

Schnitzer Steel Industries, Inc.
Charter of the Compensation Committee of the Board of Directors

Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Schnitzer Steel Industries, Inc. (the “Company”) is to:

- Discharge the Board’s responsibilities relating to compensation of the Company’s executive officers;
- Oversee the administration of the Company’s executive and director compensation plans and equity based plans;
- Oversee and evaluate the performance of the Chief Executive Officer; and
- Produce an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with the Securities and Exchange Commissions rules and regulations.

Membership

The Committee shall consist of at least three directors. The Committee Chair shall be appointed by the Chairman of the Board on the recommendation of the Nominating and Corporate Governance Committee after consultation with the Committee members. Vacancies on the Committee shall be filled by the Chairman of the Board. Committee members shall meet Nasdaq’s independence requirements for compensation committee members as in effect from time to time and all other applicable rules, regulations, and statutes, as determined by the Board in the exercise of business judgment.

Meetings

The Committee shall meet with such frequency and at such intervals as it determines is necessary to carry out its duties and responsibilities. Meetings may be called by the Chair of the Committee or any two Committee members. The Committee may permit attendance at meetings by management and consultants as the Committee may determine appropriate or advisable from time to time. A majority of the members shall constitute a quorum. Concurrence of a majority of the quorum present at a meeting shall be required to take formal action of the Committee. As permitted by ORS 60.354, the Committee may act by unanimous written consent and may conduct meetings via conference telephone or similar communication equipment. The Committee shall report regularly to the Board on matters within the Committee's responsibilities and shall maintain minutes of Committee meetings.

Duties and Responsibilities

The Committee shall:

1. Review and approve performance goals and objectives with respect to the compensation of the CEO and executive officers, consistent with approved compensation plans.

2. Oversee the performance evaluation of the CEO in light of established goals and objectives and set the CEO's compensation (including annual base salary, incentive compensation, long-term incentive compensation, and equity-based compensation).
3. Review and approve employment, severance, change-in-control, termination, and retirement agreements for executive officers.
4. Review and make recommendations to the Board with respect to executive compensation plans, including incentive and equity-based compensation.
5. Administer and interpret executive compensation plans as required by the terms of the plans, the Company's stock plans, and all other equity-based plans from time to time adopted by the Company.
6. Review and approve the compensation of the most highly-compensated executive officers whose compensation is required to be disclosed in the Compensation Discussion and Analysis in the Company's proxy statement. The CEO may be present during these deliberations, but may not vote.
7. Exercise sole authority to retain and terminate consultants to assist the Committee in the evaluation of the compensation of directors, the CEO, or senior executives, including the sole authority to approve the consultant's fees and other retention terms.
8. Direct preparation of and approve the annual Committee report on executive compensation and the Compensation Discussion and Analysis for inclusion in the Company's annual proxy statement in conformity with applicable rules and regulations of the Securities and Exchange Commission in effect from time to time.
9. In consultation with the Nominating and Corporate Governance Committee, review and recommend compensation for members of the Board, including compensation paid to committee members and committee chairs.
10. Annually self-evaluate the performance of the Committee.
11. At least annually review and assess the adequacy of the Committee's charter and recommend any proposed changes to the Board.
12. Report to the Board on the results of all evaluations and reviews described above.
13. Have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by the Committee in order to discharge its responsibilities hereunder.
14. Perform such other duties and responsibilities as the Board may, from time to time, assign to the Committee.