



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

WEDNESDAY, MAY 4, 2022

**THIS BOOKLET CONTAINS IMPORTANT INFORMATION FOR
SHAREHOLDERS**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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



Date: Wednesday, May 4, 2022

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

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

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, 2021, together with the report of the auditors thereon;
2. to elect Directors;
3. to re-appoint Deloitte 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.

If you are a registered shareholder, voting instructions are included in the accompanying Circular. 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 Monday, May 2, 2022 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 Circular.

In light of the COVID-19 pandemic and out of an abundance of caution, only those individuals necessary to constitute a quorum, as required by the Company's bylaws, will be permitted to attend the Meeting in person. Accordingly, **Russel Metals strongly encourages all shareholders to vote in advance of the meeting by proxy by 10:00 a.m. on Monday, May 2, 2022 in the manner set out above.**

Shareholders and other interested parties will be able to listen to the Meeting by dialing into **416-764-8688** (Toronto and International callers) and **1-888-390-0546** (U.S. and Canada).

If you have any questions you would like to pose, please email them in advance to info@russelmetals.com under the subject line "AGM Question" or call the Investor Relations Line at 905-816-5178 with your question by Monday, May 2, 2022.

A replay of the call will be available at **416-764-8677** (Toronto and International callers) and **1-888-390-0541** (U.S. and Canada) until midnight, Wednesday, May 18, 2022. You will be required to enter passcode **348933#** in order to access a replay of the call.

By Order of the Board,

/s/ M.L. Juravsky

Martin L. Juravsky,
Executive Vice President,
Chief Financial Officer and
Secretary
Mississauga, Ontario
March 2, 2022

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GENERAL

REASON FOR RECEIVING THIS CIRCULAR

You have received this Circular because you owned common shares of Russel Metals on March 18, 2022. As a shareholder, you have the right to vote your shares at our annual meeting of shareholders on May 4, 2022. More information regarding the voting of your shares can be found commencing on page 6 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, 2021 and all other information is current to March 2, 2022.

SHAREHOLDER PROPOSALS

A shareholder who will be entitled to vote at the annual meeting of shareholders of the Company to be held in 2023 and who intends to raise a proposal at such meeting must deliver the proposal to the Company not later than December 1, 2022.

ENGAGEMENT WITH THE BOARD OR MANAGEMENT

Senior management regularly travels across Canada, when permissible, specifically to meet with existing and potential shareholders and during the COVID-19 pandemic has continued to 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.

FINANCIAL STATEMENT REQUESTS

Financial information for the most recently completed financial year is provided in our annual financial statements and related Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A").

If you are a non-registered beneficial shareholder and you wish to receive our annual or quarterly financial statements and MD&A, you must mark the appropriate request boxes on the accompanying 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. If you are a registered shareholder and you do not wish to receive our annual financial statements and 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 and on SEDAR at www.sedar.com.

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

T: 905.816.5178

F: 905.819.7409

Email: info@russelmetals.com

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

TSX Trust Company

Hand Delivery or Courier

TSX Trust Company
1 Toronto Street, Suite 1200
Toronto, Ontario M5C 2V6

Mail (Regular or Registered)

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

T: 416.682.3860 or 1.800.387.0825

F: 416.368.2502

F: 1.866.781.3111

Email: proxyvote@tmx.com

BUSINESS OF THE MEETING

RECEIPT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our financial statements for the year ended December 31, 2021, together with the auditors' report thereon, will be sent, together with a copy of this Circular, to all registered shareholders, except shareholders who have waived receipt, and to beneficial shareholders who have requested a copy.

ELECTION OF THE BOARD OF DIRECTORS

There are 10 nominees for election to the Board of Directors, all of whom are currently Directors of the Company. Detailed information regarding each nominee commences on page 10 of this Circular, including Director attendance at meetings in 2021. If elected, each nominee will serve for a term of one year, until the 2023 annual meeting of shareholders, or until his or her successor is elected or appointed. We have adopted a Majority Voting Policy for the election of our Directors. A description of this policy is on page 16 of this Circular.

APPOINTMENT OF AUDITORS

Deloitte LLP ("Deloitte") were first appointed as our auditors in 1958 and have continued to be our auditors for over 63 years. As required for public companies, Deloitte rotates the lead audit partner. A new lead audit partner was assigned to us during the 2020 fiscal year. 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 Deloitte 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 Deloitte 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 2021 and 2020 fiscal years:

Service	Fiscal Year 2021	Fiscal Year 2020
Audit Services	\$1,501,000	\$1,336,000
Audit Related Services	113,000	108,000
Tax Services	170,000	245,000
Total	\$1,784,000	\$1,689,000

Audit Services

The fees charged by Deloitte for audit services include 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 acquisition consulting and planning work.

Other Services

In fiscal 2021 and 2020, Deloitte did not charge fees for any services other than those set out above.

ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION APPROACH

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 2021, the Company's advisory "say on pay" resolution was approved with 91% 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 4, 2022.

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 45 of this Circular. **The Board of Directors recommends that the shareholders vote "FOR" the advisory resolution on the Company's approach to executive compensation. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy will vote your common shares "FOR" the resolution to accept the approach to executive compensation as discussed in this Circular.**

VOTING INFORMATION

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.

QUESTIONS AND ANSWERS

Who is soliciting my proxy?

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?

Only holders of common shares may vote at the Meeting. As of March 2, 2022, the date of this Circular, there were 63,111,470 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 18, 2022, the record date for the Meeting.

How do I Vote?

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 Monday, May 2, 2022 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 Circular 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 form that your Intermediary delivered to you with this Circular. This 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?

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; however, we strongly encourage all shareholders to appoint the persons designated in the enclosed form as in person attendance by shareholders will not be possible due to COVID-19. 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 Monday, May 2, 2022 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 he or she 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 VP Risk Management and Legal to act as your proxyholder, your common shares will be voted "FOR" the advisory resolution to accept the approach to executive compensation as disclosed in this Circular.

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

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?

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.

THE BOARD OF DIRECTORS

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 11 Directors and the Board has determined that 10 Directors will be elected at the Meeting. The current Directors are: Linh J. Austin, John M. Clark, James F. Dinning, Brian R. Hedges, Cynthia Johnston, Alice D. Laberge, William M. O'Reilly, Roger D. Paiva, John G. Reid, Annie Thabet and John R. Tulloch. In support of the Board's ongoing succession planning process, Mr. Tulloch, who has been a Director since May 2, 2013, will not stand for re-election at the Meeting.

The following individuals are being nominated for election as Directors at the Meeting: Linh J. Austin, 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.

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 2021, previous voting results and the number of common shares owned, controlled or directed and the number of deferred share units ("DSUs") held. For Mr. Hedges, in addition to the above items, the following table sets out the number of share options outstanding that were granted while he was an employee of the Company. For Mr. Reid, in addition to the above items, the following table also sets out the number of share options, 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.

Linh J. Austin



Age 52
Chattanooga, Tennessee, United States
Director since 05May2021
Independent⁽⁶⁾

Public Board Memberships:
None

Mr. Austin is the Chief Operating Officer of BayoTech, Inc. He is responsible for Projects, Engineering, Manufacturing and Field Operations, QHES, Supply Chain, and BayoTech's Center of Excellence. Mr. Austin was Regional CEO & Senior Vice President Middle East & North Africa of McDermott International, Ltd. from January 2015 until July 2020. Prior to that, Mr. Austin held various senior level Operations, Projects, and Strategy roles for large international Oil and Gas companies such as BP plc and Atlantic Richfield Company.

Board and Committee Meetings Attended During 2021:

Board	3 of 3
Audit	2 of 2
Environmental Management and Health and Safety	2 of 2

Previous Voting Results:

	For	Withheld
2021	99.44%	0.56%
2020	n/a	n/a

Securities Held as at March 2, 2022:	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	-	\$ -
DSUs ⁽¹⁾⁽²⁾	1,718	54,650
Total Common Shares & DSUs⁽¹⁾⁽²⁾	1,718	\$54,650

Mr. Austin was an executive officer of McDermott International, Ltd. in January 2020 at the time when McDermott International, Ltd. filed voluntary petitions in the United States Bankruptcy Court for the Southern District of Texas, Houston Division for relief under Chapter 11 of the United States Bankruptcy Code, as amended. In July 2020, McDermott International, Ltd. emerged from Chapter 11 Bankruptcy protection.

John M. Clark



Age 66
Etobicoke, Ontario, Canada
Director since 03May2012
Independent⁽⁶⁾

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 2021:

Board	6 of 6
Audit	4 of 4
Nominating and Corporate Governance	5 of 5

Previous Voting Results:

	For	Withheld
2021	97.54%	2.46%
2020	84.27%	15.73%

Securities Held as at March 2, 2022:	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	3,000	\$ 95,430
DSUs ⁽¹⁾⁽²⁾	64,494	2,051,554
Total Common Shares & DSUs⁽¹⁾⁽²⁾	67,494	\$2,146,984

James F. Dinning



Age 69
 Calgary, Alberta, Canada
 Director since 17Feb2003
 Chair of the Board since
 06May2014
 Independent⁽⁶⁾

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 2021:

Board	6 of 6
Nominating and Corporate Governance	5 of 5
Management Resources and Compensation	11 of 11

Previous Voting Results:

	For	Withheld
2021	96.15%	3.85%
2020	90.79%	9.21%

Securities Held as at March 2, 2022:	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	37,000	\$ 1,176,970
DSUs ⁽¹⁾⁽²⁾	63,569	2,022,130
Total Common Shares & DSUs⁽¹⁾⁽²⁾	100,569	\$3,199,100

Brian R. Hedges



Age 69
 Toronto, Ontario, Canada
 Director since 12May2009
 Independent⁽⁶⁾

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 2021:

Board	6 of 6
Environmental Management and Health & Safety	3 of 3

Previous Voting Results:

	For	Withheld
2021	98.12%	1.88%
2020	96.89%	3.11%

Securities Held as at March 2, 2022:	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	90,000	\$2,862,900
DSUs ⁽¹⁾⁽²⁾	30,530	971,159
Total Common Shares & DSUs⁽¹⁾⁽²⁾	120,530	\$3,834,059
Unexercised Common Share Options ⁽³⁾	5,787	

Cynthia Johnston



Age 60
Victoria, British Columbia, Canada
Director since 05May2021
Independent⁽⁶⁾

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 FortisAlberta.

Board and Committee Meetings Attended During 2021:

Board	3 of 3
Audit	2 of 2
Nominating and Corporate Governance	2 of 2

Previous Voting Results:

	For	Withheld
2021	99.56%	0.44%
2020	n/a	n/a

Securities Held as at March 2, 2022:	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	-	\$ -
DSUs ⁽¹⁾⁽²⁾	1,718	54,650
Total Common Shares & DSUs⁽¹⁾⁽²⁾	1,718	\$54,650

Alice D. Laberge



Age 65
Vancouver, British Columbia, Canada
Director since 30Jul2007
Independent⁽⁶⁾

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 2021:

Board	6 of 6
Audit	4 of 4
Nominating and Corporate Governance	5 of 5

Previous Voting Results:

	For	Withheld
2021	96.43%	3.57%
2020	98.27%	1.73%

Securities Held as at March 2, 2022:	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	8,900	\$ 283,109
DSUs ⁽¹⁾⁽²⁾	48,899	1,555,477
Total Common Shares & DSUs⁽¹⁾⁽²⁾	57,799	\$1,838,586

William M. O'Reilly



Age 73
Toronto, Ontario, Canada
Director since 12May2009
Independent⁽⁶⁾

Public Board Memberships:
None

Mr. O'Reilly is a Corporate Director. Mr. O'Reilly was Managing Partner and a member of the Management Committee of Davies Ward Phillips & Vineberg LLP, a legal advisor to the Company, from 1997 until his retirement from those positions on May 31, 2010. He was a partner of that firm from 1976 to December 31, 2011, except for the period between August 1993 and January 1996 when he served as an executive officer of Russel Metals. Mr. O'Reilly was Secretary of Russel Metals from May 1994 to May 2009.

Board and Committee Meetings Attended During 2021:

Board	6 of 6
Management Resources and Compensation	11 of 11
Nominating and Corporate Governance	5 of 5

Previous Voting Results:	For	Withheld
2021	96.63%	3.37%
2020	87.18%	12.82%

Securities Held as at March 2, 2022:	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	18,300	\$ 582,123
DSUs ⁽¹⁾⁽²⁾	50,942	1,620,465
Total Common Shares & DSUs⁽¹⁾⁽²⁾	69,242	\$2,202,588

Roger D. Paiva



Age 61
Toronto, Ontario, Canada
Director since 01Oct2020
Independent⁽⁶⁾

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 2021:

Board	6 of 6
Management Resources and Compensation	11 of 11
Environmental Management and Health & Safety	3 of 3

Previous Voting Results:	For	Withheld
2021	99.53%	0.47%
2020	n/a	n/a

Securities Held as at March 2, 2022:	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	2,300	\$ 73,163
DSUs ⁽¹⁾⁽²⁾	3,828	121,769
Total Common Shares & DSUs⁽¹⁾⁽²⁾	6,128	\$194,932

John G. Reid



Age 53
Soddy Daisy, Tennessee, United States
Director since 02May2018
Not Independent

Public Board Memberships:
None

Mr. Reid was appointed President and Chief Executive Officer of Russel Metals on May 2, 2018. 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 since the Company's purchase of JMS in 2007. 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 and on January 1, 2016, Mr. Reid was appointed President.

Board and Committee Meetings Attended During 2021:

Board	6 of 6
No committee membership	

Previous Voting Results:

	For	Withheld
2021	98.15%	1.85%
2020	96.90%	3.10%

Securities Held as at March 2, 2022:

	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	290,137	\$9,229,258
RSUs ⁽⁴⁾	173,657	5,524,029
Total Common Shares & RSUs⁽¹⁾⁽⁴⁾	463,794	\$14,753,287
Unexercised Common Share Options ⁽⁵⁾	139,674	
Unexercised SARs ⁽⁵⁾	332,830	

Annie Thabet



Age 61
Îles-des-Soeurs, Quebec, Canada
Director since 01Jan2018
Independent⁽⁶⁾

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 – Sherbrook University and past Chair of the Board of the Institute of Corporate Directors – Quebec.

Board and Committee Meetings Attended During 2021:

Board	6 of 6
Audit	4 of 4
Environmental Management and Health & Safety	3 of 3

Previous Voting Results:

	For	Withheld
2021	99.63%	0.37%
2020	99.40%	0.60%

Securities Held as at March 2, 2022:

	Number Outstanding	Total Value as at March 2, 2022
Common Shares ⁽¹⁾	16,490	\$ 524,547
DSUs ⁽¹⁾⁽²⁾	27,762	883,109
Total Common Shares & DSUs⁽¹⁾⁽²⁾	44,252	\$1,407,656

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 March 2, 2022 of \$31.81.*
- ⁽²⁾ *For further information on DSUs, see "Non-Executive Director Compensation" commencing on page 24 of this Circular, "Deferred Share Unit Plan" on page 26 of this Circular and "Deferred Share Units Held" on page 27 of this Circular.*
- ⁽³⁾ *Mr. Hedges has an aggregate of 5,787 unexercised common share options, of which none are vested. These options were granted when he was an employee of the Company and expire on May 2, 2022.*
- ⁽⁴⁾ *The number of RSUs reflected in the above table for Mr. Reid is the number of RSUs as at March 2, 2022 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 March 2, 2022 of \$31.81. For further information on the RSUs owned by Mr. Reid, see "Outstanding Share Based and Option Based Awards" commencing on page 52 of this Circular.*
- ⁽⁵⁾ *Mr. Reid owns an aggregate of 139,674 unexercised common share options, all of which are vested. He also owns 332,830 unexercised SARs, of which 103,714 are vested. For further details regarding the share options and share appreciation rights owned by Mr. Reid, see "Outstanding Share Based and Option Based Awards" commencing on page 52 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.*

DUPLICATION OF BOARD MEMBERSHIP

None of our Directors were members of the same board of another public company in 2021.

MAJORITY VOTING

Our Board has adopted a majority voting policy. This policy provides that any nominee for election as a Director who has more votes withheld than votes for his or her election at the Meeting must tender his or her resignation to our Chair following the Meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for Director is equal to the number of Directors to be elected. The NCG Committee and the Board of Directors shall consider the resignation and whether or not it should be accepted. We will accept resignations absent exceptional circumstances that would warrant the applicable Director continuing to serve as a Board member. In this event, our Board shall disclose its decision, via press release, within 90 days of the applicable annual meeting. If a resignation is accepted, the Board may appoint a new Director to fill any vacancy created by the resignation. A copy of this policy can be found on our website at www.russelmetals.com (see "Investor Relations" and "Corporate Governance").

If a poll is conducted on any vote for election of any Director at the Meeting, and if you have authorized our Chair, our CEO or our VP Risk Management and Legal to act as your proxyholder, your common shares will be voted in the manner specified in your proxy. If you have not specified how to vote and a poll is conducted on any vote for election of any Director at the Meeting, and if you have authorized our Chair, our CEO or our VP Risk Management and Legal to act as your proxyholder, your common shares will be voted in favour of management's nominees for Director.

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, 2021 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)		
C. Johnston	X			X
A.D. Laberge	X (Chair)			X
W.M. O'Reilly			X	X
R.D. Paiva		X	X	
A. Thabet	X	X		
J.R. Tulloch		X	X (Chair)	

All committee mandates are described under "Statement of Corporate Governance Practices" commencing on page 57 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.

Mr. Hedges, who retired as Chief Executive Officer on May 2, 2018 was deemed, until May 2, 2021, a non-independent director under Part 1.4(3) of NI 52-110 Audit Committees by virtue of being a former executive officer of the Company. Following the expiry of the deeming period, the NCG Committee reviewed the legal and regulatory framework for assessing the independence of directors and specific considerations with respect to the Company including that Mr. Hedges has no special compensation arrangements; that he has no material relations with customers or suppliers; that there have been significant changes in management and the Board since his retirement; and that his significant shareholdings align him with the interests of shareholders of the Company. On August 5, 2021, on the recommendation of the NCG Committee, the Board of Directors determined that Mr. Hedges is an independent Director.

The following table summarizes the meetings of the Board and its committees held in 2021.

Board / Committee	No. of Meetings for 2021
Board of Directors	6
Audit Committee	4
Environmental Management and Health & Safety Committee	3
Management Resources and Compensation Committee	11
Nominating and Corporate Governance Committee	5

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 and the annual meeting of shareholders. 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 2021. The Directors' attendance records are also included in the nominee table commencing on page 10 of this Circular.

Directors	2021 Board Meetings		2021 Committee Meetings		2021 Board & Committee Meetings	
	No. of Meetings	Attended	No. of Meetings	Attended	No. of Meetings	Attended
L. J. Austin ⁽¹⁾	3 of 3	100%	4 of 4	100%	7 of 7	100%
J.M Clark	6 of 6	100%	9 of 9	100%	15 of 15	100%
J.F. Dinning	6 of 6	100%	16 of 16	100%	22 of 22	100%
B.R. Hedges	6 of 6	100%	3 of 3	100%	9 of 9	100%
C. Johnston ⁽¹⁾	3 of 3	100%	4 of 4	100%	7 of 7	100%
A.D. Laberge	6 of 6	100%	9 of 9	100%	15 of 15	100%
W.M. O'Reilly	6 of 6	100%	16 of 16	100%	22 of 22	100%
R.D. Paiva	6 of 6	100%	14 of 14	100%	20 of 20	100%
J.G. Reid ⁽²⁾	6 of 6	100%	n/a	n/a	6 of 6	100%
A. Thabet	6 of 6	100%	7 of 7	100%	13 of 13	100%
J.R. Tulloch	6 of 6	100%	14 of 14	100%	20 of 20	100%

⁽¹⁾ Mr. Austin and Ms. Johnston joined the Board of Directors effective May 5, 2021 and the number of meetings reflects those held after this date.

⁽²⁾ 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 which includes, among others, industry experience, financial expertise, chief executive officer experience, experience in executive compensation, operational experience, familiarity with the regions in which the Company operates and knowledge of corporate governance. Each Director is required to indicate their level of proficiency for each of the skills and areas of expertise. The criteria for assessing Directors' skills and experience is set out in the following table.

SKILL/EXPERIENCE RANKING				
Expert 5	Proficient 4	Some Proficiency 3	Limited Proficiency 2	No Proficiency 1
The Director has had many years of experience that is directly applicable to the Corporation. This experience may stem from the Director's role within industry or as an advisor. The Director considers himself/herself to be (a) very proficient and an expert in the area and (b) current and up-to-date on developments relevant to the skill or experience.	While not necessarily an expert, the Director considers himself/herself to be proficient with the skill, and has had many instances where he/she has had to demonstrate or rely on the skill in question. The Director considers himself/herself to be current on relevant developments.	The Director has previously had some experience with the specific skill, although the experience may no longer be current. The Director is comfortable providing input and insight as it relates to the skill in question but does not consider (or no longer considers) himself/herself to have significant expertise in the area.	The Director has some familiarity with the skill in question either through self-study, attendance at seminars or exposure in other capacities. The Director has limited or no "real life" experience where he or she would personally have had to use the specific skill or rely on the specific experience.	The Director has no/very limited experience in the area.

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 / Experience	No. of Nominee Directors with Experience	Names of Directors with Experience
Managing or Leading Growth experience driving strategic direction and leading growth of an organization	10	Austin, Clark, Dinning, Hedges, Johnston, Laberge, O'Reilly, Paiva, Reid and Thabet
Business Climate familiarity with geographic regions in which the Company carries on its business	7	Austin, Dinning, Hedges, Johnston, Laberge, O'Reilly and Reid
Chief Executive Officer Experience experience as a chief executive of a publicly listed company or major organization	4	Hedges, Laberge, O'Reilly and Reid
Industry Experience experience in the steel industry, combined with a knowledge of market participants and key customer markets	5	Dinning, Hedges, Paiva, Reid and Thabet
Human Resources expertise in executive compensation programs including compensation, benefit and pension programs	7	Clark, Dinning, Hedges, Laberge, O'Reilly, Reid and Thabet
Financial Expertise experience in financial accounting and reporting, financial controls and corporate finance	7	Clark, Dinning, Hedges, Johnston, Laberge, O'Reilly and Thabet
Safety, Health and Environment understanding of the requirements and leading practices of workplace safety, health and environmental practices	6	Austin, Dinning, Hedges, Johnston, Paiva and Reid
Operations Experience understanding of the plant operations, including quality	7	Austin, Clark, Hedges, Johnston, Paiva, Reid and Thabet
Governance knowledge of best practices in public companies	7	Clark, Dinning, Hedges, Johnston, Laberge, O'Reilly and Thabet

REPRESENTATION OF DESIGNATED GROUPS

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

Five of 11 (45%) 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 11 (27%) of the Company's current Directors and three of 10 (30%) of the nominee Directors are women. Two of 11 (18%) of the Company's current Directors self identify as a member of a visible minority, while two of 10 (20%) 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.

Three of eight (38%) of the Company's executive officers are women. None of the Company's executive officers self identify 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. As an illustration of its effectiveness, during two recent recruitments at the Board level, the NCG Committee, after working through the process described above, specifically instructed the search firms retained to prioritize the recruitment of women, which resulted in the selection of two women to join the Board.

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 seventy-five 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 7.62 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 7.66 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 rigorous 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.

BOARD EDUCATION

The NCG Committee is responsible for reviewing the Company's Director education program. In 2021, 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 2021 and the Directors in attendance is set out below.

Board Educational Sessions Held in 2021		Participating Directors										
Date	Educational Session	Austin	Clark	Dinning	Hedges	Johnston	Laberge	O'Reilly	Paiva	Reid	Thabet	Tulloch
Feb 10, 2021	CEO presentation on market conditions and operational update	(1)	✓	✓	✓	(1)	✓	✓	✓	✓	✓	✓
	CFO presentation on financial performance, capital allocation, liquidity and investor relations	(1)	✓	✓	✓	(1)	✓	✓	✓	✓	✓	✓
	VP Service Centers operational update	(1)	✓	✓	✓	(1)	✓	✓	✓	✓	✓	✓
May 4, 2021	CEO presentation on market conditions and operational update	(1)	✓	✓	✓	(1)	✓	✓	✓	✓	✓	✓
	CFO presentation on financial performance, capital allocation, liquidity and investor relations	(1)	✓	✓	✓	(1)	✓	✓	✓	✓	✓	✓
Aug 5, 2021	CEO presentation on market conditions and operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	CFO presentation on financial performance, capital allocation, liquidity and investor relations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nov 4, 2021	CEO presentation on market conditions and operational update	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	CFO presentation on financial performance, capital allocation, liquidity and investor relations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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) Mr. Austin and Ms. Johnston were elected as directors on May 5, 2021.

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 2021. 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
Board of Directors Annual Retainer		
Chair of the Board	\$175,000	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	85,000	All non-executive Directors, except Chair of the Board.
Committee Chair Annual Retainer		
Audit Committee Chair	18,000	
MR&C Committee Chair	15,000	
Other Committee Chair	12,000	
Other Fees		
Travel Fee	1,500	A flat fee of \$1,500 is payable to all non-executive Directors who travel outside of their province / state of residence in order to attend board and committee meetings or for travel on special assignments, as delegated by the Board.
Advisory Fee	1,000	Payable per day for special assignments, as delegated to members of the Board.
Deferred Share Units		
	Equity Compensation	Comment
Chair of the Board	\$120,000	Value of DSUs issued to the Chair of the Board.
Director	85,000	Value of DSUs issued to other non-executive Directors.

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

2021 Non-Executive Director Compensation

During the financial year ended December 31, 2021, we paid an aggregate of \$938,154 in compensation relating to annual Board and Committee retainers to our non-executive Directors. In 2021, we also made quarterly allocations of DSUs with an aggregate value of \$826,154 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, 2021.

Name of Director	Board Retainer	Committee Chair Retainer	Travel Fee	Sub-Total	DSUs in Lieu of Cash	Cash Total	DSU Allocations ⁽¹⁾	Total Compensation
L.J. Austin ⁽²⁾	\$ 55,577	\$ -	\$ -	\$ 55,577	\$ -	\$ 55,577	\$ 55,577	\$ 111,154
J.M. Clark ⁽³⁾⁽⁴⁾	85,000	14,077	-	99,077	-	99,077	85,000	184,077
J.F. Dinning	175,000	-	-	175,000	-	175,000	120,000	295,000
B.R. Hedges	85,000	12,000	-	97,000	97,000	-	85,000	182,000
C. Johnston ⁽²⁾	55,577	-	-	55,577	-	55,577	55,577	111,154
A.D. Laberge ⁽³⁾	85,000	11,769	-	96,769	-	96,769	85,000	181,769
W.M. O'Reilly ⁽⁴⁾	85,000	4,154	-	89,154	-	89,154	85,000	174,154
R.D. Paiva	85,000	-	-	85,000	-	85,000	85,000	170,000
A. Thabet	85,000	-	-	85,000	42,500	42,500	85,000	170,000
J.R. Tulloch	85,000	15,000	-	100,000	-	100,000	85,000	185,000
Totals	\$881,154	\$57,000	\$ -	\$938,154	\$139,500	\$798,654	\$826,154	\$1,764,308

⁽¹⁾ 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.

⁽²⁾ Mr. Austin and Ms. Johnston were first elected as directors on May 5, 2021.

⁽³⁾ Mr. Clark was Chair of the Audit Committee from May 3, 2017 to May 5, 2021. Ms. Laberge was appointed Chair of the Audit Committee on May 5, 2021.

⁽⁴⁾ Mr. O'Reilly was Chair of the NCG Committee from May 2, 2018 to May 5, 2021. Mr. Clark was appointed Chair of the NCG Committee on May 5, 2021.

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 industrial manufacturing, energy service, 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.

The Board, with the assistance of the NCG Committee, reviews Director compensation and completes a benchmarking analysis from time to time. Director compensation was last increased on January 1, 2019, following a review completed in 2018. In 2021, the NCG Committee, with the support of Hugessen Consulting ("Hugessen"), an independent compensation consultant, completed a Director compensation and benchmarking analysis in conjunction with the executive compensation analysis that was being undertaken by the MR&C Committee. Upon completion of the benchmarking and analysis, the NCG Committee and the Board left Director compensation unchanged in response to the data presented which demonstrated that the Director compensation package was 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 2021, the number of DSUs credited quarterly to each Director's account was determined by dividing \$21,250 (for Directors) and \$30,000 (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 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 March 2, 2022, the non-executive Directors held an aggregate of 327,379 DSUs, which were valued at an aggregate of \$10,413,926 as of such date. The number of DSUs held by each non-executive Director and their value as at March 2, 2022 is provided in the following table.

Non-Executive Directors	Number of DSUs held as at March 2, 2022	Value of DSUs as at March 2, 2022
L.J. Austin	1,718	\$ 54,650
J.M. Clark	64,494	2,051,554
J.F. Dinning	63,569	2,022,130
B.R. Hedges	30,530	971,159
C. Johnston	1,718	54,650
A.D. Laberge	48,899	1,555,477
W.M. O'Reilly	50,942	1,620,465
R.D. Paiva	3,828	121,769
A. Thabet	27,762	883,109
J.R. Tulloch	33,919	1,078,963
Total	327,379	\$10,413,926
<i>⁽¹⁾ Based on the closing price of a common share on the TSX on March 2, 2022 of \$31.81.</i>		

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 \$510,000 for 2021. The Chair of the Board was required to own common shares and DSUs with a combined value of not less than \$885,000 for 2021. All Directors have met the equity ownership threshold, except for Mr. Austin and Ms. Johnston who have until May 5, 2026 and Mr. Paiva who has until October 1, 2025 to reach the threshold.

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 March 2, 2022.

Non-Executive Directors	Target Value of Equity Ownership	Number of Shares	Number of DSUs	Combined Value of Shares and DSUs ⁽¹⁾	Meets Guidelines
L.J. Austin	510,000	-	1,718	\$ 56,130	pending ⁽²⁾
J.M. Clark	510,000	3,000	64,494	2,146,984	yes
J.F. Dinning	885,000	37,000	63,569	3,199,100	yes
B.R. Hedges ⁽³⁾	510,000	60,000	30,530	3,062,759	yes
C. Johnston	510,000	-	1,718	56,130	pending ⁽²⁾
A.D. Laberge ⁽³⁾	510,000	8,000	48,899	1,809,957	yes
W.M. O'Reilly ⁽³⁾	510,000	17,157	50,942	2,166,229	yes
R.D. Paiva	510,000	2,300	3,828	194,932	pending ⁽²⁾
A. Thabet	510,000	16,490	27,762	1,407,656	yes
J.R. Tulloch	510,000	20,000	33,919	1,715,163	yes

⁽¹⁾ Based on the higher of the closing price of a common share on the TSX on March 2, 2022, of \$31.81 or the value of such shares / DSUs at the time of acquisition / grant.

⁽²⁾ Mr. Austin and Ms. Johnston have until May 5, 2026, and Mr. Paiva has until October 1, 2025 to reach the equity ownership target.

⁽³⁾ Shares over which Directors have control or direction but which are not beneficially owned are excluded for the purpose of the equity ownership policy. The following shares have been excluded from the above table in relation to Mr. Hedges, 30,000 common shares; Ms. Laberge, 900 common shares; and Mr. O'Reilly, 1,143 common shares.

As at March 2, 2022, the nominees for election at the upcoming Meeting of shareholders beneficially own an aggregate of 434,084 common shares and have control or direction over an additional 32,043 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 March 2, 2022 has increased 1% from the combined number of common shares and DSUs owned by the non-executive Directors as at March 3, 2021 (the disclosure date used in our Information Circular for our meeting held in 2021).

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

In December 2021, 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, 2022 is \$301,498. 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.

COMPENSATION DISCUSSION AND ANALYSIS

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, 2021; (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 share price appreciation and, at the operating level, return on net assets, 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 and share appreciation rights (SARs). 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 grants for the CEO and 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.

Our cash bonuses (for the CEO, CFO and most corporate employees) are based on the Company's earnings per share in a given year. We believe that earnings per share is the most appropriate metric for assessing the Company's overall performance and incentivizing corporate management and aligns 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 dependent upon the price of steel. 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, 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 performance thresholds ensure that significant 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 incentive compensation 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 incentive compensation 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. For instance, as a result of the Company's financial performance in 2015, which was severely impacted by significant declines in the price of steel and oil, Named Executive Officers did not receive performance incentive compensation as a result of the failure to meet the earnings thresholds.

An immediate 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, Named Executive Officers¹ did not receive a cash bonus under the non-equity incentive plan and neither Mr. Reid nor Mr. Juravsky² received an RSU grant under their performance incentive compensation plans since earnings per share did not meet the minimum threshold.

With this compensation philosophy in place and with the major swings being experienced in the competitive marketplace, the MR&C Committee determined that an in-depth review of the Company's executive compensation plan should be undertaken in 2021. Accordingly, the MR&C Committee completed a comprehensive analysis of the executive compensation program for the

¹ 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 (not overall earnings per share). The Company's service center operations met the minimum threshold in 2020 and accordingly, Mr. MacLean was entitled to a cash bonus in 2020.

² Mr. Juravsky did receive a one-time equity incentive RSU grant of \$200,000 as a signing bonus in accordance with his employment agreement in recognition of, and to partially offset, significant deferred compensation that Mr. Juravsky forfeited by leaving his prior employer which was unrelated to the Company's performance incentive compensation plan.

CEO and CFO, with the assistance of Hugessen, an independent executive compensation consultant.

The benchmarking undertaken included an analysis of (i) the Company's comparator group; (ii) corporate performance; (iii) target total pay vis-à-vis the Company's US and Canadian comparator groups; (iv) the components of compensation as among base salary, short, medium and longer term incentive; and (v) the incentive pay curve based upon the Company's performance throughout the cycle, including stress-testing compensation at various levels.

The extensive analysis completed by the MR&C Committee demonstrated, and Hugessen independently verified and confirmed, that the Company has generated consistently high financial performance across its key metrics (total shareholder return, return on equity and EBITDA margins) relative to its industry peers. Additionally, the analysis concluded that in challenging economic cycles where earnings are suppressed the Company's total compensation payable to the CEO and CFO dropped materially below that of its respective comparator groups. However, in stronger economic environments where earnings were elevated, the incentive grid did not enable the CEO and CFO to recover the compensation gap relative to their respective comparator groups over the cycle despite outperformance by the Company relative to its comparator groups, as the higher-end of the Company's incentive performance grid did not adequately off-set the more severe downside in lower performing years.

In a cyclical industry, the changes noted below should continue to result in a more volatile compensation package for our executives than for our comparator peers, but remain consistent with the Company's compensation philosophy. The principal changes to the compensation for the CEO and CFO, as a result of the executive compensation review are summarized as follows.

The CEO's base compensation was increased from US\$832,500 to US\$950,000 and the CFO's base compensation was increased from \$507,500 to \$520,000. The incentive compensation grid for each of the CEO and CFO was changed in several ways. The incentive compensation grid thresholds were revised to commence at earnings per share of \$0.51 (previously \$0.75) and the cap was increased to earnings per share of \$3.51 (previously \$2.75) to address the results of the analysis identified above and to ensure the CEO and CFO are appropriately incentivized and rewarded for out-performance.

Additionally, the range from threshold to cap earnings was segregated into five different performance levels, each with its own equity and non-equity bonus percentages, up from three levels under the prior plan and the weighting of incentive compensation was revised such that it is more heavily weighted towards equity compensation at the lower end of the performance scale and more heavily weighted toward cash compensation at higher levels of earnings per share. The total incentive compensation payable at the mid-range of the earnings per share grid of \$1.71 (previously \$1.75) remained the same total percentage for each of the CEO (350% of base salary) and CFO (205% of base salary) with adjustments made to the allocation between the equity and non-equity incentive portions.

The resulting 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 short-term, mid-term and long-term incentives of our compensation programs.

Short-Term Incentives		
Compensation Element / Eligibility	Description	Linkage to Compensation Objective
Base Salary <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.
Cash Bonus – Non-Equity Incentive <i>(all executives and a large percentage of employees)</i>	<p>Combined with base salary, the target level of performance driven cash bonus provides market competitive cash compensation.</p> <p>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.</p> <p>For most employees in the Company's operating units, the cash bonus is driven by return on net assets of their operations.</p>	<p>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.</p>

Mid and Long-Term Incentives		
Compensation Element / Eligibility	Description	Linkage to Compensation Objective
Equity Bonus – RSUs <i>(CEO and CFO)</i>	<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 51 of the Circular.</p>	<p>Align employee and shareholder interests. Attract and retain highly qualified leaders. Motivate strong business performance. Encourage sustained growth by linking a portion of compensation to mid-term Company performance.</p>
Equity Bonus – RSUs <i>(Other Employees)</i>	<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 51 of the Circular.</p>	

Mid and Long-Term Incentives		
Compensation Element / Eligibility	Description	Linkage to Compensation Objective
Share Options or SARs (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. Share options and SARs 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 Option Plan" commencing on page 48 of this Circular and "Share Appreciation Rights Plan" on page 50 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
CEO		Analyzes data and performance against objectives, confers with outside advisors, as appropriate, and makes recommendations to the Board.	Final decision on all compensation.
CFO	CEO analyzes data ⁽¹⁾ 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.
Other NEOs	CEO analyzes data and performance against objectives. Makes final decision on non-equity based compensation.		Final decision on equity based compensation.
Other Employees	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.

⁽¹⁾ 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 industrial manufacturing, energy service, forest products, distribution, construction, resource and commercial printing businesses with annual revenues within that same target range. The Canadian peer 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, but is not included in our compensation benchmarking as its revenues are approximately three 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.

In 2021, we removed Linamar Corporation from our Canadian peer comparator group as the role of founding family in the Chair and Chief Executive Officer role made it challenging to draw appropriate comparisons. In its place, we added Interfor Corporation, a Canadian based lumber producer with comparable revenue, assets, market capitalization and employee headcount as the Company. We removed Commercial Metals Company, which is primarily a recycler of steel, from our US peer comparator group and replaced it with Allegheny Technologies Incorporated, a Pittsburgh based speciality metals company whose business, revenue and market capitalization more closely align with those of the Company.

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 reward structure for cash bonuses, RSUs and share options or SARs for the CEO and CFO for 2021.

The cash bonus and RSU awards for the CEO and CFO are tied to earnings per share. The RSUs, share options and SARs may result in a different payout on the exercise or expiry dates, as the share value changes over the vesting period.

Incentive Compensation Tables

The following tables summarize the incentive compensation structure for the CEO and the CFO for 2021.

CEO – 2021							
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%
RSU as % of Base Salary	0%	75%	100%	150%	260%	300%	325%
Fixed SARs Value	US\$300,000						

CFO – 2021							
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%
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

No cash bonus or incentive RSU awards will be made 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 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 2021 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 share options or SARs 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 return on net asset thresholds is determined on an annual basis by the CEO and the CFO.

Ms. Kelly and Mr. MacDermid participate in an annual cash incentive plan based on reported basic earnings per share, to a maximum amount determined annually during the first quarter of the respective year. For 2021, the maximum net income for determining bonus awards for participants in this plan was set at \$220 million, which equates to approximately \$3.51 per share. Based on basic earnings per share achieved, a pool of funds is divided among all corporate employees, other than the CEO, CFO, and Vice President Service Center Operations, whose incentive compensation structures are discussed above. The percentage participation of each person in the plan, including Ms. Kelly and 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.

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. The members of the MR&C Committee are Mr. Tulloch (Chair), Mr. Dinning, Mr. O'Reilly and Mr. Paiva.

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.

- J.R. Tulloch (Chair)
- former member of SSAB AB Compensation Committee
 - former President of SSAB North America
 - formerly had direct responsibility for human resource function at IPSCO Inc. and SSAB North America
- J.F. Dinning
- former member of Western Financial Group, Liquor Stores N.A. Ltd., and Oncolytics Biotech Inc. Compensation Committees
 - former director of Parkland Fuel Corporation
 - former Executive Vice President of Trans Alta Corporation
 - former Alberta Provincial Treasurer
- W.M. O'Reilly
- former Managing Partner and member of the Management Committee of Davies Ward Phillips & Vineberg LLP
 - more than 30 years experience practicing corporate and commercial law
 - former legal advisor to the Company's Board of Directors, Management Resources Committee and its Chair regarding matters relating to executive compensation
 - Executive Officer of the Company from 1993 to 1996
 - former Chair of the MR&C Committee of the Company
- R.D. Paiva
- former Vice President Operations – North Region of Gerdau Steel
 - former Co-Chair of the Board of Directors of the Canadian Steel Producers Association

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 previously described, 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.

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, prior to the appointment of Mr. Reid in 2018, were also promoted from within the Company.

On an annual basis, the Board of Directors, through its MR&C Committee, 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 receives periodic information and advice from Hugessen, an independent executive compensation consultant. Hugessen was first retained by the MR&C Committee in 2007. In 2021 Hugessen advised the MR&C Committee in connection with a comprehensive analysis of executive compensation program for the CEO and CFO, as described under "Compensation Comparator Group" commencing on page 34 of this Circular and "Incentive Compensation Structure of CEO, CFO and Named Executive Officers", commencing on page 36 of this Circular. The MR&C Committee considers the information provided by Hugessen, among other factors, when making recommendations to the Board for approval. The Board is ultimately responsible for compensation decisions. This review resulted in the Board approving the MR&C Committee recommended changes to base salary and the bonus grid for 2021 CEO and CFO compensation, as previously described, to be competitive with the practices of our respective comparator groups.

The following table summarizes the executive compensation consulting and other fees charged by Hugessen for their services during each of the 2021 and 2020 fiscal years:

Service	Fiscal Year 2021	Fiscal Year 2020
Executive Compensation	\$116,241	\$ -
Other Fees	-	-
Total	\$116,241	\$ -

All Other Fees

Hugessen 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 2021 and 2020, no additional services were undertaken by Hugessen.

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 Russel Metals 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 and environmental 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 risk management processes and procedures are in place. Oversees board renewal risk.

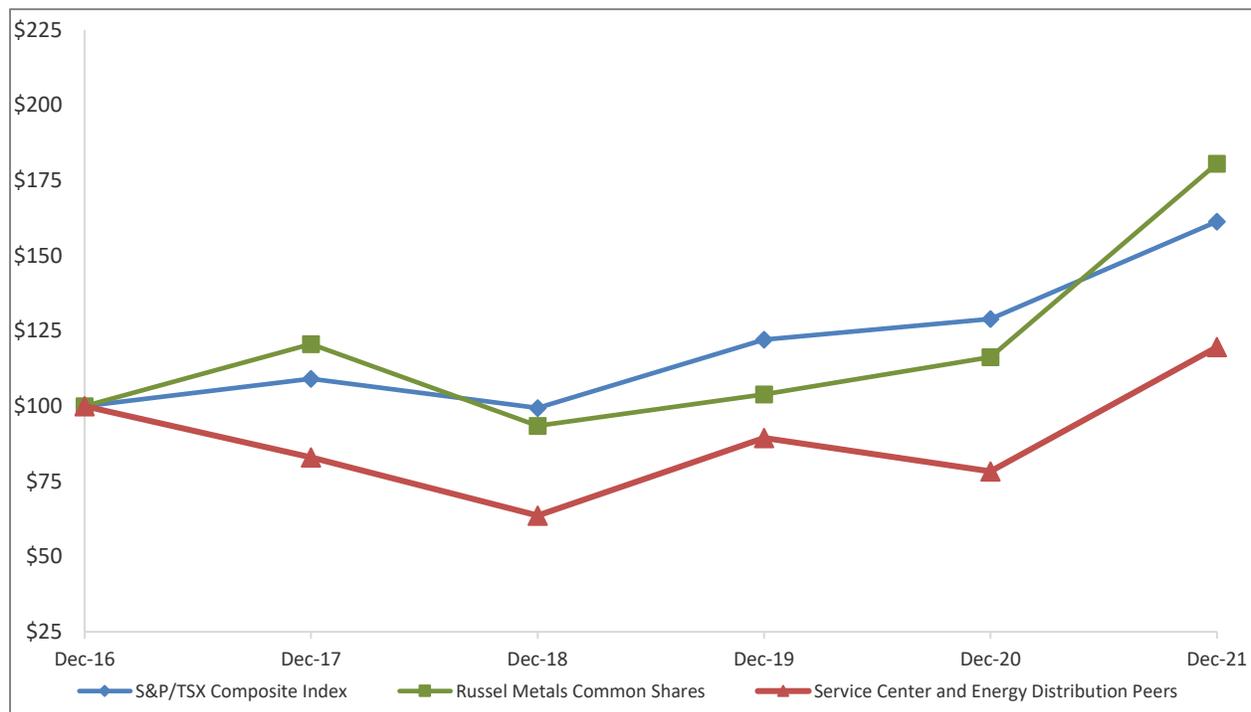
We have had a pay for performance philosophy for many years. The compensation plans are regularly reviewed to determine whether they reward participants for the desired outcome. The plans are also assessed for their ability to protect against risks that could have materially adverse consequences for 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
Profit Driven	Variable compensation plans are based on either earnings per share 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.
Plans are formula driven from financial statement results	Incentive plans have a formula which can be reviewed and determined based on actual results.
Plans have thresholds and maximum payout limits, subject to discretionary rewards above or below	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.
Limits on number of SARs issuable for CEO and Share Options issuable for CFO	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.
Clawback policies that require reimbursement of overpaid incentives	The CEO and CFO are subject to clawback provisions if the Company's results are later restated due to an error in reporting.
Mix of short and longer term incentives	The CEO and CFO receive a significant portion of their variable compensation in RSUs, SARs or share options. RSUs are subject to changes in the common share price 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.
Delayed Vesting	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 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.
Equity ownership requirements help align executive officer interests with those of the shareholders	Within prescribed time limits, the CEO is required to own a combination of common shares and RSUs valued at five times his base salary and the CFO is required to own a combination of common shares and RSUs valued at two times his base salary.
Role of MR&C Committee and the Board of Directors in Risk Assessment	<p>The MR&C Committee is composed entirely of independent Directors. It reviews and evaluates the appropriateness of performance objectives and their alignment with compensation. The MR&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&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 \$3 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, 2021 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-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21
S&P/TSX Composite Index	\$100.00	\$109.10	\$99.40	\$122.14	\$128.98	\$161.34
Russel Metals Common Shares	100.00	120.64	93.47	103.89	116.27	180.61
Service Center and Energy Distribution Peers ⁽¹⁾	100.00	82.95	63.64	89.43	78.31	119.62

⁽¹⁾ 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.

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, 2021. For the five-year period ending December 31, 2021, the Company's total return to a shareholder outperformed the total return of the S&P/TSX Composite index by 12%. While this disclosure is required by securities law, we believe the five-year total return chart has limited utility for our business, which is cyclical in nature and impacted by volatility in metals prices and variations in oil and gas activity. The price of metals and level of oil and gas activity at the starting point five years ago, will be determinative as to performance relative to the broader S&P/TSX Composite Index which inherently results in a more diversified and less volatile outcome.

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, 2021. We believe this is a more meaningful comparison as Olympic Steel, Reliance Steel & Aluminum and Ryerson Holding are similarly impacted by volatility in metals price and MRC Global and Now Inc. are similarly impacted by variations in oil and gas activity. The above chart shows that the Company's total return exceeds that of the Service Center and Energy Distribution Peers by 51% over the 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, thoughtful stewardship of shareholder capital (with an emphasis on return on capital employed) and our dividend.

Basic earnings per share for 2021 was \$6.90 compared to earnings of \$0.39 in 2020 and \$1.23 in 2019.

The total compensation paid to Named Executive Officers ("NEOs"): (a) for 2021 was \$21,336,168 which amounts to 0.5% of revenue; (b) for 2020 was \$5,561,241, which amounted to 0.2% of revenue and includes six NEOs for 2020 due to the retirement of Ms. Britton, as the CFO during 2020; and (c) for 2019 was \$7,042,175, which also amounted to 0.2% of revenue.

Our corporate incentive plans are earnings per share based and thus track changes in earnings.

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 is a U.S. resident and is compensated in U.S. dollars. The amounts shown in the table for Mr. Reid 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 ⁽⁴⁾	Share Options ⁽⁵⁾⁽⁶⁾⁽⁷⁾ / SARs ⁽⁵⁾⁽⁶⁾	Non-Equity Incentive Plan	Pension Value	All Other Comp ⁽⁸⁾	Total Compensation
J.G. Reid ⁽¹⁾ <i>President and CEO</i>	2021	\$1,191,015	\$3,870,799	\$379,920	\$5,359,568	\$12,662	\$457,106	\$11,271,070
	2020	1,099,784	-	397,290	-	13,412	488,123	1,998,609
	2019	1,087,976	1,052,000	398,040	781,747	13,135	482,823	3,815,721
M.L. Juravsky ⁽²⁾⁽³⁾ <i>Executive Vice President, CFO and Secretary</i>	2021	520,000	1,092,000	210,000	1,456,000	14,513	10,524	3,303,037
	2020	333,333	200,000	140,000	-	2,596	4,446	680,375
	2019	-	-	-	-	-	-	-
J.F. MacLean <i>Vice President, Service Center Operations</i>	2021	405,900	140,400	-	3,832,072	12,151	5,844	4,396,367
	2020	390,150	46,800	-	770,951	11,555	8,520	1,227,976
	2019	385,937	52,000	-	286,052	11,384	8,804	744,177
M.A. Kelly <i>Vice President, Information Systems</i>	2021	331,210	-	-	722,000	12,960	7,379	1,073,549
	2020	318,350	46,800	-	-	12,402	7,234	384,786
	2019	314,918	52,000	-	141,428	12,096	7,490	527,932
R.W. MacDermid <i>Vice President, Risk Management and Legal</i>	2021	360,090	129,600	-	784,000	12,928	5,527	1,292,145
	2020	346,120	43,200	-	-	12,388	7,864	409,572
	2019	333,934	48,000	-	119,670	12,026	8,198	521,828

- (1) In U.S. dollars Mr. Reid's salary was: 2021 – US\$950,000; 2020 -US\$820,000; 2019 - US\$820,000; and his total compensation was 2021 – US\$8,990,245; 2020 - US\$1,490,165; 2019 - US\$2,875,883. These amounts have been converted to Canadian dollars using the U.S. dollar published average exchange rates for 2021 US\$1.00 = CDN\$1.2537; 2020 US\$1.00 = CDN\$1.3412; and 2019 US\$1.00 = CDN\$1.3268.
- (2) Mr. Juravsky was appointed Executive Vice President on May 1, 2020 and CFO and Secretary on July 15, 2020. His compensation for 2020 reflects the two-thirds of the year during which he was first appointed an executive officer.
- (3) Mr. Juravsky received an RSU grant in the amount of \$200,000 on May 14, 2020. This RSU grant was a one-time equity incentive granted as a signing bonus in accordance with Mr. Juravsky's employment agreement with the Company, in recognition of, and to partially offset, significant deferred compensation that Mr. Juravsky forfeited by leaving his prior employer to join the Company.
- (4) 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 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 51 of this Circular.
- (5) These amounts represent the Black-Scholes valuation of SARs granted to Mr. Reid using the following assumptions: dividend yield: 5% for 2021, 2020 and 2019; expected volatility (based on historical volatility over the last 5 years) 33% for 2021 and 30% for 2020 and 2019; expected life: 5 years; risk free rate of return 1.21% for 2021, 1.28% for 2020, 2% for 2019; and weighted average fair value of SARs granted: \$4.28 for 2021, \$3.24 for 2020, \$3.91 for 2019. For the share options granted to Mr. Juravsky in 2020 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 48 of this Circular and "SARs Plan" on page 50 of this Circular.
- (6) Mr. Juravsky received share options in 2021 and in 2020 received share options representing two-thirds of his annual entitlement. Mr. Reid received SARs in 2021, 2020 and 2019.
- (7) Non-equity incentive plan compensation is paid to the NEOs annually in February after approval by the Board based on earnings per share achieved during the most recently completed financial year.
- (8) The amounts shown represent the Company's contributions to the Value Sharing Plan (as defined on page 48 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 54 of this Circular; premiums for Group Term Life Insurance for each of the Named Executive Officers; Mr. Reid, Mr. MacLean and Mr. MacDermid received an auto allowance during 2021, 2020 and 2019 and Mr. Juravsky received an auto allowance during 2021 and 2020; however, the same has not been disclosed for these Named Executive Officers as it does not exceed \$50,000 or 10% of their total salaries. Ms. Kelly does not receive an auto allowance. Group Term Life Insurance and Value Sharing 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 and RSUs combined. The policy requires the CEO to own an aggregate of common shares and RSUs valued at not less than five times his annual salary; and the CFO to own an aggregate of common shares and RSUs 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 may decrease the total value held.

The purpose of these policy requirements is to more closely align CEO and CFO's interest 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, and RSUs are valued at the higher of the market value thereof and the Market Price at the time of grant (see "Restricted Share Unit Plan" on page 51 of this Circular).

The table below shows the number and value of shares and RSUs owned, as of March 2, 2022, by the Company's CEO and CFO.

Name	2021 Base Salary	Multiple	Target Value of Equity Ownership	Value of Shares Held	Value of RSUs Held	Combined Value of Shares and RSUs Held ⁽¹⁾	Meets Guidelines
J.G. Reid	\$1,191,015	x5	\$5,955,075	\$9,229,258	\$5,524,029	\$14,753,287	yes
M.L. Juravsky	520,000	x2	\$1,040,000	844,715	1,741,057	2,585,772	yes

⁽¹⁾ The value of the shares and RSUs reflected above are based on the higher of the closing price of a common share on the Toronto Stock Exchange on March 2, 2022 of \$31.81, or the market value of such shares / RSUs at the time of acquisition / grant.

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, deferred share units, restricted share units 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.

EMPLOYEE SHARE AND OPTION BASED PLANS

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 and Restricted Share Unit Plan.

EMPLOYEE SHARE PURCHASE PLAN

We have an Employee Share Purchase Plan (the "Value Sharing 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 Value Sharing Plan on the first day of the month following the completion of three months of employment. Employees may make contributions to the Value Sharing 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 Value Sharing 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 Value Sharing Plan for six months.

The Value Sharing Plan is available to the majority of our employees in Canada and the United States and is independently administered.

SHARE OPTION PLAN

We have established a share option plan (the "Share Option Plan") for our employees and officers. Starting in 2014 most of our employees were granted RSUs in lieu of participation in the share option plan. The share option plan has been maintained to offer long-term incentives to senior executives and allow us to attract and retain new candidates to these positions. Effective February 2017, Mr. Reid our CEO began to receive SARs in place of share options (see "Share Appreciation Rights Plan" on page 50 of this Circular).

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, 2021. At that date, there were 835,999 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
2021	62,667,618	49,065	0.08%
2020	62,191,208	109,615	0.18%
2019	62,132,030	53,708	0.09%

2021 Share Options Granted

The following table sets forth information relating to share options for 2021. As at December 31, 2021, an additional 632,647 common shares would be issued if all the outstanding share options were exercised. An additional 835,999 common share options were available for grant as at December 31, 2021.

	Number of Optioned Shares	Weighted Average Exercise Price	Number of Additional Share Options Available for Grant at Dec. 31, 2021
Balance, January 1, 2021	1,583,793		
Granted	49,065		
Exercised	(804,779)		
Expired or Forfeited	(195,432)		
Balance, December 31, 2021	632,647	\$26.36	835,999

2021 & 2020 Year End Dilution Levels

The following table sets forth information concerning share options outstanding as at December 31 for 2021 and 2020.

YEAR END DILUTION LEVELS			
Year	No. of Shares Outstanding	No. of Optioned Shares	Percentage
2021	63,100,220	632,647	1.00%
2020	62,295,441	1,583,793	2.54%

⁽¹⁾ All numbers are as at December 31.

Gain by Named Executive Officers from the Exercise of Share Options

In 2021, Mr. Reid, Mr. Juravsky and Ms. Kelly exercised share options. Mr. Reid exercised 44,112 share options, Mr. Juravsky exercised 11,200 share options and Ms. Kelly exercised 11,000 share options. These share option exercises resulted in a gain upon exercise to Mr. Reid of \$284,171, Mr. Juravsky of \$211,456 and Ms. Kelly of \$94,523, 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 23, 2022 Mr. Reid was issued 72,548 SARs, valued at \$381,600 (US\$300,000) in his capacity as President and 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 mid-term incentive compensation to our CEO, CFO and other employees for their continued efforts in promoting the growth and success of the business of the Company and assist the Company in attracting and retaining senior management personnel. 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, an 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

The Board of Directors approves the list of eligible employees and officers to whom RSUs are granted and the respective values of RSUs granted. 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. 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. The value of the total RSU grants to employees other than the CEO and CFO are typically increased or decreased based on earnings in the year prior to the grant. 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.

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, 2021.

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 ⁽¹⁾
J.G. Reid	46,041	\$ 30.00	19-Feb-24	\$ 167,129
	93,633	25.36	18-Feb-25	774,345
	139,674			\$ 941,474
M.L. Juravsky	33,600	\$ 14.61	14-May-30	\$ 639,072
	49,065	25.08	23-Feb-31	419,506
	82,665			\$ 1,058,578
M.A. Kelly	11,000	\$ 28.99	12-Feb-23	\$ 51,040
	11,000			\$ 51,040

⁽¹⁾ Based on the closing price of a common share on the TSX on December 31, 2021 of \$33.63.

The following table sets out certain information with respect to SARs outstanding as at December 31, 2021. 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 Option Exercise Price	Share Option Expiration Date	Value of Unexercised In the Money Share Appreciation Right ⁽¹⁾
J.G. Reid	12,401	\$ 31.46	27-Feb-28	\$ 26,910
	18,253	30.38	11-May-28	59,322
	50,862	23.69	20-Feb-29	505,568
	90,000	21.94	24-Feb-30	1,052,100
	88,766	25.08	23-Feb-31	758,949
	260,282			\$2,402,849

⁽¹⁾ Based on the closing price of a common share on the TSX on December 31, 2021 of \$33.63.

The following table sets out certain information with respect to RSUs outstanding for all Named Executive Officers as at December 31, 2021.

SHARE BASED AWARDS – RESTRICTED SHARE UNITS			
Name	No. of Not Vested RSUs	Value of Not Vested RSUs⁽¹⁾	2021 Value of Vested (Not Paid Out)⁽¹⁾ RSUs
J.G. Reid	36,396	\$1,223,997	\$611,999
M.L. Juravsky	10,174	342,152	171,076
J.F. MacLean	3,760	126,449	30,301
M.A. Kelly	3,760	126,449	30,301
R.W. MacDermid	3,472	116,763	27,980

⁽¹⁾ 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 31, 2021 of \$33.63.

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 2021 and all cash bonuses earned during 2021, in each case, for all Named Executive Officers.

Name	Share Options Value Vested During 2021⁽¹⁾	SARs Value Vested During 2021⁽²⁾	RSUs Value Vested During 2021⁽³⁾	Non-Equity Incentive Plan Comprehension Value Earned During 2021
J.G. Reid	\$ -	\$133,107	\$3,159,066	\$5,359,568
M.L. Juravsky	203,728	-	167,008	1,456,000
J.F. MacLean	-	-	161,127	3,832,072
M.A. Kelly	-	-	161,127	722,000
R.W. MacDermid	-	-	132,829	784,000

⁽¹⁾ The option 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. Mr. MacLean and Mr. MacDermid have not been issued share options. All share options issued to Ms. Kelly were fully vested prior to January 1, 2018.

⁽²⁾ 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 2021. 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.

⁽³⁾ The RSUs value vested is based on the market value on the date the RSUs vested during 2021.

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, 2021 for the years Mr. Reid was CEO of the Company.

Fiscal Year	Value at Time of the Awards	Value on December 31, 2021⁽¹⁾	Increase or Decrease as Percentage
2020	\$ 1,998,609	\$ 3,337,209	66.98%
2019	3,815,721	5,443,937	42.67%
2018 ⁽²⁾	6,349,494	8,410,144	32.45%

⁽¹⁾ Mr. Reid's total direct compensation as measured on December 31, 2021 includes: (a) actual salary, cash 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, 2021 value of RSUs which have not been redeemed, including reinvested dividends; and (d) December 31, 2021 in the money value of any unexercised share appreciation rights awarded during the measurement period.

⁽²⁾ Mr. Reid was promoted to CEO on May 2, 2018. Accordingly, the total direct compensation for 2018 also includes compensation in his capacity as President and Chief Operating Officer for the first third of the 2018 year.

PENSION PLAN AND OTHER BENEFITS

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

DEFINED CONTRIBUTION PLANS

Mr. Juravsky, Mr. MacLean, Ms. Kelly and Mr. MacDermid participate in defined contribution plans. The following table sets out prescribed information concerning the accrued values of these plans and compensatory and non-compensatory payments under these plans for 2021. The respective plans are described in more detail below the table:

Name	Accumulated Value at Start of 2021	Compensatory ⁽¹⁾	Accumulated Value at End of 2021
M.L. Juravsky	\$ 6,300	\$14,513	\$ 37,338
J.F. MacLean	216,889	12,151	248,373
M.A. Kelly	266,029	12,960	310,759
R.W. MacDermid	189,820	12,928	255,722

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

Mr. Juravsky, Mr. MacLean, Ms. Kelly 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 2021, we contributed \$14,513 to Mr. Juravsky's account, \$12,151 to Mr. MacLean's account, \$12,960 to Ms. Kelly's account, and \$12,928 to Mr. MacDermid's account. All contributions vest immediately.

401K PLAN

Mr. Reid participates 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 \$4,300. In 2021, we contributed US\$10,100 (Cdn\$12,662) to Mr. Reid'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 any other pension replacement instrument are owned by Mr. Reid and all proceeds are payable to his estate in the event of his death.

In 2021 we contributed US\$228,100 to these plans and paid Mr. Reid US\$121,900 for the grossed up tax on the taxable benefit.

CHANGE OF CONTROL AGREEMENTS

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 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, 2021 within two years of a change of control of the Company:

SEVERANCE FOR TERMINATION WITHIN TWO YEARS OF A CHANGE OF CONTROL				
Name	Amount on Account of Salary and Incentives	Amount of Account of Pension Benefits and Life Insurance	Immediate Vesting of Share Options / SARs	Immediate Vesting of RSUs⁽¹⁾
J.R. Reid	\$10,517,946	\$902,914	\$2,358,358	\$5,094,796
M.L. Juravsky	4,757,600	29,026	1,058,578	1,434,152
J.F. MacLean	4,230,650	24,302	-	266,849

⁽¹⁾ *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
Independence of the Board	A majority (91%) of our current Directors and a majority (90%) of the nominees for election as a Director at the Meeting, are independent.
Other Board Positions held by the Company's Directors	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 10 - 14 (inclusive) of this Circular. No Directors are members of the same board of another public company.
In Camera Meetings	Independent Directors meet in camera at each Board meeting.
Independent Chair	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 www.russelmetals.com .
Attendance Record	All Directors attended all Board and Committee meetings held in 2021. For further information on attendance at the 2021 Board and Committee meetings see "Attendance at Board and Committee Meetings Held" on page 18 of this Circular.
Board Charter	<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 \$3 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 A to this Circular commencing on page 65 of this Circular.</p>
Size of Board	<p>The number of Directors to be elected at the Meeting is set at 10.</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> <p>Our articles require us to have a minimum of seven and a maximum of 12 Directors.</p>

CORPORATE GOVERNANCE

Disclosure Requirement	Practices of Russel Metals
Board Renewal Policy	<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 7.62 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 7.66 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 rigorous 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. The Company also has adopted a Majority Voting Policy related to the election of Directors, details of which are described on page 16 of this Circular.</p>
Board Committee	<p>Russel Metals' Board committees are the Audit Committee, NCG Committee, MR&C Committee and EMH&S Committee.</p> <p>The Board has adopted charters for each of these committees and pursuant to these charters, except for the EMH&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>
Position Description	<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 www.russelmetals.com (see "Investor Relations" and "Corporate Governance").</p>

CORPORATE GOVERNANCE

Disclosure Requirement	Practices of Russel Metals
Orientation Program	<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"> • a detailed briefing with the Chair of the Board • a detailed briefing with the CEO, CFO and other members of senior management • participation in tours of Company operating facilities and in small group sessions with senior management personnel • 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 • health and safety training • a copy of all Board and Committee charters <p>Directors review and execute the Company's Code of Business Conduct and Ethics Policy, Corporate Disclosure Policy and Insider Trading Policy.</p>
Attendance at Board Meetings	<p>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.</p>
Ongoing Education Program	<p>We provide our Directors with:</p> <ul style="list-style-type: none"> • supplemental Company specific and general industry information designed to keep them current with respect to factors affecting the Company • periodic tours of Company operating facilities, and presentations by senior corporate and operating personnel • information concerning regulatory and policy developments affecting Canadian public companies generally and the responsibilities of Directors <p>For specific details about the ongoing education sessions held in 2021 and attendance of Directors at these sessions, see "Board Education" on page 23 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>
Culture of Ethical Business Conduct	<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 www.russelmetals.com (see "Investor Relations" and "Corporate Governance") and on SEDAR (www.sedar.com).</p>
Monitoring Compliance with Code of Business Conduct and Ethics and other Policies	<p>Management provides the Board with a written compliance report on a quarterly basis. 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"> • accounting matters • internal controls • financial irregularities • compliance with the Company's policies • human rights issues (harassment, discrimination, violence, abuse) • unethical business conduct, including but not limited to, safety, environmental, conflicts of interest, bribery, theft and / or fraud <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
Conflict of Interest and Related Party Transactions	<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, 2021 and 2020 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 the Director who had the material interest in question).</p>
Audit Committee	<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 www.russelmetals.com (see "Investor Relations" and "Financial Reports") and on SEDAR.</p>
Nominating and Corporate Governance Committee	<p>The responsibilities of the NCG Committee include:</p> <ul style="list-style-type: none">• developing and recommending governance guidelines for the Company (and periodic review of those guidelines)• identifying individuals qualified to become members of the Board• recommending Director nominees to be put before the shareholders at each annual meeting• reviewing and recommending to the Board the compensation for the Chair of the Board and for other Directors• conducting an annual evaluation of the Board, the Committees of the Board and Chair of the Board <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>
Nomination of New Directors	<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 19 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

Representation of Designated Groups on the Board of Directors and Senior Management

Five of 11 (45%) 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 11 (27%) of the Company's current Directors and three of 10 (30%) of the nominee Directors are women. Two of 11 (18%) of the Company's current Directors self identify as a member of a visible minority, while two of 10 (20%) 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.

Three of eight (38%) of the Company's executive officers are women. None of the Company's executive officers self identify 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 and is pleased to confirm that three of the 10 (30%) 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.

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. As an illustration of its effectiveness, during two recent recruitments at the Board level, the NCG Committee, after working through the process described above, specifically instructed the search firms retained to prioritize the recruitment of women, which resulted in the selection of two women to join the Board.

Environmental, Social and Governance Risk Oversight

The Board and Company recognize that our activities and operations may have the potential to impact the environment and the communities in which we operate; accordingly, we have made ES&G management a priority. We have adopted both environmental and health & safety policies applicable to all our business segments, which guides and directs our actions, to ensure that our operations comply with applicable environmental and health & safety laws in the jurisdictions in which they operate, and to minimize the impact of our operations upon the environment and to safeguard our employees.

Oversight of ES&G matters is a shared responsibility amongst various committees, each of whom report to the Board.

The Environmental Management and Health & Safety Committee is tasked with overseeing the Company's environmental stewardship 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 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 or inquiries from applicable governmental entities.

The EMH&S Committee also reviews of the Company's public disclosure in respect of such matters which is prepared in accordance with the Sustainability Accounting Standards Board framework which is posted on the Company's website.

CORPORATE GOVERNANCE

Disclosure Requirement	Practices of Russel Metals
	<p>The Nominating and Corporate Governance 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.</p> <p>The Audit Committee is responsible for oversight of the Company's risk management program. The Company's risk assessment details all materials risks to the Company, including ES&G risks, as applicable, and the Company's strategies and mitigations in place.</p> <p>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.</p>
Management Resources and Compensation Committee	<p>The responsibilities of the MR&C Committee include:</p> <ul style="list-style-type: none">• reviewing and making recommendations to the Board (without the participation of the CEO) concerning compensation for the CEO• reviewing and making recommendations to the Board concerning compensation of other executive officers, incentive based plans and share based plans• recommending and monitoring equity ownership policies• overseeing any changes to the design of the Company's pension plans and 401k plans• 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• reviewing compensation disclosure in public documents, including the Compensation Discussion and Analysis for inclusion in this Circular, in accordance with applicable rules and regulations• reviewing succession plans for the CEO and other members of senior management <p>The MR&C Committee is comprised of independent Directors.</p> <p>The Board annually appoints the MR&C Committee and its Chair.</p> <p>The MR&C Committee considers matters within its mandate and makes recommendations to the full Board.</p> <p>As part of each meeting, the MR&C Committee members meet without any member of management present.</p>
Determining Executive Officer and Director Compensation	<p>The MR&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&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>
Environmental Management and Health & Safety Committee	<p>The mandate of the EMH&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&S Committee and its Chair.</p> <p>Management reports quarterly to the Board on these areas and the EMH&S Committee.</p>

CORPORATE GOVERNANCE

Disclosure Requirement	Practices of Russel Metals
Board, Committee and Individual Director Assessment	<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>
Outside Advisors	<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>

CERTIFICATE

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

DATED the 2nd day of March, 2022.

/s/ M.L. Juravsky

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

SCHEDULE A – CHARTER OF THE BOARD OF DIRECTORS

GENERAL

1. Purpose and Responsibility of the Board

By approving this Charter, the Board explicitly assumes responsibility for the stewardship of Russel Metals Inc. 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) "Russel" means Russel Metals Inc.;
- b) "Board" means the board of directors of Russel;
- c) "CEO" means Russel's chief executive officer;
- d) "Chair" means the chair of the Board;
- e) "Charter" means this charter, as amended from time to time;
- f) "Director" means a member of the Board; 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, but if Directors are not elected at any annual meeting, the incumbent directors shall continue in office until their successors are elected.

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.

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

9.1. In Camera Sessions of Non-Management Directors

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

9.2. In Camera Sessions of Independent Directors

To the extent that non-management Directors include Directors who are not independent Directors as contemplated in this Charter, the independent Directors shall meet at the conclusion of each quarterly meeting of the Board with only independent Directors present.

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 an annual 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:
 - i. strategic plan;
 - ii. annual business plan;
 - iii. 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 \$3 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 Constatng 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.

