



**INFORMATION CIRCULAR AND NOTICE OF  
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**THURSDAY, MAY 2, 2024**

**THIS BOOKLET CONTAINS IMPORTANT INFORMATION FOR  
SHAREHOLDERS**



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# NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

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Notice is hereby given that the annual general meeting of shareholders (the "Meeting") of Russel Metals Inc. (the "Company") will be held:



**Date:** Thursday, May 2, 2024

**Time:** 10:00 a.m. (Eastern Time)

**Place:** Russel Metals Inc.  
6600 Financial Drive,  
Mississauga, Ontario, Canada  
L5N 7J6

## **BUSINESS OF THE MEETING**

The purpose of the Meeting is:

1. to receive and consider the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2023, together with the report of the auditors thereon;
2. to elect Directors;
3. to appoint KPMG LLP as auditors and to authorize the Directors to fix their remuneration;
4. to approve the advisory resolution to accept the approach to executive compensation disclosed in the Circular; and
5. to transact such further or other business as may properly come before the Meeting or any postponement or adjournment thereof.

## **NOTICE AND ACCESS**

We are using Notice and Access to deliver our meeting materials. Accordingly, this notice of meeting, accompanying Circular, and our audited annual financial statements for the financial year ended December 31, 2023, along with the related Management's Discussion and Analysis of Financial Condition and Results of Operations have been posted on our website at [www.russelmetals.com](http://www.russelmetals.com) (see "Investor Relations" and "Financial Reports") and under our profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). For further information regarding delivery of our meeting materials please see our letter to shareholders regarding Notice of our Annual General Meeting of Shareholders and Notice of Availability of Meeting Materials.

## **VOTING**

If you are a registered shareholder, voting instructions are included with this Notice of Annual Meeting. To be valid, proxies for use at the Meeting must be deposited with the Company (at its registered office) or with TSX Trust Company no later than 10:00 a.m. (Eastern Time) on Tuesday, April 30, 2024 and, in the case of any postponement or adjournment of the Meeting, not less than 48 hours before commencement of the postponed Meeting or recommencement of the adjourned Meeting.

If your shares are held in an account with a trust company, securities broker or other financial institution (an "Intermediary"), you are considered to be a non-registered beneficial shareholder. To vote your shares, you must follow the instructions and complete the form that was provided to you by your Intermediary with this Notice of Annual Meeting.

By Order of the Board,

*/s/ Martin L. Juravsky*

**Martin L. Juravsky,**  
Executive Vice President,  
Chief Financial Officer and  
Secretary  
Mississauga, Ontario  
February 27, 2024

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# INFORMATION CIRCULAR

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## GENERAL

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### REASON FOR RECEIVING THIS CIRCULAR

You are receiving this Circular because you own common shares of Russel Metals as of March 13, 2024. As a shareholder, you have the right to vote your shares at our annual meeting of shareholders on May 2, 2024. More information regarding the voting of your shares can be found commencing on page 9 of this Circular.

### INTERPRETATION

Unless the context otherwise requires, references to "Company", "Corporation", "Russel Metals", "we", "us" or "our" as used herein refer to Russel Metals Inc. and its subsidiaries. All dollar references are in Canadian dollars unless otherwise stated. Unless otherwise indicated, the financial information contained in this Circular is presented as at December 31, 2023 and all other information is current to February 27, 2024.

### SHAREHOLDER PROPOSALS

A shareholder who will be entitled to vote at the annual meeting of shareholders of the Company to be held in 2025 and who intends to raise a proposal at such meeting must deliver the proposal to the Company not earlier than December 4, 2024, and not later than February 2, 2025.

### ENGAGEMENT WITH THE BOARD OR MANAGEMENT

Senior management regularly travels across Canada, to meet with existing and potential shareholders and also regularly engage with shareholders virtually.

Our Board and management value constructive engagement with shareholders. In the event any shareholder desires to engage with Directors or management at any time, please send your inquiry to the Company's address set out on page 4 of this Circular. If your question is directed to the Chair of the Board or pertains to a specific Committee, please address your note to the Chair of the Board or the Chair of the appropriate Committee. Otherwise, please contact the Company's Investor Relations Department as set out on page 4 and we will arrange for the appropriate individual to contact you.

### AVAILABILITY OF DISCLOSURE DOCUMENTS

We will provide to any shareholder, upon request to our Investor Relations Department, a copy of:

1. our most recent Annual Information Form together with any document or pertinent pages of any document incorporated therein by reference;
2. our audited consolidated financial statements for our last financial year together with the auditors' report thereon and the related MD&A;
3. our Circular for our last annual meeting of shareholders;
4. our Code of Business Conduct and Ethics Policy for Employees; and
5. any material documents and / or material change reports (other than confidential reports) which we have filed with the various securities regulatory authorities.

## CONTACT INFORMATION

For general information regarding the Company, please send your request to:

### **Russel Metals Inc.**

Investor Relations Department  
6600 Financial Drive  
Mississauga, Ontario L5N 7J6

**Phone:** 905.816.5178

**Fax:** 905.819.7409

**Email:** [info@russelmetals.com](mailto:info@russelmetals.com)

For registered shareholders electing to submit a form of proxy, please send to:

### **TSX Trust Company**

Mail (Regular or Registered)

TSX Trust Company  
Proxy Department, P.O. Box 721  
Agincourt, Ontario M1S 0A1

**Fax:** 416.595.9593

**Email:** [proxyvote@tmx.com](mailto:proxyvote@tmx.com)



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# DELIVERY OF MEETING MATERIAL

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## NOTICE AND ACCESS

We are using Notice and Access to deliver our meeting materials, including this Circular and our 2023 audited annual financial statements (the "Financial Statements") and related Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A").

Instead of receiving a paper copy of this Circular in the mail, shareholders will receive a package in the mail with a notice ("Notice") explaining how to access this Circular electronically or how to request a paper copy of it. A form of proxy for registered shareholders or a voting instruction form for non-registered shareholders will be included with the Notice with instructions on how to vote your shares. Using Notice and Access allows for faster access to the Circular, reduces printing and mailing costs and is more environmentally friendly as it uses less materials and consumes less energy.

## HOW TO ACCESS THE CIRCULAR ELECTRONICALLY

This Circular is available on our website at [www.russelmetals.com](http://www.russelmetals.com) (see "Investor Relations" and "Financial Reports") and under our profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## HOW TO REQUEST A PAPER COPY OF THIS CIRCULAR AND FINANCIAL STATEMENTS

You may request paper copies of this Circular, the Financial Statements and the related MD&A at no cost up to one year from the date this Circular was filed on SEDAR+ (on or about March 26, 2024). Your request should be received at least ten (10) business days prior to the Meeting date in order to receive this Circular in advance of such date.

If you are a registered shareholder (your shares are registered in your name) you may request paper copies of this Circular, the Financial Statements and the related MD&A by calling 1-844-916-0609 (English) or 1-844-973-0593 (French).

If you are a beneficial or non-registered shareholder (your shares are registered in the name of an intermediary, such as a bank, trust company, investment dealer, agency, or other institution) you may request paper copies of this Circular, the Financial Statements and the related MD&A by calling 1-877-907-7643 or online at [www.proxyvote.com](http://www.proxyvote.com). In both cases you will need to enter the 16 digit control number provided on the voting instruction form. You should keep the original form sent to you in order to vote.

## QUESTIONS REGARDING NOTICE AND ACCESS

If you have questions about Notice and Access or if you would like to request a paper copy of this Circular after the Meeting, at no charge, you can contact Broadridge Investor Communications Corporation at 1-844-916-0609 for English and 1-844-973-0593 for French or by email at [noticeandaccess@broadridge.com](mailto:noticeandaccess@broadridge.com).

## FINANCIAL STATEMENT REQUESTS

Financial information for the most recently completed financial year is provided in our annual financial statements and related MD&A.

If you are a non-registered beneficial shareholder and you wish to receive our quarterly financial statements and MD&A, you must mark the appropriate request boxes on the voting instruction form provided by your financial intermediary and return it in the envelope provided.

If you are a registered shareholder and you wish to receive our quarterly financial statements and related MD&A you must mark the appropriate request box on the reverse side of the enclosed form of proxy, and return it to us.

Our results are announced by news release. Our financial statements, MD&A and other disclosure documents are available on our website at [www.russelmetals.com](http://www.russelmetals.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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## BUSINESS OF THE MEETING

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### ELECTION OF THE BOARD OF DIRECTORS

There are 10 nominees for election to the Board of Directors, nine of whom are currently Directors of the Company. Detailed information regarding each nominee commences on page 12 of this Circular, including Director attendance at meetings in 2023. If elected, each nominee will serve for a term of one year, until the 2025 annual meeting of shareholders, or until his or her successor is elected or appointed.

### APPOINTMENT OF AUDITORS

Deloitte LLP ("Deloitte") were first appointed as our auditors in 1958 and continued to be our auditors until February 9, 2024. Solely due to Deloitte's long tenure as our auditors, the Company requested their resignation effective February 9, 2024 following the completion of their audit of the 2023 financial statements. This change was not as a result of any disagreement related to financial reporting. The Board has appointed KPMG LLP ("KPMG") as auditors to hold office until the Meeting. A copy of the "reporting package" in respect of the change of auditors is attached as Schedule A to this Circular.

If a ballot is demanded at the Meeting, the shares represented by proxies in favour of management nominees will be voted in favour of the appointment of KPMG as auditors of the Company, unless a shareholder has specified in a proxy that his or her shares are to be withheld from voting in the appointment of auditors. To be effective, the resolution to appoint KPMG as auditors of the Company and to authorize the Directors to fix their remuneration must be passed by a majority of the votes cast at the Meeting in person or by proxy by shareholders entitled to vote thereon.

### DELOITTE FEES AND SERVICES

#### Fees Charged by Deloitte

The following table summarizes the audit and other fees charged by Deloitte for their services during each of the 2023 and 2022 fiscal years:

Service	Fiscal Year 2023	Fiscal Year 2022
Audit Services (including expenses)	\$1,600,000	\$1,391,000
Audit Related Services	-	65,000
Tax Services	120,000	130,000
<b>Total</b>	<b>\$1,720,000</b>	<b>\$1,586,000</b>

#### Audit Services

The fees charged by Deloitte for audit services included the audit of our annual financial statements.

#### Audit Related Services

The fees charged by Deloitte for audit related services are for assurance and related services that are reasonably related to the performance of the audit and are not reported under audit services. Such services included audits of our employee benefit plans.

## **Tax Services**

Tax services conducted by Deloitte relate to U.S. tax compliance, tax advice, the application of the CARES Act and consulting work relating to an acquisition.

## **Other Services**

In fiscal 2023 and 2022, Deloitte did not charge fees for any services other than those set out above.

## **ADVISORY RESOLUTION ON THE COMPANY'S APPROACH TO EXECUTIVE COMPENSATION**

In 2010, the Board of Directors of the Company approved the adoption of an annual non-binding advisory vote by shareholders on executive compensation, commencing with the annual meeting held in May 2010. This gives shareholders a formal opportunity to indicate whether they support the disclosed objectives of the executive compensation plans, and the plans themselves. In 2023, the Company's advisory "say on pay" resolution was approved with 87% of the votes cast in support of the resolution. As a shareholder, you have the opportunity to vote FOR or AGAINST the Company's approach to executive compensation through the following resolution:

*Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Company's Information Circular delivered in advance of the Annual Meeting of Shareholders to be held on May 2, 2024.*

As this is an advisory vote, the results will not be binding on the Board of Directors. However, the Board of Directors will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions.

For information regarding the Company's approach to executive compensation please see "Compensation Discussion and Analysis" commencing on page 30 of this Circular and "Executive Compensation" commencing on page 46 of this Circular. **The Board of Directors recommends that the shareholders vote "FOR" the advisory resolution on the Company's approach to executive compensation.**

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## VOTING INFORMATION

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### PRINCIPAL HOLDERS OF VOTING SHARES

To the knowledge of our Directors and officers, no person or company currently owns or exercises control of or direction over 10% or more of our common shares.

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## QUESTIONS AND ANSWERS

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### Who is soliciting my proxy?

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Russel Metals' management is soliciting your proxy for use at the Meeting or at any postponement or adjournment thereof. The solicitation of proxies for the Meeting by the Company will be made primarily by mail, but our officers, employees and agents may also solicit proxies personally or by telephone. The cost of the solicitation of proxies will be borne by Russel Metals.

### Who is entitled to vote?

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Only holders of common shares may vote at the Meeting. As of February 27, 2024, the date of this Circular, there were 60,344,026 common shares outstanding. Each shareholder is entitled to one vote for each common share registered in his or her name as of the close of business on March 13, 2024, the record date for the Meeting.

### How do I Vote?

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#### Registered Shareholders

If you are eligible to vote and your shares are registered in your name, you can vote your shares by proxy. Voting instructions are included in the accompanying form of Proxy. To be valid, TSX Trust Company must receive proxies no later than 10:00 a.m. (Eastern Time) on Tuesday, April 30, 2024 and, in the case of any postponement or adjournment of the Meeting, not less than 48 hours before commencement of the postponed Meeting or recommencement of the adjourned Meeting. The Company reserves the right to accept late proxies and to waive the proxy cut-off deadline, with or without notice, but is under no obligation to accept or reject any particular late proxy.

#### Non-Registered Beneficial Shareholders

If your shares are held in an account with a trust company, securities broker or other financial institution (an "Intermediary"), you are considered to be a non-registered beneficial shareholder. The Intermediary is the legal entity entitled to vote your common shares for you, in the manner that you direct. The Company has paid all costs associated with the delivery of the Notice and related materials to its non-registered beneficial owners, via their Intermediaries. Non-registered beneficial shareholders should not complete the form of proxy being circulated by management. Instead, you should follow the instructions and complete the voting instruction form that your Intermediary delivered to you. The voting instruction form will provide the necessary instructions to your Intermediary as to how you would like to vote your common shares. All required voting instructions must be submitted to your intermediary sufficiently in advance of the proxy cut-off deadline to allow your intermediary to forward this information to TSX Trust Company prior to the deadline.

### How do I appoint a proxyholder?

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The Chair of the Board of Directors ("Chair"), failing him, the President and Chief Executive Officer ("CEO") and failing him, the Vice President of Risk Management and Legal ("VP Risk Management and Legal") of Russel Metals are the persons designated in the enclosed form of proxy who will represent management at the Meeting. **You have the right, as a shareholder, to appoint a different person to act on your behalf at the Meeting. You may exercise this right by**

inserting in the space provided in the form of proxy the name of the other person you would like to appoint as nominee. To be valid, proxies for use at the Meeting must be deposited with the Company (at its registered office) or with TSX Trust Company no later than 10:00 a.m. (Eastern Time) on Tuesday, April 30, 2024 and, in the case of any postponement or adjournment of the Meeting, not less than 48 hours before commencement of the postponed Meeting or recommencement of the adjourned Meeting.

If there is a ballot called for at the Meeting, the shares represented by proxies in favour of the persons named by management on the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions specified by shareholders in the forms of proxy. If the shareholder specifies a choice with respect to any other matter to be acted upon, the shares will be voted accordingly.

If you have not specified in the form of proxy how to vote on a particular matter, your proxyholder is entitled to vote your common shares as your proxyholder sees fit. If your proxy form does not specify how to vote on the advisory resolution on the approach to executive compensation and if you have authorized our Chair, our CEO or our Vice President Risk Management and Legal to act as your proxyholder, your common shares will be voted at the Meeting:

1. "FOR" the election of the ten nominees to the Board of Directors;
2. "FOR" the appointment of KPMG as independent auditors of the Company and to authorize the Board of Directors of the Company to fix the auditors' remuneration; and
3. "FOR" the advisory resolution to accept the Company's approach to executive compensation.

#### **What if there are amendments or other matters brought before the Meeting?**

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The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to the matters identified in the notice of Meeting or other matters that may properly come before the Meeting. Management is not presently aware of any such amendments or other matters.

#### **What if I change my mind and want to revoke my proxy?**

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If you change your mind and want to revoke your proxy after you have delivered it to TSX Trust Company, you (or your attorney if one has been authorized, or if a corporation, an officer thereof) may revoke it:

1. by completing an instrument in writing, bearing a later date, and delivering it:
  - a. to TSX Trust Company or to our registered office located at 6600 Financial Drive, Mississauga, Ontario, L5N 7J6 at any time up to and including the last business day preceding the day of the meeting, or an adjournment thereof, at which the proxy is to be used; or
  - b. to the Chair of the Meeting on the day of the Meeting or an adjournment thereof; or
2. in any other manner permitted by law.

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## THE BOARD OF DIRECTORS

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### NUMBER OF DIRECTORS

Our articles provide that the number of persons that may be elected to our Board of Directors is not fewer than seven and not more than 12. The Board of Directors presently consists of 10 Directors and the Board has determined that 10 Directors will be elected at the Meeting. The current Directors are: Stewart C. Burton, John M. Clark, James F. Dinning, Brian R. Hedges, Cynthia Johnston, Alice D. Laberge, William M. O'Reilly, Roger D. Paiva, John G. Reid and Annie Thabet. In support of the Board's ongoing succession planning process and in accordance with our Board Renewal Policy, Mr. O'Reilly, who has been a director since May 12, 2009, is retiring from the Board and not standing for re-election at the Meeting.

The following individuals are being nominated for election as Directors at the Meeting: M. Elyse Allan, Stewart C. Burton, John M. Clark, James F. Dinning, Brian R. Hedges, Cynthia Johnston, Alice D. Laberge, Roger D. Paiva, John G. Reid and Annie Thabet.

If elected, each Director will hold office until the next annual meeting of shareholders or until his or her successor is elected or appointed.

### NOMINEES FOR THE ELECTION OF DIRECTORS

The following table sets out information about each of the nominees, including his or her principal occupation or employment for at least the last five years, other public board memberships, and in respect of the Company, committee memberships, meetings attended during 2023, previous voting results and the number of common shares owned, controlled or directed and the number of deferred share units ("DSUs") held. For Mr. Reid, in addition to the above items, the following table also sets out the number of share appreciation rights ("SARs") and restricted share units ("RSUs") held. The Nominating and Corporate Governance Committee (the "NCG Committee") has recommended each nominee for election as a Director.

# M. Elyse Allan



Age 66  
Toronto, Ontario, Canada  
New Nominee  
Independent<sup>(6)</sup>

**Public Board Memberships:**  
Brookfield Corporation

Ms. Allan is a Corporate Director. She currently serves as a director of Brookfield Corporation, as the vice chair of Ontario Health, as founding chair of Invest Ontario and as a trustee on the Dartmouth Hitchcock Board. She is the former President and Chief Executive Officer of General Electric Canada Company Inc., a digital industrial company, a position she held from 2004 until June 2018, and a former Vice-President of General Electric Co. She recently completed her board service at Westinghouse and the MaRS Discovery District. Ms. Allan is a Fellow at the C.D. Howe Institute and serves on its National Advisory Board. She is the former Chair of the Board of Advisors at the Tuck School of Business at Dartmouth College and a former Board member of the Conference Board of Canada and the Business Council of Canada. In 2014, Ms. Allan was appointed Member of the Order of Canada.

## Board and Committee Meetings Attended During 2023:

Ms. Allan is a new nominee Director for the board, and accordingly, did not attend any Board or Committee meetings in 2023.

## Previous Voting Results:

Not applicable.

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	1,000	\$ 46,420
DSUs <sup>(1)(2)</sup>	-	-
<b>Total Common Shares &amp; DSUs<sup>(1)(2)</sup></b>	<b>1,000</b>	<b>\$ 46,420</b>

# Stewart C. Burton



Age 66  
Toronto, Ontario, Canada  
Director since 01Jan2024  
Independent<sup>(6)</sup>

**Public Board Memberships:**  
None

Mr. Burton is a Corporate Director. He was Vice Chairman of RBC Dominion Securities Inc. / RBC Capital Markets from 2009 until his retirement in 2022. Between 2001 – 2009 Mr. Burton held various executive leadership positions with RBC Dominion Securities Inc. / RBC Capital Markets. Prior to joining RBC Dominion Securities Inc., Mr. Burton was a chartered accountant with Ernst & Young from 1981 – 1984.

## Board and Committee Meetings Attended During 2023:

Mr. Burton was appointed to the Board of Directors on January 1, 2024, but attended two meetings as an observer in 2023.

## Previous Voting Results:

Not applicable.

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	-	\$ -
DSUs <sup>(1)(2)</sup>	-	-
<b>Total Common Shares &amp; DSUs<sup>(1)(2)</sup></b>	<b>-</b>	<b>\$ -</b>



# John M. Clark



Age 68  
Etobicoke, Ontario, Canada  
Director since 03May2012  
Independent<sup>(6)</sup>

## Public Board Memberships:

Vista Gold Corp.  
Zephyr Minerals Ltd.

Mr. Clark is President of Investments & Technical Management Corp., a firm engaged in corporate finance and merchant banking, since 1999. In relation to Mr. Clark's position at Investments & Technical Management Corp., he also serves as a director of private companies under its management. He was Chief Financial Officer and a Director of Polaris Geothermal Inc. from June 2004 to October 2009. He was President and/or Executive Chairman of Laurasia Resources Limited, a publicly traded oil and gas exploration and development company from 1988 to 1998.

## Board and Committee Meetings Attended During 2023:

Board	8 of 8
Audit	4 of 4
Nominating and Corporate Governance	4 of 4

Previous Voting Results:	For	Withheld
2023	95.03%	4.97%
2022	96.33%	3.67%

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	3,000	\$ 139,260
DSUs <sup>(1)(2)</sup>	76,521	3,552,105
<b>Total Common Shares &amp; DSUs<sup>(1)(2)</sup></b>	<b>79,521</b>	<b>\$3,691,365</b>

# James F. Dinning



Age 71  
Calgary, Alberta, Canada  
Director since 17Feb2003  
Chair of the Board since 06May2014  
Independent<sup>(6)</sup>

## Public Board Memberships:

Western Investment Company

Mr. Dinning is a Corporate Director and was appointed Chair of the Board of the Company on May 6, 2014. He serves as Board Chair of Western Investment Company and as a director of various other private companies, foundations and trusts. He was chair of Western Financial Group Inc. from 2005 to 2017 when the company was acquired by Wawanesa. He is the past chair of Liquor Stores North America Ltd and Export Development Canada and a former director of Parkland Fuel Corp, Finning International Inc. and Shaw Communications Inc. From 1997 to 2004 Mr. Dinning was a senior executive of TransAlta Corporation. Mr. Dinning held several key positions during his 11 years as a member of the Legislative Assembly in Alberta, including Provincial Treasurer from 1992 to 1997. He is a Member of the Order of Canada and a Fellow of the Institute of Corporate Directors. He is Chancellor Emeritus of the University of Calgary.

## Board and Committee Meetings Attended During 2023:

Board <sup>(3)</sup>	7 of 8
Management Resources and Compensation	4 of 4
Nominating and Corporate Governance	4 of 4

Previous Voting Results:	For	Withheld
2023	92.20%	7.80%
2022	89.18%	10.82%

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	34,500	\$ 1,601,490
DSUs <sup>(1)(2)</sup>	77,916	3,616,861
<b>Total Common Shares &amp; DSUs<sup>(1)(2)</sup></b>	<b>112,416</b>	<b>\$5,218,351</b>

# Brian R. Hedges



Age 71  
Toronto, Ontario, Canada  
Director since 12May2009  
Independent<sup>(6)</sup>

**Public Board Memberships:**  
Black Diamond Group Limited

Mr. Hedges is a Corporate Director. Mr. Hedges joined Russel Metals as Executive Vice President and CFO in 1994. During his early years with the Company, Mr. Hedges contributed to the divestitures of non-metals operations and the restructuring from a holding company to a metals distribution company. Over the succeeding 15 years, Mr. Hedges assumed various responsibilities, including becoming Executive Vice President and Chief Operating Officer of Russel Metals in 2008. In 2009, Mr. Hedges was appointed President and Chief Executive Officer of Russel Metals. He served as Chief Executive Officer of the Company until his retirement on May 2, 2018. Prior to joining Russel Metals, Mr. Hedges held the positions of President and Chief Executive Officer and Chief Financial Officer, at Gandalf Technologies and Chief Financial Officer at Teleglobe Inc. Mr. Hedges is currently a Director of Black Diamond Group Limited.

## Board and Committee Meetings Attended During 2023:

Board	8 of 8
Environmental Management and Health & Safety	3 of 3
Nominating and Corporate Governance	2 of 2

Previous Voting Results:	For	Withheld
2023	94.10%	5.90%
2022	89.53%	10.47%

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	70,000	\$3,249,400
DSUs <sup>(1)(2)</sup>	45,925	2,131,839
<b>Total Common Shares &amp; DSUs<sup>(1)(2)</sup></b>	<b>115,925</b>	<b>\$5,381,239</b>

# Cynthia Johnston



Age 62  
Victoria, British Columbia, Canada  
Director since 05May2021  
Independent<sup>(6)</sup>

**Public Board Memberships:**  
AltaGas Ltd.

Ms. Johnston is a Corporate Director. She serves on the Board of Directors of AltaGas Ltd. where she chairs the EH&S Committee. She was Executive Vice President, Gas, Renewables and Operations Services at TransAlta Corporation from 2015 until her retirement in 2017. Between 2011 and 2015, she held various positions, including Executive Vice President Enterprise Risk and Corporate Services and Executive Vice President Corporate Services. From 2013 until her retirement, she was Chief Operating Officer and served as a non-independent Director of TransAlta Renewables. Prior thereto, Ms. Johnston held various executive leadership positions with TransAlta and Fortis Alberta.

## Board and Committee Meetings Attended During 2023:

Board	8 of 8
Audit	4 of 4
Environmental Management and Health & Safety	2 of 2
Nominating and Corporate Governance	2 of 2

Previous Voting Results:	For	Withheld
2023	95.65%	4.35%
2022	97.40%	2.60%

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	1,000	\$ 46,420
DSUs <sup>(1)(2)</sup>	7,676	356,320
<b>Total Common Shares &amp; DSUs<sup>(1)(2)</sup></b>	<b>8,676</b>	<b>\$402,740</b>

# Alice D. Laberge



Age 67  
Vancouver, British Columbia,  
Canada  
Director since 30Jul2007  
Independent<sup>(6)</sup>

**Public Board Memberships:**  
Mercer International Inc.  
Nutrien Ltd.

Ms. Laberge is a Corporate Director. She was President and Chief Executive Officer of Fincentric Corporation (a global provider of software solutions to financial institutions) from 2003 to 2005 and CFO from 2000 to 2003. Prior to that she was with MacMillan Bloedel Limited in a number of financial positions including Senior Vice President, Finance and CFO. Ms. Laberge served as a director of the Royal Bank of Canada from 2005 to 2021. Ms. Laberge is currently a Director of the Canadian Public Accountability Board.

## Board and Committee Meetings Attended During 2023:

Board	8 of 8
Audit	2 of 2
Management Resources and Compensation	2 of 2
Nominating and Corporate Governance	4 of 4

Previous Voting Results:	For	Withheld
2023	93.25%	6.75%
2022	90.90%	9.10%

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	8,000	\$ 371,360
DSUs <sup>(1)(2)</sup>	59,418	2,758,184
<b>Total Common Shares &amp; DSUs<sup>(1)(2)</sup></b>	<b>67,418</b>	<b>\$3,129,544</b>

# Roger D. Paiva



Age 63  
Toronto, Ontario, Canada  
Director since 01Oct2020  
Independent<sup>(6)</sup>

**Public Board Memberships:**  
None

Mr. Paiva is a Corporate Director. Mr. Paiva was the Vice President Operations – North Region of Gerdau Steel Company from 2017 until his retirement in 2019. He started with Gerdau Steel in 1982 and held many senior positions at Gerdau Steel through out his career including Vice President Operations, Merchant Mills from 2011 – 2017. Mr. Paiva was a member of the Board of Directors of the Canadian Steel Producers Association from 2011 to 2019, during his last two years he held the position of Co-Chair of the Board of Directors.

## Board and Committee Meetings Attended During 2023:

Board	8 of 8
Environmental Management and Health & Safety	3 of 3
Management Resources and Compensation	4 of 4

Previous Voting Results:	For	Withheld
2023	96.87%	3.13%
2022	98.58%	1.42%

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	4,460	\$207,033
DSUs <sup>(1)(2)</sup>	9,989	463,689
<b>Total Common Shares &amp; DSUs<sup>(1)(2)</sup></b>	<b>14,449</b>	<b>\$670,722</b>

# John G. Reid



Age 55  
Soddy Daisy, Tennessee, United States  
Director since 02May2018  
Not Independent<sup>(7)</sup>

**Public Board Memberships:**  
None

Mr. Reid is the President and Chief Executive Officer of Russel Metals. Mr. Reid started with JMS Metals Services, Inc. and related companies ("JMS") in 1991, was promoted to President of JMS in 1994 and served as President of the Company's JMS Russel Metals operations from the Company's purchase of JMS in 2007 to 2009. From 2009 to 2013, Mr. Reid held the position of Vice President Operations, Service Centers of the Company and took on increased responsibility for the energy products units. On February 21, 2013, Mr. Reid was appointed Chief Operating Officer; on May 2, 2013, Mr. Reid was appointed Executive Vice President; on January 1, 2016, Mr. Reid was appointed President; and on May 2, 2018, he was appointed Chief Executive Officer.

## Board and Committee Meetings Attended During 2023:

Board	8 of 8
No committee membership	

## Previous Voting Results:

	For	Withheld
2023	94.84%	5.16%
2022	96.90%	3.10%

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	327,736	\$15,213,505
RSUs <sup>(4)</sup>	348,241	16,165,347
<b>Total Common Shares &amp; RSUs<sup>(1)(4)</sup></b>	<b>675,977</b>	<b>\$31,378,852</b>
Unexercised SARs <sup>(5)</sup>	324,600	

# Annie Thabet



Age 63  
Îles-des-Soeurs, Quebec, Canada  
Director since 01Jan2018  
Independent<sup>(6)</sup>

**Public Board Memberships:**  
Héroux-Devtek Inc.  
Transcontinental Inc.

Ms. Thabet is a Corporate Director and a Partner at Celtis Capital, a firm specialized in transactional services related to mergers and acquisitions, divestitures, corporate finance and asset management, which she co-founded in 2003. From 2010 to 2018 Ms. Thabet served as a director of Jean Coutu Group Inc. and from 1987 to 1998 she was at Société générale de financement du Québec, a crown corporation specialized in private equity investment. Ms. Thabet is also a director of Manac Inc. and Center of Advanced Technologies BRP – Sherbrooke University and past Chair of the Board of the Institute of Corporate Directors – Quebec.

## Board and Committee Meetings Attended During 2023:

Board	8 of 8
Audit	4 of 4
Environmental Management and Health & Safety	1 of 1
Management Resources and Compensation	4 of 4

## Previous Voting Results:

	For	Withheld
2023	97.17%	2.83%
2022	99.18%	0.82%

Securities Held as at February 27, 2024:	Number Outstanding	Total Value as at February 27, 2024
Common Shares <sup>(1)</sup>	16,490	\$ 765,466
DSUs <sup>(1)(2)</sup>	39,403	1,829,087
<b>Total Common Shares &amp; RSUs<sup>(1)(2)</sup></b>	<b>55,893</b>	<b>\$2,594,553</b>

## Footnotes to Nominees for the Election of Directors

- (1) The common share and DSU values noted in the above table are based on the closing price of a common share on the TSX on February 27, 2024 of \$46.42.
- (2) For further information on DSUs, see "Compensation of Non-Executive Directors" commencing on page 24 of this Circular, "Deferred Share Unit Plan" commencing on page 25 of this Circular and "Deferred Share Units Held" on page 26 of this Circular.
- (3) Due to a scheduling conflict, Mr. Dinning was unable to participate in a virtual Board meeting held on September 21, 2023.
- (4) The number of RSUs reflected in the above table for Mr. Reid is the number of RSUs as at February 27, 2024 and includes those RSUs which have yet to vest. The RSU values noted in the above table are based on the closing price of a common share on the TSX for February 27, 2024 of \$46.42. For further information on the RSUs owned by Mr. Reid, see "Outstanding Share Based and Option Based Awards" on page 55 of this Circular.
- (5) Mr. Reid owns an aggregate of 324,600 unexercised SARs, of which 180,030 are vested. For further details regarding the share appreciation rights owned by Mr. Reid, see "Outstanding Share Based and Option Based Awards" on page 55 of this Circular.
- (6) "Independent" has the meaning prescribed by applicable policies of the Canadian Securities Administrators, which generally provide that a Director would not be independent if he or she has a material relationship, which could, in the view of the Board, reasonably be expected to interfere with the exercise by the Director of his or her independent judgment.
- (7) Mr. Reid, the President and CEO of the Company, is not independent by virtue of being a current executive officer of the Company.

## DUPLICATION OF BOARD MEMBERSHIP

None of our Directors were members of the same board of another public company in 2023.

## COMMITTEES OF THE BOARD OF DIRECTORS

We are required by applicable securities laws to have an audit committee of the Board (the "Audit Committee"). Other committees of the Board are the Management Resources and Compensation Committee (the "MR&C Committee"), the NCG Committee and the Environmental Management and Health & Safety Committee (the "EMH&S Committee"). The members of the committees as at December 31, 2023 were as follows:

Non-Executive Directors	Audit Committee	Environmental Management and Health & Safety Committee	Management Resources and Compensation Committee	Nominating and Corporate Governance Committee
L.J. Austin	X	X		
J.M. Clark	X			X (Chair)
J.F. Dinning			X	X
B.R. Hedges		X (Chair)		X
C. Johnston	X	X		
A.D. Laberge			X	X
W.M. O'Reilly	X			X
R.D. Paiva		X	X (Chair)	
A. Thabet	X (Chair)		X	

All committee mandates are described under "Statement of Corporate Governance Practices" commencing on page 60 of this Circular.

## NUMBER OF BOARD AND COMMITTEE MEETINGS HELD AND ATTENDANCE

### Meetings of Non-Management Directors

Our Board members hold an in-camera session without management members at every meeting.

Nine of the 10 nominees to the Board of Directors are independent. Mr. Reid, the President and CEO of the Company, is not independent by virtue of being a current executive officer of the Company. Mr Reid, as an executive Director, is not a member of any committees of the Board of Directors.

The following table summarizes the meetings of the Board and its committees held in 2023.

Board / Committee	No. of Meetings for 2023
Board of Directors	8
Audit Committee	4
Environmental Management and Health & Safety Committee	3
Management Resources and Compensation Committee	4
Nominating and Corporate Governance Committee	4

## Attendance at Board and Committee Meetings Held

We believe that an engaged board governs most effectively. We expect Directors to attend all quarterly meetings of the Board, all regularly scheduled meetings of committees of which they are members. While we recognize that the short notice of special Board or committee meetings may sometimes conflict with the schedules of our Directors, we expect Directors to exercise best efforts to attend all special meetings of the Board and its committees. Directors may participate by teleconference if they cannot attend in person. The table below summarizes the number of Board and committee meetings attended by each Director during 2023. The Directors' attendance records are also included in the nominee table commencing on page 12 of this Circular.

Directors	2023 Board Meetings		2023 Committee Meetings		2023 Board & Committee Meetings	
	No. of Meetings	Attended	No. of Meetings	Attended	No. of Meetings	Attended
L.J. Austin	8 of 8	100%	7 of 7	100%	15 of 15	100%
J.M. Clark	8 of 8	100%	8 of 8	100%	16 of 16	100%
J.F. Dinning <sup>(1)</sup>	7 of 8	88%	8 of 8	100%	15 of 16	94%
B.R. Hedges	8 of 8	100%	5 of 5	100%	13 of 13	100%
C. Johnston	8 of 8	100%	8 of 8	100%	16 of 16	100%
A.D. Laberge	8 of 8	100%	8 of 8	100%	16 of 16	100%
W.M. O'Reilly	8 of 8	100%	8 of 8	100%	16 of 16	100%
R.D. Paiva	8 of 8	100%	7 of 7	100%	15 of 15	100%
J.G. Reid <sup>(2)</sup>	8 of 8	100%	n/a	n/a	8 of 8	100%
A. Thabet	8 of 8	100%	9 of 9	100%	17 of 17	100%

<sup>(1)</sup> Due to a scheduling conflict, Mr. Dinning was unable to participate in a virtual Board meeting held on September 21, 2023.

<sup>(2)</sup> As an executive Director of the Company, Mr. Reid is not a member of any committee of the Board of Directors.

## SKILLS AND EXPERIENCE

A Board of Directors with a broad mix of skills is best able to oversee the wide range of issues that arise with a company of our size and complexity. Accordingly, each Director is evaluated on the basis of the mix of experience and qualifications they provide. The NCG Committee uses a skills matrix to assist with reviewing the skill set of current Directors as well as identifying Director candidates who best meet the needs of the Company. The matrix outlines the desired complement of skills and areas of expertise considered important to understand and oversee the Company's business. Each Director is required to indicate their level of proficiency for each of the skills and areas of expertise.



Following receipt of the Director self-assessment, the NCG Committee reviews the assessments and analyzes the results. The following matrix summarizes the number of nominee Directors with expert or proficient skills and experience in the areas which the NCG Committee believes are most relevant to the business and governance of the Company.

Skills and Experience	Allan	Burton	Clark	Dinning	Hedges	Johnston	Laberge	Paiva	Reid	Thabet
<b>Managing or Leading Growth</b> - experience driving strategic direction and leading growth of an organization	✓		✓	✓	✓	✓	✓	✓	✓	✓
<b>Business Climate</b> - familiarity with geographic regions in which the Company carries on its business				✓	✓			✓	✓	
<b>C-Suite or Senior Executive Leadership</b> - experience as a senior executive of a publicly listed company or major organization	✓	✓	✓	✓	✓	✓	✓	✓	✓	
<b>Leadership in a Decentralized Organization</b> - experience leading or managing in a decentralized organization which places significant control and decision-making authority in the hands of local management	✓	✓		✓	✓	✓		✓	✓	
<b>Industry Experience</b> - experience in the steel industry, combined with a knowledge of market participants and key customer markets		✓		✓	✓			✓	✓	
<b>Human Resources</b> - expertise in executive compensation programs including compensation, benefit and pension programs	✓		✓	✓	✓		✓	✓	✓	✓
<b>Financial Management Experience</b> - experience in financial accounting and reporting, financial controls and corporate finance which may include a professional designation (CPA) or experience as a chief financial officer or controller of a publicly listed company or major organization		✓	✓	✓	✓	✓	✓		✓	✓
<b>Capital Markets and Mergers and Acquisitions</b> - experience in capital structuring and capital markets transactions including financings, public offerings and mergers and acquisitions		✓	✓		✓		✓		✓	✓
<b>Safety, Health and Environment</b> - understanding of the requirements and leading practices of workplace safety, health and environmental practices	✓			✓	✓	✓		✓	✓	✓
<b>Operations Experience</b> - understanding of the plant operations, including quality				✓	✓	✓		✓	✓	✓
<b>Information Technology and Cybersecurity</b> - knowledge or experience in information technology and systems, data management, cybersecurity and management of cybersecurity risks					✓		✓			
<b>Governance and Compliance</b> - knowledge of best practices in governance of public companies and compliance with corporate law, securities law and other regulatory requirements of a publicly traded corporation	✓	✓	✓	✓	✓	✓	✓		✓	✓



## **REPRESENTATION OF DESIGNATED GROUPS**

### **Representation of Designated Groups on the Board of Directors and in Executive Officer Positions**

Four of 10 (40%) of the Company's current Directors and five of 10 (50%) of the nominee Directors represent Designated Groups (as defined in the *Employment Equity Act* (Canada)). Three of 10 (30%) of the Company's current Directors and four of 10 (40%) of the nominee Directors are women. One of 10 (10%) of the Company's current Directors and one of 10 (10%) of the nominee Directors self identifies as a member of a visible minority. None of the current Directors or nominee Directors self-identifies as an Aboriginal person or a person with a disability.

Two of seven (29%) of the Company's executive officers are women. None of the Company's executive officers self identifies as a member of a visible minority, an Aboriginal person or a person with a disability.

The Board and the Company recognize the benefits of fostering diversity and believe that a Board and executive team made up of highly qualified individuals from diverse backgrounds promotes better corporate governance, performance and effective decision-making.

In furtherance of diversity, the Board has established a formal written Diversity Policy, which among other things, commits that women represent at least 30% of the Directors of the Company. In the event women cease to represent at least 30% of the Directors of the Company at any time (for instance, due to an unplanned departure), the Board will take action to ensure that women represent at least 30% of the Directors of the Company within a reasonable timeframe.

The Board has not adopted formal targets for other Designated Groups with respect to Directors or executive officers at this time. The NCG Committee and the Company, as set out in the Diversity Policy, seek to ensure that Directors and officers have a wide range of skills, experiences and backgrounds to meet the needs of the Company. To support this objective, the NCG Committee and the Company, when seeking candidates for the Board or senior executive positions as part of their process consider: (a) candidates who are highly qualified based on their business experience, functional expertise and personal skills and qualities; (b) candidates with experience and expertise in the industries in which the Company operates - this can take the form of general steel or oil and gas experience or, where practicable, specific experience in a metal service center, oilfield service operation or steel or energy product distribution; and (c) the representation of Designated Groups on the Board and in senior leadership positions.

The Board and Company also, in preparing for recruitment, discuss the current matrix of skill sets of Directors and executive officers and consider whether there are any gaps or specific experiences, skills or viewpoints that ought to be addressed, in the selection of a candidate, to improve corporate performance and decision making.

This process places diversity and inclusion as critical considerations during the recruitment and selection process.

### **Board Renewal Policy**

The Company has adopted a Board renewal policy whereby Directors will not generally stand for re-election after reaching the age of 75 years. In addition, the Company's policy is to target total average tenure of non-executive Directors (i.e. total years of service of non-executive Directors on the Board divided by the number of non-executive Directors) to be approximately 10 years or less. Neither of these two policy objectives represents a bright line test, and the Board may, at any time or from time to time, deviate from these objectives when it believes that it's in the best interest of the Company to do so, but both are designed to encourage and support a continuous active program of Board member renewal, recruitment and retirement planning.

At this time, the Board does not believe that fixed term limits for Directors are necessary or appropriate, nor does it believe that Directors should expect to be re-nominated annually prior to age 75. The Board believes that a balance must be struck between ensuring that there are new ideas and diverse viewpoints at the Board and maintaining the insight, experience and other benefits of continuity contributed by longer-serving Directors.

For the purposes of this policy, in the event an executive Director subsequently becomes a non-executive Director, only such individual's tenure as a non-executive Director shall be included for the purposes of calculating the total average tenure of non-executive Directors.

The average tenure of the non-executive Directors as of the date of this Circular is 9.18 years and if all the non-executive Director nominees are elected the average tenure of the non-executive Directors immediately following the Meeting will be 7.69 years. Mr. Reid, who is an executive Director is excluded from the calculation and Mr. Hedges' tenure as a non-executive Director is calculated from May 2, 2018, the date of his retirement as an executive officer of the Company.

The Company also manages Director tenure through a Director evaluation and assessment process, and through a demonstrated and ongoing commitment to the process of Board renewal. The evaluation and assessment process, which includes Board and Committee evaluations and a peer evaluation process, is designed to identify any circumstance in which a Director is not making a sufficient contribution. It is the responsibility of the Company's Board to remove Directors who are not performing, rather than simply relying on Director term limits or a Director being required to resign due to age. Each Director's term expires no later than the next annual shareholders' meeting. The Company also manages Director tenure by disclosing each Director's tenure and age in the Company's Information Circular, allowing shareholders to make an informed decision relating to the election of nominee Directors.

In the past five years, from January 1, 2019 to the date of the Meeting, five directors have retired from the Board and five new directors have stood for election.

## BOARD EDUCATION

The NCG Committee is responsible for reviewing the Company's Director education program. In 2023, continuing education sessions were held in conjunction with regularly scheduled Board meetings or were incorporated into the Board Meetings. These sessions included presentations by senior management on topics germane to the Company and its business. Directors may also attend relevant external education programs. A summary of the educational sessions which were organized by the Company and held in 2023 and the Directors in attendance is set out below.

Board Educational Sessions Held in 2023		Participating Directors									
Date	Educational Session	Austin	Clark	Dinning	Hedges	Johnston	Laberge	O'Reilly	Paiva	Reid	Thabet
Jan 4, 2023	CEO presentation on market conditions and operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Feb 9, 2023	CEO presentation on market conditions and operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	CFO presentation on financial performance, capital allocation, liquidity and investor relations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Board Educational Sessions Held in 2023		Participating Directors									
Date	Educational Session	Austin	Clark	Dinning	Hedges	Johnston	Laberge	O'Reilly	Paiva	Reid	Thabet
	VP Service Centers operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mar 23, 2023	CEO presentation on market conditions and operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
May 8, 2023	CEO presentation on market conditions and operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	CFO presentation on financial performance, capital allocation, liquidity and investor relations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jun 11, 2023	CEO presentation on market conditions and operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Aug 10, 2023	CEO presentation on market conditions and operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	CFO presentation on financial performance, capital allocation, liquidity and investor relations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sep 21, 2023	CEO presentation on market conditions and operational update	✓	✓	(1)	✓	✓	✓	✓	✓	✓	✓
Nov 6, 2023	Equity research analyst presentation on prevailing market dynamics	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nov 7, 2023	Presentation by a Russel Metals branch manager	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nov 8, 2023	CEO presentation on market conditions and operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	CFO presentation on financial performance, capital allocation, liquidity and investor relations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Presentation by a regional operating management and tour of Quebec facilities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Throughout the year	Received and reviewed articles on steel and oil & gas industry and markets serviced by the Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Attended presentations, seminars or conferences by external providers germane to a Director of a publicly traded company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(1) Due to a scheduling conflict, Mr. Dinning was unable to participate in a virtual Board meeting held on September 21, 2023.

## COMPENSATION OF NON-EXECUTIVE DIRECTORS

### Board and Committee Fees

Our non-executive Directors are compensated partly in cash and partly in DSUs. The fee schedule set out below describes the compensation paid to non-executive Directors during 2023. Our Directors may choose to receive all or any portion of their Board or committee chair annual retainer fees in DSUs.

Fee Schedule		
Fees	Cash Compensation	Comments
<b>Board of Directors Annual Retainer</b>		
Chair of the Board	\$195,000	The Chair of the Board was paid annual cash compensation in the amount shown. This amount represents compensation for acting as Chair of the Board and is inclusive of all fees for attending Board and committee meetings during the year.
Director	95,000	All non-executive Directors, except Chair of the Board.
<b>Committee Chair Annual Retainer</b>		
Audit Committee Chair	20,000	
MR&C Committee Chair	18,750	
Other Committee Chair	15,000	
<b>Other Fees</b>		
Advisory Fee	1,000	Payable per day for special assignments, as delegated to members of the Board.
<b>Deferred Share Units</b>	<b>Equity Compensation</b>	<b>Comment</b>
Chair of the Board	\$135,000	Value of DSUs issued to the Chair of the Board.
Director	95,000	Value of DSUs issued to other non-executive Directors.

We reimburse expenses incurred by our Directors while attending Board and committee meetings.

### 2023 Non-Executive Director Compensation

During the financial year ended December 31, 2023, we paid an aggregate of \$1,023,750 in compensation relating to annual Board and Committee retainers to our non-executive Directors. In 2023, we also made quarterly allocations of DSUs with an aggregate value of \$895,000 to the DSU accounts of our non-executive Directors on account of the annual DSU retainers referred to above.

No additional compensation was paid to Mr. Reid, our CEO, for his services as a Director of the Company.

The following table sets out the total compensation paid to each of our non-executive Directors during the year ended December 31, 2023.

Name of Director	Board Retainer	Committee Chair Retainer	Sub-Total	DSUs in Lieu of Cash	Cash Total	DSU Allocations <sup>(1)</sup>	Total Compensation
L.J. Austin	\$ 95,000	\$ -	\$ 95,000	\$ -	\$ 95,000	\$ 95,000	\$ 190,000
J.M. Clark	95,000	15,000	110,000	-	110,000	95,000	205,000
J.F. Dinning	195,000	-	195,000	-	195,000	135,000	330,000
B.R. Hedges	95,000	15,000	110,000	110,000	-	95,000	205,000
C. Johnston	95,000	-	95,000	-	95,000	95,000	190,000
A.D. Laberge	95,000	-	95,000	-	95,000	95,000	190,000
W.M. O'Reilly	95,000	-	95,000	-	95,000	95,000	190,000
R.D. Paiva	95,000	18,750	113,750	-	113,750	95,000	208,750
A. Thabet	95,000	20,000	115,000	57,500	57,500	95,000	210,000
<b>Totals</b>	<b>\$955,000</b>	<b>\$68,750</b>	<b>\$1,023,750</b>	<b>\$167,500</b>	<b>\$856,250</b>	<b>\$895,000</b>	<b>\$1,918,750</b>

<sup>(1)</sup> With the exception of the Deferred Share Unit Plan, the Company does not provide compensation by way of share options, non-equity incentive plans, pension or other plans to the non-executive Directors.

### Director Compensation Benchmarking

The Company uses various information sources and resources to monitor the Company's Director compensation practices and benchmark overall pay levels for our Directors, including comparative data from other publicly held industrial and energy services companies in Canada, in each case with annual revenues roughly in the range of 50% to 200% of the annual revenues of the Company. Because there are no public Canadian companies which operate steel service centers or distribute a similar portfolio of energy products, we include in our comparator group select Canadian companies operating in steel production, industrial manufacturing, energy services, forest products, distribution, construction, resource and commercial printing businesses within that same target range of annual revenues. Data from this same group of Canadian comparator companies is also used by the Company to aid in the monitoring of executive compensation practices and benchmark executive officer compensation (see "Compensation Comparator Group" commencing on page 34 of this Circular). The Company's sources also include information and data derived from publicly available documents which reflect current practices, trends and pay levels among a broader group of Canadian public companies of comparable size. We target total Director pay at or below the median level of our Canadian comparator group.

### Authority of the Nominating and Corporate Governance Committee

The NCG Committee has the authority to retain advisors to assist in the evaluation of Director compensation. The NCG Committee also has the authority to approve the fees and retention term of any such advisors. The NCG Committee may form subcommittees and delegate authority that it deems appropriate. The NCG Committee has the authority to make recommendations to the Board, but has no decision-making authority other than as set out above.

### Deferred Share Unit Plan

We have a Deferred Share Unit Plan ("DSU Plan") for non-executive Directors. A DSU is a unit equivalent in value to one common share based on the Market Price. The "Market Price" for the purposes of grants, redemptions and dividend payments under the DSU Plan is calculated based on the volume weighted average price of a common share on the TSX for the last five trading days immediately prior to the date on which the value of the DSU is determined. DSUs are allocated on the last day of each of March, June, September and December in each year. In 2023, the number of DSUs credited quarterly to each Director's account was determined by dividing \$23,750 (for Directors) and \$33,750 (for the Chair of the Board) by the Market Price at the allocation date. A Director may elect to receive payment in DSUs, rather than cash, for all or a portion of his or her

annual Board retainer and/or annual committee chair retainer by providing the required notice to the Company in accordance with the DSU Plan.

Directors are credited with additional DSUs on each dividend payment date in respect of common shares, in an amount that corresponds to the amount of the dividend, based on the number of the DSUs recorded in the Director's account on the record date for payment of the dividend and the Market Price of the common shares on such dividend payment date.

DSUs are redeemable only when a Director leaves the Board, thereby providing an ongoing equity stake throughout the Director's service. The DSU Plan provides Directors with flexibility to redeem their DSUs within a prescribed period of time following the date on which they cease to be Directors. A departing Director, who is a Canadian resident, will receive a cash payment upon redemption which can be no later than December 31 of the first full calendar year following the year in which they cease to be a Director. A departing Director who is a U.S. resident will receive a cash payment upon redemption which can be no later than December 31 of the calendar year in which they cease to be a Director. The value of the cash payment is determined by multiplying the number of DSUs redeemed by the Market Price on the redemption date. Applicable income tax and other withholdings are deducted as required by law.

### Deferred Share Units Held

As at February 27, 2024, the non-executive Directors held an aggregate of 378,507 DSUs, which were valued at an aggregate of \$17,570,296 as of such date. The number of DSUs held by each non-executive Director and their value as at February 27, 2024 is provided in the following table.

Non-Executive Directors	Number of DSUs held as at February 27, 2024	Value of DSUs as at February 27, 2024
S.C. Burton	-	\$ -
J.M. Clark	76,521	3,552,105
J.F. Dinning	77,916	3,616,861
B.R. Hedges	45,925	2,131,839
C. Johnston	7,676	356,320
A.D. Laberge	59,418	2,758,184
W.M. O'Reilly	61,659	2,862,211
R.D. Paiva	9,989	463,689
A. Thabet	39,403	1,829,087
<b>Total</b>	<b>378,507</b>	<b>\$17,570,296</b>
<sup>(1)</sup> Based on the closing price of a common share on the TSX on February 27, 2024 of \$46.42.		

## EQUITY OWNERSHIP OF NON-EXECUTIVE DIRECTORS

The target value of equity ownership is three times the value of the aggregate of the annual Board retainer and the annual DSU grant. As a result, each Director (other than the Chair of the Board) was required to own common shares and DSUs with a combined value of not less than \$570,000 for 2023. The Chair of the Board was required to own common shares and DSUs with a combined value of not less than \$990,000 for 2023. In satisfying the share ownership requirements, each Director must own a minimum of 1,000 Common Shares, which each Director must acquire prior to their first anniversary as a Director of the Company. All Directors have met the equity ownership threshold, except for Mr. Burton who has until January 1, 2025 to own a minimum of 1,000 Common Shares and January 1, 2029 to reach the equity ownership target and Ms. Johnston who has until May 5, 2026 to reach the equity ownership target.

For purposes of this policy (i) common shares beneficially owned by a Director (directly or indirectly, including with their spouse) are valued at any particular time at the higher of the then current market value and the cost of such shares to the Director; and (ii) DSUs are valued based on the higher of the then current market value of a common share and the Market Price at the date of grant. The following table summarizes the equity ownership of the non-executive Directors and their compliance with the foregoing policy as at February 27, 2024.

Non-Executive Directors	Target Value of Equity Ownership	Number of Shares	Number of DSUs	Combined Value of Shares and DSUs <sup>(1)</sup>	Meets Guidelines	Percentage of Target
S.C. Burton	\$ 570,000	-	-	\$ -	pending <sup>(2)</sup>	- %
J.M. Clark	570,000	3,000	76,521	3,691,365	yes	648%
J.F. Dinning	990,000	34,500	77,916	5,218,351	yes	527%
B.R. Hedges <sup>(3)</sup>	570,000	50,000	45,925	4,452,839	yes	781%
C. Johnston	570,000	1,000	7,676	402,740	pending <sup>(2)</sup>	71%
A.D. Laberge <sup>(3)</sup>	570,000	8,000	59,418	3,129,544	yes	549%
W.M. O'Reilly <sup>(3)</sup>	570,000	10,472	61,659	3,348,321	yes	587%
R.D. Paiva	570,000	4,460	9,989	670,722	yes	118%
A. Thabet	570,000	16,490	39,403	2,594,553	yes	455%

<sup>(1)</sup> The value of the shares and DSUs reflected above are based on the higher of: (a) the closing price of a common share on the TSX on February 27, 2024, of \$46.42, or (b) the cost of such shares or the Market Price of such DSUs at the time of acquisition / grant.

<sup>(2)</sup> Mr. Burton has until January 1, 2025 to own a minimum of 1,000 Common Shares and January 1, 2029 to reach the equity ownership target. Ms. Johnston has until May 5, 2026 to reach the equity ownership target.

<sup>(3)</sup> Shares over which Directors have control or direction but which are not beneficially owned are excluded from the purpose of the equity ownership policy. The following shares have been excluded from the above table in relation to Mr. Hedges, 20,000 common shares; and Mr. O'Reilly, 1,828 common shares.

As at February 27, 2024, the nominees for election at the upcoming Meeting of shareholders beneficially own an aggregate of 446,186 common shares and have control or direction over an additional 20,000 common shares, which number includes the common shares owned by the CEO.

## Change in Non-Executive Directors' Combined Share / DSU Ownership

Together, the number of the common shares and DSUs beneficially owned by the current non-executive Directors as at February 27, 2024 has increased 6% from the combined number of common shares and DSUs owned by the non-executive Directors as at March 2, 2023 (the disclosure date used in our Information Circular for our meeting held in 2023).



## **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

In December 2023, we renewed, for the benefit of Russel Metals, its subsidiaries and their Directors and Officers, insurance against liability incurred by the Directors or Officers in their capacity as Directors or Officers of Russel Metals or any subsidiary. The total amount of insurance coverage is \$105 million and, subject to the deductible portion referred to below, up to the full-face amount of the policies is payable, regardless of the number of Directors and Officers involved. The annual premium for the policy year to December 1, 2024, is \$216,195. The policies do not specify that a part of the premium is paid in respect of either Directors as a group or Officers as a group. The policies provide for deductibles as follows: (i) with respect to our Directors and Officers, there is no deductible applicable; and (ii) with respect to reimbursement of the Company, there is a deductible of \$100,000 per occurrence.

## **ENVIRONMENTAL (INCLUDING CLIMATE), SOCIAL AND GOVERNANCE RISK OVERSIGHT**

Oversight of Environmental (including Climate), Social and Governance matters is a shared responsibility amongst various committees, each of which reports to the Board.

The EMH&S Committee is tasked with overseeing the Company's environmental stewardship, including climate related matters, and health and safety performance. In this capacity the EMH&S Committee reviews the Company's green house gas emissions, air emissions, energy use and compliance with environmental laws. The EMH&S Committee is also responsible for oversight of the Company's health and safety program which includes its: health and safety policies; training practices; reporting and analysis of lost time incidents, total recordable incident rate and other key indicators (frequency, severity, medical aids, first aids, near miss rate); benchmarking against industry peers; and any engagement with or inquiries from applicable governmental entities.

The EMH&S Committee also reviews the Company's public disclosure in respect of such matters, which has been traditionally prepared in accordance with the Sustainability Accounting Standards Board framework which is posted on the Company's website. In 2023, the Company published its inaugural Sustainability Report in accordance with the requirements contained in the draft National Instrument 51-107 Climate Related Disclosure, which are premised on the Task Force on Climate Related Financial Disclosures (TCFD) framework. Management has presented to the EMH&S Committee an analysis of the Company's sources of greenhouse gas emissions, opportunities to reduce its carbon footprint and benchmarking against industry peers and other comparable Canadian publicly traded companies.

The NCG Committee is responsible for oversight of social and governance matters. This includes diversity, equity and inclusion, social responsibility and ensuring appropriate processes, policies and procedures are in place to ensure the Company's business is conducted ethically and in accordance with applicable law.

The Audit Committee is responsible for oversight of the Company's risk management program. The Company's risk assessment details all material risks to the Company, including ES&G risks and climate related risks as applicable, and the Company's strategies and mitigations in place.

All Committees report to the Board of Directors in respect of their areas of oversight and all such materials presented to the respective Committee are made available to all Directors.



## **CYBERSECURITY RISK OVERSIGHT**

The Board of Directors directly oversees issues related to cybersecurity, given the nature of the risk, as opposed to delegating oversight to a specific committee. The Board receives a quarterly report on Cybersecurity from management, which is modeled on the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

Management provides a dashboard in line with the NIST Framework that includes achievements, initiatives underway and upcoming plans to identify, protect, detect, respond and recover in the event of and in respect of cybersecurity risks. Management also reports to the Board any material cybersecurity incidents, if applicable, and the Board has the opportunity to discuss these with and question management.

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## COMPENSATION DISCUSSION AND ANALYSIS

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This Compensation Discussion and Analysis describes (a) our compensation philosophy; (b) the decision making process relating to our compensation policy; (c) the significant elements of compensation awarded to, earned by, paid to or payable to the Company's President and CEO, the Executive Vice President and Chief Financial Officer ("CFO") and each of the next three most highly compensated executive officers of the Company (collectively, the "Named Executive Officers" or "NEOs") for the year ended December 31, 2023; (d) compensation governance; and (e) our assessment of the risks related to compensation policies and practices.

### COMPENSATION PHILOSOPHY

The MR&C Committee reviews and makes recommendations to the Board for the specific compensation arrangements of the CEO and the CFO; the Company's overall compensation philosophy; and its incentive-based cash compensation plans and equity-based compensation plans. Our executive compensation policies and practices are designed:

- i. to attract, motivate, and retain highly competent management by offering a competitive target level of total compensation;
- ii. to motivate, recognize and reward superior performance by maintaining a high proportion of executive pay at risk and linking it to key performance measures, including earnings per share and net income for the issuance of awards and to share price appreciation in terms of the ultimate pay out of equity incentive instruments; and
- iii. to foster commitment to the Company and alignment with shareholder interests through the effective and judicious use of earnings-based and equity-based incentives.

Pay for performance is an important underlying principle of our executive compensation philosophy, with the result that, at virtually all levels throughout the Company, variable compensation can represent a substantial proportion of total compensation in a successful year. Our objective is to achieve competitive compensation for key executives over the course of business cycles and ensure an appropriate balance between short-term, mid-term and long-term incentives.

Our compensation structure consists of three main elements: (i) base salary; (ii) cash bonus; and (iii) equity incentives, in the form of restricted share units (RSUs), share options, share appreciation rights (SARs) and, beginning in 2024, performance share units ("PSUs"). The compensation plan is more heavily weighted to the performance driven cash bonus and equity incentives, with less weight on base salary, particularly for the CEO and CFO. The executive compensation plans are regularly reviewed to assess outcomes and market competitiveness.

The level of RSU and PSU grants for each of the CEO and the CFO is determined with reference to the prior year's financial performance of the Company. The value of RSU payments is conditional on future price performance of the Company's outstanding shares, which is linked to the Company's future financial performance. The value of PSU payments are conditional on the company's total shareholder return relative to that of twelve peers comprising the PSU Comparator Group; therefore, the payout, if any, is linked to the Company's relative shareholder return vis-à-vis the PSU Comparator Group.

Our cash bonuses for the CEO and the CFO are based on the Company's earnings per share in a given year, while cash bonuses for most other corporate employees are based on the Company's net income in a given year. We believe that earnings per share and net income are the most appropriate metrics for assessing the Company's overall performance and incentivizing corporate management and align well with a pay for performance model.

We are a collection of businesses with common characteristics; however, the customers, suppliers, industries served and goods and services offered by the various business units can vary widely from region to region and business unit to business unit. It is for that reason we have a decentralized management structure, which places significant control and decision making authority and accountability in the hands of local management and has enabled us to remain responsive to opportunities and customers' needs in each region in which we operate.

The profitability potential of the Company and its various business units is highly correlated to the price of steel and the Company's ability to navigate the steel pricing cycle. It is also influenced by the general levels of industrial activity in the regions in which we operate. We are focused on maintaining profitability throughout the economic cycle by stressing financial discipline. Accordingly, we incentivize and reward each business unit based on its return on net assets, while the CEO, CFO and most corporate employees are incentivized and rewarded based on the Company's earnings per share or net income, each of which is an appropriate proxy for an aggregation of the return on net assets of each of the business units.

The Company's earnings per share and net income performance thresholds ensure that significant cash bonuses will not be paid to senior management in a year when the Company does not produce earnings to reward its shareholders. In a cyclical business, linking such cash bonuses to relative performance compared to a defined industry comparator group could result in such an incongruity. The Company's industry peers are also impacted by volatility in metals prices and variations in industrial activity, and we do not believe that cash bonuses should be paid simply because the Company out-performs its peers in a declining market if the shareholders do not profit through the Company's earnings.

The Company also has caps in place on incentive compensation for the CEO, CFO, and corporate employees to protect against excessive compensation rewards resulting primarily from cyclical increases in commodity prices.

While the MR&C Committee and the Board have the right to take discretionary action when in the best interests of the Company, the Company has been consistent in its approach and application of the incentive compensation structure throughout the economic cycle so as to link pay with performance. In past economic downturns we have not adjusted our targets to make the incentive compensation more easily achieved for our Named Executive Officers.

A recent example of the Company's consistent approach occurred in 2020 when the COVID-19 pandemic and the coincident collapse in the price of oil represented unprecedented external shocks to the Company's business operations, which resulted in the Company failing to meet the bonus earnings threshold. Accordingly, C-Suite officers did not receive a cash bonus under the non-equity incentive plan or an RSU grant under their performance incentive compensation plans since earnings per share did not meet the minimum threshold.

In 2023, the MR&C Committee, with the assistance of Southlea Group, an independent executive compensation consultant, reviewed the Company's long term incentive program. The analysis undertaken included: (i) an analysis of the Company's peer group incentive compensation, with a particular focus on PSUs; (ii) reviewing and analyzing peer companies to be considered for relative comparison purposes; (iii) defining and calculating relative performance and analyzing multipliers utilized; (iv) back-testing PSUs and the impact on total compensation, and (v) scenario testing the potential range of payouts of the PSUs under a variety of scenarios.

This review resulted in the introduction of PSUs as part of the CEO and CFO long-term incentive compensation program beginning in 2024. **The PSUs represent a majority of the long-term incentive compensation package at the mid-point of the incentive compensation program for the CEO and CFO, 63% and 53% respectively, and represent at least half of the long-term incentive compensation issued to the CEO at all levels of earnings.** In connection with the introduction of the PSUs, the RSU entitlement, as a percentage of base salary, have been significantly reduced in the CEO and CFO's 2024 long-term incentive compensation package.

The incentive compensation plans for each of the CEO and CFO are summarized under "Incentive Compensation Tables" commencing on page 36 of this Circular.

The following charts summarize the incentive compensation programs.

Short-Term Incentives		
Compensation Element / Eligibility	Description	Linkage to Compensation Objective
<b>Base Salary</b> <i>(all executives and employees)</i>	Base salary is a market-competitive, fixed level of compensation, which is reviewed annually. For the CEO and CFO, less weight is given to base salary and a greater weight is allocated to performance-based incentives.	Attract and retain highly qualified leaders. Motivate strong business performance.
<b>Cash Bonus – Non-Equity Incentive</b> <i>(all executives and a large percentage of employees)</i>	Combined with base salary, the target level of performance driven cash bonus provides market competitive cash compensation.  For the CEO, CFO and other corporate employees in support functions such as information systems, purchasing, accounting and human resources, the cash bonus is driven by earnings per share or net income.  For most employees in the Company's operating units, the cash bonus is driven by return on net assets of their operations.	Attract and retain highly qualified leaders. Motivate strong business performance. Vary compensation based on earnings performance. Align employee and shareholder interest. Reduce compensation expense in periods of cyclical downturn.

Long-Term Incentives		
Compensation Element / Eligibility	Description	Linkage to Compensation Objective
<b>Equity Bonus – RSUs</b> (CEO and CFO)	<p>For the CEO and CFO, RSUs are part of their performance-based incentive and are granted based on the values in the earnings per share table. See "Incentive Compensation Tables" commencing on page 36 of this Circular.</p> <p>Grant value is converted to a number of units by dividing the dollar value allocated to the employee by the Market Price (as defined in the RSU Plan) of common shares at time of grant.</p> <p>Vest one-third on each of the first and second anniversaries and the remaining one-third on the expiry date and pay in cash on the expiry date based on Market Price of common shares. See "Restricted Share Unit Plan" on page 52 of the Circular.</p>	<p>Align employee and shareholder interests.</p> <p>Attract and retain highly qualified leaders.</p> <p>Motivate strong business performance.</p> <p>Encourage sustained growth by linking a portion of compensation to Company performance.</p>
<b>Equity Bonus – PSUs</b> (CEO and CFO)	<p>Beginning in 2024, for the CEO and CFO, PSUs will be part of their performance based incentive and will be granted based on the values in the earnings per share table. See "Incentive Compensation Table" commencing on page 36 of this Circular.</p> <p>Grant value is converted to a number of units by dividing the dollar value allocated to the employee by the Market Price (as defined in the PSU Plan) of common shares at time of grant.</p> <p>Vest one-third on each of the first and second anniversaries and the remaining one-third on the expiry date.</p> <p>PSUs pay out in cash on the expiry date based on Market Price of common shares multiplied by the performance modifier which can be 0%; 100% or 200% depending upon the Company's Total Shareholder Return relative to the PSU Comparator Group.</p> <p>See "Performance Share Unit Plan" commencing on page 53 of the Circular.</p>	<p>Align employee and shareholder interests.</p> <p>Attract and retain highly qualified leaders.</p> <p>Motivate strong business performance.</p> <p>Encourage sustained growth by linking a portion of compensation to Company performance.</p> <p>Motivate strong absolute and relative total shareholder returns.</p>
<b>Equity Bonus – RSUs</b> (Other Employees)	<p>The amount of the annual grant is dependent on the level and performance of the employee. An overall pool of RSUs available for issuance to employees as determined by the Board of Directors, typically with reference to the Company's earnings in the prior year.</p> <p>Vest one-third on each of the first and second anniversaries and the remaining one-third on the expiry date and pay in cash on the expiry date based on Market Price of common shares. See "Restricted Share Unit Plan" on page 52 of the Circular.</p>	<p>Align employee and shareholder interests.</p> <p>Attract and retain highly qualified leaders.</p> <p>Motivate strong business performance.</p> <p>Encourage sustained growth by linking a portion of compensation to Company performance.</p> <p>Motivate strong absolute and relative total shareholder returns.</p>

Long-Term Incentives		
Compensation Element / Eligibility	Description	Linkage to Compensation Objective
<b>SARs or Share Options</b> (CEO and CFO)	Annual equity grants are based on specified values for each of the CEO and CFO. See "Incentive Compensation Tables" commencing on page 36 of this Circular.  SARs and Share options vest over a four year period commencing on the first anniversary after the date of the grant and have a term of 10 years. See "Share Appreciation Rights Plan" on page 51 of this Circular and "Share Option Plan" commencing on page 49 of this Circular.	Align employee and shareholder interest. Attract and retain highly qualified leaders. Motivate strong business performance.  Encourage sustained growth by linking a portion of compensation to long-term Company performance.

## COMPENSATION DECISION MAKING PROCESS

We have a comprehensive process for making decisions about compensation arrangements for our executive officers and senior employees. The table below illustrates the different inputs used to determine the compensation program and the flow of information, recommendations and approval by the Board of Directors.

	Management	Management Resources & Compensation Committee	Board of Directors
<b>CEO</b>		Analyzes data and performance against objectives, confers with outside advisors, as appropriate, and makes recommendations to the Board.	Final decision on all compensation.
<b>CFO</b>	CEO analyzes data <sup>(1)</sup> and performance against objectives and makes recommendations to the MR&C Committee.	Reviews data, confers with outside advisors, as appropriate, and makes recommendations to the Board.	Final decision on all compensation.
<b>Other NEOs</b>	CEO analyzes data and performance against objectives. Makes final decision on non-equity based compensation.		Final decision on equity based compensation.
<b>Other Employees</b>	CEO and CFO develop and approve in consultation with human resources and local management.	Annually reviews a summary of fixed and variable compensation for top paid executives, managers and sales staff.	Final decision on equity based compensation.

<sup>(1)</sup> Reviews data such as surveys, peer group information and internal equity platform.

## Compensation Comparator Group

The MR&C Committee uses various information sources and resources to monitor the competitive position of the Company's salaries, cash incentives and share based incentives, and to assess the effectiveness of the Company's incentive plans in contributing to corporate performance. The MR&C Committee uses comparative data to ensure the ability of the Company to attract, retain and motivate key executives. The comparator group is comprised of publicly held industrial and energy service companies in Canada with annual revenues roughly in the range of 50% to 200% of the annual revenues of the Company and United States companies operating in the metals and energy products distribution industries. Due to the fact there are no public Canadian companies which operate steel service centers or distribute a similar portfolio of energy products, we include in our comparator group select public Canadian companies operating in steel production, industrial manufacturing, energy service, forest products, distribution, construction, resource and commercial printing businesses with annual revenues within that same target range. The Canadian comparator group is the primary benchmark used for determining the CFO's compensation.

The U.S. companies in our comparator group include publicly traded companies operating in various aspects of the metals business in North America, including metals service centers and energy products distribution. This group includes most of our key North American industry competitors in the segments in which we operate. Reliance Steel & Aluminum Co. is included in our performance assessment process and PSU Comparator Group but is not included in our compensation benchmarking as its revenues are approximately four times the size of the Company's.

The US peer group is the primary benchmark used for determining the CEO's compensation. This approach recognizes Mr. Reid's more than 30 years industry experience in the United States and that he is a U.S. resident. In addition, it reflects the Board's view of the importance of maintaining our ability to attract and retain highly qualified and experienced industry personnel at the highest level in our organization in the competitive North American environment in which we operate.

Our executive compensation policies provide for total direct compensation levels which, at target earnings levels, are intended to be competitive with similar positions in the comparator group over economic cycles. Individual levels, which are reviewed annually, may vary from this objective depending upon the particular experience and other qualifications of the individual, sustained performance level, length of service and other relevant factors. We use comparator group information to assist in reviewing compensation levels and establishing compensation arrangements appropriate to our circumstances. We do not set compensation by using a formulaic approach to the benchmarks relative to the comparator group or any particular company in the comparator group.

The companies in our executive compensation comparator group consist of:

#### **Canada**

Aecon Group Inc.  
Canfor Corporation  
Finning International Inc.  
Interfor Corporation  
Martinera International Inc.  
NFI Group Inc.  
Secure Energy Services Inc.  
Stelco Holdings Inc.  
Toromont Industries Ltd.  
Transcontinental Inc.  
West Fraser Timber Co Ltd.

#### **United States**

Allegheny Technologies Incorporated  
Carpenter Technology Corporation  
Gibraltar Industries, Inc.  
Klöckner & Co SE  
MRC Global Inc.  
NOW Inc.  
Olympic Steel, Inc.  
Ryerson Holding Corporation  
Schnitzer Steel Industries, Inc.  
Worthington Industries, Inc.



## INCENTIVE COMPENSATION STRUCTURE OF CEO, CFO, AND NAMED EXECUTIVE OFFICERS

The following tables disclose the incentive compensation program for the CEO and CFO for 2023 and 2024.

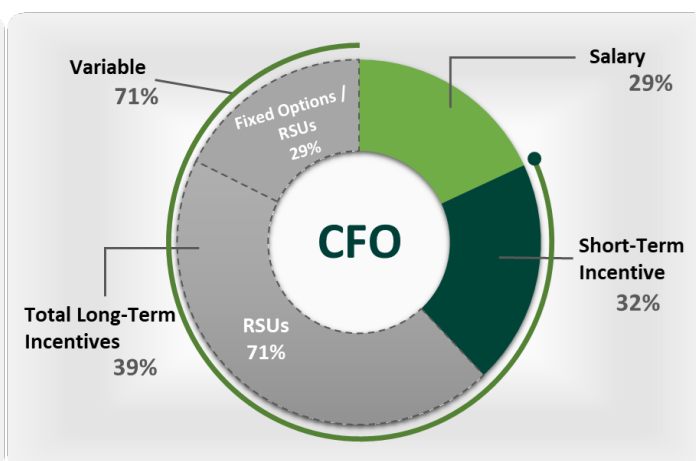
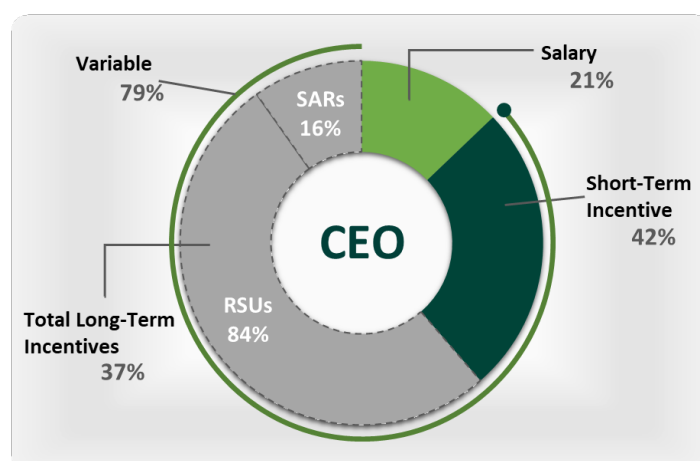
### Incentive Compensation Tables - 2023

The following table summarizes the incentive compensation structure for the CEO for 2023. The graph below reflects the breakdown of the CEO's 2023 direct compensation based on \$1.71 earnings per share. At that level of earnings per share, incentive compensation represents 79% of the CEO's total compensation.

CEO - 2023							
Earnings per Share	<\$0.51	\$0.51	\$1.11	\$1.71	\$2.31	\$2.91	>\$3.51
Cash Incentive as % of Base Salary	0%	20%	60%	200%	350%	400%	450%
Incentive RSU as % of Base Salary	0%	75%	100%	150%	260%	300%	325%
Fixed SARs Value	US\$300,000	US\$300,000	US\$300,000	US\$300,000	US\$300,000	US\$300,000	US\$300,000

The following table summarizes the incentive compensation structure for the CFO for 2023. The graph below reflects the breakdown of the CFO's 2023 direct compensation based on \$1.71 earnings per share. At that level of earnings per share, incentive compensation represents 71% of the CFO's total compensation.

CFO - 2023							
Earnings per Share	<\$0.51	\$0.51	\$1.11	\$1.71	\$2.31	\$2.91	>\$3.51
Cash Incentive as % of Base Salary	0%	15%	45%	110%	220%	250%	280%
Incentive RSU as % of Base Salary	0%	40%	75%	95%	170%	195%	210%
Fixed Option and / or RSU Value	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000





## Incentive Compensation Tables - 2024

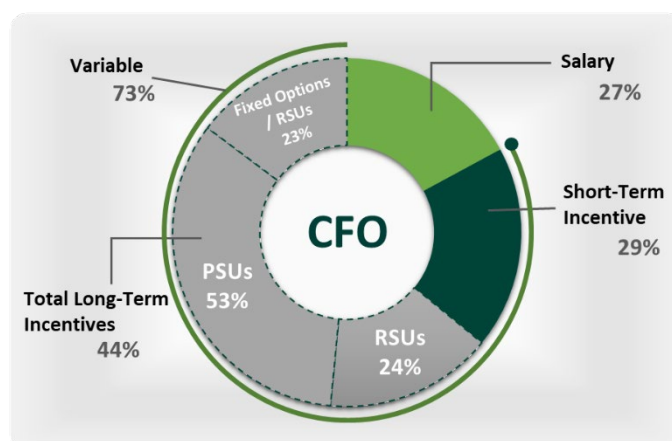
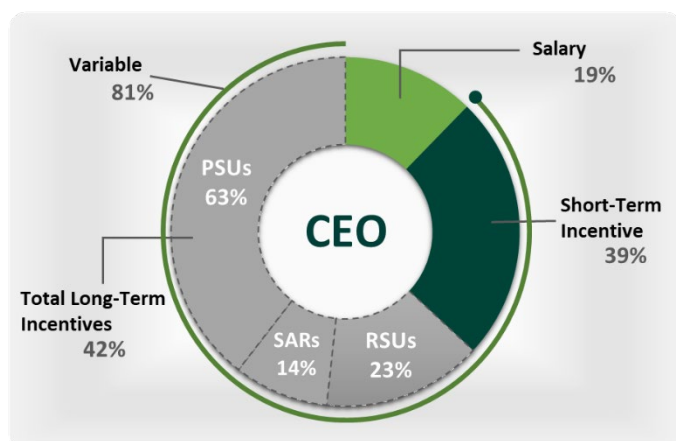
The cash bonus and RSU awards for the CEO and CFO are tied to earnings per share. The PSU awards have a fixed minimum, but also increase as earnings per share increase such that they represent a majority of the long-term incentive compensation package at the mid-point of the incentive compensation program for the CEO and CFO, 63% and 53% respectively, and represent at least half of the long-term incentive compensation issued to the CEO at all levels of earnings. The RSUs, PSUs, share options and SARs may result in a different payout on the exercise or expiry dates, as the share value changes over the period from grant to exercise or redemption.

The following table summarizes the revised incentive compensation structure for the CEO for 2024. The graph below reflects the breakdown of the CEO's 2024 direct compensation based on \$1.71 earnings per share. At that level of earnings per share, incentive compensation represents 81% of the CEO's total compensation.

CEO - 2024							
Earnings per Share	<\$0.51	\$0.51	\$1.11	\$1.71	\$2.31	\$2.91	>\$3.51
Cash Incentive as % of Base Salary	0%	20%	60%	200%	350%	400%	450%
Incentive RSU as % of Base Salary	0%	30%	35%	50%	110%	115%	120%
PSU Value	US\$1,200,000	US\$1,250,000	US\$1,300,000	US\$1,350,000	US\$1,400,000	US\$1,450,000	US\$1,500,000
Fixed SARs Value	US\$300,000	US\$300,000	US\$300,000	US\$300,000	US\$300,000	US\$300,000	US\$300,000

The following table summarizes the revised incentive compensation structure for the CFO for 2024. The graph below reflects the breakdown of the CFO's 2024 direct compensation based on \$1.71 earnings per share. At that level of earnings per share, incentive compensation represents 73% of the CFO's total compensation.

CFO - 2024							
Earnings per Share	<\$0.51	\$0.51	\$1.11	\$1.71	\$2.31	\$2.91	>\$3.51
Cash Incentive as % of Base Salary	0%	15%	45%	110%	220%	250%	280%
Incentive RSU as % of Base Salary	0%	25%	35%	40%	75%	80%	85%
PSU Value	\$435,000	\$450,000	\$465,000	\$480,000	\$495,000	\$510,000	\$525,000
Fixed Option and / or RSU Value	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000



No cash bonus or incentive RSU awards will be awarded under these plans unless earnings per share are at least \$0.51 per share. Where reported basic earnings per share are above \$0.51 and between the other thresholds set out in the above tables, the size of the grant is proportionately increased. These structured incentive awards are capped at earnings per share of \$3.51.

The Board of Directors has capped the number of SARs issuable to Mr. Reid at 120,000 SARs per year and the number of share options grantable to Mr. Juravsky at 67,200 per year in aggregate. Mr. Juravsky is entitled to elect to allocate the aggregate \$210,000 value of his fixed equity award between share options and RSUs. To the extent he elects to receive a portion of the award in RSUs, the maximum number of options that may be issued is proportionately reduced.

The annual cash incentive for any year is typically paid in the first quarter of the following year, after the audited financial statements are approved by the Board of Directors. Similarly, the performance incentive RSUs and PSUs are awarded annually, in the first quarter of each year, based on the prior year's earnings per share.

The dollar values of grants of SARs or share options, as applicable, made to Mr. Reid and Mr. Juravsky for 2023 were determined based on the incentive compensation tables above. The number of SARs and share options granted in each case was determined based upon the dollar value specified divided by the Black-Scholes value per share on the date of grant. The dollar values and the number of SARs or share options were recommended by the MR&C Committee and approved by the Board.

The Company has in place a policy whereby the Board may require Mr. Reid and Mr. Juravsky to reimburse any overpaid incentive compensation based on certain financial results which are later restated.

#### **Other Named Executive Officers**

Mr. MacLean, as Vice President Service Center Operations, receives an annual cash incentive based on the return on net assets of the Company's metals service centers, which is calculated by dividing the earnings before interest and tax by the average net assets for the year of the metals service centers. Mr. MacLean's entitlement to a percentage of earnings at various thresholds is determined on an annual basis by the CEO and the CFO.

Mr. Bailey, as Director of Service Center Operations, receives an annual cash incentive based on the return on net assets of certain of the Company's metals service centers. Mr. Bailey's entitlement to a percentage of earnings at various thresholds is determined on an annual basis by the CEO and the CFO.

Mr. MacDermid, as Vice President Risk Management & Legal, participates in the corporate net income incentive plan. The corporate net income incentive plan is an annual cash incentive plan based on reported net income, to a maximum amount of the respective year. Based on the net income achieved, a pool of funds is divided among all corporate employees. The percentage participation of each person in the net income incentive plan, including Mr. MacDermid, is determined on an annual basis by the CEO and the CFO based on a variety of relevant factors, including level of responsibility and performance in the year.

For these three NEOs, an overall pool of RSUs available for issuance to employees as determined by the Board of Directors, typically with reference to the Company's earnings in the prior year. The amount of the annual grant is dependent on the level and performance of the employee.

## COMPENSATION GOVERNANCE

### Management Resources & Compensation Committee – Members and Skills

Our MR&C Committee consists of four Directors, each of whom is independent as required by the MR&C Committee Charter, which is available on our website at [www.russelmetals.com](http://www.russelmetals.com). The members of the MR&C Committee are Mr. Paiva, Mr. Dinning, Ms. Laberge and Ms. Thabet.

In order to ensure that the Board of Directors is kept apprised of the activities of the MR&C Committee, the Committee Chair reports to the Board of Directors at its quarterly meetings.

The MR&C Committee members have a range of skills and experience which provides the expertise necessary to oversee the Company's executive compensation structure. These skills and experience are supplemented with input from independent compensation consultants as deemed necessary. The relevant experience of the MR&C Committee members is summarized below.

R.D. Paiva (Chair)	<ul style="list-style-type: none"><li>• former Vice President Operations – North Region of Gerdau Steel</li><li>• former Co-Chair of the Board of Directors of the Canadian Steel Producers Association</li></ul>
J.F. Dinning	<ul style="list-style-type: none"><li>• former member of Western Financial Group, Liquor Stores N.A. Ltd., and Oncolytics Biotech Inc. Compensation Committees</li><li>• former director of Parkland Fuel Corporation</li><li>• former Executive Vice President of Trans Alta Corporation</li><li>• former Alberta Provincial Treasurer</li></ul>
A.D. Laberge	<ul style="list-style-type: none"><li>• Chair of Human Resources Committee of Mercer International Inc.</li><li>• former Chair of the Human Resources Committee and Governance Committee of Canadian Public Accountability Board</li><li>• former President and CEO of Fincentric Corporation</li><li>• former Chair of Human Resources Committee of Royal Bank of Canada</li><li>• former Senior Vice President, Finance and CFO of MacMillan Bloedel Limited</li></ul>
A. Thabet	<ul style="list-style-type: none"><li>• director and member of the compensation committees of Héroux-Devtek Inc. and Manac Inc.</li><li>• director at Transcontinental Inc., Institute for Governance and Center of Advanced Technologies BRP – Sherbrooke University</li><li>• former Chair of the Institute of Corporate Directors – Quebec</li><li>• former director and member of compensation committee of Jean Coutu Group Inc.</li><li>• former investment manager of Société générale de financement du Québec</li></ul>

### **Responsibilities of the Management Resources & Compensation Committee**

The MR&C Committee's purpose is to assist Board oversight of executive compensation and management succession planning. In doing so, the MR&C Committee is responsible for (i) independently reviewing and making recommendations to the Board on the CEO's total compensation; (ii) reviewing and making recommendations to the Board concerning total compensation of other C-Suite executive officers; (iii) recommending and monitoring equity ownership policies; (iv) overseeing any compensation related changes to the design of the Company's pension plans and 401k plans; (v) reviewing the risk implications of the Company's compensation policies and practices; (vi) reviewing compensation disclosure in public documents, including the Compensation Discussion and Analysis, for inclusion in this Circular in accordance with applicable rules and regulations; and (vii) making recommendations to the Board with respect to management succession, including the development and implementation of an effective succession plan for the position of CEO and other senior management positions.

### **Policies and Practices Used to Determine Executive Compensation**

Our compensation policies and practices for our executive officers have been described under "Compensation Philosophy" commencing on page 30 of this Circular. The MR&C Committee reviews and makes recommendations to the Board regarding executive officer compensation with reference to comparator groups of companies as appropriate. The MR&C Committee completed an extensive executive compensation benchmarking analysis for the CEO and CFO in 2021. This process, as extensively described in our 2021 Circular, resulted in changes to the reward structure to better align short, medium and long-term incentives to the respective comparator groups based upon the level of the Company's performance. In 2023, the MR&C Committee further reviewed the components of the long-term incentive program for the CEO and CFO. This review resulted in the introduction of PSUs as part of the CEO and CFO long-term incentive compensation program beginning in 2024. The PSUs represent a majority of the long-term incentive compensation package at the mid-point of the incentive compensation program for the CEO and CFO, being 63% and 53% of the LTIP respectively, and represent at least half of the long-term incentive compensation issued to the CEO at all levels of earnings. In connection with the introduction of the PSUs, the RSU entitlement, as a percentage of base salary, have been significantly reduced in the 2024 long-term incentive compensation packages for the CEO and the CFO.

### **Authority of the Management Resources & Compensation Committee**

The MR&C Committee has the authority to retain advisors to assist in the evaluation of CEO or other senior executive compensation. The MR&C Committee also has the authority to approve the fees and retention terms of any such advisors. The MR&C Committee may form subcommittees and delegate authority that it deems appropriate. The MR&C Committee has the authority to make recommendations to the Board, but has no decision-making authority other than as set out above.

### **Succession Planning**

The Board believes that its single most important decision is the selection of the CEO. In addition, the Board believes that the depth and strength of our management team has been critically important to our success as a top performing company in a cyclical industry. Accordingly, the Board is diligent in its discussions of management succession planning for the CEO, corporate senior managers and the senior managers of our business units, who are key to our decentralized management structure.

In camera Board meetings are held with and without the CEO at least annually, to discuss succession plans.

The Board regularly interacts with senior management and key operations staff members through formal presentations to the Board, facility tours and other events as part of the Board meetings to enhance its familiarity with management personnel.

We have in place educational programs, an internal next generation leadership program and other types of courses to ensure our employees are prepared for higher levels of responsibility. The Board annually reviews our pay for performance, pension and other compensation programs to ensure their ongoing effectiveness.

Our culture stresses developing our employees and promoting from within. The current CEO and the majority of senior managers in our business units have been promoted from within the Company. Each of the last three Chief Executive Officers of the Company, preceding Mr. Reid, were also promoted from within the Company.

On an annual basis the Board of Directors reviews succession plans for the position of CEO and establishes and oversees processes for evaluating the performance of the CEO. The MR&C Committee reviews with the CEO the succession plans for senior management and the CEO's assessment of their performance. The Board of Directors also approves the appointment of the CFO and all other officers of the Company.

### **Executive Compensation Consultant**

The MR&C Committee has received periodic information and advice from independent executive compensation consultants. In 2023, Southlea Group advised the MR&C Committee in connection with: (i) an analysis of the Company's peer group incentive compensation, with a particular focus on PSUs; (ii) reviewing and analyzing peer companies to be considered for relative comparison purposes; (iii) defining and calculating relative performance and analyzing multipliers utilized; (iv) back-testing PSUs and the impact on total compensation, and (v) scenario testing the potential range of payouts of the PSUs under a variety of scenarios. Southlea Group was first retained by the MR&C Committee in 2023.

The following table summarizes the executive compensation consulting and other fees charged by Southlea for their services during the 2023 fiscal year. No executive compensation consultants were engaged for services during the 2022 fiscal year:

<b>Service</b>	<b>Fiscal Year 2023</b>	<b>Fiscal Year 2022</b>
Executive Compensation	\$40,000	\$ -
Other Fees	-	-
<b>Total</b>	<b>\$40,000</b>	<b>\$ -</b>

### **All Other Fees**

Southlea is prohibited from doing any other work for the Company or any of its affiliates without the prior express authorization of the Chair of the MR&C Committee. In the fiscal years of 2023 and 2022, no additional services were undertaken by Southlea or any other executive compensation consultant.

### **RISK MANAGEMENT AND RISKS RELATED TO COMPENSATION POLICIES & PRACTICES**

We have an enterprise risk management program which is discussed in our most recent Annual Information Form under the heading "Risk Management and Risks Affecting Our Business". An enterprise risk management assessment and report including mitigation strategies have been previously presented to the Board. The executive team regularly updates the Board at and between quarterly Board Meetings on market conditions, our operations and any other material changes in the business or emerging risks which may impact the Company.

Our committees also monitor risk across the organization and the allocation of responsibility amongst the Board and its committees is as follows:

Board or Committee	Areas of Responsibility
Board of Directors	Overall responsibility for risk oversight at the Company and specific responsibility for strategic business risks.
Audit Committee	Oversees financial risks including hedging, tax and accuracy of financial reporting.
Environmental Management and Health & Safety Committee	Oversees health, safety, environmental, climate risk and related operational risks.
Management Resources and Compensation Committee	Oversees compensation risk, talent management risk and succession risk.
Nominating and Corporate Governance Committee	Oversees governance and management to ensure appropriate policies, processes and procedures are in place. Oversees board renewal risk.

We have had a pay for performance philosophy for many years. The compensation plans are regularly reviewed to determine whether they reward participants for the desired outcome. The plans are also assessed for their ability to protect against risks that could have materially adverse consequences for the Company. Set out below are some of the components of our compensation policy and a description of how these components serve to safeguard against the taking of undue risk.

Compensation Plans – Risk Safeguards	
Key Component	Description
<b>Profit Driven</b>	Variable compensation plans are based on either earnings per share, net income or return on net assets. This design considers both earnings and capital requirements. As we are a working capital-intensive company, profit sharing needs to consider cost of capital.
<b>Plans are formula driven from financial statement results</b>	Incentive plans have a formula which can be reviewed and determined based on actual results.
<b>Plans have thresholds and maximum payout limits, subject to discretionary rewards above or below</b>	The compensation plans for the CEO, CFO and corporate employees have thresholds and caps. The caps ensure that management is not incented to take undue risks.
<b>Limits on number of SARs issuable for CEO and Share Options issuable for CFO</b>	Regardless of the fixed dollar entitlement to SARs and share options, a maximum of 120,000 SARs and 67,200 share options are issuable in any given year to the CEO and CFO, respectively, and any excess is forfeited. This limitation protects against unusual volatility in the share price and Black-Scholes calculation outcomes.
<b>Clawback policies that require reimbursement of overpaid incentives</b>	The CEO and CFO are subject to clawback provisions if the Company's results are later restated due to an error in reporting.
<b>Mix of short and longer term incentives</b>	The CEO and CFO receive a significant portion of their variable compensation in RSUs, PSUs, SARs or share options. RSUs are subject to changes in the common share price for approximately three years after the date they are granted. PSUs are subject to changes in the common share price and relative performance on a total shareholder return basis versus the PSU Comparator group for approximately three years after the date they are granted. SARs and share options are long term incentives exercisable over 10 years and are designed to encourage and reward longer term thinking and value creation.
<b>Delayed Vesting</b>	SARs and share options each vest as to 25% of the original grant on each of the first, second, third and fourth anniversary of the date of grant. Unless otherwise specified by the Board, RSUs and PSUs vest as to one-third on each of the first anniversary of the date of grant, second anniversary of the date of grant and the expiry date.

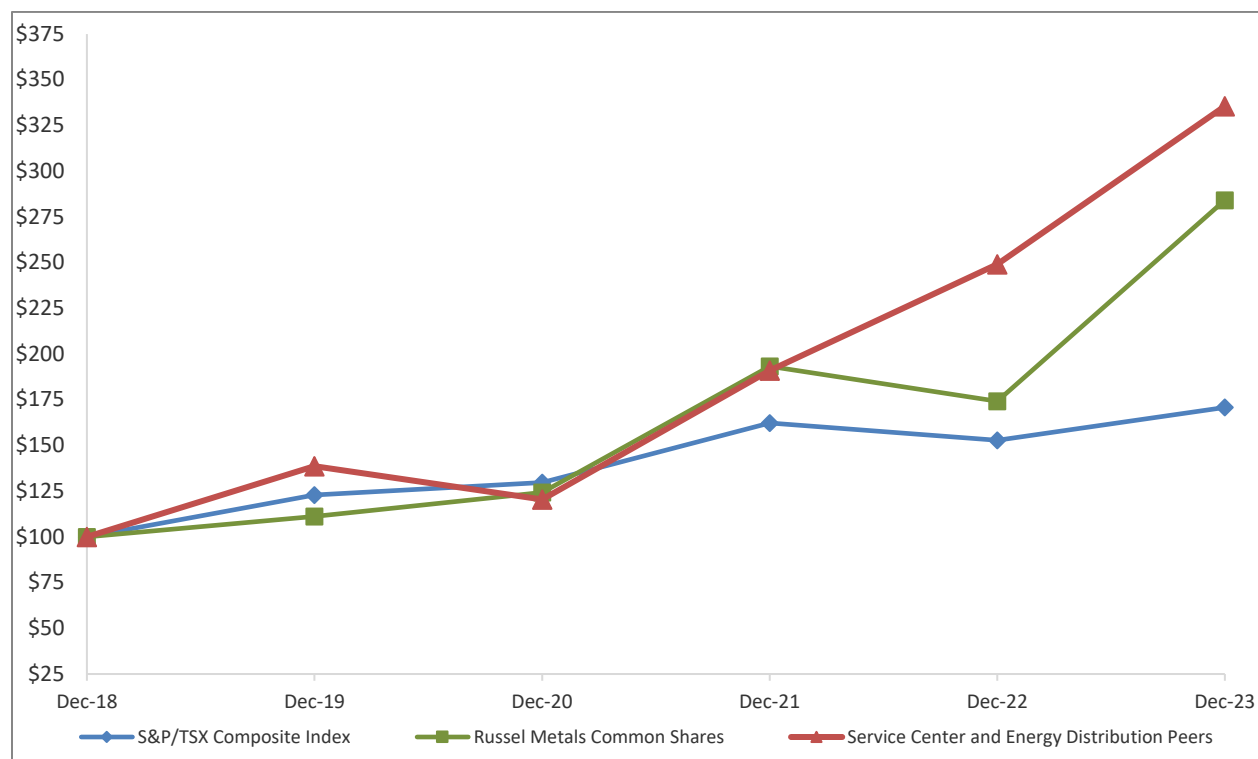


Compensation Plans – Risk Safeguards	
Key Component	Description
<b>Relative Performance Metric</b>	Beginning in 2024, the long-term incentive compensation program will also contain a relative performance metric, in addition to the existing absolute company specific performance metrics. The amount ultimately received under a PSU is linked to the Company's Total Shareholder Return relative to that of the PSU Peer Group. Accordingly, if the Company fails to perform in line with or better than the PSU Peer Group, (our Total Shareholder Return falls in the fourth quartile), there is no payout under the PSUs.
<b>Equity ownership requirements help align executive officer interests with those of the shareholders</b>	Within prescribed time limits, the CEO is required to own a combination of common shares, RSUs and PSUs valued at five times his base salary and the CFO is required to own a combination of common shares, RSUs and PSUs valued at two times his base salary.
<b>Role of MR&amp;C Committee and the Board of Directors in Risk Assessment</b>	<p>The MR&amp;C Committee is composed entirely of independent Directors. It reviews and evaluates the appropriateness of performance objectives and their alignment with compensation. The MR&amp;C Committee annually reviews the compensation of the top paid executives, managers and sales staff.</p> <p>CEO and CFO compensation plans are subject to Board approval.</p> <p>Communication is achieved, in part, by cross-committee membership. The MR&amp;C Committee also reports regularly to the full Board of Directors.</p>

Management and the Board of Directors have also implemented a number of policies which mitigate undue risk taking by executive officers. These policies require Board approval of: (i) capital expenditures or acquisitions in excess of \$5 million; (ii) the lease of property or buildings where: (a) the lease commits to the expenditure of more than \$5 million during the initial term of the lease; or (b) the average lease payments during the initial term exceed \$1.5 million per year (in each case, in the local currency where the expenditure is being made); (iii) material changes to banking and debt agreements; (iv) derivatives other than back-to-back foreign exchange hedges on inventory purchases; and (v) changes to the Company's investment policy.

## PERFORMANCE GRAPH

The following graph shows a comparison over the five-year period ended December 31, 2023 of the value of \$100.00 originally invested in common shares of Russel Metals and the S&P/TSX Composite Index and US\$100.00 invested equally in common shares of the Service Center and Energy Distribution Peers, in each case, assuming reinvestment of cash dividends paid.



	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23
S&P/TSX Composite Index	\$100.00	\$122.88	\$129.76	\$162.32	\$152.83	\$170.79
Russel Metals Common Shares	100.00	111.14	124.39	193.22	174.22	284.15
Service Center and Energy Distribution Peers <sup>(1)</sup>	100.00	138.59	120.52	191.02	249.05	335.57

<sup>(1)</sup> The Service Center and Energy Distribution Peers used in the above chart are MRC Global Inc., Now Inc., Olympic Steel Inc., Reliance Steel & Aluminum Co. and Ryerson Holding Corporation and dollar values noted for the Service Center and Energy Distribution Peers are in USD.

The above graph indicates the Company's total return to a shareholder compared to the S&P/TSX Composite Index over the five-year period ending December 31, 2023. For the five-year period ending December 31, 2023, the Company's total return to a shareholder exceeded the total return of the S&P/TSX Composite index by 66%.

The above graph also shows the Company's total return to a shareholder compared to the total return to an investor who would have invested US\$100 equally into our Service Center and Energy Distribution Peers over the same five-year period ending December 31, 2023. For this period, the Company outperformed the two oil and gas distribution companies; however, the Company's return lagged that of the three service center peers, particularly in 2022, which saw outsized share price appreciation in the US service center peers relative to the Company, which resulted in a total return equal to 85% of that of the Service Center and Energy Distribution Peers over the five year period.



Our focus is on successfully navigating each economic cycle and our aim is to see our share price reach new highs at the top of each economic cycle and to see our share price have a higher floor at the bottom of each economic cycle. We endeavour to achieve this outcome through our focus on earnings, growth through prudent acquisitions, investments in additional processing equipment and facility modernizations and thoughtful stewardship of shareholder capital (with an emphasis on return on capital employed) including returning capital to shareholders through share buy backs and dividends.

Basic earnings per share for 2023 was \$4.33 compared to earnings of \$5.91 in 2022 and \$6.90 in 2021. These three years represent the three most profitable years, on an earnings per share basis, in the history of the Company.

The total compensation paid to the NEOs: (a) for 2023 was \$21,843,908 which amounts to 0.5% of revenue; (b) for 2022 was \$21,713,676 which amounts to 0.4% of revenue; (c) for 2021 was \$21,336,168 which amounts to 0.5% of revenue; (d) for 2020 was \$5,561,241, which amounts to 0.2% of revenue and includes six NEOs for 2020 due to the retirement of Ms. Britton, as the CFO during 2020; (e) for 2019 was \$7,042,212, which amounts to 0.2% of revenue.

Our CEO and CFO incentive plans are earnings per share based and our corporate incentive plans are net income based, and therefore track against changes in earnings or income, as opposed to stock performance.

# EXECUTIVE COMPENSATION

## SUMMARY COMPENSATION TABLE OF NAMED EXECUTIVE OFFICERS

The following table provides a summary of annual compensation for the last three fiscal years for the CEO, CFO and other Named Executive Officers of the Company. The amounts shown in the table below are in Canadian dollars. John G. Reid and Daniel Bailey are U.S. residents and are compensated in U.S. dollars. The amounts shown in the table for Mr. Reid and Mr. Bailey have been converted to Canadian dollars on the basis outlined in Note 1 of the table.

Name and Principal Position	Year	Salary	Share Based Awards <sup>(5)</sup>	Share Options <sup>(6)(7)</sup> / SARs <sup>(6)(7)</sup>	Non-Equity Incentive Plan <sup>(8)</sup>	Pension Value	All Other Comp <sup>(9)</sup>	Total Compensation
J.G. Reid <sup>(1)</sup> <i>President and CEO</i>	2023	\$1,366,639	\$4,411,576	\$404,850	\$6,149,874	\$14,710	\$495,446	\$12,873,095
	2022	1,267,530	4,119,474	381,600	5,703,887	13,538	477,084	11,963,113
	2021	1,191,015	3,870,799	379,920	5,359,568	12,662	457,106	11,271,070
M.L. Juravsky <sup>(2)</sup> <i>Executive Vice President, CFO and Secretary</i>	2023	554,320	1,374,072	-	1,552,096	15,765	11,669	3,507,922
	2022	533,000	1,329,300	-	1,492,400	15,368	10,896	3,380,964
	2021	520,000	1,092,000	210,000	1,456,000	14,513	10,524	3,303,037
J.F. MacLean <i>Vice President, Service Center Operations</i>	2023	468,780	300,000	-	1,620,184	12,878	10,250	2,412,092
	2022	465,020	200,000	-	2,572,056	12,636	9,362	3,259,074
	2021	405,900	140,400	-	3,832,072	12,151	5,844	4,396,367
D. Bailey <sup>(3)(4)</sup> <i>Director of Service Center Operations</i>	2023	238,665	70,000	-	1,440,062	14,710	2,765	1,766,202
	2022	228,498	45,000	-	1,541,385	12,642	2,581	1,830,106
	2021	211,607	70,000	-	2,505,059	11,443	2,391	2,800,500
R.W. MacDermid <i>Vice President, Risk Management and Legal</i>	2023	377,519	400,000	-	484,000	14,026	9,053	1,284,598
	2022	374,490	200,000	-	684,000	13,672	8,257	1,280,419
	2021	360,090	129,600	-	784,000	12,928	5,527	1,292,145

- (1) In U.S. dollars Mr. Reid's salary was: 2023 – US\$1,012,700; 2022 – US\$973,750; 2021 – US\$950,000; and his total compensation was 2023 – US\$9,539,159; 2022 – US\$9,190,377; 2021 – US\$8,990,245. These amounts have been converted to Canadian dollars using the U.S. dollar published average exchange rates for 2023 US\$1.00 = CDN\$1.3495; 2022 US\$1.00 = CDN\$1.3017; and 2021 US\$1.00 = CDN\$1.2537.
- (2) In accordance with the terms of Mr. Juravsky's compensation arrangement, Mr. Juravsky may elect to receive his \$210,000 annual fixed equity grant in either share options or RSUs. In 2022 and 2023 Mr. Juravsky elected to receive his fixed equity grant in RSUs.
- (3) Mr. Bailey was promoted to Director of Service Center Operations on June 1, 2022. Compensation shown in 2021 relate to his position as JMS Regional Manager.
- (4) Mr. Bailey's salary was: 2023 – US\$181,243; 2022 – US\$175,538; 2021 – US\$168,786; and his total compensation was 2023 – US\$1,308,783; 2022 – US\$1,405,935; 2021 – US\$2,233,788. These amounts have been converted to Canadian dollars using the U.S. dollar published average exchange rates for 2023 – US\$1.00 = CDN\$1.3495; 2022 US\$1.00 = CDN\$1.3017; and 2021 US\$1.00 = CDN\$1.2537.
- (5) The aggregate dollar value of the RSUs granted based on Market Price, (as defined in the RSU Plan) on the date of grant is equal to the amounts shown in the table. Mr. Reid's and Mr. Bailey's grant is adjusted accordingly to the average noon exchange rate for the five business days immediately preceding the date of grant. For information relating to the RSU Plan, see "Restricted Share Unit Plan" on page 52 of this Circular.
- (6) These amounts represent the Black-Scholes valuation of SARs granted to Mr. Reid using the following assumptions: dividend yield: 5% for 2023, 2022 and 2021; expected volatility (based on historical volatility over the last 5 years) 33% for 2023, 2022 and 2021; expected life: 5 years; risk free rate of return 3.50% for 2023, 3.29% for 2022 and 1.21% for 2021; and weighted average fair value of SARs granted: \$9.16 for 2023, \$7.23 for 2022 and \$4.28 for 2021. For the share options granted to Mr. Juravsky in 2021 these amounts represent the Black-Scholes valuation of share options using the following assumptions: dividend yield: 5%; expected volatility (based on historical volatility over the last 5 years) 33%; expected life: 5 years; risk free rate of return 0.55%; and weighted average fair value of options granted: \$2.31. The share options and SARs were priced based on the volume weighted average price of common shares on the TSX for the last five business days immediately preceding the date of grant. See "Share Option Plan" commencing on page 49 of this Circular and "Share Appreciation Rights Plan" on page 51 of this Circular.
- (7) Mr. Juravsky received share options in 2021. In accordance with the terms of Mr. Juravsky's compensation arrangement, Mr. Juravsky may elect to receive his \$210,000 annual fixed equity grant in either share options or RSUs. In 2022 and 2023 Mr. Juravsky elected to receive his fixed equity grant in RSUs. Mr. Reid received SARs in 2023, 2022 and 2021.
- (8) Non-equity incentive plan compensation is paid to the NEOs annually in February after approval by the Board.
- (9) The amounts shown represent the Company's contributions to the Employee Share Purchase Plan (as defined on page 49 of this Circular) for each of the Named Executive Officers; payments related to a life insurance policy and other pension replacement instruments for Mr. Reid, see "Life Insurance Policy and Pension Replacement Instrument" on page 57 of this Circular; premiums for Group Term Life Insurance for each of the Named Executive Officers; an auto allowance was received by each Named Executive Officer during 2023, 2022 and 2021; however, the same has not been disclosed for the Named Executive Officers as it does not exceed \$50,000 or 10% of their total salaries. Group Term Life Insurance and Employee Share Purchase Plan benefits are generally available to all employees.

## EQUITY OWNERSHIP POLICY – CEO AND CFO

We have a policy for our CEO and CFO requiring them to own a specified value of common shares, RSUs and PSUs combined. The policy requires the CEO to own an aggregate of common shares, RSUs and PSUs valued at not less than five times his annual salary; and the CFO to own an aggregate of common shares, RSUs and PSUs valued at not less than two times his annual salary. The current holdings of the CEO and CFO meet their respective ownership requirements, although the future redemption of RSUs or PSUs may decrease the total value held.

The purpose of these policy requirements is to more closely align the interests of the CEO and the CFO with those of the Company's shareholders. For purpose of this policy, common shares are valued at the higher of market value and the cost to the executive thereof, RSUs and PSUs are valued at the higher of the market value thereof and the Market Price (as such term is defined on page 52 and 53 of this Circular) at the time of grant.

The table below shows the number and value of shares and RSUs owned, as of February 27, 2024, by the Company's CEO and CFO.

Name	2023 Base Salary	Multiple	Target Value of Equity Ownership	Value of Shares Held	Value of RSUs Held	Combined Value of Shares and RSUs Held <sup>(1)(2)</sup>	Meets Guidelines	Percentage of Target
J.G. Reid	\$1,366,639	x5	\$6,833,195	\$15,213,505	\$16,165,347	\$31,378,852	yes	459%
M.L. Juravsky	554,320	x2	1,108,640	722,852	5,150,485	5,873,337	yes	530%

<sup>(1)</sup> The value of the shares and RSUs reflected above are based on the higher of: (a) the closing price of a common share on the TSX on February 27, 2024 of \$46.42; or (b) the cost of such shares or the Market Price of such RSUs at the time of acquisition / grant.

<sup>(2)</sup> No PSUs have been issued yet. The first grant is expected to occur in February 2025.

## HEDGING OF COMPANY SECURITIES PROHIBITED

As set out in our Insider Trading Policy, the Company does not allow insiders to hedge their position in shares, share options, SARs, DSUs, RSUs, PSUs or other debt instruments of the Company by use of any financial instrument which would include but is not limited to puts, calls, warrants or short selling, designed to insulate the holder from a change in the market value of the stock of the Company.

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## EMPLOYEE SHARE AND OPTION BASED PLANS

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The Company has the following employee share based compensation plans, which are described below: Employee Share Purchase Plan, Share Option Plan, Share Appreciation Rights Plan, Restricted Share Unit Plan and Performance Share Unit Plan.

### EMPLOYEE SHARE PURCHASE PLAN

We have an Employee Share Purchase Plan to provide our employees with the opportunity to purchase common shares, further aligning participants with the interests of shareholders and allowing them to share in the financial success to which they contribute. New employees may join the Employee Share Purchase Plan on the first day of the month following the completion of three months of employment. Employees may make contributions to the Employee Share Purchase Plan through payroll deductions. For employee contributions of up to 5% of their base pay, we contribute an amount equal to one third of the employees' contributions.

All contributions to the Employee Share Purchase Plan are used to purchase common shares in the market at the then current share price. Contributions made by the Company vest immediately. Employees may withdraw all of the contributions made in their name (including our contributions) at any time. If an employee withdraws the Company's portion of the contribution made in his or her name, he or she may not participate in the Employee Share Purchase Plan for six months.

The Employee Share Purchase Plan is available to the majority of our employees in Canada and the United States and is independently administered.

### SHARE OPTION PLAN

We have not granted options under our share option plan (the "Share Option Plan") since 2021. Starting in 2014 most of our employees were granted RSUs in lieu of participation in the Share Option Plan. As a result, all options granted prior to 2014 have since been exercised, forfeited or cancelled. Effective February 2017, Mr. Reid, our CEO, began to receive SARs in place of share options (see "Share Appreciation Rights Plan" on page 51 of this Circular). Effective February 2022, Mr. Juravsky, our CFO, is entitled to elect to allocate the aggregate \$210,000 value of his fixed equity award between share options and RSUs and since such time has elected RSUs.

The Share Option Plan has a fixed number of shares issuable thereunder. The aggregate number of shares reserved for issuance is set at a maximum of 4,498,909 common shares, representing 7% of the issued and outstanding common shares, as at December 31, 2023. At that date, there were 920,236 common shares available for issuance under the Share Option Plan, representing 1% of the then issued and outstanding common shares.

Share options granted vest as to 25% of the original option grant on each of the first, second, third and fourth anniversary of the date of grant, unless a different vesting schedule is determined by the Board. Share options granted are not transferable and have a maximum term of ten years. The exercise price of an option is determined based upon the volume weighted average price of a common share on the TSX for the last five business days immediately preceding the grant date.

On termination of employment, unvested share options are forfeited, and vested share options may be exercised within 30 days following the date of termination subject to an extension provided under the plan if the period falls within a blackout period. The Board of Directors at its discretion can extend such period in certain situations including retirement of an employee to not later than the earlier of original expiry date of the share options and the fourth anniversary of termination of employment; such extension is automatic in the event the individual retires and is at least 65 years of age. Upon death of an eligible person, the deceased participant's legal personal representative may exercise all share options that vest in accordance with the terms of the Share Option Plan for a period of 18 months following death.

The Share Option Plan provides that (a) the number of common shares reserved for issuance pursuant to share options granted under the Share Option Plan or otherwise granted under all other share compensation arrangements to insiders (as defined in the Share Option Plan) may not exceed 10% of the issued and outstanding common shares of the Company, and (b) the issuance of common shares to insiders under the Share Option Plan and under all share compensation arrangements within a one year period may not exceed 10% of the issued and outstanding common shares of the Company.

The Board of Directors may amend the plan from time to time. Prior shareholder approval is required for certain material amendments to the plan, including to increase the number of common shares issuable under the plan, to reduce the option price or extend the exercise period of an option, to cancel and reissue any option or to modify the persons that are eligible to participate under the plan.

Shareholder approval is not required for amendments of an administrative nature, amendments to ensure compliance with applicable laws or other regulatory requirements, amendments to add a cashless exercise feature to the plan or amendments to change the vesting or termination provisions of the plan or any option (provided it does not entail an extension beyond the originally scheduled expiry date for the given share options other than in the case of a trading blackout). The Board of Directors may also suspend, discontinue or terminate the plan at any time.

### Grant Rate

The table below sets forth the grant rate for share options issued in the last three years as a percentage of weighted average of the number common shares of the Company that were outstanding as at the year of grant.

GRANT RATE OF SHARE OPTIONS			
Year	No. of Shares Outstanding	No. of Share Options Granted	Percentage
2023	61,527,975	-	0.00%
2022	62,891,611	-	0.00%
2021	62,667,618	49,065	0.08%

### Options Summary for 2023

The following table sets forth information relating to share options for 2023. As at December 31, 2023, an additional 100,548 common shares would be issued if all the outstanding share options were exercised. An additional 920,236 common share options were available for grant as at December 31, 2023.

	Number of Optioned Shares	Weighted Average Exercise Price	Number of Additional Share Options Available for Grant at Dec. 31, 2023
Balance, January 1, 2023	575,785		
Granted	-		
Exercised	(435,862)		
Expired or Forfeited	(39,375)		
<b>Balance, December 31, 2023</b>	<b>100,548</b>	<b>\$27.03</b>	<b>920,236</b>

## 2023 & 2022 Year End Dilution Levels

The following table sets forth information concerning share options outstanding as at December 31 for 2023 and 2022.

YEAR END DILUTION LEVELS			
Year	No. of Shares Outstanding	No. of Optioned Shares	Percentage
2023	60,388,426	100,548	0.17%
2022	62,112,220	575,785	0.93%
<sup>(1)</sup> All numbers are as at December 31.			

## Gain by Named Executive Officers from the Exercise of Share Options

In 2023, Mr. Reid and Mr. Juravsky exercised share options. Mr. Reid exercised 139,674 share options and Mr. Juravsky exercised 46,932 share options. These share option exercises resulted in a gain upon exercise to Mr. Reid of \$1,286,469 and Mr. Juravsky of \$756,849, in each case before applicable taxes.

## SHARE APPRECIATION RIGHTS PLAN

We have established a share appreciation rights plan ("SARs Plan") for our employees and officers. The plan has been established to offer long-term incentives to senior management and allow us to attract and retain new candidates to these positions. To date SARs have only been issued to our CEO. On February 21, 2024 Mr. Reid was issued 44,279 SARs, valued at \$405,600 (US\$300,000) in his capacity as CEO, pursuant to the Company's longer-term incentive compensation program for that position.

SARs vest, in accordance with the terms of the SARs Plan, as to 25% of the original SARs granted on each of the first, second, third and fourth anniversary of the date of grant. SARs granted are not transferable and have a maximum term of ten years. The exercise price of a SAR is determined by the volume weighted average price of a common share on the TSX for the last five business days immediately preceding the grant date. SARs are cash settled by the Company and the recipient is entitled to cash in the amount by which the market value of the shares on the date of exercise exceeds the issue price of the applicable SAR.

On termination of employment, unvested SARs are forfeited and vested SARs may be exercised within 30 days following the date of termination subject to an extension provided under the plan if the period falls within a blackout period. The Board of Directors, at its discretion, can extend such period in certain situations including retirement of an employee to not later than the earlier of original expiry date of the SAR and the fourth anniversary of termination of employment; such extension is automatic in the event the individual retires and is at least 65 years of age. Upon death of an eligible person, the deceased participant's legal personal representative may exercise all SARs that vest in accordance with the terms of the plan for a period of 18 months following death.

The Board may amend the plan from time to time and may also suspend, discontinue or terminate the plan at any time.



## **RESTRICTED SHARE UNIT PLAN**

We have a restricted share unit plan (the "RSU Plan"), to provide longer-term incentive compensation to our CEO, CFO and other employees for their continued efforts in promoting the growth and success of the Company and assist in attracting and retaining senior management. The Board has authority, in its sole discretion, to determine the eligible full time employees to whom RSUs may be granted and the number of RSUs to be granted to any participant, other than the CEO and CFO whose RSUs are determined by the "Incentive Compensation Tables" commencing on page 36 of this Circular.

An RSU is a unit equivalent in value to one common share based on the Market Price. Under the RSU Plan, the expiry date for any RSU shall be the first to occur of: (i) December 5 of the third calendar year following the year in which the services were provided to which such grant of RSUs relates; and (ii) the third anniversary of the grant date. Unless otherwise specified by the Board, RSUs shall vest as to one-third on each of the first and second anniversaries of the date of grant and the remaining one-third on the expiry date. On the expiry date of a vested RSU, the Company is obligated to pay to the participant cash in an amount equal to the Market Price of a common share at such expiry date. "Market Price" for purposes of grants, redemptions and dividend payments under the RSU Plan is calculated based on the volume weighted average price of a common share on the TSX for the last five business days immediately preceding the date in question.

At the time of an RSU grant, the Board has the authority to change both the grant date and the vesting period. If a participant ceases to be an employee for reasons other than death or retirement at or before age 65 (i) RSUs that are then vested will be paid within 25 days following the date the participant ceased to be an employee and in any event no later than December 31 of the year the participant ceased to be an employee; and (ii) RSUs that are not then vested shall terminate and be forfeited. On the death of a participant or on the retirement of a participant at or after age 65, any unvested RSUs will vest immediately and will be paid within 25 days following the date of death or retirement but no later than December 31 of the year of death or retirement. The Board may, in its discretion, following the grant date but prior to a vesting date, designate an earlier vesting date for all or any portion of the RSUs then outstanding and granted to a participant.

Participants in the RSU Plan are credited with additional RSUs on each dividend payment date in respect of common shares, in an amount that corresponds to the amount of the dividend, based on the number of RSUs recorded in the participant's account on the record date for the payment of the dividend and the Market Price of the common shares on such dividend payment date.

## **RSU GRANTS – DECISION MAKING PROCESS**

Management makes its recommendations to the MR&C Committee as to the values of RSUs to be granted to each eligible employee or officer, and in turn the MR&C Committee makes its recommendations to the Board of Directors for its approval. In formulating its recommendations, the MR&C Committee takes into consideration the recommendations of the CEO concerning employees other than the CEO and CFO whose RSUs are based on the values disclosed in the Incentive Compensation Tables commencing on page 36 of this Circular. The MR&C Committee also takes previous incentive awards into account when considering new awards. Only bona fide full-time employees of the Company and its subsidiaries are eligible to participate. An employee's level of responsibility and performance are the principal factors considered by the CEO and MR&C Committee when recommending individual employee grants.



## PERFORMANCE SHARE UNIT PLAN

In February 2024, we established a performance share unit plan (the "PSU Plan"), to provide longer-term incentive compensation to our CEO, CFO and other employees for their continued efforts in promoting the growth and success of the Company and assist in attracting and retaining senior management. The Board has authority, in its sole discretion, to determine the eligible full-time employees to whom PSUs may be granted and the number of PSUs to be granted to any participant, other than the CEO and CFO whose PSUs are determined by the "Incentive Compensation Tables" commencing on page 36 of this Circular.

A PSU is a unit equivalent in value to one common share based on the Market Price. Under the PSU Plan, the expiry date for any PSU shall be the first to occur of: (i) December 5 of the third calendar year following the year in which the services were provided to which such grant of PSUs relates; and (ii) the third anniversary of the grant date. Unless otherwise specified by the Board, PSUs shall vest as to one-third on each of the first and second anniversaries of the date of grant and the remaining one-third on the expiry date. "Market Price" for purposes of grants, redemptions and dividend payments under the PSU Plan is calculated based on the volume weighted average price of a common share on the TSX for the last five business days immediately preceding the date in question.

On the expiry date of a vested PSU, the Company is obligated to pay to the participant cash in an amount equal to the Market Price of a common share at such expiry date multiplied by the Performance Modifier. "Performance Modifier" for the relevant performance period (typically a 35 month measurement period commencing at the beginning of the year in which the grant date occurs - for example January 1, 2025 – November 30, 2027) is based on the Total Shareholder Return of the Company relative to the PSU Peer Group. The Performance Modifier is as set out below depending on whether the Company's Total Shareholder Return, falls in the first, second, third or fourth quartile, relative to the PSU Peer Group.

<b>Total Shareholder Return of the Company vs. Total Shareholder Return of Peer Group (Quartile Rank)</b>	<b>Performance Modifier</b>
First (1 <sup>st</sup> )	200%
Second (2 <sup>nd</sup> )	100%
Third (3 <sup>rd</sup> )	100%
Fourth (4 <sup>th</sup> )	0%

"Total Shareholder Return" of any company for any performance period is measured as: (a) the average closing price of a common share of such company for the 20 trading days preceding the last day of the performance period; plus (b) the total value of dividends paid by such company, with such dividends reinvested on the applicable payment date, during the performance period; dividend by (c) the average closing price of a common share of such company for the 20 trading days preceding the first day of the performance period.

In the event the Company's Total Shareholder Return falls:

- (a) in the first quartile, the PSU pays out at 200% of the Market Price;
- (b) in the second or third quartile, the PSU pays out at 100% of the Market Price; and
- (c) in the fourth quartile, there is no pay-out.

The PSU Peer Group is comprised of:

ADENTRA Inc.  
Aecon Group Inc.  
Doman Building Materials Group Ltd.  
Finning International Inc.  
Klöckner & Co Se  
MRC Global Inc.

NOW Inc.  
Olympic Steel, Inc.  
Reliance Steel & Aluminum Co.  
Richelieu Hardware Ltd  
Ryerson Holding Corporation  
TSX Composite Index

The PSU Peer Group was designed to include: (i) publicly traded competitors to the Company's metal service center business (ex: Klöckner; Olympic, Reliance and Ryerson); (ii) publicly traded competitors to the Company's energy field store business (ex: MRC Global and NOW); and (iii) Canadian industrial or distribution companies with which the Company competes with in Canada for shareholder capital (ex: ADENTRA, Aecon, Doman, Finning, Richelieu and TSX Composite Index). Each member of the PSU Peer Group is equally weighted in assessing relative Total Shareholder Return.

Participants in the PSU Plan are credited with additional PSUs on each dividend payment date in respect of common shares, in an amount that corresponds to the amount of the dividend, based on the number of PSUs recorded in the participant's account on the record date for the payment of the dividend and the Market Price of the common shares on such dividend payment date.

If a participant ceases to be an employee for reasons other than death or retirement at or before age 65 (i) PSUs that are then vested will be paid within 25 days following the date the participant ceased to be an employee and, in any event, no later than December 31 of the year the participant ceased to be an employee; and (ii) PSUs that are not then vested shall terminate and be forfeited. On the death of a participant or on the retirement of a participant at or after age 65, any unvested PSUs will vest immediately and will be paid within 25 days following the date of death or retirement but no later than December 31 of the year of death or retirement. The Board may, in its discretion, following the grant date but prior to a vesting date, designate an earlier vesting date for all or any portion of the PSUs then outstanding and granted to a participant. In cases where vested PSUs are redeemed prior to their natural expiry date, they are done so at the then Market Price of the common shares and at the 100% performance modifier level.

## OUTSTANDING SHARE BASED AND OPTION BASED AWARDS

The following table sets out certain information with respect to share options outstanding for each of the Named Executive Officers who have outstanding share options as at December 31, 2023.

OPTION BASED AWARDS – SHARE OPTIONS				
Name	Number of Securities Underlying Unexercised Share Options	Share Option Exercise Price	Share Option Expiration Date	Value of Unexercised In the Money Share Options <sup>(1)</sup>
M.L. Juravsky	11,200	\$ 14.61	14-May-30	\$ 340,704
	24,533	25.08	23-Feb-31	489,433
	<b>35,733</b>			<b>\$ 830,137</b>
<sup>(1)</sup> Based on the closing price of a common share on the TSX on December 29, 2023 of \$45.03.				

The following table sets out certain information with respect to SARs outstanding as at December 31, 2023. Mr. Reid is the only Named Executive Officer with SARs.

OPTION BASED AWARDS – SHARE APPRECIATION RIGHTS				
Name	Number of Securities Underlying Unexercised Share Appreciation Right	Share Appreciation Rights Exercise Price	Share Appreciation Rights Expiration Date	Value of Unexercised In the Money Share Appreciation Rights <sup>(1)</sup>
J.G. Reid	25,431	\$ 23.69	20-Feb-29	\$ 542,698
	60,000	21.94	24-Feb-30	1,385,400
	66,574	25.08	23-Feb-31	1,328,151
	72,548	32.99	23-Feb-32	873,841
	55,768	36.67	22-Feb-33	466,053
	<b>280,321</b>			<b>\$4,596,143</b>
<sup>(1)</sup> Based on the closing price of a common share on the TSX on December 29, 2023 of \$45.03.				

The following table sets out certain information with respect to RSUs outstanding for all Named Executive Officers as at December 31, 2023.

SHARE BASED AWARDS – RESTRICTED SHARE UNITS			
Name	No. of Not Vested RSUs	Value of Not Vested RSUs <sup>(1)</sup>	Value of Vested (Not Paid Out) <sup>(1)</sup> RSUs
J.G. Reid	207,897	\$9,361,586	\$1,959,945
M.L. Juravsky	66,628	3,000,259	649,783
J.F. MacLean	8,794	395,996	70,068
D. Bailey	2,831	127,461	34,934
R.W. MacDermid	8,555	385,231	64,663
<sup>(1)</sup> The value of the RSUs not vested and the value of the RSUs vested (but not paid out) are based on the closing price of a common share on the TSX on December 29, 2023 of \$45.03.			

## INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table summarizes all equity incentive plan awards (common share options, SARs and RSUs) vested during 2023 and all cash bonuses earning during 2023, in each case, for all Named Executive Officers.

Name	Share Options Value Vested During 2023 <sup>(1)</sup>	SARs Value Vested During 2023 <sup>(2)</sup>	RSUs Value Vested During 2023 <sup>(3)</sup>	Non-Equity Incentive Plan Comprehension Value Earned During 2023
J.G. Reid	\$ -	\$1,034,158	\$1,501,812	\$6,149,874
M.L. Juravsky	366,271	-	497,889	1,552,096
J.F. MacLean	-	-	108,276	1,620,184
D. Bailey	-	-	54,061	1,440,062
R.W. MacDermid	-	-	99,947	484,000

<sup>(1)</sup> The options value vested is the aggregate dollar value that would have been realized if the share options had been exercised on their vesting date. It is calculated by determining the difference between the closing price of a common share on the TSX on the vesting date and the exercise price of the share option. All share options issued to Mr. Reid were fully vested prior to January 1, 2023. Mr. MacLean and Mr. MacDermid have not been issued share options. All share options issued to Mr. Bailey were fully vested and exercised prior to January 1, 2023.

<sup>(2)</sup> The SARs value vested is the aggregate dollar value that would have been realized if the SARs had been exercised on the vesting date during 2023. It is calculated by determining the difference between the closing price of a common share on the TSX on the vesting date and the exercise price of the SAR. Mr. Reid is the only Named Executive Officer who has been issued SARs.

<sup>(3)</sup> The RSUs value vested is based on the market value on the date the RSUs vested during 2023.

## CEO TOTAL REALIZED COMPENSATION LOOKBACK

The following table depicts the CEO's total direct compensation, as reported in our Circular and its value as at December 31, 2023 for the years Mr. Reid was CEO of the Company.

Fiscal Year	Value at Time of the Awards	Value on December 31, 2023 <sup>(1)</sup>	Increase or Decrease as Percentage
2022	\$11,963,113	\$14,024,935	17.23%
2021	11,271,070	14,781,001	31.14%
2020	1,998,609	3,788,109	89.54%
2019	3,815,721	5,258,249	37.80%

<sup>(1)</sup> Mr. Reid's total direct compensation as measured on December 31, 2023 includes: (a) actual salary, non-equity incentive, pension and other compensation received or relating to the year of award; (b) actual value received from redeemed RSUs and share appreciation rights exercised that were granted during or relate to the measurement period; (c) December 31, 2023 value of RSUs which have not been redeemed, including reinvested dividends; and (d) December 31, 2023 in the money value of any unexercised share appreciation rights awarded during the measurement period.

## PENSION PLAN AND OTHER BENEFITS

Russel Metals provides a defined contribution plan to its named executive officers.

### DEFINED CONTRIBUTION PLANS

Mr. Juravsky, Mr. MacLean and Mr. MacDermid participate in a defined contribution plan. The following table sets out prescribed information concerning the accrued values of this plan and compensatory and non-compensatory payments under this plan for 2023. The plan is described in more detail below the table:

Name	Accumulated Value at Start of 2023	Compensatory <sup>(1)</sup>	Accumulated Value at End of 2023
M.L. Juravsky	\$ 63,188	\$15,765	\$102,368
J.F. MacLean	268,813	12,878	307,232
R.W. MacDermid	250,759	14,026	340,691

<sup>(1)</sup> Compensatory value represents the Company's aggregate contributions made during the year.

Mr. Juravsky, Mr. MacLean and Mr. MacDermid participate in a defined contribution plan covering our Canadian employees, which provides that the employee contributes 1% of their base salary and the Company provides an annual contribution of an amount equal to 2% of their base salary. In addition, employees may contribute up to an additional 6% of base salary, subject to Canada Revenue Agency limits, and the Company provides a 50% matching contribution on additional amounts contributed by the employee. In 2023, we contributed \$15,765 to Mr. Juravsky's account, \$12,878 to Mr. MacLean's account, and \$14,026 to Mr. MacDermid's account. All contributions vest immediately.

### 401K PLAN

Mr. Reid and Mr. Bailey participate in a 401K defined contribution plan covering our U.S. employees, which provides that the Company will make an annual contribution of an amount equal to 2% of their eligible compensation to an Internal Revenue Service limit. In addition, employees may contribute up to an additional 6% of their eligible compensation and the Company provides a matching contribution of one-third of amounts contributed by the employee to a maximum of US\$4,300. In 2023, we contributed US\$10,900 (Cdn\$14,710) to Mr. Reid's account and US\$10,900 (Cdn\$14,710) to Mr. Bailey's account. All contributions vest immediately.

### LIFE INSURANCE POLICY AND PENSION REPLACEMENT INSTRUMENT

In 2014, in lieu of an executive pension arrangement, we signed an agreement with Mr. Reid to fund a Whole Life Insurance Policy (the "Reid Life Insurance Policy"). In accordance with the agreement, annual premiums of up to US\$150,000 per year on the Reid Life Insurance Policy will be paid by the Company. In addition to paying the annual premiums, we have agreed to compensate Mr. Reid in the form of additional cash compensation for the grossed-up tax payable on his life insurance taxable benefit. In 2018, effective upon Mr. Reid's appointment as CEO, we signed an executive employment agreement with Mr. Reid which increased the total amount payable under the Reid Life Insurance Policy or such other pension replacement instrument, as Mr. Reid may select, to US\$350,000 annually (inclusive of any gross-up for taxes payable). Our obligation to pay the annual premiums are dependent on Mr. Reid being employed as CEO of the Company. The Reid Life Insurance Policy and other pension replacement instrument are owned by Mr. Reid and all proceeds are payable to his estate in the event of his death.

In 2023 we contributed US\$226,500 to these plans and paid Mr. Reid US\$123,500 for the grossed up tax on the taxable benefit.

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## CHANGE OF CONTROL AGREEMENTS

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The Company has entered into change of control agreements with each of Mr. Reid, Mr. Juravsky and Mr. MacLean, described below.

### DOUBLE TRIGGER CHANGE OF CONTROL AGREEMENTS

We have entered into change of control agreements with Mr. Reid, Mr. Juravsky and Mr. MacLean providing for their continued employment for two years following a change of control and for severance payments in certain circumstances in the event of the termination of their employment within two years of a change of control. Such circumstances include termination of employment by Russel Metals (other than for just cause, disability or retirement) or termination of employment by the executive officer for good reason. A "good reason" includes the occurrence of any of the following without the executive officer's express written consent: (i) the Company assigning to the executive officer duties inconsistent with his / her position, duties, responsibilities and status with the Company immediately prior to the change of control; (ii) a reduction by the Company to the executive officer's annual salary; (iii) failure by the Company to continue in effect any benefit, bonus, incentive or retirement plan in which the executive officer is participating immediately prior to the change of control; (iv) the Company relocating the executive officer to any place other than the location at which he / she performed his / her duties for the Company immediately prior to the change of control; (v) any breach by the Company to any provisions of the Change of Control Agreement; or (vi) any failure by the Company to obtain the assumption of the Change of Control Agreement by a successor or assign of the Company. A "change of control" includes the acquisition of effective control by a person or group of persons acting in concert or a determination by the Directors that a change of control has occurred or is about to occur. For such purpose, any person or group holding securities which entitle such holder or holders to cast more than 25% of the votes attaching to all shares in the capital of the Company which may be cast to elect Directors shall be deemed to be in a position to exercise effective control. A change of control will also have occurred if incumbent Directors cease to constitute a majority of the Board of Directors. For this purpose an incumbent Director is any member of the Board of Directors of the Company who was a Director immediately prior to the event which gave rise to the change of control, and any successor to an incumbent Director who was recommended or elected or appointed to succeed an incumbent Director by the affirmative vote of a majority of the incumbent Directors.

Upon termination under these circumstances, the executive officer is entitled to receive a lump sum payment of two times his or her current salary, and two times the average annual amount paid or payable to the executive officer pursuant to any profit sharing, cash incentive or bonus program during the last 36 months. The executive officer is also entitled to receive an amount on account of the value of all SARs and all share options or other rights to acquire common shares held by the executive officer or to which he or she would have been entitled, an amount on account of pension benefits to which the executive officer would have been entitled and certain other benefits. In addition, if the executive officer holds options for the purchase of common shares or SARs in the Company ("Unexercised Rights"), all Unexercised Rights so held that were not exercisable at the date of termination, shall be accelerated so that such Unexercised Rights become immediately exercisable and all Unexercised Rights shall remain exercisable for 180 days following the date of termination. Similarly, RSUs and PSUs become fully vested and are cashed out within 25 days from termination.

The following table sets out the payments to which each of Mr. Reid, Mr. Juravsky and Mr. MacLean would have been entitled had they been terminated on December 31, 2023 within two years of a change of control of the Company:

<b>SEVERANCE FOR TERMINATION WITHIN TWO YEARS OF A CHANGE OF CONTROL</b>				
<b>Name</b>	<b>Amount on Account of Salary and Incentives</b>	<b>Amount on Account of Pension Benefits and Life Insurance</b>	<b>Immediate Vesting of Share Options / SARs</b>	<b>Immediate Vesting of RSUs and PSUs<sup>(1)</sup></b>
J.R. Reid	\$23,306,429	\$974,070	\$2,699,573	\$13,803,162
M.L. Juravsky	6,779,219	31,530	830,137	4,374,331
J.F. MacLean	6,739,075	25,755	-	695,996
<sup>(1)</sup> In addition, any vested but not distributed RSUs are also deemed payable upon a change of control.				



# STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The disclosure set out below reflects our compliance with National Policy 58-201 (Corporate Governance Guidelines) and National Instrument 58-101 (Corporate Governance Practices) (collectively, the "CSA Governance Rules").

CORPORATE GOVERNANCE	
Disclosure Requirement	Practices of Russel Metals
<b>Independence of the Board</b>	A majority (90%) of our current Directors and a majority (90%) of the nominees for election as a Director at the Meeting, are independent.
<b>Other Board Positions held by the Company's Directors</b>	Ms. Allan, Mr. Clark, Mr. Dinning, Mr. Hedges, Ms. Johnston, Ms. Laberge, and Ms. Thabet are directors of other public companies. For each of the nominee Directors these companies are identified on pages 12 – 17 (inclusive) of this Circular. No Directors are members of the same board of another public company.
<b>In Camera Meetings</b>	Independent Directors meet in camera at each Board meeting.
<b>Independent Chair</b>	Mr. Dinning is the Chair of the Board and is independent. Among other things, the Chair of the Board: (a) provides leadership to the Directors in discharging their mandate; (b) provides advice, counsel and mentorship to the CEO; (c) promotes the delivery of information to the Directors on a timely basis; (d) presides over Board and shareholder meetings; (e) coordinates with the Chairs of Board committees; (f) sets the agenda for Board meetings; and (g) encourages free and open discussion among the Directors. The complete position description of our Board Chair can be found on our Company website at <a href="http://www.russelmetals.com">www.russelmetals.com</a> .
<b>Attendance Record</b>	Each Director attended all Board and Committee meetings, for which they were a member, held in 2023 with the exception of Mr. Dinning who was unable to participate in a virtual Board meeting held on September 21, 2023. For further information on attendance at the 2023 Board and Committee meetings see "Attendance at Board and Committee Meetings Held" on page 19 of this Circular. Directors are required to thoroughly review meeting material provided by management, in advance of Board of Directors meetings. Directors are required to attend meetings in person, when possible and practicable.
<b>Board Charter</b>	<p>The Board has explicitly assumed stewardship responsibility for Russel Metals as well as responsibility for the matters specifically set out in the CSA Governance Rules.</p> <p>The Board reviews and approves our strategic direction, business plan and capital expenditure budget annually. The Board and management also discuss the Company's future goals and objectives, assess prior performance, successes and failures and consider the opportunities and risks of the Company's business.</p> <p>The cyclical and dynamic nature of the Company's business requires that the Company be proactive and agile to respond and react to rapid market changes. Management presents and discusses with the Board changes in industry conditions and the operating environment quarterly and management also reports to the Board on performance and financial results in writing between meetings.</p> <p>The Board approves acquisitions and capital expenditures in excess of \$5 million and significant property or buildings leases.</p> <p>The Board reviews and approves changes in business focus, corporate financings and debt issues.</p> <p>The Board also expects management to advise it of any risks, opportunities or events that have or are likely to have a material effect on the Company and to provide it with regular reports on our activities and on any external developments that are likely to affect the Company.</p> <p>The interaction between the Board and management challenges management to proactively manage the cyclical nature of the business to ensure it maximizes shareholder value.</p> <p>The Board is satisfied that the functions and respective responsibilities of the Board and management are clearly understood and supported by all participants in our governance process.</p> <p>The Board charter is included as Schedule B to this Circular commencing on page 70 of this Circular.</p>
<b>Size of Board</b>	<p>The number of Directors to be elected at the Meeting is set at ten.</p> <p>This size and composition of the Board brings a balance of industry and operational expertise as well as backgrounds in other areas that management and the Board believe are of benefit to us.</p>



CORPORATE GOVERNANCE	
Disclosure Requirement	Practices of Russel Metals
	Our articles require us to have a minimum of seven and a maximum of 12 Directors.
<b>Board Renewal Policy</b>	<p>The Company has adopted a Board renewal policy whereby Directors will not generally stand for re-election after reaching the age of seventy-five years. In addition, the Company's policy is to target total average tenure of its non-executive Directors (i.e. total years service of non-executive Directors on the Board divided by the number of non-executive Directors) to be approximately 10 years or less. Neither of these two objectives represents a bright line test, and the Board may at any time or from time to time, deviate from these objectives where it believes that it's in the best interest of the Company to do so, but both are designed to encourage and support a continuous active program of Board member renewal, recruitment and retirement planning. At this time, the Board does not believe that fixed term limits for Directors are necessary or appropriate, nor does it believe that Directors should expect to be re-nominated annually prior to age 75. The Board believes that a balance must be struck between ensuring that there are new ideas and diverse viewpoints at the Board and maintaining the insight, experience and other benefits of continuity contributed by longer-serving Directors. For the purposes of this policy, in the event an executive Director subsequently becomes a non-executive Director, only such individual's tenure as a non-executive Director shall be included for the purposes of calculating the total average tenure of non-executive Directors.</p> <p>The average tenure of the non-executive Directors as of the date of this Circular is 9.18 years and if all the non-executive Director nominees are elected the average tenure of the non-executive Directors immediately following the Meeting will be 7.69 years. Mr. Reid, who is an executive Director, is excluded from this calculation and Mr. Hedges' tenure as a non-executive Director is calculated from May 2, 2018, the date of his retirement as an executive of the Company.</p> <p>The Company also manages Director tenure through a Director evaluation and assessment process, and through a demonstrated and ongoing commitment to the process of Board renewal. The evaluation and assessment process, which includes Board and Committee evaluations and a peer evaluation process, is designed to identify any circumstance in which a Director is not making a sufficient contribution. It is the responsibility of the Company's Board to remove Directors who are not performing, rather than simply relying on Director term limits or a Director being required to resign due to age. Each Director's term expires no later than the next annual shareholders' meeting. The Company also manages Director tenure by disclosing each Director's tenure and age in the Company's Information Circular, allowing shareholders to make an informed decision relating to the election of nominee Directors.</p>
<b>Board Committee</b>	<p>Russel Metals' Board committees are the Audit Committee, NCG Committee, MR&amp;C Committee and EMH&amp;S Committee.</p> <p>The Board has adopted charters for each of these committees and pursuant to these charters, except for the EMH&amp;S Committee, all members of the Committees are required to be independent.</p> <p>The members of these committees are all independent. More information regarding the Board's committees can be found under "Committees of the Board of Directors" on page 17 of this Circular.</p>
<b>Position Description</b>	<p>The Board has approved position descriptions for the Chair of the Board, the Chair of each committee of the Board and the CEO.</p> <p>Copies of the committee charters and the position descriptions referred to above are available from our website located at <a href="http://www.russelmetals.com">www.russelmetals.com</a> (see "Investor Relations" and "Corporate Governance").</p>

## CORPORATE GOVERNANCE

Disclosure Requirement	Practices of Russel Metals
<b>Orientation Program</b>	<p>All new Directors receive a comprehensive orientation on their election or appointment to the Board which includes:</p> <ul style="list-style-type: none"> <li>• a detailed briefing with the Chair of the Board</li> <li>• a detailed briefing with the CEO, CFO and other members of senior management</li> <li>• participation in tours of Company operating facilities and in small group sessions with senior management personnel</li> <li>• background and key information about Russel Metals to assist the Director in becoming conversant with our business and priorities, as well as information concerning the industry in which we and our major competitors operate</li> <li>• health and safety training</li> <li>• a copy of all Board and Committee charters</li> </ul> <p>Directors review and execute the Company's Code of Business Conduct and Ethics Policy, Corporate Disclosure Policy and Insider Trading Policy.</p>
<b>Ongoing Education Program</b>	<p>We provide our Directors with:</p> <ul style="list-style-type: none"> <li>• supplemental Company specific and general industry information designed to keep them current with respect to factors affecting the Company</li> <li>• periodic tours of Company operating facilities, and presentations by senior corporate and operating personnel</li> <li>• information concerning regulatory and policy developments affecting Canadian public companies generally and the responsibilities of Directors.</li> </ul> <p>For specific details about the ongoing education sessions held in 2023 and attendance of Directors at these sessions, see "Board Education" commencing on page 22 of this Circular.</p> <p>Management makes presentations when we are making key business decisions, during strategic planning meetings, on topical issues from time to time and in response to requests from the Board.</p> <p>Our Directors, on their own initiative, also participate in external educational seminars that are relevant to their role on the Board, as appropriate.</p>
<b>Culture of Ethical Business Conduct</b>	<p>The Board has approved and adopted a Code of Business Conduct and Ethics Policy (the "Code of Conduct"), which applies to all our Directors, officers and employees.</p> <p>The Code of Conduct can be found on our website at <a href="http://www.russelmetals.com">www.russelmetals.com</a> (see "Investor Relations" and "Corporate Governance") and on SEDAR+ (<a href="http://www.sedarplus.ca">www.sedarplus.ca</a>).</p> <p>Management conducts annual training on the Code of Conduct.</p>
<b>Monitoring Compliance with Code of Business Conduct and Ethics and other Policies</b>	<p>Management provides the Board with a written compliance report on a quarterly basis.</p> <p>The Company has a confidential and anonymous reporting system that allows all employees to raise concerns free of discrimination, retaliation or harassment.</p> <p>The Company encourages the reporting of any complaints, concerns or questions relating to:</p> <ul style="list-style-type: none"> <li>• accounting matters</li> <li>• internal controls</li> <li>• financial irregularities</li> <li>• compliance with the Company's policies</li> <li>• human rights issues (harassment, discrimination, violence, abuse)</li> <li>• unethical business conduct, including but not limited to, safety, environmental, conflicts of interest, bribery, theft and / or fraud</li> </ul> <p>The report of any complaints, concerns or questions relating to the foregoing matters may be made to a Whistleblower Hotline through an independent third party service provider by internet, telephone or by mail.</p> <p>The CEO and CFO investigate all reports submitted to the Whistleblower Hotline.</p> <p>The Audit Committee Chair receives notice and has access to all reports submitted to the third party provider.</p>

## CORPORATE GOVERNANCE

Disclosure Requirement	Practices of Russel Metals
<b>Conflict of Interest and Related Party Transactions</b>	<p>We have no contracts or other arrangements in place in which any of our Directors or officers has a material interest and we do not anticipate entering into any such contract or arrangement. In addition, during the years ended December 31, 2023 and 2022 the Company did not have any transactions with subsidiaries outside the normal course of business.</p> <p>If any such arrangement were to arise, it would first be considered by the Audit Committee which would review any such conflict of interest or related party transaction to ensure that when any of the Company or any Directors or officers engage in any such transaction, the terms and conditions of such transaction are at fair market value or at least as favourable as prevailing market terms and conditions, or fair value if fair market value references do not exist and would refer the matter to the Board of Directors for approval (in each case and if applicable, without the participation of any Director who had the material interest in question).</p>
<b>Audit Committee</b>	<p>The Audit Committee is responsible for reviewing our quarterly and annual financial statements, our management's discussion and analysis of financial condition and results of operations, other public disclosure and for monitoring our internal control procedures.</p> <p>The Audit Committee meets quarterly with our external auditors and with our Director of Internal Audit without management being present.</p> <p>The Audit Committee is comprised of independent Directors.</p> <p>The Board annually appoints the Audit Committee and its Chair.</p> <p>Additional information with respect to the Audit Committee, including its charter, can be found under the headings "Audit Committee Information" and "Charter of the Audit Committee" in our annual information form, which is posted on our website at <a href="http://www.russelmetals.com">www.russelmetals.com</a> (see "Investor Relations" and "Financial Reports") and on SEDAR+ (<a href="http://www.sedarplus.ca">www.sedarplus.ca</a>).</p>
<b>Nominating and Corporate Governance Committee</b>	<p>The responsibilities of the NCG Committee include:</p> <ul style="list-style-type: none"> <li>• developing and recommending governance guidelines for the Company (and periodic review of those guidelines)</li> <li>• identifying individuals qualified to become members of the Board</li> <li>• recommending Director nominees to be put before the shareholders at each annual meeting</li> <li>• reviewing and recommending to the Board the compensation for the Chair of the Board and for other Directors</li> <li>• conducting an annual evaluation of the Board, the Committees of the Board and Chair of the Board</li> </ul> <p>The NCG Committee is comprised of independent Directors.</p> <p>The Board annually appoints the NCG Committee and its Chair.</p> <p>As part of each meeting, members of the NCG Committee meet without any member of management present.</p>
<b>Nomination of New Directors</b>	<p>The NCG Committee is responsible for making recommendations to the Board concerning new Director candidates.</p> <p>When new Directors are required, the NCG Committee determines the skill set of a potential Director that it believes would best suit the circumstances, having regard to the skills described in the matrix commencing on page 20 of this Circular and other factors considered relevant by the NCG Committee.</p> <p>The NCG Committee develops profiles of individuals whose background and skills would complement those of the existing Directors for consideration by the Board.</p>

## CORPORATE GOVERNANCE

Disclosure Requirement	Practices of Russel Metals
<b>Representation of Designated Groups on the Board of Directors and Senior Management</b>	<p>Four of 10 (40%) of the Company's current Directors and five of 10 (50%) of the nominee Directors represent Designated Groups (as defined in the Employment Equity Act (Canada)). Three of 10 (30%) of the Company's current Directors and four of 10 (40%) of the nominee Directors are women. One of 10 (10%) of the Company's current Directors self identifies as a member of a visible minority and one of 10 (10%) of the nominee Directors self identify as a member of a visible minority. None of the current Directors or nominee Directors self identifies as an Aboriginal person or a person with a disability.</p> <p>Two of seven (29%) of the Company's executive officers are women. None of the Company's executive officers self identifies as a member of a visible minority, an Aboriginal person or a person with a disability.</p> <p>The Board and the Company recognize the benefits of fostering diversity and believe that a Board and executive team made up of highly qualified individuals from diverse backgrounds promotes better corporate governance, performance and effective decision-making.</p> <p>In furtherance of diversity, the Board has established a formal written Diversity Policy, which among other things, commits that women represent at least 30% of the Directors of the Company and is pleased to confirm that four of the 10 (40%) of the nominee Directors are women. In the event women cease to represent at least 30% of the Directors of the Company at any time (for instance, due to an unplanned departure), the Board will take action to ensure that women represent at least 30% of the Directors of the Company within a reasonable timeframe.</p> <p>The Board has not adopted formal targets for other Designated Groups with respect to Directors or executive officers at this time. The NCG Committee and the Company, as set out in the Diversity Policy, seek to ensure that Directors and officers have a wide range of skills, experiences and backgrounds to meet the needs of the Company. To support this objective, the NCG Committee and the Company, when seeking candidates for the Board or senior executive positions as part of their process consider: (a) candidates who are highly qualified based on their business experience, functional expertise and personal skills and qualities; (b) candidates with experience and expertise in the industries in which the Company operates - this can take the form of general steel or oil and gas experience or, where practicable, specific experience in a metal service center, oilfield service operation or steel or energy product distribution; and (c) the representation of Designated Groups on the Board and in senior leadership positions.</p> <p>The Board and Company also, in preparing for recruitment, discuss the current matrix of skill sets of Directors and executive officers and consider whether there are any gaps or specific experiences, skills or viewpoints that ought to be addressed, in the selection of a candidate, to improve corporate performance and decision making.</p> <p>This process places diversity and inclusion as critical considerations during the recruitment and selection process.</p>
<b>Management Resources and Compensation Committee</b>	<p>The responsibilities of the MR&amp;C Committee include:</p> <ul style="list-style-type: none"> <li>• reviewing and making recommendations to the Board (without the participation of the CEO) concerning compensation for the CEO</li> <li>• reviewing and making recommendations to the Board concerning compensation of other executive officers, incentive based plans and share based plans</li> <li>• recommending and monitoring equity ownership policies</li> <li>• overseeing any changes to the design of the Company's pension plans and 401k plans</li> <li>• reviewing and considering the implications of the risks associated with our compensation policies and practices, specifically, situations that could potentially encourage an executive to expose Russel Metals to inappropriate or excessive risks</li> <li>• reviewing compensation disclosure in public documents, including the Compensation Discussion and Analysis for inclusion in this Circular, in accordance with applicable rules and regulations</li> <li>• reviewing succession plans for the CEO and other members of senior management</li> </ul> <p>The MR&amp;C Committee is comprised of independent Directors.</p> <p>The Board annually appoints the MR&amp;C Committee and its Chair.</p> <p>The MR&amp;C Committee considers matters within its mandate and makes recommendations to the full Board.</p> <p>As part of each meeting, the MR&amp;C Committee members meet without any member of management present.</p>

## CORPORATE GOVERNANCE

Disclosure Requirement	Practices of Russel Metals
<b>Determining Executive Officer and Director Compensation</b>	<p>The MR&amp;C Committee recommends the compensation for the CEO and the CFO to the Board and reviews compensation policies and levels for other executive officers to ensure that their compensation is competitive and reasonably related to personal and corporate performance.</p> <p>The MR&amp;C Committee uses various information sources, including independent consultants, to monitor the competitive position of Russel Metals' salaries, cash incentives and share based incentives, and to assess the effectiveness of our incentive plans in contributing to corporate performance.</p> <p>The NCG Committee makes recommendations to the Board regarding Director compensation with reference to board compensation of comparably sized Canadian public companies.</p>
<b>Environmental Management and Health &amp; Safety Committee</b>	<p>The mandate of the EMH&amp;S Committee is to monitor, evaluate and make recommendations to the Board for the purposes of enhancing the Company's health and safety performance and ensuring that we conduct our activities in a manner that complies with applicable environmental and occupational health and safety laws.</p> <p>These activities should minimize adverse impacts on the natural environment and to the communities in which we reside and operate in a manner that respects the health and safety of our employees.</p> <p>The Board annually appoints the EMH&amp;S Committee and its Chair.</p> <p>Management reports quarterly to the Board on these areas and the EMH&amp;S Committee.</p>
<b>Board, Committee and Individual Director Assessment</b>	<p>Each Director completes questionnaires annually assessing the performance of the Board and its committees. Each Director also individually meets with the Chair of the Board at least biennially to discuss the performance and evaluate the performance of the other Directors. The Chair of the Board also follows up with each Director individually to discuss any issues or concerns raised during the performance assessment process.</p> <p>Each committee is required to review annually at a meeting of the committee, the effectiveness and contributions of the committee, and to report to the Board with respect to such review.</p> <p>It is expected that individual and corporate goals can be more readily achieved as Directors are assisted in identifying areas that may be improved.</p> <p>The questionnaires are designed to encourage each Director to thoughtfully consider ways in which his or her effectiveness may be increased and to identify areas where we can assist in improving Directors' performance.</p> <p>Each Director also completes annually, a written peer review assessment of the performance of the Chair of the Board. These assessments are submitted to the Chair of the NCG Committee, who interviews Directors, as may be appropriate, and discusses any issues raised with the Chair of the Board on a "without attribution" basis.</p>
<b>Outside Advisors</b>	<p>Each committee of the Board has the authority to retain and compensate any outside consultants and advisors it considers necessary to fulfill its mandate.</p> <p>Directors may engage advisors at the Company's expense for other purposes with the concurrence of the Chair of the NCG Committee.</p>

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## CERTIFICATE

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The Board of Directors has approved the contents and the sending of this Circular.

DATED the 27<sup>th</sup> day of February, 2024.

*/s/ Martin L. Juravsky*

**Martin L. Juravsky**  
Executive Vice President,  
Chief Financial Officer and Secretary

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# SCHEDULE A – CHANGE OF AUDITOR REPORTING PACKAGE

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February 9, 2024

To: Alberta Securities Commission  
British Columbia Securities Commission  
Manitoba Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Digital Government and Service NL Consumer and Financial Services Division  
Nova Scotia Securities Commission  
Ontario Securities Commission  
Justice and Public Safety Financial and Consumer Services Division  
Autorité des marchés financiers  
Financial and Consumer Affairs Authority of Saskatchewan

And To: Deloitte LLP  
KPMG LLP

Dear Sir/Madam:

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## Re: Russel Metals Inc. – Notice of Change of Auditor

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Russel Metals Inc. (the "Corporation") hereby provides notice pursuant to Section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"), as follows:

- Effective on February 8, 2024, Deloitte LLP resigned as auditor of the Corporation at the Corporation's request and KPMG LLP was appointed as the successor auditor of the Corporation.
- The resignation of Deloitte LLP and the appointment of KPMG LLP as auditors of the Corporation were considered and approved by the Audit Committee and the Board of Directors of the Corporation.
- The auditor's report of Deloitte LLP on the financial statements of the Corporation for the two years ended December 31, 2023 did not contain any modifications.
- In the opinion of the Board, in connection with the audit for the two years ended December 31, 2023 and through February 8, 2024, there have been no reportable events, including disagreements, consultations, or unresolved issues, as defined in NI 51-102 between Deloitte and the Corporation.

Yours very truly,

*/s/ Martin L. Juravsky*

**Martin L. Juravsky**  
Executive Vice President  
and Chief Financial Officer

February 9, 2024

To:

Alberta Securities Commission  
Autorité des marchés financiers  
British Columbia Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Financial and Consumer Services Commission (New Brunswick)  
Nova Scotia Securities Commission  
Financial and Consumer Services Division, Department of Justice and Public Safety (Prince Edward Island)  
Office of the Superintendent of Securities Service Newfoundland and Labrador  
Ontario Securities Commission  
The Manitoba Securities Commission

Dear Sirs/Mesdames:

As required by subparagraph (5)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Russel Metals Inc. dated February 9, 2024 (the "Notice") and, based on our knowledge of such information at this time, we agree with statements 1 to 4 as they relate to Deloitte LLP contained in the Notice.

Yours truly,



Chartered Professional Accountants  
Licensed Public Accountants





KPMG LLP  
100 New Park Place, Suite 1400  
Vaughan, ON L4K 0J3  
Tel 905-265 5900  
Fax 905-265 6390  
www.kpmg.ca

**Private and Confidential**

Alberta Securities Commission  
Autorité des marchés financiers  
British Columbia Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Financial and Consumer Services Commission, New Brunswick  
Nova Scotia Securities Commission  
Office of the Superintendent of Securities, Prince Edward Island  
Office of the Superintendent of Securities Service Newfoundland & Labrador  
Ontario Securities Commission  
Office of the Superintendent of Securities Nunavut  
The Manitoba Securities Commission  
Office of the Superintendent of Securities, Northwest Territories  
Office of the Yukon Superintendent of Securities

February 9, 2024

To whom it may concern:

**Re: Notice of Change of Auditor of Russel Metals Inc.**

We have read the Notice of Change of Auditor (the Notice) of Russel Metals Inc. dated February 9, 2024 and are in agreement with the statement in the first bullet contained in the Notice concerning KPMG LLP.

Yours very truly,

Chartered Professional Accountants, Licensed Public Accountants

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# SCHEDULE B – CHARTER OF THE BOARD OF DIRECTORS

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## GENERAL

### 1. Purpose and Responsibility of the Board

By approving this Charter, the Board explicitly assumes responsibility for the stewardship of Russel and its business. This stewardship function includes responsibility for the matters set out in this Charter, which form part of the Board's statutory responsibility to manage or supervise the management of Russel's business and affairs.

### 2. Review of Charter

The Board shall review and assess the adequacy of this Charter annually and at such other times as it considers appropriate and shall make such changes as it considers necessary or appropriate.

### 3. Definitions and Interpretation

#### 3.1. Definitions

In this Charter:

- a) "Board" means the board of directors of Russel;
- b) "CEO" means Russel's chief executive officer;
- c) "Chair" means the chair of the Board;
- d) "Charter" means this charter, as amended from time to time;
- e) "Director" means a member of the Board;
- f) "Russel" means Russel Metals Inc.; and
- g) "Stock Exchanges" means, at any time, the Toronto Stock Exchange and any other stock exchange on which any securities of Russel are listed for trading at the applicable time.

#### 3.2. Interpretation

This Charter is subject to and shall be interpreted in a manner consistent with Russel's articles, by-laws, the Canada Business Corporations Act (the "CBCA"), and any other applicable legislation.

## CONSTITUTION OF THE BOARD

### 4. Election and Removal of Directors

#### 4.1. Number of Directors

The Board shall consist of such number of Directors as the Board may determine from time to time, within the range set out in Russel's articles of amalgamation at such time.

## **4.2. Election of Directors**

Directors shall be elected by the shareholders annually for a one-year term, and subject to applicable law, shall hold office for a one-year term or until their successors are elected or appointed.

## **4.3. Vacancies**

The Board may appoint a member to fill a vacancy which occurs in the Board between annual elections of Directors, to the extent permitted by the CBCA.

## **4.4. Ceasing to be a Director**

A Director will cease to hold office upon:

- a) Delivering a resignation in writing to Russel;
- b) Being removed from office by an ordinary resolution of the shareholders;
- c) His or her death; or
- d) Becoming disqualified from acting as a Director

## **4.5. Resignation**

Directors whose principal employment or other business or professional circumstances change significantly from that which they held when most recently elected to the Board (including, without limitation, retirement from their principal employment, or any new appointment or election to the board of a publicly traded company) must notify the Chair of the Nominating and Corporate Governance Committee (the "NCGC Chair") and provide reasonable particulars of the change. The Board is not of the view that Directors in such circumstances must always leave the Board; however, if the NCGC Chair so determines, after consultation with the other members of the Nominating and Corporate Governance Committee, opportunity should be given to the Board, prior to the change becoming effective, to review the appropriateness of continued Board membership of such Director under the revised circumstances and to consider whether such change may have an impact on the composition of the Board. For this reason, whenever practical, any such notice shall be given in advance of the change in question. Whether or not a Director has complied with the foregoing notice requirement in any particular circumstance, the Director shall, if requested by resolution of the Board as a result of any such change, tender his or her resignation as a Director, effective upon acceptance by the Board.

## **5. Criteria for Directors**

### **5.1. Qualification of Directors**

Every Director shall be an individual who is at least 18 years of age, has not been determined by a court to be of unsound mind and does not have the status of bankrupt.

### **5.2. Residency**

At least 25% of the Directors shall be resident Canadians.

### **5.3. Independence of Directors**

At least a majority of the Directors shall be independent for the purposes of all applicable regulatory and stock exchange requirements.

### **5.4. Share Ownership**

Subject as hereinafter provided, each Director shall beneficially own, directly or indirectly, common shares or deferred share units or a combination thereof valued at three times the annual board retainer and annual deferred share unit grant. The Chair shall beneficially own directly or indirectly, common shares or deferred share units or a combination thereof valued at three times the annual Chair retainer and annual deferred share unit grant. The values of the shares and deferred share units are based on the higher of (i) the closing price of a common share as at the date of valuation; and (ii) the values of such common shares and deferred share units as at the time of acquisition or grant, as applicable. Any new Director is required to achieve such ownership level within five years of the date of such Director joining the Board. In satisfying the share ownership requirements, each Director must own a minimum of 1,000 Common Shares, which each Director must acquire prior to their first anniversary as a Director of the Company.

### **5.5. Other Criteria**

The Board may establish other criteria for Directors as contemplated in this Charter.

## **6. Board Chair**

### **6.1. Board to Appoint Chair**

The Chair shall be an independent Director.

### **6.2. Chair to be Appointed Annually**

The appointment of Chair shall take place not less frequently than annually, with effect immediately following a meeting of the shareholders at which Directors are elected; provided that if the appointment of the Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed; and provided further that the Board may from time to time and at any time appoint a new Chair of the Board.

## **7. Remuneration of Directors and Retaining Advisors**

### **7.1. Remuneration**

Members of the Board and the Chair shall receive such remuneration for their service on the Board as the Board may determine from time to time, in consultation with the Nominating and Corporate Governance Committee of the Board.

### **7.2. Retaining and Compensating Advisors**

Each Director shall have the authority to retain outside counsel and any other external advisors from time to time as appropriate with the approval of the chair of the Nominating and Corporate Governance Committee.

# MEETINGS OF THE BOARD

## 8. Meetings of the Board

### 8.1. Time and Place of Meetings

Meetings of the Board shall be called and held in the manner and at the location contemplated in Russel's by-laws.

### 8.2. Frequency of Board Meetings

Subject to Russel's by-laws, the Board shall meet at least four times per year on a quarterly basis.

### 8.3. Quorum

In order to transact business at a meeting of the Board:

- a) At least a majority of Directors then in office shall be present; and
- b) At least 25% of the Directors present must be resident Canadians (or, if this is not the case, a resident Canadian Director who is unable to be present and whose presence at the meeting would have resulted in the required number of resident Canadian Directors being present, must approve the business transacted at the meeting, whether in writing, by phone or otherwise).

### 8.4. Secretary of the Meeting

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

### 8.5. Right to Vote

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

### 8.6. Invitees

The Board may invite any of Russel's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

## 9. In Camera Sessions of Independent Directors

At the conclusion of each meeting of the Board, the independent Directors shall meet without any member of management being present (including any Director who is a member of management).

# DELEGATION OF DUTIES AND RESPONSIBILITIES OF THE BOARD

## 10. Delegation and Reliance

### 10.1. Delegation to Committees

The Board may establish and delegate to committees of the Board any duties and responsibilities of the Board which the Board is not prohibited by law from delegating. However, no committee of the Board shall have the authority to make decisions which bind Russel, except to the extent that such authority has been specifically delegated to such committee by the Board.

### 10.2. Requirement for Certain Committees

The Board shall establish and maintain the following committees of the Board, each having mandates that incorporate all applicable legal and Stock Exchange listing requirements and with such recommendations of relevant securities regulatory authorities and Stock Exchanges as the Board may consider appropriate:

- a) Audit Committee;
- b) Nominating and Corporate Governance Committee;
- c) Management Resources and Compensation Committee; and
- d) Environmental Management and Health & Safety Committee

### 10.3. Composition of Committees

The Board will appoint and maintain in office, members of each of its committees such that the composition of each such committee is in compliance with listing requirements of the Stock Exchanges and with such recommendations of relevant securities regulatory authorities and Stock Exchanges as the Board may consider appropriate and shall require the Nominating and Corporate Governance Committee to make recommendations to it with respect to such matters.

### 10.4. Review of Charters

On a biennial basis, the Board will review the recommendations of the Nominating and Corporate Governance Committee with respect to the charters of each committee of the Board. The Board will approve those changes to the charters that it determines are appropriate.

### 10.5. Delegation to Management

Subject to Russel's articles and by-laws, the Board may designate the offices of Russel, appoint officers, specify their duties and delegate to them powers to manage the business and affairs of Russel, except to the extent that such delegation is prohibited under the CBCA or limited by the articles or by-laws of Russel or by any resolution of the Board or policy of Russel.

### 10.6. Limitations on Management Authority

- a) Management shall exercise its authority in accordance with the following documents approved by the Board, including as applicable, any approved strategic plan, business plan and capital expenditure budget.

- b) Management may not take the following actions without the approval of the Board:
  - i. capital expenditures, acquisitions or dispositions in excess of \$5 million;
  - ii. the lease of property or building(s) where: (A) the lease commits the expenditure of more than \$5 million during the initial term of the lease, or (B) the average lease payments during the initial term exceed \$1.5 million per year, (in each case, in the local currency where the expenditure is being made);
  - iii. change in business focus;
  - iv. issuance of securities;
  - v. borrowing outside of the ordinary course of business.

#### **10.7. Reliance on Management**

The Board is entitled to rely in good faith on the information and advice provided to it by Russel's management.

#### **10.8. Reliance on Others**

The Board is entitled to rely in good faith on information and advice provided to it by advisors, consultants and such other persons as the Board considers appropriate.

#### **10.9. Oversight**

The Board retains responsibility for oversight of any matters delegated to any committee of the Board or to management.

## **DUTIES AND RESPONSIBILITIES**

### **11. Duties of Individual Directors**

#### **11.1. Fiduciary Duty and Duty of Care**

In exercising his or her powers and discharging his or her responsibilities, a Director shall:

- a) act honestly and in good faith with a view to the best interests of the corporation; and
- b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### **11.2. Compliance with the CBCA and Constatting Documents**

A Director shall comply with the CBCA and the regulations to the CBCA as well as with Russel's articles and by-laws.

#### **11.3. Compliance with Russel's Policies**

A Director shall comply with all policies of Russel applicable to members of the Board as approved by the Board.

## **12. Responsibilities of Directors**

### **12.1. Responsibilities set out in Charter**

A Director shall review and participate in the work of the Board necessary in order for the Board to discharge the duties and responsibilities set out in accordance with the Charter.

### **12.2. Orientation and Education**

A Director shall participate in the orientation and continuing education programs developed by Russel for the Directors.

### **12.3. Meeting Preparation and Attendance**

In connection with each meeting of the Board and each meeting of a committee of the Board of which the Director is a member, a Director shall:

- a) Review thoroughly the material provided to the Director by management in connection with the meeting, provided that such review is a practicable in view of the time at which such material was delivered to the Director.
- b) Attend each meeting in person to the extent practicable (unless the meeting is scheduled to be held by phone or video conference).

### **12.4. Assessment**

A Director shall participate in such processes as may be established by the Board for assessing the Board, its committees and individual Directors.

### **12.5. Other Responsibilities**

A Director shall perform such other functions as may be delegated to that Director by the Board or any committee of the Board from time to time.

## **13. Board Responsibility for Specific Matters**

### **13.1. Responsibility for Specific Matters**

The Board explicitly assumes responsibility for the matters set out below, recognizing that these matters represent in part responsibilities reflected in requirements and recommendations adopted by applicable securities regulators and the Stock Exchanges and do not limit the Board's overall stewardship responsibility or its responsibility to manage or supervise the management of Russel's business and affairs.

### **13.2. Delegation to Committees**

Whether or not specific reference is made to committees of the Board in connection with any of the matters referred to below, the Board may direct any committee of the Board to consider such matters and to report and make recommendations to the Board with respect to these matters.



## **14. Corporate Governance Generally**

### **14.1. Governance Practices and Principles**

The Board shall be responsible for Russel's approach to corporate governance.

### **14.2. Governance Principles**

- a) **Governance Principles.** The Board shall review and approve, if appropriate, a set of governance principles and guidelines appropriate for Russel (the "Governance Principles").
- b) **Amendments.** The Board shall review the Governance Principles at least annually and shall adopt such changes to the Governance Principles as it considers necessary or desirable from time to time.

### **14.3. Governance Disclosure**

- a) **Approval of Disclosure.** The Board shall approve disclosure about Russel's governance practices in any document before it is delivered to Russel's shareholders or filed with securities regulators or with the Stock Exchanges.
- b) **Determination that Differences Are Appropriate.** If Russel's governance practices differ from those recommended by Canadian securities regulators or the Stock Exchanges, the Board shall consider these differences and why the Board considers them to be appropriate.

### **14.4. Delegation to Nominating and Corporate Governance Committee**

The Board may direct the Nominating and Corporate Governance Committee to consider the matters contemplated in this Section 14 and to report and make recommendations to the Board with respect to these matters.

## **15. Responsibilities Relating to Management**

### **15.1. Integrity of Management**

The Board shall, to the extent feasible, satisfy itself:

- a) as to the integrity of the CEO and other senior officers; and
- b) that the CEO and other senior officers create a culture of integrity throughout the organization.

## **15.2. Succession Planning**

The Board shall be responsible for succession planning for the CEO and shall receive recommendations of the Management Resources and Compensation Committee and make such determinations as it considers appropriate with respect to oversight of senior management succession planning including appointing senior management and oversight of training and development programs.

## **15.3. Executive Compensation Policy**

The Board shall receive recommendations of the Management Resources and Compensation Committee and Nominating and Corporate Governance Committee, as applicable, and make such determinations as it considers appropriate with respect to:

- a) CEO's compensation level (without the participation of the CEO);
- b) non-CEO officer compensation;
- c) director compensation;
- d) incentive compensation plans; and
- e) equity based plans.

## **16. Oversight of the Operation of the Business**

### **16.1. Risk Management**

Taking into account the reports of management and such other persons as the Board may consider appropriate, the Board shall identify the principal risks of Russel's business and satisfy itself as to the implementation of appropriate systems to manage these risks.

### **16.2. Strategic Planning Process**

At least once per year, the Board shall review Russel's strategic initiatives which take into account, among other things, the opportunities and risks of Russel's business.

### **16.3. Internal Control Management Information Systems**

The Board shall review the reports of management and the Audit Committee concerning the integrity of Russel's internal control and management information systems. Where appropriate, the Board shall require management (overseen by the Audit Committee) to implement changes to such systems to ensure integrity of such systems.

### **16.4. Communications Policy and Feedback Process**

- a) The Board shall review and, if determined appropriate, approve a communication policy for Russel for communicating with shareholders, the investment community, the media, governments and their agencies, employees and the general public. The Board shall consider, among other things, the recommendations of management and the Nominating and Corporate Governance Committee with respect to this policy.

- b) The Board shall establish a process pursuant to which the Board can receive feedback from securityholders.

#### **16.5. Financial Statements**

- a) The Board shall receive regular reports from the Audit Committee with respect to the integrity of Russel's financial reporting system and its compliance with all regulatory requirements relating to financial reporting.
- b) The Board shall review the recommendations of the Audit Committee with respect to the annual financial statements of Russel to be delivered to shareholders. If appropriate, the Board shall approve such financial statements.

#### **16.6. Capital Management**

The Board shall receive regular reports from management on the structure and management of Russel's capital.

#### **16.7. Pension Plan Matters**

The Board shall receive and review reports from management and from the Audit Committee covering administration, investment performance, funding, financial impact, actuarial reports and other pension plan related matters. The Board shall receive and review reports from management and the Management Resources and Compensation Committee concerning any compensation related changes to the design of Russel's pension plans.

#### **16.8. Code of Business Conduct and Ethics**

The Board will review and approve a Code of Business Conduct and Ethics for Russel. In adopting this code, the Board will consider the recommendations of the Nominating and Corporate Governance Committee concerning its compliance with applicable legal and Stock Exchange listing requirements and with such recommendations of relevant securities regulatory authorities and Stock Exchanges as the Board may consider appropriate.

#### **16.9. Compliance and Disclosure**

The Board will direct the Nominating and Corporate Governance Committee to monitor compliance with the Code of Business Conduct and Ethics and recommend disclosures with respect thereto. The Board will consider any report of the Nominating and Corporate Governance Committee concerning these matters, and will approve, if determined appropriate, the disclosure of the Code of Business Conduct and Ethics and of any waiver granted to a director or senior officer of Russel from complying with the Code of Business Conduct and Ethics.

### **17. Nomination of Directors**

#### **17.1. Nomination and Appointment of Directors**

- a) The Board shall nominate individuals for election as directors by the shareholders and shall require the Nominating and Corporate Governance Committee to make recommendations to it with respect to such nominations.

- b) The Board shall adopt a process recommended to it by the Nominating and Corporate Governance Committee pursuant to which the Board shall;
  - i. Consider what competencies and skills the Board, as a whole, should possess; and
  - ii. Assess what competencies and skills each existing Director possesses.

## **18. Board Effectiveness**

### **18.1. Position Descriptions**

The Board shall review and, if determined appropriate, approve the recommendations of the Nominating and Corporate Governance Committee concerning formal position descriptions for:

- a) the Chair of the Board, the Lead Director (if any) and for the Chair of each committee of the Board, and
- b) the CEO.

### **18.2. Director Orientation and Continuing Education**

The Board shall review and, if determined appropriate, approve the recommendations of the Nominating and Corporate Governance Committee concerning:

- a) a comprehensive orientation program for new Directors; and
- b) a continuing education program for all Directors.

### **18.3. Board, Committee and Director Assessments**

The Board shall review and, if determined appropriate, adopt a process recommended by the Nominating and Corporate Governance Committee 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.

### **18.4. Annual Assessment of the Board**

Each year, the Board shall assess its performance and effectiveness in accordance with the process established by the Nominating and Corporate Governance Committee.



**Russel Metals**