

**RYERSON INC.**  
**Corporate Governance Guidelines**

Adopted November 25, 2003

Restated November 23, 2004, June 22, 2005 and January 25, 2006

**Director Responsibilities**

Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Corporation in a manner consistent with their fiduciary duties.

**Board Composition**

A substantial majority of the members of the Board of Directors shall qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934, the rules promulgated under that Act, and the applicable rules of the New York Stock Exchange and of other regulatory agencies.

The Board has established additional categorical independence standards under which a director is deemed not independent:

- (i)* A director who serves as an executive officer of any tax-exempt organization to which the Corporation has made a contribution if, within the preceding three years, contributions in any single fiscal year from the Corporation to the organization exceeded the greater of \$1 million, or 2% of such tax-exempt organization's consolidated gross revenues is not independent. The Corporation shall disclose in its annual proxy statement any such contributions.
  
- (ii)* A director is not independent for purposes of Audit Committee membership if the director (a) accepts any consulting, advisory, or other compensatory fee from the Corporation, other than director fees, or (b) is an affiliated person of the Corporation or any of its subsidiaries.

No director qualifies as independent unless the Board of Directors affirmatively determines that the director has no material relationship with the Corporation (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation.) and is free of any relationship that interferes with his or her exercise of independence from management and the Corporation, as determined by the Board of Directors. The Corporation will identify which directors are independent and disclose the basis for these determinations in the Corporation's annual proxy statement, as required by the Securities and Exchange Commission and the New York Stock Exchange. In the event a member of the Audit Committee simultaneously serves on the audit committees of more than three public companies, as the Corporation does not limit the number of audit committees on which its Audit Committee members serve, then in each such case the Board of Directors shall determine that such simultaneous service would not impair the ability of such member to effectively serve on the Corporation's Audit Committee and shall disclose such determination in the Corporation's annual proxy statement.

## **Director Qualification Standards**

Director candidates should provide expertise useful to the Corporation and complementary to the Board, provide a mix of background and experience, and enhance the quality of the Board's oversight, deliberations and decisions.

The Board of Directors has delegated to its Nominating and Governance Committee the responsibility to develop qualification criteria for director candidates, to recommend those criteria to the Board for approval, and to select and recommend to the Board of Directors candidates for membership on the Board. In addition to evaluation of independence and other specified criteria, the Nominating and Governance Committee's evaluation process should include reference checks, personal interviews, and review of completed director and officer questionnaires eliciting information required to be disclosed in the Corporation's proxy statement in connection with the election of directors.

Desirable characteristics for Board members include, but are not limited to:

- A record of integrity.
- Active or retired senior executives. However, it is the sense of the Board that it is not the title itself that is significant, but rather substantial experience and achievement at the policy-making level in substantially sized business, government, education or non-profit organizations.
- Ability to provide objective and sound appraisals; independent minded, willing to stand up and speak out in support of or in opposition to whatever the director regards as important to the success of the Corporation.
- In addition to attendance and participation at Board and Committee meetings, able and willing to devote substantial time to the Corporation's affairs.
- Given the time and effort necessary to become familiar with the operations, the industry and issues facing the Corporation, recognition that the individual should be able to spend at least six years on the Board.
- Ability to contribute and participate in the governance process in the spirit of teamwork.

The Board seeks diversity of gender, ethnicity, age and other factors that enhance Board competencies and performance; diversity of business discipline and experience; and the ability to work together as a team.

## **Responsibilities of Key Board Committees**

A substantial portion of the Board's oversight and governance responsibilities is carried out by the Committees of the Board.

The Board of Directors maintains an Audit Committee, a Nominating and Governance Committee, a Compensation Committee, and an Executive Committee, each of which operates in accordance with applicable law and regulations and its Charter. The Board may establish other committees and delegate authority to them, as it deems appropriate. Each of the Audit, Nominating and Governance, and Compensation Committees shall be composed exclusively of independent directors under the standards established by the Securities and Exchange Commission and the New York Stock Exchange. Each Committee has the authority to hire at the Corporation's expense such independent legal or other advisors as it deems necessary.

The Audit Committee assists the Board in its oversight of the Corporation's financial reporting process, including the Corporation's system of internal controls, and the Corporation's compliance with legal and regulatory requirements.

The Compensation Committee has responsibility for the compensation and benefit programs for executive officers and other employees.

The Nominating and Governance Committee identifies, selects and recommends candidates for election to the Board, advises the Board on director compensation, develops and recommends corporate governance guidelines to the Board, and oversees the annual performance evaluation of the Board and executive management.

The Executive Committee is authorized to meet and take action instead of the full Board in the intervals between Board meetings.

Written charters for the Audit Committee, the Compensation Committee and the Nominating and Governance Committee are available on the Corporation's website at [www.ryerson.com](http://www.ryerson.com).

## **Membership and Election**

The Chief Executive Officer of the Corporation should be a member of the Board of Directors. It may be appropriate for one or more additional officers of the Corporation to be members of the Board, but no officer other than the Chief Executive Officer should expect to be elected to the Board due to his or her position in the Corporation.

The Board annually nominates a full slate of directors for election by the Corporation's stockholders. The Board's mandatory retirement policy specifies that a person is eligible to be nominated for election to the Board of Directors until attaining age 70; provided, however, that any person who is or has been a member of management of the Corporation (a) is eligible to be nominated for election to the Board of Directors until such person attains age 65; and (b) will resign from the Board of Directors concurrent with such person's normal or early retirement from management or other termination of employment. Following the annual meeting of

stockholders, the Board holds its organizational meeting to appoint the chairmen and members of the Board's Committees and to adopt charters for each Committee.

The Board expects that a director will not serve as a director, officer, employee, or consultant with any competitive business while on the Corporation's Board and for three years afterward.

A director will promptly notify the Board and the Nominating and Governance Committee if he or she

- considers or accepts another public company directorship, or
- accepts an assignment to the audit committee or compensation committee of a public company board of directors on which the director currently serves.

The Nominating and Governance Committee determines whether the new commitment allows the director to continue to fulfill his or her obligations to the Corporation. If a director's acceptance of another public company directorship will cause the director to serve on more than five public company boards, or a director who is also chief executive officer of a public company to serve on more than three public company boards (including such chief executive officer's own board of directors), the Nominating and Governance Committee will request such director to limit his or her board service by resigning from either the Corporation's Board or another public board.

The Board understands and expects that a director who retires from or changes his or her principal business occupation will promptly offer his or her written resignation from the Board in order to provide the Nominating and Governance Committee the opportunity to assess each situation based on the individual circumstances and make a recommendation to the Board as to whether to accept the resignation. The Board will be free to accept or reject such resignation.

In connection with the events discussed in the immediately preceding two paragraphs, the Committee will determine whether to allow such director to continue as a board member during a transitional period to allow recruitment and orientation of replacement directors.

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

The Corporation maintains an orientation program for all new directors that includes information about its business and operations, and a director reference handbook that summarizes director and committee duties and responsibilities, director compensation, corporate policies, and other matters.

The Board of Directors expects directors to participate in appropriate external education programs, including those endorsed by Institutional Shareholder Services, concerning the responsibilities of directors of publicly traded companies. The Board of Directors also encourages the distribution to and among the directors of topical materials on corporate governance, changing regulatory and legal requirements, the Corporation's business and other subjects.

## **Director Access to Management and Independent Advisors**

The Chair of the Board has discretion to invite senior officers and other executives of the Corporation to attend all or portions of the non-executive sessions of Board meetings. In addition, Board members have access to all other members of management and employees. The Board of Directors and Board committees have the right to consult and retain independent legal and other advisors at the Corporation's expense.

## **Director Compensation**

Directors who are current employees of the Corporation do not receive compensation for their services as directors.

Directors should hold equity ownership in the Corporation to align their interests with those of stockholders. A substantial portion of annual director compensation is paid in the form of equity or stock options and each director has the option to voluntarily take or defer payment of the remainder in equity form. Directors who chair committees receive additional director's fees.

The Nominating and Governance Committee periodically reviews the forms and amounts of director compensation and recommends modifications to the full Board of Directors for consideration and approval. The Nominating and Governance Committee has authority to retain independent advisors to assist in determining appropriate forms and amounts of director compensation for a corporation of the size and business of the Corporation.

Director compensation should support the Corporation's goal of attracting and retaining qualified persons to the Board of Directors and should remunerate directors fairly for service on the Board, but should not exceed customary director compensation so as to raise questions as to director independence.

The Nominating and Governance Committee periodically reviews and critically evaluates all direct and indirect forms of compensation, if any, paid to directors and their affiliates to determine independence of directors. The Board expects that director and committee fees (whether paid immediately or deferred) will be the sole direct compensation to directors from the Corporation.

## **Management Evaluation and Succession**

The Compensation Committee, in conjunction with the Nominating and Governance Committee and all other independent members of the Board of Directors, determines and approves the Chief Executive Officer's compensation based upon the Compensation Committee's evaluation of the Chief Executive Officer's performance in light of the corporate goals and objectives relevant to his or her compensation. In setting corporate goals and objectives for the Chief Executive Officer's compensation and in evaluating his or her performance, the Chair of the Nominating and Governance Committee, as Presiding Director, solicits the views of the independent directors regarding such goals, objectives and evaluation and provides that information to the Chair of the Compensation Committee. The Chairs of the Nominating and Governance Committee and

Compensation Committee jointly meet with the Chief Executive Officer to communicate the performance evaluation.

The Nominating and Governance Committee also oversees the performance evaluations of all executive management of the Corporation, reviews the Corporation's management succession policies and planning and makes recommendations to the Board of Directors.

### **Annual Performance Evaluations**

The Nominating and Governance Committee oversees and directs an annual performance evaluation of Board of Directors to determine whether the Board and its committees are functioning effectively. Each of the Nominating and Governance Committee, the Audit Committee and the Compensation Committee also performs an annual evaluation of its effectiveness. The Nominating and Governance Committee also reviews and reassesses the Corporate Governance Guidelines at least annually and recommends changes to the Board for approval.

Annually, prior to the expiration of each director's annual term, the Chairman of the Nominating and Governance Committee and the Chairman of the Board will evaluate each individual director's performance. This will be concluded prior to nominating directors for re-election to the Board.

### **Meetings**

The Board of Directors and each Board Committee meets in regularly scheduled executive sessions during the year both with and without the Chief Executive Officer. The non-management directors of the Corporation meet at regularly scheduled executive sessions without management present. The independent directors of the Corporation meet at least annually in regularly scheduled executive sessions without management present. Each Committee and the Board has discretion to invite individual employees and the Corporation's external advisors to executive session. The Chief Executive Officer is regularly excluded from meetings and executive sessions during consideration and voting on his or her performance and compensation.

The Board meets five times annually in the months of January, April, July, September, and November. The Board may hold additional meetings from time to time as determined by the needs of the Corporation. The Board devotes an extended meeting in each year to discuss the Corporation's strategic plans. The Board expects management to report periodically on programs and actions to implement the strategic plan, and to bring other significant corporate strategy and operating decisions to the Board in a timely way for its consideration and approval. The Board of Directors expects directors to regularly attend meetings of the Board of Directors and of all Board committees on which they serve and to review in advance the meeting and agenda materials provided to them for such meetings.

## **Presiding Director**

The Presiding Director will act as chair at all executive sessions of the non-management and independent directors. The Presiding Director must be a non-management director. The Chair of the Nominating and Governance Committee shall act as the Presiding Director.

## **Confidential Voting**

The Board has adopted a confidential voting policy for stockholders of the Corporation and appoints independent inspectors of election for each meeting of stockholders.

## **Communications**

The Corporation has established several means for stockholders or others to communicate their concerns directly to the Board of Directors. If the concern relates to the Corporation's financial statements, accounting practices, internal controls, business ethics or Code of Ethics and Business Conduct, the concern should be submitted in writing to the Chair of the Audit Committee in care of the Corporation's Secretary at the Corporation's headquarters address. Other communications intended for the non-management and independent directors as a group may be submitted in writing to the Chair of the Nominating and Governance Committee, in care of the Corporation's Secretary at the Corporation's headquarters address. Communications addressed to an individual director should also be submitted in writing to the Corporate Secretary. All such communications will be forwarded directly to the intended recipient.

## **Compliance with Applicable Laws and Policies**

The Corporation maintains a Code of Ethics and Business Conduct and Compliance Program to foster legal and ethical behavior in all aspects of its business. The Board has delegated authority for the oversight of the Code and Compliance Program to the Audit Committee. The Vice President and General Counsel serves as the Corporation's Compliance Officer to investigate and resolve issues and report to the Audit Committee or the Board, as appropriate.

The Corporation maintains specific policy statements regarding, among other things, antitrust, conflicts of interest, insider trading, employee safety, harassment and discrimination, and other matters that constitute a part of the Code of Ethics and Business Conduct and Compliance Program.