareholders at the upcoming AGM, the Board has decided to propose a resolution at the Company's 2017 AGM to reverse this amendment to clause 19.1 so that there will be no cap on the number of Directors.

RESOLUTION 5 - REMUNERATION REPORT
RESOLUTION 6 - PARTICIPATION IN THE COMPANY'S LONG TERM INCENTIVE PLAN BY MR CLARO
RESOLUTION 7 – GRANT OF RSU AWARD TO MR CLARO

Attached is a letter from the Company's remuneration advisor Mercer, titled 'CEO Compensation Review' dated 31 October 2016, for the consideration of shareholders.

The Board has also committed to undertake a wide ranging review of the Company's remuneration structure with the intention of reflecting any changes in the Company's FY17 Remuneration Report.

Yours faithfully

F. Moratti

Frank Moratti
Group Company Secretary

Stephen J. Brown II
Partner

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October 31, 2016

Remuneration Committee
Sims Metal Management
16 West 22nd Street
Tenth Floor
New York, NY 10010

Subject: CEO Compensation Review

ANALYSIS OF TARGET TO MARKET

Mercer was asked by the Remuneration Committee of Sims Metal Management ("Sims") to undertake research in relation to the competitiveness of pay provided to the CEO relative to a comparison group of companies. The results were provided to Sims in August 2016 and the following section of this letter summarizes the results of Mercer's research.

CEO Current Compensation

Mercer's understanding of the target compensation provided to Sims's CEO is as follows (US $):

• Base salary:	$1.275M
• Target annual incentive:	115% of base salary
• Target total cash compensation ("TCC"):	$2.74M
• Target long-term incentive:	275% of base salary
• Target total direct compensation ("TDC"):	$6.25M

Comparison Group

The compensation comparison group used by Sims has historically included 15 companies. The analysis performed by Mercer included 14 of the fifteen companies as one company, Arrium, was delisted from the ASX on 4/7/16 and the company was under voluntary administration at the time of the analysis. The comparison companies are included in the appendix for reference.

Methodology

Competitive compensation data were obtained from the most recent public filings available at the time of the analysis. The following compensation elements were reviewed:

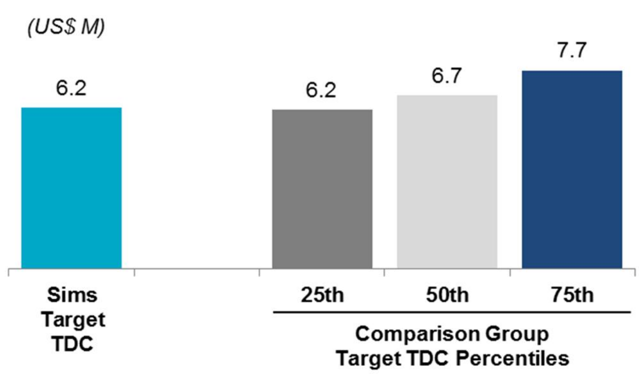
- Base salary; superannuation amounts are included for Australian companies only, where appropriate
- Target annual or short term incentives
- Target total cash compensation (base salary plus annual or short term awards)
- Target value of LTI awards, as reported
- Target TDC (TCC plus LTI awards)

Data from the public filings (i.e., annual reports, proxy statements) were aged using an increase factor of 3.0%, which represents the average expected 2015/2016 general industry salary increase for all executives. All data were converted to USD. Mercer used the most recent 12-month weighted average exchange rate as provided by Sims that it uses for the conversion of its profit and loss statements. The specific exchange rate used is 1 AUD: 0.7283 USD, which was as of June 2016.

Results of Analysis

The target TDC level of Sims's CEO is positioned at the 25th percentile of the compensation comparison group companies

- Base salary approximates the 75th percentile
- Target STI as a percentage of base salary is at the 25th percentile of the comparison group and the resulting target TCC approximates the median
- Target LTI as a dollar amount is between the 25th percentile and the median



It should be noted that, in compensating the CEO role, the Australian comparison companies place greater emphasis on base salaries and the US comparison companies place greater emphasis on long term incentives.

ANALYSIS OF MOST RECENT ACTUAL CEO COMPENSATION

Mercer was also asked by the Remuneration Committee of Sims Metal Management ("Sims") to undertake research in relation to the most recent actual compensation paid to the CEOs relative to the same comparison group of companies. Mercer prepared research in October 2016 for the Committee's consideration and the remainder of this letter summarizes the results of Mercer's research.

Methodology

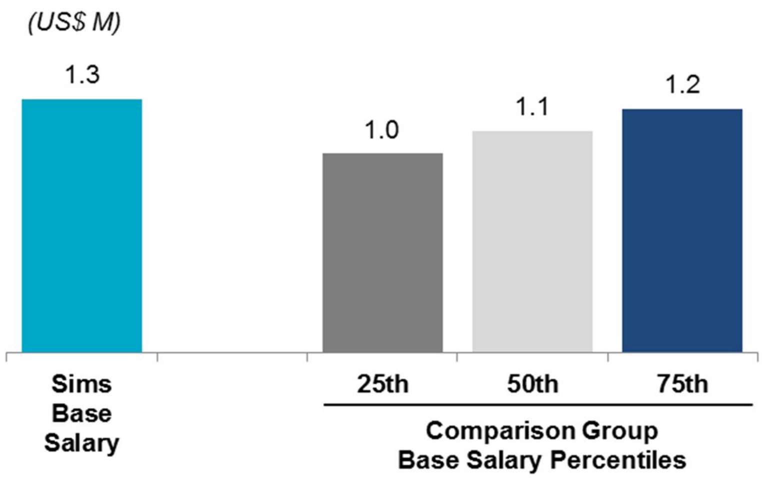
Reviewing actual compensation realized in a given year can be challenging given the different forms of long-term incentives used by companies, the bases for their valuation and when the participant ultimately realizes value from the award. For example, a stock option may be valued upon exercise or upon initial vesting. For the purposes of this analysis, Mercer used the following approach:

- Base salary; superannuation amounts are included for Australian companies only, where appropriate
- Actual short-term incentive ("STI")
- Actual total cash compensation ("TCC" = base salary plus actual STI)
- Long Term Incentives ("LTI"), with "Actual LTI" reflecting the value of:
  - Time-based restricted stock that vested during the most recent year reported
  - Performance awards that vested and paid out during the most recent year reported
  - Stock options that were exercised during the most recent year reported, regardless of when they vested
- Actual total direct compensation ("TDC" = Actual TCC plus Actual LTI)

Data from the most recently available public filings (i.e., annual reports, proxy statements) were aged using an increase factor of 3.0%, which represents the average expected 2015/2016 general industry salary increase for all executives. All data were converted to USD. Mercer used the most recent 12-month weighted average exchange rate as provided by Sims that it uses for the conversion of its profit and loss statements. The specific exchange rate used is 1 AUD: 0.7283.

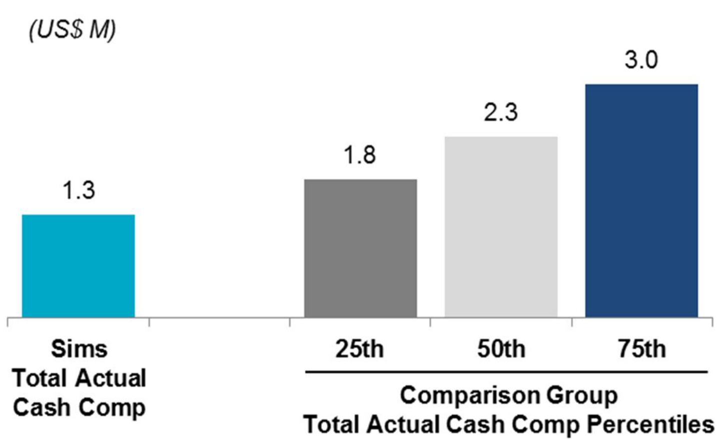
Base Salary Comparison

The base salary for the CEO of Sims approximates the 75th percentile. The incumbent's amount reflects his FY16 base salary of $1,275,000 (USD) and $41,774 (USD) for pension and superannuation.



Actual Total Cash Compensation Comparison

The actual result for the CEO of Sims approximates the 25th percentile, reflecting no bonus paid for the most recent year. The incumbent's actual total cash compensation includes the value of his base salary and superannuation amounts, as listed above, and no bonus amount.



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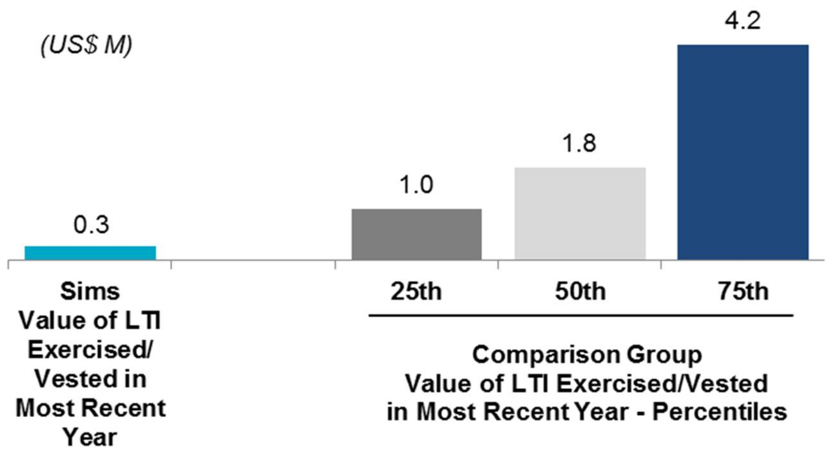
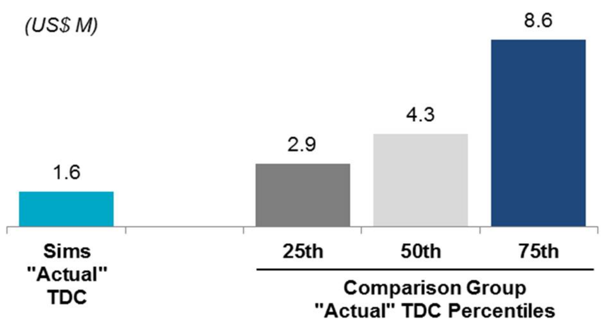
Long-term Incentives Exercised/Vested in Most Recent Year

The CEO of Sims realized value of $291K from long-term incentives, an outcome that is well below the 25th percentile. The incumbent's exercised/vested long-term incentives include the value of a restricted stock unit ("RSU") award, $290,504 (USD), which fully vested on December 1, 2015. As per Sims' 2014 annual report, the RSU award was granted on November 15, 2013 to compensate Mr. Claro for the cash incentive he would have received had he remained with his previous employer. The vested value of this award was provided by Sims management.



Actual Total Direct Compensation

The actual Total Direct Compensation for the CEO of Sims for the most recently disclosed year is well below the 25th percentile. This outcome reflects that no bonus was made and relatively low value from long-term incentives was realized. The incumbent's actual total direct compensation includes the value of the base salary ($1,275,000 USD), pension and superannuation ($41,774 USD), and exercised/vested long-term incentives ($290,504 USD).



Sincerely,

Stephen J. Brown II
Partner

Copy: Daniel Yin

Appendix – Comparison Companies

Company Name	Country	Trailing 12 Months as of June 2016		6/30/2016 Market Value
		Revenue	Net Income	
Bluescope Steel	Australia	$6,292	$178	$2,301
Brambles	Australia	$5,530	$590	$13,700
Boral	Australia	$3,116	$211	$2,708
Nucor	USA	$15,644	$358	$17,054
Waste Management	USA	$13,207	$753	$29,244
Republic Services	USA	$9,233	$750	$17,574
Reliance Steel & Aluminum	USA	$8,679	$312	$5,687
Steel Dynamics	USA	$7,307	($130)	$6,533
Masco	USA	$7,275	$355	$12,046
AK Steel Holding	USA	$6,264	($509)	$1,563
Commercial Metals	USA	$4,813	$142	$1,896
USG	USA	$3,869	$991	$4,110
Allegheny Technologies	USA	$3,140	($378)	$1,940
Schnitzer Steel Industries	USA	$1,419	($197)	$521
75th Percentile		$8,336	$532	$13,287
50th Percentile		**$6,264**	**$312**	**$5,687**
25th Percentile		$4,105	($62)	$2,132
Average		*$6,842*	*$245*	*$8,348*
Sims Metal Management	**Australia**	**$3,914**	**($156)**	**$1,123**

All data shown in USD ($000s)

1. Australian, US and Sims MM company financial data reflects most recent data per S&P Cap IQ.
2. Market Value is the Monthly Close Price multiplied by the Quarterly Common Shares