

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

GENERAL

1. PURPOSE AND RESPONSIBILITIES

1.1 Purpose

The Committee's purpose includes responsibility for:

- (a) identifying individuals qualified to become Board members, consistent with criteria established by the Board;
- (b) recommending to the Board the candidates to stand for election or appointment to the Board;
- (c) reviewing and recommending to the Board the compensation for the Chair of the Board and for Directors;
- (d) developing and recommending to the Board a set of corporate governance principles applicable to Russel;
- (e) overseeing the evaluation of the Board, the Chair of the Board and the Board Committees; and
- (f) such other matters as are set out in this Charter or as may otherwise be assigned to the Committee by the Board.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Charter:

- (a) "Russel" means Russel Metals Inc.;
- (b) "Board" means the board of directors of Russel;
- (c) "Chair" means the chair of the Committee;

- (d) "Committee" means the nominating and corporate governance committee of the Board; and
- (e) "Director" means a member of the Board.

2.2 Interpretation.

The provisions of this Charter are subject to the provisions of the by-laws of Russel and to the applicable provisions of the *Canada Business Corporations Act* (the "Act"), and any other applicable legislation.

3. CONTINUATION AND COMPOSITION OF COMMITTEE

3.1 Continuation of the Nominating and Corporate Governance Committee

The Committee is hereby continued with the constitution, function and responsibilities herein set forth.

3.2 Appointment and Removal of Members of the Committee

- (a) Board Appoints Members. The members of the Committee shall be appointed by the Board (having considered the recommendation of the Committee).
- (b) Annual Appointments. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.
- (c) Vacancies. The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.
- (d) Removal of Member. Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors.

3.4 Independence of Members

- (a) No member of the Committee shall be an officer or employee of Russel or any of its affiliates.
- (b) Each member of the Committee shall be independent for the purposes of all applicable regulatory and stock exchange requirements.

3.5 Retirement and Term

- (a) **Rotation of Membership.** The Nominating and Corporate Governance Committee shall recommend to the Board a process for ensuring that at least every three years, unless otherwise expressly determined by the Board, at least one member of the Committee will retire from the Committee and at least one new member will be appointed to the Committee who has not been a member of the Committee for at least three years.
- (b) **Six Year Term Limit.** No person shall serve on the Committee for a period of more than six consecutive years unless the Board shall, in any particular case, specifically determine to make an exception from such limitation.

4. COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

4.2 Chair to be Appointed Annually

The designation of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of shareholders at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

4.3 Term

The position of Chair shall be rotated not less frequently than every four years; provided however, the Board may specifically determine to make an exception from such limitation.

5. COMMITTEE MEETINGS

5.1 Quorum

A quorum of the Committee shall be a majority of the Committee members.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

5.3 Time and Place of Meetings

The Committee shall meet at least three times per year. The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee.

5.4 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.5 Invitees

The Committee may invite Directors, officers and employees of Russel or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

5.6 Regular Reporting

The Committee shall report to the Board at each regular quarterly Board meeting concerning the proceedings at the meetings of the Committee and any recommendations adopted by the Committee since its most recent report to the Board.

6. AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors

The Committee shall have the sole authority to retain and terminate any firm engaged to assist it in identifying director candidates and to retain outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms of any such firm and other advisors.

6.2 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee

6.3 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

7. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

PURPOSE AND RESPONSIBILITIES

8. NOMINATION OF NEW DIRECTORS

8.1 Evaluating Competencies and Skills

The Committee shall provide recommendations to the Board with respect to the following matters:

- (a) the competencies and skills the Board, as a whole, should possess;
- (b) the competencies and skills each existing Director possesses and which the Board as a whole therefore possesses; and
- (c) the personality and other qualities of each Director, as these may ultimately determine the boardroom dynamic.

8.2 Identifying and Recommending New Nominees

The Committee shall identify the individuals qualified to become new Directors and recommend to the Board new nominees for election by shareholders or for appointment by the Board to fill any vacancy on the Board. In making its recommendations to the Board, the Committee shall consider:

- (a) any selection criteria approved by the Board from time to time, including the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (b) the competencies and skills that the Board considers each existing Director to possess; and
- (c) the competencies and skills each new nominee would bring to the boardroom.

8.3 Exception

If Russel is legally required by contract or otherwise to provide third parties with the right to nominate Directors, the Committee shall have no responsibility for the selection and nomination of such Directors.

9. DIRECTOR COMPENSATION

9.1 Compensation of the Chair, Committee Chairs and the Board and Directors

- (a) The Committee shall review and make recommendations to the Board concerning the compensation of the Chair of the Board, the Chairs of Committees and of Directors.

- (b) In determining the compensation structure, the Committee shall consider and review:
 - i. the compensation paid to the Chair of the Board, the Chairs of Committees and Directors at comparable companies; and
 - ii. the proportion of compensation to be paid in cash versus paid in deferred share units or another deferred equity-based plan.

10. **GOVERNANCE PRINCIPLES AND DISCLOSURE**

10.1 **Governance Principles**

- (a) **Governance Principles.** The Committee shall develop and recommend to the Board Russel's approach to corporate governance, including a set of governance principles and guidelines (the "Governance Principles").
- (b) **Difference from Recommended Practices.** If any of the Governance Principles are different from those recommended by applicable securities regulators or stock exchanges, the Committee shall advise the Board why it considers these differences to be appropriate.
- (c) **Annual Review of Governance Principles.** The Committee shall review the Governance Principles at least annually and recommend to the Board any changes to the Governance Principles which it considers appropriate.

10.2 **Governance Disclosure**

The Committee shall review and recommend to the Board for approval any disclosure relating to Russel's governance practices.

11. **BOARD EFFECTIVENESS**

11.1 **Size of the Board**

The Committee shall, on an annual basis, examine the size and composition of the Board and, if appropriate, recommend to the Board a program to establish a Board comprised of members who facilitate effective decision-making.

11.2 **Independence**

The Committee shall recommend to the Board structures and procedures to enable the Board to function independently of management, including procedures to permit the Board to meet on a regular basis without management present and oversee the development and implementation of any such structures and procedures approved by the Board.

11.3 Committees of the Board

The Committee shall review the Board's committee structure on an annual basis and recommend to the Board any changes it considers necessary or desirable with respect to the committee structure, including:

- (a) the charters of each committee;
- (b) the criteria for membership on any committee;
- (c) the composition of each committee;
- (d) the appointment and removal of members from any committee;
- (e) the operations of each committee, including the ability of any committee to delegate any or all of its responsibilities to a sub-committee of that committee; and
- (f) the process by which each committee reports to the Board.

11.4 Delineating Board and Management Responsibilities

The Committee shall:

- (a) develop and recommend to the Board position descriptions for
 - (i) Directors;
 - (ii) the chair of each committee of the Board; and
 - (iii) the chair of the Board; and
- (b) together with the CEO and in consultation with the Compensation Committee develop and recommend to the Board a position description for the CEO, including:
 - (i) defining the limits of management's responsibilities; and

- (ii) overall corporate goals and objectives that the CEO is responsible for meeting, taking into consideration goals and objectives relevant to CEO compensation approved by the Compensation Committee of the Board.

11.5 Special Outside Advisors

The Chair shall consider and, if determined to be appropriate, approve requests from Directors or committees of Directors for the engagement of special outside advisors from time to time (in addition to any right that a Director may have to engage outside advisors under general corporate law).

12. ORIENTATION AND CONTINUING EDUCATION

12.1 Orientation

The Committee shall develop and recommend to the Board a comprehensive orientation program for new Directors, which shall include assisting new Directors to understand:

- (a) the role of the Board and its committees;
- (b) the contribution individual Directors are expected to make (including the commitment of time and energy that Russel expects from its Directors); and
- (c) the nature and operation of Russel's business.

12.2 Continuing Education

The Committee shall develop and recommend to the Board a continuing education program for all Directors which shall, among other things:

- (a) assist Directors to maintain or enhance their skills and abilities as directors;
and
- (b) assist Directors in ensuring that their knowledge and understanding of Russel's business remains current.

13. ASSESSMENT PROCESS

13.1 Board, Committee and Individual Director Assessment

The Committee shall:

- (a) develop and recommend to the Board a process for assessing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Directors on an annual basis, such process to consider:
 - (i) the solicitation and receipt of comments from Directors, as appropriate,
 - (ii) the Board's written charter,
 - (iii) the charter of each committee of the Board,
 - (iv) applicable position description(s) for each individual Director and for the chairs of the Board and of each committee of the Board, and
 - (v) the competencies and skills each individual Director is expected to bring to the Board; and
- (b) be responsible for overseeing the execution of the assessment process approved by the Board and management.

14. POLICIES

14.1 Corporate Disclosure Policy

The Committee shall review and recommend that the Board adopt a policy for Russel's communications with shareholders, the investment community, the media, governments and their agencies, employees and the general public. The Committee shall approve and receive regular reports from management with respect to the policy and Russel's compliance with its continuous and timely disclosure obligations thereunder.

14.2 Ethical Compliance and Legal Compliance

The Committee shall:

- (a) subject to Board approval, establish, review and update periodically Russel's Code of Business Conduct and Ethics with a view to complying with all applicable rules and regulations, and ensure that management has established a system to enforce this code;
- (b) review, approve and receive regular reports from management with respect to compliance with Russel's Code of Business Conduct and Ethics Policy for

Employees and the review system in place to ensure that Russel's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements;

- (c) satisfy itself that management has established a system to disclose the Code of Business Conduct and Ethics Policy for Employees, any amendments to the code and any waivers from the code granted by the Committee for the benefit of a Director or senior officer of Russel, as required by applicable rules and regulations and receive regular reports from management with respect to compliance with this system; and
- (d) review, approve and receive regular reports from management and Russel's legal counsel with respect to legal compliance matters including Russel's insider trading policy.

15. **ANNUAL PERFORMANCE EVALUATION**

On an annual basis, the Committee shall follow the process established by it and adopted by the Board (referred to in Section 12 above) for all committees of the Board for assessing the performance and effectiveness of the Committee.

16. **CHARTER REVIEW**

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate.