

## **METAL MANAGEMENT, INC.**

### **CORPORATE GOVERNANCE GUIDELINES**

Metal Management, Inc. (“we”, “us”, ”our” or the “Company”) is committed to responsible and responsive corporate governance. Our Certificate of Incorporation and Bylaws, applicable state and federal laws and regulations and stock market regulations contain legal requirements for our corporate governance. In addition, our Board of Directors (the “Board”) has adopted these guidelines, which, along with the charters of the committees of the Board, provide the framework for the corporate governance of the Company. These guidelines may be modified from time to time by the Board.

#### **Directors’ Roles, Selection and Standards**

##### **Role of the Board and Management**

The primary responsibility of our Board members is to act in what they reasonably believe to be in the best interests of the Company and our shareholders. Our business is conducted by our employees and officers under the direction of our Chief Executive Officer (the “CEO”) and the oversight of the Board. In performing their oversight responsibilities, directors rely on the ability and integrity of management in carrying out their responsibilities.

##### **Directors’ Responsibilities**

Our directors’ responsibilities include:

- overseeing the conduct of our business generally;
- reviewing and approving our fundamental operating, financial and other corporate plans, strategies and objectives;
- selecting, regularly evaluating, fixing the compensation of and, as appropriate, retaining or replacing our CEO and planning for succession;
- approving policies of corporate conduct, including policies regarding (i) compliance with applicable laws and regulations, and (ii) maintenance of accounting, financial and other controls; and
- performing other responsibilities specifically prescribed by applicable laws and regulations and our Certificate of Incorporation or Bylaws.

Directors are expected to review relevant materials, adequately prepare for and regularly attend Board and applicable committee meetings and devote the time necessary to discharge effectively their responsibilities, including keeping informed about our performance and competitive position in the marketplace.

##### **Board Size**

Our Bylaws permit the Board to fix, by resolution, the size of our Board. The Nominating and Corporate Governance Committee, in consultation with our CEO, periodically considers and

recommends the appropriate Board size to the Board based on its assessment of the number of directors required to oversee our business and affairs consistent with these guidelines.

### **Selection of Directors**

As part of the responsibilities set forth in its Charter, the Nominating and Corporate Governance Committee will recommend to the Board:

- nominees for election to the Board at the annual meeting of shareholders;
- nominees to fill newly-created Board positions or vacancies on the Board occurring between annual meetings of shareholders; and
- nominees for committee memberships and committee chairs.

The full Board makes final determinations on these matters.

The Nominating and Corporate Governance Committee will consider all factors it deems relevant in evaluating candidates for initial Board membership and for nomination or re-nomination at the annual meeting of shareholders. The factors the Committee considers will include, but not be limited to:

- character, including reputation for personal integrity and adherence to high ethical standards;
- judgment;
- knowledge and experience in leading a successful company, business unit or other institution;
- independence from the Company;
- ability to contribute diverse views and perspectives;
- business acumen; and
- ability and willingness to devote the time and attention necessary to be an effective director - all in the context of the Committee's assessment of the Board's needs at that point in time.

### **Independence**

A majority of the directors must be "independent" under the listing standards of the New York Stock Exchange, Inc. ("NYSE"). On an on-going basis, the Board will affirmatively determine for each director whether he or she is independent and we will disclose the determination in our annual proxy statement.

### **Service on Other Boards and Audit Committees**

Any director of our Company who has full-time employment, including our CEO, can serve on no more than 3 public company boards (including our Board) and a director who is retired or has less than full-time employment can serve on no more than 6 public company boards (including our Board) unless the Board, with advice from the Nominating and Corporate Governance Committee, determines that service on additional public company boards will not impair the director's ability to serve effectively on our Board.

Directors serving on our Audit Committee may not serve on the audit committee of more than 2 other public companies, unless the Board determines that service on additional public company audit committees will not impair the director's ability to serve effectively on our Audit Committee.

If the Board determines that a director can serve effectively on more boards or audit committees than these guidelines permit generally, the Board will disclose a specific explanation of its determination in our annual proxy statement. Directors should notify the CEO and the chair of the Nominating and Corporate Governance Committee in writing, with a copy to the Corporate Secretary, in advance of accepting any invitation to serve on the board or audit committee of another public company. Our Board members may not serve on the board of a company or organization that raises the potential for a significant conflict of interest.

### **Non-Employee Director Compensation**

The Compensation Committee recommends non-employee directors' compensation to the Board for approval. The guiding principles behind our non-employee director practices are:

- alignment with shareholder interests;
- preservation of independence; and
- preservation of the fiduciary duties owed to all shareholders.

## **Board Procedures**

### **Board Meetings and Agenda**

Our CEO sets the schedule for Board meetings. The Board believes that 4 regular meetings per year at appropriate intervals are desirable for the performance of the Board's responsibilities. In addition to regularly-scheduled meetings, unscheduled Board meetings may be called at any time with appropriate notice to address specific needs.

Our CEO sets the agenda for each Board meeting. Directors are encouraged to make suggestions for agenda topics to the CEO. Board members also may raise subjects that are not on the agenda at any Board meeting. At least once a year, management will make a presentation to the Board on our long-term strategic plans.

### **Lead Director**

Whenever the Chairman of the Board is a member of management, there will be a Lead Director. The Lead Director will be an independent director appointed each year by the Board after the annual meeting of stockholders and he or she will serve at the pleasure of the Board. The responsibilities of the Lead Director will be:

- to provide leadership to the Board;
- to chair Board meetings in the absence of the Chairman;

- to organize, set the agenda for and lead executive sessions of the independent directors without the attendance of management;
- to serve as a liaison between the Board and the Chairman; and
- to meet with the Chairman between Board meetings as appropriate in order to facilitate Board meetings and discussions.

### **Attendance of Non-Directors at Board Meetings**

Executive officers and other members of senior management who report directly to the CEO may be present at Board meetings at the invitation of the CEO or the Board. The Board also encourages management from time to time to bring managers, appropriate personnel and appropriate legal and financial advisors and consultants into Board meetings who (1) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (2) who demonstrate future leadership potential.

### **Access to Management**

Directors have full access to all of our management, employees and advisors. In the ordinary course, management will inform the CEO of all material communications and interactions with non-employee directors.

### **Independent Advisors**

The Board and each committee, as well as the non-employee directors as a group, have the authority to engage the services of independent advisors at our expense to assist in the discharge of their duties. Generally, the independent advisors would be engaged with the knowledge of the CEO.

### **Director Orientation and Continuing Education**

Materials are to be provided to newly appointed directors to acquaint them with the Company's business, industry and corporate governance practices. Senior management and other appropriate personnel and outside advisors are also made available to brief new directors on the Company and the industry. The Company also arranges for directors to visit Company facilities on an on-going basis to enable them to better carry out their duties.

Directors may at their discretion take advantage of continuing education opportunities that will enhance their ability to fulfill their responsibilities. The Company will reimburse directors for their reasonable expenses in pursuing such opportunities.

### **Executive Sessions**

Non-employee directors will hold executive sessions without management present at or in conjunction with regularly scheduled Board meetings. The Lead Director will chair these sessions and may call additional meetings of non-employee directors at any time.

## **Annual Performance Evaluations**

The Board and each of its committees conduct annual self-evaluations. The assessments focus on the Board's effectiveness and contribution to the Company and specifically focus on areas in which the directors believe that the Board or any of its committees could improve. The effectiveness and contributions of individual directors are also evaluated and are considered each time a director stands for renomination. The Nominating and Corporate Governance Committee determines the specific methods used for the evaluations and oversees the evaluation process.

## **Board Committees**

The Board has three standing committees:

- the Audit Committee;
- the Compensation Committee; and
- the Nominating and Corporate Governance Committee.

Each committee has a written charter adopted by the Board. From time to time, the Board may provide for such other special committees as deemed necessary to carry out its responsibilities. The committee chairmen determine the frequency of meetings consistent with the charters of their respective committees and set meeting times and develop committee agendas. Each committee reports on its actions and discussions to the Board as soon as practicable.

All members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are independent.

Any director may attend and participate in discussions of any Board committee (except for management directors at executive sessions), although formal committee action will only be through the vote of appointed committee members.

## **Principal Senior Officer and Compensation**

The Compensation Committee is responsible for approving performance goals for the CEO. The chair of the Compensation Committee will meet with the CEO to discuss the Board's evaluation of the CEO's performance. The Compensation Committee also is responsible for reviewing the performance goals for other executive officers. Further, the Compensation Committee sets the compensation for the CEO and other executive officers.

## **Corporate Ethics**

### **Ethics and Compliance**

We maintain a comprehensive ethics and compliance program consisting of 4 key elements:

- the Metal Management Business Ethics Policy and Code of Conduct (the "Code of Conduct");

- our Insider Trading Compliance Policy (the “Compliance Policy”);
- our Code of Ethics for Senior Executive and Financial Officers; and
- an Ethics & Compliance Hotline Program.

The Audit Committee regularly reviews our ethics and compliance program.

Our Code of Conduct can be viewed online at [www.mtllm.com](http://www.mtllm.com) or in hardcopy by writing to: Corporate Secretary, Metal Management, Inc., 325 North LaSalle Street, Suite 550, Chicago, IL 60610. All employees, including our CEO, our Chief Financial Officer, and all directors are required to comply with the Code of Conduct and Compliance Policy.

Our Ethics & Compliance Hotline features 24/7/365 coverage and allows for a confidential, anonymous and efficient way of reporting suspected violations of the Code of Conduct. We forbid retaliation against any employee who, based on his or her reasonable belief, reports a violation or suspected violation of the Code of Conduct. The retaliation prohibition also extends to those employees who assist in an investigation.

### **Contacting Us on Accounting, Auditing or Internal Control Integrity Matters**

We have established procedures for the receipt, retention and treatment of complaints regarding accounting, internal auditing controls or auditing matters to permit anyone, including employees, who has concerns about our accounting, auditing matters or internal controls to submit them anonymously to our Ethics & Compliance Hotline or directly to the chair of the Audit Committee. Communications on these matters may be made by telephone or in writing, as follows:

#### **To the Integrity Helpline:**

Telephone: 1-877-888-0002

#### **To the Audit Committee (or the full Board):**

In writing: Audit Committee Chair (or Board of Directors)  
c/o Metal Management, Inc.  
325 North LaSalle Street, Suite 550  
Chicago, IL 60610

We prohibit retaliation against anyone who provides information regarding conduct that he or she reasonably believes is in violation of the Code of Conduct, including information relating to the accuracy of our records and the reporting of financial and non-financial information.

#### **Conflicts of Interest**

Any person, including directors, providing information on a matter to the Board must disclose to the Board any actual or potential material conflict of interest that he or she may have at the time the matter is presented to the Board.

### **Other Corporate Governance Matters**

#### **Independent Auditors**

Consistent with the Sarbanes-Oxley Act of 2002 and the NYSE's corporate governance rules, our Audit Committee has the sole responsibility for the appointment, compensation and oversight of our independent auditors.

### **Shareholder Proposals**

All shareholder proposals properly submitted in connection with our annual proxy statement will be referred to and evaluated by the independent committee of the Board responsible for the subject matter of the proposal. If no independent committee has subject matter responsibility for the proposal, the Nominating and Corporate Governance Committee will evaluate the proposal. On the recommendation of the committee, the Board will determine whether the shareholder proposal is in the best interest of our Company. We will state a recommendation and rationale for our recommendation regarding each shareholder proposal included in our annual proxy statement.

### **Communications with Directors**

The Board generally believes it is in our Company's best interests that designated members of management speak on behalf of the Company. The directors may, from time to time, with management's knowledge and in most instances with members of management present, meet with outside parties on issues of great significance to all shareholders.

Anyone who wishes to communicate with the Board or the non-employee directors may write to: Board of Directors [or name of individual director], c/o Corporate Secretary, Metal Management, Inc. 325 North LaSalle Street, Suite 550, Chicago, IL 60610, or send an e-mail to [rlarry@mtlm.com](mailto:rlarry@mtlm.com).

The Board has instructed the Corporate Secretary or his designee to examine incoming communications to determine whether the communications are relevant to the Board's role and responsibilities. The Board has requested the Corporate Secretary or his designee to discard the following types of communications: spam, business solicitations or advertisements, resumes, or any threatening or hostile materials. The Corporate Secretary or his designee will forward any service inquiries or complaints to the appropriate groups within the Company for processing and response.

The Corporate Secretary or his designee will review all appropriate communications and report on the communications to the chair of or the full Nominating and Corporate Governance Committee, the full Board, or the non-employee directors as appropriate. The Corporate Secretary or his designee will take additional action or respond to letters in accordance with instructions from the relevant Board source. Communications relating to our accounting, internal accounting controls, or auditing matters will be referred promptly to the chair of the Audit Committee.

### **Periodic Review and Disclosure of Corporate Governance**

The Board will review these guidelines and all committee charters annually or more often as it considers appropriate. The Board may modify these guidelines and the committee charters as it considers appropriate. These guidelines and the committee charters can be obtained online at [www.mtlm.com](http://www.mtlm.com) or by writing to Corporate Secretary, Metal Management, Inc. 325 North LaSalle Street, Suite 550, Chicago, IL 60610.