

**Fax Transmission**

Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Australia

www.bdw.com

Tel + 61 2 9258 6000

DX 355 Sydney

**Fax + 61 2 9258 6999**

**BLAKE DAWSON WALDRON**

L A W Y E R S

**Date** 3 April 2007

Our reference

IMW AUB 02-1402-7475

**From** Stephen Menzies  
Tel: (02) 9258 6133

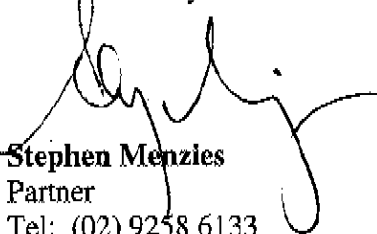
**To** Australian Securities Exchange  
Fax: 1 900 999 279

**ASIC Form 603 Notice of initial substantial holder**

Dear Sirs

Please find **attached** a copy of the Form 603 Notice of initial substantial holder. The original form was sent today by Votrant No. 1625 Pty Limited ACN 124 181 531 (substantial holder) to Sims Group Limited ABN 69 114 838 630 which is listed on the Australian Security Exchange as required under section 671B of the *Corporations Act 2001* (Cth).

Yours faithfully



**Stephen Menzies**  
Partner  
Tel: (02) 9258 6133  
stephen.menzies@bdw.com

**Number of pages including this cover sheet 33**

Please check that you have received this document in full.  
If not, please telephone the sender or call + 61 2 9258 6000.

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Associated Office  
JAKARTA

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme Sims Group Limited

ABN 69 114 838 630

**1. Details of substantial holder (1)**

Name Votrait No. 1625 Pty Limited

ACN 124 181 531

The holder became a substantial holder on 30/03/2007

This notice is given on behalf of the holder and related corporations, including Mitsui & Co., Ltd. and its subsidiaries.

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	25,079,792	25,079,792	19.9999995%

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Votrait No.1625 Pty Limited	interest acquired pursuant to conditional sale under the Share Sale Agreement (SSA) (Annexure A)	25,079,792 ordinary shares

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Votrait No.1625 Pty Limited	Hugo Neu Corporation	Votrait No.1625 Pty Limited (subject to completion of the SSA)	25,079,792 ordinary shares

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Votrait No. 1625 Pty Limited	30/03/2007	\$24.00 per share, totalling \$601,915,008		25,079,792 ordinary shares

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Mitsui & Co., Ltd ARSN 001 855 465	Ultimate holding company of Votralnt No.1625 Pty Limited

**7. Addressees**

The addresses of persons named in this form are as follows:

Name	Address
Votralnt No.1625 Pty Limited	Level 35, Grosvenor Place, 225 George Street, Sydney NSW 2000
Mitsui & Co., Ltd	2-1 Ohtemachi 1-Chome, Chiyoda-ku, Tokyo, 100-0004 JAPAN

**Signature**

print name Stephen John Menzies

capacity Director

sign here

date 3/04/2007

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

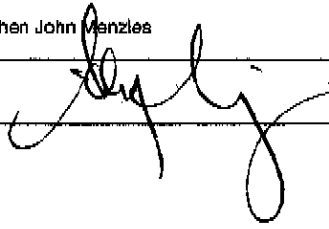
See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

This is **Annexure A** of 29 pages referred to in Form 603.

print name Stephen John Menzies

capacity Director

sign here



date 3/ 04/ 2007

CLAYTON UTZ

## Share Sale Agreement

Hugo Neu Corporation  
Seller

Votrant No. 1652 Pty Limited  
Buyer

Mitsui & Co., Ltd.  
Guarantor

The Clayton Utz contact for this document is  
Rod Halstead/Jonathan Algar on + 61 2 9363 4000

Clayton Utz  
Lawyers  
Levels 19-35 No. 1 O'Connell Street Sydney NSW 2000 Australia  
PO Box H3 Australia Square Sydney NSW 1215  
T + 61 2 9363 4000 F + 61 2 9220 6700

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 126/13530/80048257

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**Agreement dated 30 March 2007**

**Parties**

**Hugo Neu Corporation** of 120 Fifth Avenue, Suite 600, New York, NY 10011 ("Seller")

**Votrait No. 1652 Pty Limited ACN 124 181 531** care of Blake Dawson Waldron, Level 36, 225 George Street, Sydney NSW 2000 ("Buyer")

**Mitsui & Co., Ltd.** of 2-1 Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-0004 ("Guarantor")

**Background**

- A. Sims Group Limited ABN 69 114 838 630 is a company limited by shares registered in Victoria with its registered office at Level 6, 41 McLaren Street, North Sydney NSW 2060 ("Company").
- B. The Seller is the registered holder of the Shares.
- C. The Seller has agreed to sell to the Buyer the Shares and the Buyer has agreed to purchase the Shares on the terms and conditions of this agreement.
- D. In consideration of the Seller entering into this agreement, the Guarantor, a company listed on the Tokyo Stock Exchange, has agreed to provide the guarantee to the Seller on the terms and conditions of this agreement.

**Operative provisions**

The parties agree

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**1. Definitions and interpretation****1.1 Definitions**

In this agreement:

"**Acquisition Transaction**" means, for the purposes of clause 6.2, a transaction (other than the acquisition of Shares under this agreement) whether through one or more acquisitions by the Buyer and/or an Associate of the Buyer of Sims Shares, or one or more buy-backs or cancellations by the Company of Sims Shares (including any selective buy-back or selective reduction of capital by the Company, buy-back or cancellation by the Company as part of a merger scheme or other Control Transaction but excluding any other buy-backs or cancellations offered to shareholders pro rata by the Company).

"**Additional Payment**" means the number of Shares multiplied by the Additional Payment Per Share.

"**Additional Payment Per Share**" means the cash amount in Australian dollars which is equal to 15% of the Completion Payment Per Share as adjusted for any splitting or consolidation of Sims Shares by the Company.

"**Additional Shares**" has the meaning defined in clause 5.6.

"**Associate**" has the meaning given to it in section 12(2) of the Corporations Act.

"**ASTC Settlement Rules**" means the operating rules of the ASX Settlement and Transfer Corporation Pty Ltd AEN 49 008 504 532 in its capacity as a CS facility licensee, as modified from time to time.

"**Average Provided Consideration Per Sims Share**" has the meaning defined in clause 6.2.

**"Business Day"** means a day (which is not a Saturday, a Sunday or a public holiday) on which banks are open for general banking business in Sydney, Australia.

**"Buyer and Guarantor Warranties"** means the representations and warranties of the Buyer and the Guarantor set out in Schedule 2.

**"Company"** has the meaning defined in paragraph A of the Background recitals.

**"Competing Bidder"** has the meaning defined in clause 4.1(a).

**"Completion"** means completion of the sale of the Shares in accordance with the terms of this agreement.

**"Completion Payment"** means the number of Shares multiplied by the Completion Payment Per Share as may be reduced by the amount of any Other Dividends under clause 2.1(b).

**"Completion Payment Per Share"** means \$24.00 per Share (as may be amended under clause 4.1(c)(i)) as adjusted in accordance with clause 5.6 and for any splitting or consolidation of Sims Shares by the Company.

**"Conditions Precedent"** means the conditions precedent set out in clause 3.1.

**"Control Transaction"** means a proposal, whether through one or more transactions, which could involve a person acquiring a Relevant Interest in more than 50% of the Sims Shares or in any Sims Shares from a starting point that is above 50%.

**"Corporations Act"** means the Corporations Act 2001 (Cth), as amended.

**"Counterproposal"** has the meaning defined in clause 4.1(c).

**"Deferred Consideration"** means any Payable Excess or Total Payable Acquisition Excess required to be paid or provided under clause 6.

**"Deferred Consideration Period"** means:

- (a) in respect of clause 6.1, the period from the date of this agreement until the date which is 6 months from the date of Completion; and
- (b) in respect of clause 6.2, the period from the date of this agreement until the date which is 12 months from the date of Completion.

**"Divestment Transaction"** means, for the purposes of clause 6.1, a transaction involving the divestment or cancellation of any of the Shares including through any selective buy-back or selective reduction of capital, or buy-back or cancellation as part of a merger scheme or other Control Transaction but excluding:

- (a) buy-backs or cancellations offered to shareholders pro rata by the Company as part of the Company's capital management; and
- (b) any divestment by the Buyer and/or an Associate of the Buyer to an Associate of the Buyer other than a divestment to an Associate unrelated to the Buyer or the Guarantor.

**"Effected Shares"** has the meaning defined in clause 6.1.

**"Encumbrance"** means any mortgage, charge, pledge, lien, encumbrance, assignment, hypothecation, security interest, title retention, preferential right, trust arrangement, contractual right of set-off or any other security agreement or arrangement in favour of any person.

**"End Date"** means 30 June 2007, or any other date as agreed in writing by the parties.

**"Exchange Rate"** with respect to a currency on a date means the rate for converting that currency into Australian dollars which is published on the website of the Reserve Bank of Australia at [http://www.rba.gov.au/Statistics/exchange\\_rates.html](http://www.rba.gov.au/Statistics/exchange_rates.html) on that date or if that date is not a Business Day, the previous Business Day.

**"Government Authority"** means any government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity.

**"Interim Dividend"** has the meaning defined in clause 2.1(a)(i)B.

**"Law"** means all statutes, regulations, by-laws, ordinances and other delegated legislation and any rule of common law or equity from time to time.

**"Matching Notice"** has the meaning defined in clause 4.1(a).

**"Nominated Account"** has the meaning defined in clause 5.3.

**"Other Dividends"** has the meaning defined in clause 2.1.

**"Payable Acquisition Excess"** has the meaning defined in clause 6.2.

**"Payable Excess"** has the meaning defined in clause 6.1.

**"Proposal"** has the meaning defined in clause 4.1(a).

**"Provided Consideration Per Sims Share"** has the meaning defined in clause 6.2.

**"Purchase Price"** means the Completion Payment plus any Deferred Consideration.

**"Received Consideration Per Effected Share"** has the meaning defined in clause 6.1.

**"Related Body Corporate"** has the meaning given to that term in the Corporations Act.

**"Relevant Amount"** has the meaning given in clause 6.3.

**"Relevant Interest"** has the meaning given to that term in the Corporations Act.

**"Relevant Period"** has the meaning defined in clause 4.1(b).

**"Security Holder Reference Number"** has the meaning given to it in the ASTC Settlement Rules.

**"Seller Warranties"** means the representations and warranties of the Seller set out in Schedule 1.

**"Shares"** means 25,079,792 fully paid Sims Shares, provided that if the total number of Sims Shares at the date of Completion is other than 125,398,963, "Shares" shall mean the lesser of:

- (a) the total number of Sims Shares in respect of which the Seller is the registered holder as at the date of this agreement being 32,263,924 and any Additional Shares; and
- (b) the total number of Sims Shares at the date of Completion multiplied by 20% and rounded down to the nearest 100 shares.

**"Sims Shares"** means the issued fully paid ordinary shares in the Company from time to time (including the Shares).

"Standstill and Lock-Up Deed" means the deed dated 24 June 2005 between the Company, the Seller, Hugo Neu Steel Products, Inc. (now known as HNSP Development, LLC) and Flynn-Learner.

"State" means the State of New South Wales.

"takeover bid" has the meaning given to that term in the Corporations Act.

"Threshold Amount" means in respect of:

(a) any Effected Shares to which clause 6.1 applies, the amount equal to:

$$(CPS \times ES) \times (M \times 1\%)$$

where

CPS means the Completion Payment Per Share

ES means the number of such Effected Shares

M means the number of full calendar months from the date of Completion until the date on which the Buyer receives the Received Consideration Per Effected Share in respect of such Effected Shares; and

(b) any Sims Shares to which clause 6.2 applies, the amount equal to:

$$(CPS \times NS) \times (M \times 1\%)$$

where

CPS means the Completion Payment Per Share

NS means the number of Shares

M means the number of full calendar months from the date of Completion until the date on which the Buyer provides the Provided Consideration Per Sims Share in respect of such Sims Shares.

"Total Payable Acquisition Excess" has the meaning defined in clause 6.2.

"Voting Power" has the meaning given to that term in the Corporations Act.

## 1.2 Interpretation

In this agreement:

(a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

(b) the expression "person" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;

(c) the word "including" or any other form of that word is not a word of limitation;

(d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;

- (e) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (f) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (g) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this agreement, and a reference to this agreement includes any schedule, exhibit or annexure to this agreement;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) a reference to "\$" or "Australian dollar" is to Australian currency.

### 1.3 Best endeavours

Any provision of this agreement which requires a party to use best endeavours to procure that something is performed or occurs does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Government Authority; or
- (c) to alter its method, as at the date of this agreement, of doing business,

except where that provision expressly specifies otherwise.

### 1.4 Non Business Days

Except in relation to clause 5, if the day on or by which a party must do something under this agreement is not a Business Day then the party must do it on or by the previous Business Day.

### 1.5 Governing law

This agreement is governed by and will be construed according to the laws of the State.

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## 2. Sale of Shares

### 2.1 Sale obligation

- (a) The Seller agrees to sell to the Buyer, and the Buyer agrees to purchase from the Seller, the Shares for the Purchase Price:
  - (i) with all attached or accrued rights on Completion excluding:
    - A for the avoidance of doubt, any rights under Article 19.6 of the Company's constitution or under clause 3 of the Standstill and Lock-Up Deed;
    - B the right to receive the interim dividend of 60 cents per Share as announced by the Company on 20 February 2007 ("Interim Dividend");

but including the right to receive any dividend other than the Interim Dividend declared or determined by the Company after the date of this agreement and on or before Completion ("Other Dividends"); and

(ii) free of any Encumbrance on Completion,

on the terms and conditions of this agreement.

(b) The Seller agrees that the amount of all Other Dividends it may receive on or before Completion shall be subtracted from the Completion Payment.

## 2.2 Title and risk

Legal and beneficial ownership in and risk in the Shares will pass to the Buyer on Completion.

## 2.3 Other Sims Shares

It is agreed that nothing in this agreement affects the Seller's rights in respect of any Sims Shares it or its Associates hold in excess of the Shares, including the rights to dispose of or exercise voting rights in respect of those Sims Shares.

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## 3. Conditions Precedent

### 3.1 Conditions Precedent to Completion

Clauses 2.1, 2.2, 5 and 6 do not become binding on the parties and have no force and effect, and Completion must not take place, until each of the following conditions have been fulfilled or waived in accordance with clause 3.5:

(a) **(Standstill and Lock-Up Condition Precedent)**

the expiry of the restriction in clause 2.3 of the Standstill and Lock-Up Deed in accordance with its terms at the end of 30 April 2007;

(b) **(No restraining orders or notice)**

(i) there is not, in effect any final decision, order or decree issued by a court of competent jurisdiction restraining the acquisition of Shares under this agreement; or

(ii) there is no outstanding written notice from any Government Authority objecting to the acquisition by the Buyer of the Shares or requesting any information relating to the acquisition which request reasonably indicates that the Government Authority is evaluating whether to object to the acquisition, provided that the result of any such objection may reasonably be expected to prevent the Buyer or the Guarantor from realising the reasonably contemplated benefits of the acquisition or have a material adverse effect on the businesses of the Buyer and the Guarantor taken as a whole or the businesses of the Company taken as a whole;

(c) **(Resignation as a director)** the written resignation as a director of the Company and as a director of each other company in the Company group, with effect from Completion, of the director nominated by the Seller under Article 19.6(a)(i)(A) or 19.6(a)(ii) of the Company's constitution;

(d) **(Waiver of director nomination and top-up rights)** the Seller having provided to the Company written notice of the irrevocable waiver by the Seller, with effect from Completion, of its rights under:

- (i) Article 19.6 (Nominations by HNC Group) of the Company's constitution; and
- (ii) clause 3 of the Standstill and Lock-Up Deed; and
- (c) (Number of Shares) the Shares comprise at least 15% of the Sims Shares.

### **3.2 General obligations in relation to Conditions Precedent**

Without prejudice to any other obligations of the parties under this agreement neither party shall take any action that will or is likely to hinder or prevent the satisfaction of, in the case of the Seller, the Condition Precedent in clause 3.1(b) or, in the case of the Buyer, any Condition Precedent, except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, this agreement or is required by law.

### **3.3 Buyer Obligations in relation to the Conditions Precedent**

The Buyer must use its best endeavours to ensure that the Condition Precedent in clause 3.1(b) is satisfied as soon as practicable after the date of this agreement and before the End Date provided that if this agreement is not terminated under clause 4.2(b)(i), the Buyer will continue to use its best endeavours to ensure that the Condition Precedent in clause 3.1(b) is satisfied as soon as practicable after the End Date.

### **3.4 Notification**

Each party must in relation to any Condition Precedent notify the other party in writing upon becoming aware of:

- (a) the satisfaction of that Condition Precedent, in which case the notifying party must also provide reasonable evidence the Condition Precedent has been satisfied; and
- (b) any fact or circumstance which results in that Condition Precedent becoming incapable of satisfaction or may result in that Condition Precedent not being satisfied in accordance with its terms; and
- (c) any material development in respect of a Condition Precedent.

### **3.5 Waiver of Conditions Precedent**

- (a) The Condition Precedent in clause 3.1(a) is for the benefit of the Seller and may only be waived by notice in writing by the Seller (after having obtained the consent in writing of the Company signed by an authorised officer of the Company).
- (b) The Conditions Precedent in clauses 3.1(b), 3.1(c), 3.1(d) and 3.1(e) are for the benefit of the Buyer and may only be waived or partially waived by notice in writing by the Buyer.
- (c) The Buyer has the right to waive the Condition Precedent in clause 3.1(b) pursuant to clause 3.5(b) and nominate an Associate of the Buyer which is able to lawfully acquire the Shares on the same terms and outstanding conditions as this agreement (as amended by any Counterproposal which is accepted by the Seller).

## 4. Termination

### 4.1 Termination for more favourable proposal

- (a) If on or before 5:00 pm on the Business Day before Completion:
- (i) a person ("**Competing Bidder**") publicly announces a proposal (or any variation of that proposal), or communicates a proposal (or any variation of that proposal) in writing to the Seller, which could involve a person, other than the Seller or its Associates, or any of the Seller's directors, officers, employees, advisers, or their Associates, acquiring a Relevant Interest in more than 50% of the Sims Shares ("**Proposal**"); and
  - (ii) the Seller (acting reasonably) regards the Proposal as more favourable than the terms and conditions of the sale under this agreement (as amended by any Counterproposal received prior to the Proposal) and gives a notice to the Buyer to that effect ("**Matching Notice**") (and for this purpose any conditions relating to minimum acceptances of the Proposal by the Company's shareholders, minimum voting approvals of the Proposal by the Company's shareholders, regulatory and court approvals, regulatory and court restraining orders and prescribed occurrences will not be regarded as less favourable than the conditions of sale under this agreement); and
  - (iii) the Buyer does not give the Seller a Counterproposal in respect of the latest Matching Notice before the expiry of the Relevant Period in respect of the latest Matching Notice,

the Seller, at its discretion, may terminate this agreement at any time and from time to time by giving the Buyer notice to that effect (provided that if the Buyer and/or an Associate of the Buyer is the Competing Bidder, clause 4.1(a)(ii), clause 4.1(a)(iii), clause 4.1(b), clause 4.1(c), clause 4.1(d) and clause 4.1(e) will not apply and the Seller may terminate this agreement without complying with those clauses).

- (b) For the purpose of clause 4.1(a), "**Relevant Period**" means the period from the date on which the Seller gives a Matching Notice until the date which is the earlier of:
- (i) in respect of the Proposal the subject of the Matching Notice (other than a Proposal referred to in clause 4.1(b)(ii)), the earlier of:
    - A 30 days from the date on which the Seller gives the Matching Notice; and
    - B 15 days after the offer or notice of meeting of the Company's shareholders in relation to the Proposal (as the case may be) is sent to holders of Sims Shares; and
  - (ii) in respect of any Proposal by any Competing Bidder subsequent to or in response to a Counterproposal, 2 Business Days after the latest Matching Notice has been given by the Seller.
- (c) For the purposes of clause 4.1(a), "**Counterproposal**" means an irrevocable unconditional offer from the Buyer to the Seller capable of immediate acceptance by the Seller at any time within 2 Business Days after it is given by the Buyer to the Seller (and which the Seller may disclose), which, if accepted by the Seller would, in the Seller's opinion (acting reasonably), result in:

(i) the immediate unconditional amendment of the definition of Completion Payment Per Share to an amount in cash in Australian dollars equal to or more than the maximum value of the consideration per Sims Share under the relevant Proposal and on the basis that if foreign currency, securities, financial products or asset consideration (or any combination thereof) is offered or to be offered or provided under the Proposal:

A the value of any such foreign currency will be deemed to equal the Australian dollar value of that foreign currency after it has been converted at the Exchange Rate as at the date of announcement or communication of the Proposal to the Seller (as the case may be), however if such date is not a Business Day then the previous Business Day; and

B the value of any such security or financial product which is of a class quoted for trading on a stock exchange, will be deemed to equal the average closing price per such security or financial product on the principal exchange on which such securities or financial products are traded in the five trading days immediately prior to the date of announcement or communication of the Proposal to the Seller (as the case may be); and

C the value of any such security or financial product which is not quoted for trading on a stock exchange or the value of any other asset consideration, will be deemed to equal the fair value of such securities, financial products or other asset consideration on the date of announcement or communication of the Proposal to the Seller (as the case may be),

in each case in paragraphs (B) and (C) expressed in Australian dollars (and if such securities or financial products or other assets are not quoted or denominated in Australian dollars, their foreign currency value will be deemed to equal the Australian dollar value of that foreign currency after it has been converted at the Exchange Rate as at the date of announcement or communication of the Proposal to the Seller (as the case may be), however if such date is not a Business Day then the previous Business Day),

and which otherwise does not amend or vary the terms of this agreement.

(d) If the Seller terminates this agreement, and the termination takes effect under this clause 4.1, the Seller will in accordance with clause 4.1(e), pay the Buyer an amount to compensate the Buyer for its reasonable out-of-pocket legal advisory and due diligence costs (excluding any success fees) the Buyer had incurred in respect of the transaction contemplated in this agreement as at the first date the Seller gave notice in writing to the Buyer under clause 4.1(a).

(e) The Seller will pay the costs referred to in clause 4.1(d) up to a maximum amount of \$1,500,000 within 10 Business Days after receiving sufficient documentary evidence of those costs, including invoices for those costs and receipts for the payment of those costs.

(f) Clauses 4.1(a), 4.1(b), and 4.1(c) may be applied more than once in relation to one or more Proposals from one or more Competing Bidders or one or more Counterproposals from the Buyer and will continue to apply until Completion.

#### **4.2 Termination for failure to satisfy Conditions Precedent or Complete**

- (a) Except in relation to the Condition Precedent in clause 3.1(b) (to which clause 4.2(b) applies) if a Condition Precedent has not been satisfied or waived under clause 3.5 on or by the End Date or such other later date as agreed in writing between the parties, either party may, at its discretion, terminate this agreement at any time and from time to time thereafter by giving the other party written notice to that effect.
- (b) If the Condition Precedent in clause 3.1(b) has not been satisfied or waived under clause 3.5 by:
  - (i) the End Date, the Seller may terminate this agreement at any time and from time to time thereafter by giving the Buyer written notice to that effect;
  - (ii) 30 September 2007, the Buyer may terminate this agreement at any time and from time to time thereafter by giving the Seller written notice to that effect.
- (c) This agreement may be terminated under clause 5.5.

#### **4.3 Right to terminate**

Notwithstanding any other provision of this agreement, a party will not be able to terminate this agreement, including under clauses 4.1, 4.2 or 5.5, if that party is in breach of a term of this agreement.

#### **4.4 Rights upon termination**

If this agreement is terminated then, in addition to any other rights, powers or remedies provided at law or in equity:

- (a) each party is released from its obligations to further perform this agreement and this agreement will have no further effect, other than in relation to this clause 4 and clause 8; and
- (b) each party retains the rights it has against the other party in respect of any past breach or any claim that has arisen before termination, including all rights and remedies to seek damages and other relief under law or in equity.

#### **4.5 Remedies**

Without prejudice to other rights, each party acknowledges that:

- (a) a breach or threatened breach of this agreement by a party could cause irreparable harm and significant injury to the other party that may be difficult to ascertain;
- (b) damages are not a sufficient remedy in respect of any breach or threatened breach of this agreement; and
- (c) each party has the right to seek specific performance or injunctive or other relief (as appropriate) as a remedy for any breach or threatened breach of this agreement, in addition to other rights and remedies available to it at law or in equity.

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### **5. Completion**

## 5.1 Time and place for Completion

- (a) Unless this agreement is previously terminated in accordance with its terms (including under clause 4.1(a) on or before 5:00 pm on the Business Day before Completion), Completion will take place not earlier than 1 May 2007 at the offices of Clayton Utz, Sydney at 2.00 p.m. in Sydney on the later of:
- (i) 2 Business Days after the date of the satisfaction or waiver (pursuant to clause 3.5) of the Conditions Precedent; and
  - (ii) if one or more Matching Notices have been given, 3 Business Days after the earlier of:
    - A the expiry of the Relevant Period in respect of the last Matching Notice; and
    - B the date the Buyer gives the Seller a Counterproposal in respect of the last Matching Notice and that Counterproposal is accepted by the Seller,

or at such other time and place as agreed by the parties in writing it being understood, for the avoidance of doubt, that:

- (1) a Matching Notice may be given at any time on or before 5.00 pm on the Business Day prior to Completion in respect of any Proposal prior to that time; and
- (2) the Seller may terminate this agreement at any time on or before 5.00 pm on the Business Day prior to Completion under clause 4.1(a).

## 5.2 Seller's Completion obligations

On Completion, the Seller will:

- (a) deliver to the Buyer or the Buyer's authorised agent:
  - (i) a duly completed and executed transfer of the Shares in favour of the Buyer in the form attached at Annexure 1;
  - (ii) particulars of the Seller's Security Holder Reference Number;
  - (iii) any other document reasonably requested by the Buyer to effect the legal and beneficial transfer of the Shares to the Buyer; and
- (b) do and perform all further acts and execute and deliver all further documents as are necessary to pass legal and beneficial ownership in the Shares, free of any Encumbrance, to the Buyer on Completion.

## 5.3 Buyer's Completion obligations

On Completion, the Buyer will pay the Completion Payment to the Seller which payment will be made by electronic funds transfer of immediately available funds to the credit of a bank account in Sydney nominated by the Seller (details of which will be provided to the Buyer by the Seller prior to Completion) ("Nominated Account") and the Seller will not be obliged to comply with its obligations in clause 5.2 until it has received the Completion Payment in immediately available cleared funds in the Nominated Account.

## 5.4 Simultaneous actions at Completion

In respect of Completion:

- (a) the obligations of the parties upon Completion are interdependent; and
- (b) all actions required to be performed are to be taken to have occurred simultaneously at Completion.

## 5.5 Notice to complete

- (a) If Completion does not occur in accordance with this clause 5 because of the failure of any party (the "Defaulting Party") to satisfy any of its obligations under this clause 5 then, the Buyer (where the Defaulting Party is the Seller) or the Seller (where the Defaulting Party is the Buyer) (in either case the "Non-Defaulting Party") may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of 5 Business Days after the date of the notice and specifying that time is of the essence in relation to that notice.
- (b) If the Defaulting Party fails to comply with the notice, the Non-Defaulting Party may, without limitation to any other rights it may have, terminate this agreement.

## 5.6 Completion Price Per Share calculations

If after the date of this agreement and prior to Completion the Seller has acquired any additional Sims Shares by subscription from the Company (other than under the Company's Dividend Reinvestment Plan) ("Additional Shares"), then the Completion Payment Per Share shall be calculated according to the following formula:

$$\frac{[(SSA \times 24.00) + (AS \times NPPS)]}{[SSA + AS]}$$

where:

SSA means the number of Sims Shares held by the Seller at the date of this agreement

AS means the number of Additional Shares

NPPS means the subscription price of the Additional Shares (expressed as a per share amount)

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## 6. Deferred Consideration

### 6.1 Payment of Deferred Consideration following divestment

- (a) If at any time and from time to time:
  - (i) within the Deferred Consideration Period, a proposal which could result in a Divestment Transaction, is publicly announced or communicated in writing to the Buyer other than a proposal in which the Seller or an Associate of the Seller is a potential investor in, or funder of, the proposal;
  - (ii) within the period of 9 months after the later of Completion and the date of the public announcement of the proposal (or if no public announcement is made, the date the proposal is communicated in writing to the Buyer), the Buyer and/or an Associate of the Buyer completes the Divestment Transaction (or any variation of it) in respect of any of the Shares ("Effected Shares"); and
  - (iii) the Buyer and/or an Associate of the Buyer receives consideration of an amount or value per Effected Share ("Received Consideration Per Effected Share") in excess of an amount equal to the Completion Payment Per Share; and

- (iv) such amount or value ("Payable Excess") calculated under the following formula is greater than zero:

$(RCPES \times ES) \text{ minus } (CPS \times ES) \text{ minus } TA$

where

RCPES is the Received Consideration Per Effected Share;

ES is the number of Effected Shares;

CPS means the Completion Payment Per Share

TA is the relevant Threshold Amount

then the Buyer must within 5 Business Days after the date upon which clauses 6.1(a)(i), (ii), (iii), and (iv) are satisfied:

- (v) pay to the Seller in cash in Australian dollars an amount equal to half of the Payable Excess; and
- (vi) provide to the Seller a description of the Received Consideration Per Effected Share and the form in which it was received (on a Share by Share basis), full written details of the Buyer's calculation of the Payable Excess and the value of the Received Consideration Per Effected Share (on a Share by Share basis) and all relevant supporting documentation.
- (b) If any Received Consideration Per Effected Share used in calculating the amount paid under clause 6.1(a) is increased or improved within the period referred to in clause 6.1(a)(ii), the Buyer must pay to the Seller in cash in Australian dollars an additional amount equal to half of the amount by which such increase or improvement would have increased the Payable Excess had it been included in such calculations.
- (c) For the purpose of clause 6.1(a) and clause 6.1(b), the value of the Received Consideration Per Effected Share, any increase or improvement in the Received Consideration Per Effected Share and the Payable Excess will be determined in Australian dollars with reference to the date upon which the Received Consideration Per Effected Share or any increase or improvement in the Received Consideration Per Effected Share is received, provided that:
- (i) the value of any foreign currency so received, will be deemed to equal the Australian dollar value of that foreign currency after it has been converted at the Exchange Rate as at the date of receipt or if the date of receipt is not a Business Day then the previous Business Day; and
- (ii) the value of any security or financial product so received which is of a class quoted for trading on a stock exchange, will be deemed to equal the closing price per such security or financial product on the principal exchange on which such securities or financial products are traded on the date of receipt; and
- (iii) the value of any such security or financial product so received which is not of a class quoted for trading on a stock exchange or the value of any other asset consideration so received, will be deemed to equal the fair value of such securities, financial products or other asset consideration on the date of receipt,

in each case in paragraphs (ii) and (iii) expressed in Australian dollars (and if such securities or financial products or other assets are not quoted or denominated in

Australian dollars, their foreign currency value will be deemed to equal the Australian dollar value of that foreign currency after it has been converted at the Exchange Rate as at the date of receipt or if the date of receipt is not a Business Day then the previous Business Day).

- (d) Clauses 6.1(a), 6.1(b) and 6.1(c) may be applied more than once and shall continue to apply until the parties have complied with all of their obligations thereunder.

## 6.2 Payment of Deferred Consideration following acquisition

- (a) Subject to clause 6.4, if at any time and from time to time:
- (i) within the Deferred Consideration Period, an Acquisition Transaction or any other transaction, buy-back or cancellation is publicly announced which, if it were to complete, could result in the Voting Power of the Buyer and/or an Associate of the Buyer in the Company increasing:
- (1) to more than 50%; or
  - (2) from a starting point that is above 50%; and
- (ii) the aggregate amount or value of the consideration the Buyer and/or an Associate of the Buyer or the Company (as the case may be) provides under the Acquisition Transaction (or any variation of it) divided by the number of Sims Shares that are the subject of that Acquisition Transaction ("**Average Provided Consideration Per Sims Share**") is in excess of an amount equal to the Completion Payment Per Share;
- (iii) such amount or value ("**Payable Acquisition Excess**") calculated under the following formula is greater than zero,
- $$\text{APCPSS} \text{ minus } \text{CPS} \text{ minus } \text{TA per Share}$$
- where
- APCPSS is the Average Provided Consideration Per Sims Share;
- CPS is the Completion Payment Per Share;
- TA per Share is the relevant Threshold Amount divided by the number of Shares
- then the Buyer must within 5 Business Days after the date upon which clauses 6.2(a)(i), (ii) and (iii) are satisfied:
- (iv) pay to the Seller in cash in Australian dollars an amount equal to the Payable Acquisition Excess multiplied by the number of Shares ("**Total Payable Acquisition Excess**"); and
- (v) provide to the Seller a description of, and full written details of the Buyer's calculation of the value of the consideration per Sims Share provided under each such Acquisition Transaction ("**Provided Consideration Per Sims Share**") and the form in which it was provided (on a Share by Share basis) and full written details of the Buyer's calculation of the Average Provided Consideration Per Sims Share and the Payable Acquisition Excess and all relevant supporting documentation.

- (b) If any Provided Consideration Per Sims Share used in calculating the amount paid as a Total Payable Acquisition Excess under clause 6.2(a) is increased or improved

after that calculation, the Buyer must pay to the Seller in cash in Australian dollars an additional amount equal to the amount by which such increase or improvement would have increased the Total Payable Acquisition Excess had it been included in such calculations.

- (c) For the purpose of clause 6.2(a) and 6.2(b), the value of the Average Provided Consideration Per Sims Share, the Provided Consideration Per Sims Share, the Payable Acquisition Excess, the Total Payable Acquisition Excess and any increase or improvement in the Provided Consideration Per Sims Share and the Total Payable Acquisition Excess will be determined in Australian dollars with reference to the date upon which the Provided Consideration Per Sims Share or any increase or improvement in the Provided Consideration Per Sims Share is paid or provided, provided that:
- (i) the value of any foreign currency so paid or provided, will be deemed to equal the Australian dollar value of that foreign currency after it has been converted at the Exchange Rate as at the date it is paid or provided however, if that date is not a Business Day then the previous Business Day; and
  - (ii) the value of any security or financial product so paid or provided which is of a class quoted for trading on a stock exchange, will be deemed to equal the closing price per such security or financial product on the principal exchange on which such securities or financial products are traded on the date it is paid or provided; and
  - (iii) the value of any such security or financial product so paid or provided which is not of a class quoted for trading on a stock exchange or the value of any other asset consideration so paid or provided, will be deemed to equal the fair value of such securities, financial products or other asset consideration on the date it is paid or provided,

in each case in paragraphs (ii) and (iii) expressed in Australian dollars (and if such securities or financial products or other assets are not quoted or denominated in Australian dollars, their foreign currency value will be deemed to equal the Australian dollar value of that foreign currency after it has been converted at the Exchange Rate as at the date it is paid or provided, however, if that date is not a Business Day then the previous Business Day).

- (d) Clauses 6.2(a), 6.2(b) and 6.2(c) may be applied more than once and shall continue to apply until the parties have complied with all of their obligations thereunder.

### 6.3 Disputes

- (a) The Seller may, despite receiving any Payable Excess or Total Payable Acquisition Excess under clause 6.1 or 6.2, dispute the value of any Received Consideration Per Effected Share, Provided Consideration Per Sims Share, Payable Excess, Payable Acquisition Excess or Total Payable Acquisition Excess ("Relevant Amount") calculated under clauses 6.1 or 6.2.
- (b) If the Seller disputes the value of any Relevant Amount calculated under clauses 6.1 or 6.2 above and that dispute cannot be resolved between the parties in 10 Business Days then, within 10 Business Days thereafter the parties will appoint an independent expert agreed by them to determine the value of any such Relevant Amount. If the parties fail to reach an agreement on the identity of the independent expert within a further 5 Business Days, the valuation of any such Relevant Amount will be referred to a nominee of the President for the time being of the Institute of Chartered Accountants (NSW Division) to act as independent expert at the request of either party.

- (c) The independent expert will make his or her determination no later than 30 Business Days after his or her appointment.
- (d) The independent expert shall act as an expert and not as an arbitrator and his or her written determination as to the value of any Relevant Amount shall be binding on the parties.
- (e) The costs of the independent expert shall be borne by the parties in accordance with the independent expert's determination.

#### **6.4 Specific Buyer covenants**

- (a) The Buyer will not, and will procure that its Associates will not do anything which will undermine, invalidate or make void any provision of this agreement including the obligations on the Buyer in clause 6.2 or this clause 6.4.
- (b) If a takeover bid is made or proposed by the Buyer and/or any of its Associates within the period from the date of this agreement up to and including the date which is 6 months after Completion:
  - (i) clause 6.2 will not apply or be binding on the parties in relation to such takeover bid; and
  - (ii) the Buyer will pay to the Seller an amount equal to the Additional Payment by way of an adjustment to the Completion Payment which payment must be made within 5 Business Days of the date on which the takeover bid becomes unconditional.

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### **7. Warranties**

#### **7.1 Warranties**

- (a) The Seller represents and warrants to the Buyer that the Seller Warranties are true and accurate as at the date of this agreement and as at Completion.
- (b) The Buyer represents and warrants to the Seller that the Buyer and Guarantor Warranties are true and accurate in relation to the Buyer and Guarantor as at the date of this agreement and as at Completion.
- (c) The Guarantor represents and warrants to the Seller that the Buyer and Guarantor Warranties are true and accurate in relation to the Buyer and Guarantor as at the date of this agreement and as at Completion.

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### **8. General**

#### **8.1 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this agreement.

#### **8.2 Notices**

Any communication under or in connection with this agreement other than in respect of the exchange of counterparts referred to in clause 8.6:

- (a) must be in writing;
- (b) must be addressed as shown below;

**Hugo Neu Corporation**

Address: Clayton Utz  
19-35, 1 O'Connell Street  
Sydney NSW 2000 Australia

For the attention of: Rod Halstead and Jonathan Algar  
(with separate copies to be provided to each of the named  
individuals)

Fax no: +61 2 8220 6700

and

Copied to: John L Neu  
120 Fifth Avenue, Suite 600,  
New York, NY 10011  
United States of America

Fax no: +1 646 467 6737

**Votrait No. 1652 Pty Limited**

Address: Blake Dawson Waldron  
Level 36, 225 George Street  
Sydney NSW Australia 2000

For the attention of: Ian Williams and Stephen Menzies  
(with separate copies to be provided to each of the named  
individuals)

Fax no +61 2 9258 6999

**Mitsui & Co., Ltd.**

Address: 2-1 Ohtemachi 1-Chome,  
Chiyoda-Ku, Tokyo, 100-0004  
Japan

Fax no: +81 3 3285 9963

For the attention of: Yoshitaka Kuriyama

and

Copied to: Blake Dawson Waldron  
Level 36, 225 George Street  
Sydney NSW 2000

For the attention of: Ian Williams and Stephen Menzies  
(with separate copies to be provided to each of the named  
individuals)

Fax no: +61 2 9258 6999

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered by courier to the address, or sent by fax to the number, of the addressee, in accordance with clause 8.2(b); and
- (e) will be deemed to be received by the addressee:
  - (i) (in the case of courier) on the date of receipt, unless it is a non Business Day or after 5.00 pm on a Business Day in which case it will be deemed to be received at 9.00 am on the next Business Day;
  - (ii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non Business Day, or is after 5.00 pm on a Business Day, in which event that communication will be deemed to be received at 9.00 am on the next Business Day; and
  - (iii) (in the case of delivery by hand) on delivery at the address of the addressee as provided in clause 8.2(b), unless that delivery is made on a non Business Day, or after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day.

### 8.3 Jurisdiction

- (a) Each party irrevocably submits to the exclusive jurisdiction of the courts of the State, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this agreement.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within the State.

### 8.4 Waiver

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this agreement.
- (b) Any waiver or consent given by any party under this agreement will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this agreement will operate as a waiver of another breach of that term or of a breach of any other term of this agreement.

### 8.5 Assignment

A party to this agreement cannot assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior written consent of each other party.

## 8.6 Counterparts

This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, all of which together constitute one agreement. If this agreement is to be executed in counterparts, no agreement will be formed until each party exchanges its executed counterpart or a copy thereof with the other party.

## 8.7 Merger

No right or obligation of any party will merge on completion of any transaction under this agreement. All rights and obligations under this agreement survive the execution and delivery of any transfer or other document which implements any transaction under this agreement.

## 8.8 Confidentiality and public announcements

### (a) Confidentiality

Subject to clause 8.8(b) and clause 8.8(c) each party must keep the terms of this agreement confidential.

### (b) Exceptions

A party may make any disclosure in relation to this agreement:

- (i) to any of its professional advisers, financial advisers, bankers, financiers or auditors where that person is obliged to keep the information confidential;
- (ii) to comply with any applicable accounting rules or standards or any applicable law or any requirement of any regulatory body (including any relevant stock exchange);
- (iii) to any of its employees to whom it is necessary to disclose the information;
- (iv) to obtain the consent of any third party to any term of, or to any act pursuant to, this agreement;
- (v) to enforce its rights or to defend any claim or action under this agreement;
- (vi) to a Related Body Corporate on receipt of an undertaking to keep the information confidential;
- (vii) where the information has come into the public domain through no fault of that party; or
- (viii) to the Company, who may disclose such information to the Board of the Company.

### (c) Announcements

Notwithstanding clause 8.8(b)(ii), the parties agree that in respect of announcements to a relevant stock exchange in relation to the making of this agreement, a reasonable period for consultation is 2 Business Days, and the parties agree to take all reasonable steps prior to any announcement to consult and provide copies of the announcement before it is filed.

## 8.9 Expenses

Except as otherwise provided in this agreement, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this agreement.

## 8.10 Entire agreement

To the extent permitted by law, in relation to the subject matter of this agreement, this agreement:

- (a) embodies the entire understanding of the parties, and constitutes the entire terms agreed on between the parties; and
- (b) supersedes any prior written or other agreement between the parties.

## 8.11 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.

## 8.12 Other warranties and conditions excluded

Except as expressly set out in this agreement, all terms, conditions, warranties and statements (whether express, implied, written, oral, collateral, statutory or otherwise) are excluded to the maximum extent permitted by law and, to the extent they cannot be excluded, the Seller disclaims all liability in relation to them to the maximum extent permitted by law.

## 8.13 Statutory actions

To the maximum extent permitted by law, the Buyer agrees not to make and waives any right it might have to make, any claim against the Seller or any of its officers, employees, agents or advisers, whether in respect of the Seller Warranties or otherwise, under:

- (a) Part 7.10 of the Corporations Act;
- (b) the Australian Securities and Investments Commission Act 2001 (Cth) in connection with a breach of section 12DA of that Act; or
- (c) section 42 of the Fair Trading Act 1987 (NSW),

or any corresponding or similar provision of any Australian state or territory legislation or any similar provision of any legislation in any relevant jurisdiction or any other applicable laws.

## 8.14 Severability

If any provision or part of a provision of this agreement including clause 6 is held or found to be void, invalid or otherwise unenforceable it will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability, but the remainder of that clause will remain in full force and effect.

## 8.15 Guarantee

- (a) The Guarantor unconditionally and irrevocably guarantees to the Seller:

- (i) the payment by the Buyer of all present and future monetary liabilities of the Buyer due or payable to the Seller under this agreement; and
- (ii) the performance by the Buyer of each other obligation of the Buyer under this agreement;

and if the Buyer fails to pay such monies or fails to perform such obligation on the due date for payment or performance the Guarantor must immediately on demand by the Seller pay such monies to the Seller or perform such obligation in the manner specified in this agreement.

- (b) As a separate, independent and additional liability, the Guarantor indemnifies the Seller against all loss arising from, or which the Seller otherwise suffers or incurs or may suffer or incur in connection with, any failure of the Buyer to pay any monetary liability or to perform any other obligation of the Buyer under this agreement on the due date.
- (c) The Seller may make a demand under the guarantee in clause 8.15(a) or the indemnity in clause 8.15(b) without first taking any steps against the Buyer.
- (d) The guarantee contained in this clause 8.15 is a continuing guarantee of the Guarantor, is not wholly or partially discharged at any time by the payment of any monies or the performance of any obligations guaranteed under it and remains in full force and effect until all monetary liabilities and other obligations guaranteed under it have been fully paid and performed.
- (e) The guarantee contained in this clause 8.15 and the liability of the Guarantor under the guarantee is not affected at any time by:
  - (i) the Seller granting to the Guarantor, the Buyer or any other person any waiver, extension of time or other indulgence;
  - (ii) any other or further security or guarantee now or after the date of this agreement held or taken by the Seller under the guarantee;
  - (iii) the loss or release by the Seller of any other collateral or other security or guarantee;
  - (iv) the Seller failing or neglecting to recover by the realisation of any collateral or other security or otherwise any of the money guaranteed under this clause 8.15;
  - (v) the insolvency, bankruptcy or winding up of the Buyer; or
  - (vi) any variation, modification or novation of this agreement (including a change to the party which is the Buyer or to whom the Shares will be transferred under this agreement pursuant to clause 3.5(c)) or any obligation under this agreement whether made with or without the knowledge or consent of the Guarantor.

## Schedule 1 Seller Warranties

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### 1. Share capital

- (a) **(Fully paid up)** The Shares are all fully paid up.
  - (b) **(Title)** The Seller is the registered holder of the Shares.
  - (c) **(Title at Completion)** The Shares will at Completion be free of any Encumbrance and, subject to the satisfaction of the Conditions Precedent, the Seller has complete and unrestricted power and right to sell, assign and transfer the Shares to the Buyer on the terms and conditions of this agreement.
  - (d) **(Demands)** The Seller has received no notice regarding forfeiture or other divestiture of the Shares or of any claims, demands, litigation or proceedings pending or threatened in respect of the Shares.
  - (e) **(No disposal)** The Seller has not disposed of, agreed to dispose of, or granted any option to purchase, any Share or any interest in any Share.
- 

### 2. Capacity and authority

- (a) **(Incorporation)** The Seller is a company properly incorporated and validly existing under the laws of the state of New York in the United States of America.
- (b) **(Power and authority)** The Seller has the legal right and full corporate power in its own right to enter into and perform this agreement, has duly authorised the execution of this agreement and has obtained all necessary consents and taken all necessary action required otherwise to enable it to do so.
- (c) **(Legal obligations)** This agreement constitutes valid, legal and binding obligations on the Seller enforceable in accordance with its terms by appropriate legal remedy.
- (d) **(No consequential breach)** The entry into and performance of this agreement by the Seller does not and will not:
  - (i) result in a breach of any trust deed, contract or other obligation to which the Seller is bound;
  - (ii) result in a breach of any provision of the certificate of incorporation or by-laws of the Seller; or
  - (iii) result in a breach of any Law, order, judgement or decree of any Governmental Authority to which the Seller is a party or is bound.
- (e) **(No insolvency events)** No:
  - (i) meeting has been convened, resolution proposed, petition presented or order made for the winding up of the Seller;
  - (ii) receiver, receiver and manager, provisional liquidator, liquidator or other officer of the court has been appointed in relation to all or any material assets of the Seller;
  - (iii) mortgagee or chargee has taken, attempted or indicated an intention to exercise its rights under any security of which the Seller is the mortgagor or chargor which materially affects the performance of the Seller's obligations contained in this agreement.

(f) **(Not insolvent) The Seller:**

- (i) is not insolvent within the meaning of any Law applicable to it;
- (ii) has not stopped paying its debts as and when they fall due other than debts which if they were not paid would not materially affect the performance of the Seller's obligations contained in this agreement; and
- (iii) is not subject to voluntary administration under any Law applicable to it.

## Schedule 2 Buyer and Guarantor Warranties

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### 1. Capacity and authority

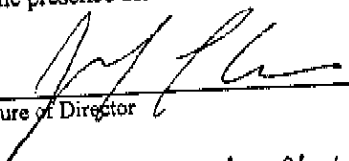
- (a) **(Incorporation)** It is a company properly incorporated and validly existing under the jurisdiction of its formation.
- (b) **(Power and authority)** It has the legal right and full corporate power in its own right to enter into and perform this agreement, has duly authorised the execution of this agreement and has obtained all necessary consents and taken all necessary action required otherwise to enable it to do so.
- (c) **(Legal obligations)** This agreement constitutes valid, legal and binding obligations on it enforceable in accordance with its terms by appropriate legal remedy.
- (d) **(No consequential breach)** The entry into and performance of this agreement by it does not and will not:
  - (i) result in a breach of any trust deed, contract or other obligation to which it is bound;
  - (ii) result in a breach of any provision of its constitution, articles of association, certificate of incorporation or by-laws; or
  - (iii) result in a breach of any Law, order, judgement or decree of any Governmental Authority to which it is a party or is bound.
- (e) **(No insolvency events)** No:
  - (i) meeting has been convened, resolution proposed, petition presented or order made for its winding up;
  - (ii) receiver, receiver and manager, provisional liquidator, liquidator or other officer of the court has been appointed in relation to all or any of its material assets;
  - (iii) mortgagee or chargee has taken, attempted or indicated an intention to exercise its rights under any security of which it is the mortgagor or charger which materially affects the performance of its obligations contained in this agreement.
- (f) **(Not insolvent)** It:
  - (i) is not insolvent within the meaning of any Law applicable to it;
  - (ii) has not stopped paying its debts as and when they fall due other than debts which if they were not paid would not materially affect the performance of its obligations contained in this agreement; and
  - (iii) is not subject to voluntary administration under any Law applicable to it.

## Annexure 1 Share Transfer Form

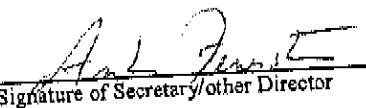
<b>SHARE TRANSFER FORM</b>		
For Non-Market Transactions Affix Stamp Duty Here		
FULL NAME OF CORPORATION	SIMS GROUP LIMITED ACN 114 838 630	
STATE OR TERRITORY OF INCORPORATION	VICTORIA	
DESCRIPTION OF SECURITIES	ORDINARY (FULLY PAID)	
QUANTITY	Words: Figures:	
FULL NAME OF TRANSFEROR (SELLER)	HUGO NEU CORPORATION	
CONSIDERATION	0	Date of Purchase [ ]
FULL NAME OF TRANSFEREE (BUYER)	VOTRAINT NO.1652 PTY LIMITED ACN 124 181 631	
FULL ADDRESS OF TRANSFEREE (BUYER)	C/- Blake Dawson Waldron, Level 36, 225 George Street, Sydney NSW 2000	
STATEMENT UNDER SECTION 1072H:	Under section 1072H of the <i>Corporations Act 2001</i> (Cth), the transferee states that upon registration of this transfer it will hold the securities:	BENEFICIALLY
We the registered holder and undersigned transferor (seller) for the above consideration transfer to the transferee (buyer) named above the securities as specified above standing in our name in the books of the corporation named above, subject to the several conditions on which we held those securities at the time of signing and we the transferee (buyer) named above agree to accept those securities on the same conditions.		
SIGNATURE OF TRANSFEROR (SELLER)	SIGNED for HUGO NEU CORPORATION, by its duly authorised officer, in the presence of:  Signature of witness _____ Signature of officer _____ Name _____ Name _____	FOR REGISTRAR USE
DATE SIGNED	/ /	
SIGNATURE OF TRANSFEREE (BUYER)	SIGNED for and on behalf of VOTRAINT NO.1652 PTY LIMITED by its Attorney under a Power of Attorney dated 28 March 2007 and the Attorney declares that the Attorney has not received any notice of the revocation of such Power of Attorney, in the presence of:  Signature of witness _____ Signature of Attorney _____ Name _____ Name _____	
DATE SIGNED	/ /	

Executed as an agreement:

Executed by HUGO NEU CORPORATION by  
or in the presence of:

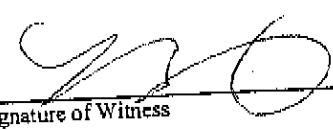
  
\_\_\_\_\_  
Signature of Director

John L. Neu  
\_\_\_\_\_  
Name of Director in full

  
\_\_\_\_\_  
Signature of Secretary/other Director

Andrew Feuerstein  
\_\_\_\_\_  
Name of Secretary/other Director in full

Signed for and on behalf of VOTRAINT  
NO.1652 PTY LIMITED by its Attorney under a  
Power of Attorney dated 28 March 2007 and the  
Attorney declares that the Attorney has not  
received any notice of the revocation of such Power  
of Attorney, in the presence of:

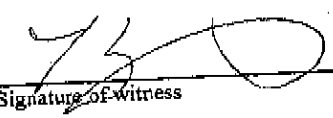
  
\_\_\_\_\_  
Signature of Witness

YOSHITAKA KURITAMA  
\_\_\_\_\_  
Name of Witness in full

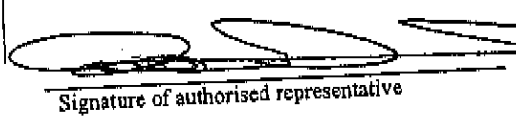
  
\_\_\_\_\_  
Signature of Attorney

MASAMI IIJIMA  
\_\_\_\_\_  
Name of Attorney in full

Executed by MITSUI & CO., LTD by its  
authorised representative in the presence of:

  
\_\_\_\_\_  
Signature of Witness

YOSHITAKA KURIYAMA  
\_\_\_\_\_  
Name of witness in full

  
\_\_\_\_\_  
Signature of authorised representative

MASAMI IIJIMA  
\_\_\_\_\_  
Name of authorised representative in full