

**AMENDED AND RESTATED  
CHARTER OF THE  
CORPORATE GOVERNANCE COMMITTEE OF  
LONE STAR TECHNOLOGIES, INC.**

(Adopted by the Corporate Governance Committee on November 6, 2002  
and adopted on December 3, 2002 and amended on March 20, 2003 and February 26, 2004  
by the Board of Directors)

**I. PURPOSE**

This Charter (the “Charter”) shall govern the operations of the Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Lone Star Technologies, Inc., a Delaware corporation (the “Company”). The Committee’s purposes, duties and responsibilities will, among other things, include those of a public company’s “nominating committee” under applicable rules of the Securities and Exchange Commission and the New York Stock Exchange (the “NYSE”). The purpose of this Charter is to assist and direct the Committee in performing the following primary responsibilities:

- General corporate oversight, including oversight of the evaluation of the Board and the Company’s management (NYSE Manual §303A.04(b)(i));
- Identify individuals qualified to become Board members and recommend such individuals to the Board for selection as director nominees for the next annual meeting of stockholders and to fill vacancies as they occur among the directors;
- Develop and recommend to the Board a set of corporate governance principles and guidelines (the “Guidelines”) applicable to the Company (NYSE Manual §303A.04(b)(i)); The Guidelines, when adopted, will be attached to this Charter;
- Develop and recommend to the Board a code of business conduct and ethics (the “Code”) applicable to the Company (NYSE Manual §303A.010); and a code of ethics for senior financial officers applicable to the Company’s principal financial officer and principal accounting officer or persons performing similar functions (the “Financial Officers Code”); (*Sarbanes-Oxley § 406*). The Code and the Financial Officers Code, when adopted, will be attached to this Charter;
- Develop and administer the process by which stockholders can send communications to the Board (Schedule 14A);
- Following the adoption of the Guidelines, the Code and the Financial Officers Code, periodically review and reassess the adequacy of the Guidelines, the Code and the Financial Officers Code and recommend any proposed changes to the Board;
- Recommend changes to the Company’s Certificate of Incorporation and Bylaws as appropriate;

- Make recommendations to the Board regarding the selection of the Company’s Chief Executive Officer; and
- Review the Chief Executive Officer’s nominees for other officers of the Company and make recommendations to the Board regarding such nominees.

(*NYSE Manual* § 303A.04(b))

## **II. COMPOSITION**

The Committee shall be comprised of three or more directors, each of whom has been affirmatively determined by the Board to be an “independent director” satisfying the standards and rules of the NYSE (*NYSE Manual* § 303A.04(a)). The affirmative determination by the Board that Committee members are independent directors shall be made no later than the first Board meeting held after the standards and rules of the NYSE regarding director independence are adopted.

Members of the Committee shall be elected by the Board at the annual meeting of the Board to serve until their successors are duly elected and qualified. If a member is unable to serve a full term, the Board shall elect a replacement. The Chair of the Committee shall rotate periodically among members at the discretion of the Board.

## **III. MEETINGS**

The Committee shall meet at least twice annually, and more frequently as circumstances dictate in order to accomplish the purposes and goals set forth in this Charter. Committee meetings and communications shall be either in person or by conference telephone call. Minutes shall be prepared for each meeting of the Committee, which minutes shall be submitted to the Committee for approval at a later meeting. The minutes of all meetings of the Committee shall be sent to the Secretary of the Company for filing.

## **IV. POLICY REGARDING DIRECTOR CANDIDATES RECOMMENDED BY STOCKHOLDERS**

The Committee will consider director candidates recommended by stockholders of the Company. In order to be considered by the Committee, stockholders must submit in writing (which shall not include e-mail) the following information to the Chair of the Committee at Lone Star Technologies, Inc., Attn: Chair of Corporate Governance Committee, P.O. Box 803546, Dallas, Texas 75380-3546, at least 180 days before the annual meeting of stockholders at which directors are to be elected:

- Name of the stockholder;
- Contact information for the stockholder;
- Number of shares of common stock owned by the stockholder;

- Name of the registered owner of the common stock (if different from the stockholder);
- Name of the person recommended for director;
- Brief biography of the person recommended for director;
- Qualifications of the person recommended for director; and
- Whether the person recommended for director consents to being named in the proxy statement as a nominee for director.

The Committee shall cause the Company to disclose in the proxy statement:

- For each nominee approved by the Committee for inclusion on the Company's proxy card (other than nominees who are executive officers of the Company or who are directors standing for re-election), which one or more of the following categories of persons or entities recommended that nominee:
  - security holder;
  - non-management director;
  - chief executive officer;
  - other executive officer;
  - third-party search firm; or
  - other specified source.
- If the Committee receives, by a date not later than the 120<sup>th</sup> calendar day before the date of the Company's proxy statement released to stockholders in connection with the previous year's annual meeting, a recommended nominee from a stockholder or group of stockholders that beneficially owned more than 5% of the Company's voting common stock for at least one year as of the date the recommendation was made:
  - the names of the candidate and the stockholder or group of stockholders that recommended the candidate; and
  - whether the Committee chose to nominate the candidate;

*provided; however*, that no such identification or disclosure is required without the written consent of both the stockholder or stockholder group and the candidate to be so identified.

(Schedule 14A)

## V. GOALS AND RESPONSIBILITIES

The goals and responsibilities of the Committee are as follows:

### **Recommendations Regarding Selection of Directors and Officers**

1. As deemed appropriate, seek out director candidates who are qualified on the basis of the following selection criteria (the “Director Selection Criteria”): broad experience, wisdom, integrity, ability to make analytical inquiries, industry or other special knowledge, understanding of the Company’s business environment and willingness to devote adequate time to Board duties. (*NYSE Manual* § 303A.04(b)(i))
2. In its sole authority, (a) retain and terminate any search firm to be used to identify director candidates and (b) approve the search firm’s fees and other retention terms. (*NYSE Manual* § 303A.04, *Commentary*)
3. Be available to the Chairman of the Board and other directors for consultation concerning candidates for director positions.
4. Consider proposed candidates, whether submitted by directors, officers, employees, stockholders or others, in light of the Director Selection Criteria.
5. Recommend to the Board, consistent with the Company having a majority of independent directors, the names of qualified persons (on the basis of the Director Selection Criteria) to be nominated for election (or re-election) as directors prior to each annual meeting and to fill vacancies as they occur among the directors. (*NYSE Manual* § 303A.01 and .04(b)(i))
6. Recommend to the Board nominees for election as the chairs and members of the committees of the Board, with the exception of this Committee.
7. Make recommendations to the Board regarding the selection of the Company’s Chief Executive Officer.
8. Review the Chief Executive Officer’s nominees for other officers of the Company and make recommendations to the Board regarding such nominees.

### **Review of Director Selection Criteria, Basic Corporate Documents and Organizational Issues**

9. Review corporate governance trends, issues and best practices.
10. Review, assess and recommend to the Board changes to the Director Selection Criteria.

11. Annually review and make recommendations to the Board regarding the Company's management structure and organization, management development and succession plans.
12. Review the Company's Certificate of Incorporation and Bylaws and make recommendations to the Board regarding any suggested revisions to such documents.
13. Review and assess the adequacy of this Charter, the Guidelines and the Code and make recommendations to the Board regarding any suggested revisions to such documents. (*NYSE Manual* § 303A.04(b)(i))

#### **Performance Review of the Board and the Company's Management**

14. Recommend to the Board criteria and procedures for assessing the performance of current members of the Board and of the Company's management. Those criteria and procedures, when adopted separately or as part of the Guidelines, will be attached to this Charter.
15. Conduct an annual survey of the directors to identify areas of improvement for the Board and its committees.
16. Assess and report at least annually to the Board on the performance of the Board and the Company's management. (*NYSE Manual* § 303A.04(b)(ii))
17. Annually perform an evaluation of the Committee's performance, report the results of such evaluation to the Board and receive directions or suggestions from the Board on areas in which the Committee's performance could be improved. (*NYSE Manual* § 303A.04(b)(ii))
18. To the extent appropriate, discuss with, or provide information to, the Company's Chief Executive Officer in connection with his or her annual certification to the NYSE regarding any violations of the NYSE's corporate governance listing standards. (*NYSE Manual* § 303A.012))

#### **Miscellaneous**

19. Confirm, at least annually, that the members of the Committee continue to meet all NYSE requirements for independence.
20. Report regularly to the Board.
21. Form and delegate authority to subcommittees when appropriate.
22. Obtain advice and assistance from internal or external legal, accounting or other advisors, as deemed appropriate.

23. Cause the Company to (i) maintain on its website copies of this Charter, the respective charters of the Audit Committee and the Human Resources Committee, the Guidelines and the Code and (ii) indicate in its annual report that such information is available on the Company's website or in printed form upon request. (*NYSE Manual § 303A.09, Commentary*).