Russel Metals

INFORMATION CIRCULAR AND NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS

WEDNESDAY, MAY 8, 2019

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 8, 2019**
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, 2018, 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 and cannot attend the Meeting in person, you may vote by proxy. 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 AST Trust Company (Canada) no later than 10:00 a.m. (Eastern Time) on Monday, May 6, 2019 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. If you wish to attend the Meeting in person, you will not be entitled to vote in person unless the proper documentation is completed. You should contact your Intermediary well in advance of the Meeting and follow their instructions if you wish to vote in person.

By Order of the Board,

/s/ *M. E. Britton*

MARION E. BRITTON,
Executive Vice President,
Chief Financial Officer and
Secretary

Mississauga, Ontario
March 4, 2019

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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 20, 2019. As a shareholder, you have the right to attend our annual meeting of shareholders on May 8, 2019 and to vote your shares in person or by proxy. More information regarding the voting of your shares can be found commencing on page 7 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, 2018 and all other information is current to March 4, 2019.

SHAREHOLDER PROPOSALS

A shareholder who will be entitled to vote at the annual meeting of shareholders of the Company to be held in 2020 and who intends to raise a proposal at such meeting must deliver the proposal to the Company not later than December 4, 2019.

ENGAGEMENT WITH THE BOARD OR MANAGEMENT

At our annual meeting, you will have the opportunity to meet members of management and the Board of Directors. In the event any shareholder desires to engage with management or Directors at any other time, please contact the Company's Investor Relations Department and we will arrange for the appropriate individual to contact to you to respond to your inquiry. See "Contact Information" on page 4 of this Circular for information on how to contact the Company's Investor Relations Department.

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:

(i) our most recent Annual Information Form together with any document or pertinent pages of any document incorporated therein by reference;

(ii) our audited consolidated financial statements for our last financial year together with the auditors' report thereon and the related MD&A;

(iii) our Circular for our last annual meeting of shareholders;

(iv) our Code of Business Conduct and Ethics Policy for Employees; and

(v) 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 requests to:

<u>**Russel Metals Inc.**</u>

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:

<u>**AST Trust Company (Canada)**</u>

<u>Hand Delivery, Courier or Registered Mail:</u>
AST Trust Company (Canada)
1 Toronto Street, Suite 1200
Toronto, Ontario M5C 2V6

T: 416-682-3860
F: 416-368-2502
Email: proxyvote@astfinancial.com

BUSINESS OF THE MEETING

ABOUT OUR SHAREHOLDER MEETING
At our annual meeting, in addition to voting on items of the Company's business, you will also have the opportunity to get an update on the Company, meet with management and interact with the Board of Directors.

RECEIPT OF THE CONSOLIDATED FINANCIAL STATEMENTS
Our financial statements for the year ended December 31, 2018, 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 ten 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 2018. If elected, each nominee will serve for a term of one year, until the 2020 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 15 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 60 years. As required for public companies, Deloitte rotates the lead audit partner. A new lead audit partner was assigned to us during the 2016 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 2018 and 2017 fiscal years:

Service	Fiscal Year 2018	Fiscal Year 2017
Audit Services	$1,711,000	$1,534,000
Audit Related Services	240,000	95,500
Tax Services	123,000	100,500
Total	**$2,074,000**	**$1,730,000**

Audit Services

The fees charged by Deloitte for audit services include the audit of our annual financial statements as well as work on an acquisition and the new lease standard.

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 review of our 2018 senior note issuance and audits of our employee benefit plans.

Tax Services

Tax services conducted by Deloitte relate to U.S. tax compliance, tax advice and planning work.

Other Services

In fiscal 2018 and 2017, 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 unanimously 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 2018, the Company's advisory "say on pay" resolution was overwhelmingly approved with over 95% 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 8, 2019.*

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 28 of this Circular and "Executive Compensation" commencing on page 42 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 4, 2019, the date of this Circular, there were 62,109,395 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 20, 2019, 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 or in person at the Meeting. **If you cannot attend the Meeting in person, you may vote by proxy. Voting instructions are included in the accompanying form of Proxy. To be valid, AST Trust Company (Canada) must receive proxies no later than 10:00 a.m. (Eastern Time) on Monday, May 6, 2019 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 AST Trust Company (Canada) prior to the deadline. If you plan on attending the Meeting in person, you will not be entitled to vote in person unless the proper documentation is completed. You should contact your Intermediary well in advance of the Meeting and follow their instructions if you want to vote in person.

How do I appoint a proxyholder?

The Chair of the Board of Directors ("Chair") and failing him, the President and Chief Executive Officer ("CEO") 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 attend and to act on your behalf at the Meeting. You may exercise this right by inserting in the space provided in the form of proxy the name of the other person you would like to appoint as nominee. To be valid, proxies for use at the Meeting must be deposited with the Company (at its registered office) or with AST Trust Company (Canada) no later than 10:00 a.m. (Eastern Time) on Monday, May 6, 2019 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 or our CEO 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 AST Trust Company (Canada), 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:
    - to AST Trust Company (Canada) 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 used; or
    - 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 ten Directors and the Board has determined that ten Directors will be elected at the Meeting. The current Directors are: Alain Benedetti, John M. Clark, James F. Dinning, Brian R. Hedges, Barbara S. Jeremiah, Alice D. Laberge, William M. O'Reilly, John G. Reid, Annie Thabet and John R. Tulloch. All of the current Directors are being nominated for re-election at the Meeting.

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 2018, previous voting results and the number of common shares owned, controlled or directed and the number of deferred share units ("DSUs") held. For the two non-independent nominees Mr. Hedges and 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, as applicable. The Nominating and Corporate Governance Committee (the "NCG Committee") has recommended each nominee for election as a Director.

ALAIN BENEDETTI

Age 70
Dorval, Quebec, Canada
Director since 23/Feb/2006
Independent(7)

Public Board Memberships:
Dorel Industries Inc.

Mr. Benedetti is a Corporate Director. Mr. Benedetti was Chair of the Canadian Institute of Chartered Accountants from September 2006 to September 2008. From 1998 to his retirement in June 2004, he was Vice Chair and Canadian Area Managing Partner of Ernst & Young LLP.

BOARD AND COMMITTEE MEETINGS ATTENDED DURING 2018:

Board	4 of 5
Audit	4 of 4
Environmental Management and Health & Safety	3 of 3

PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	99.69%	0.31%
2017	99.57%	0.43%

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares(1)	7,800	$ 188,916
DSUs(1)(2)	53,262	1,290,006
Total Common Shares & DSUs(1)(2)	**61,062**	**$1,478,922**

JOHN M. CLARK

Age 63
Etobicoke, Ontario, Canada
Director since 03/May/2012
Independent(7)

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 other private companies. 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 2018:

Board	5 of 5
Audit	4 of 4
Nominating and Corporate Governance	2 of 2
Management Resources and Compensation	2 of 2

PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	95.72%	4.28%
2017	99.48%	0.52%

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares(1)	-	$ -
DSUs(1)(2)	42,260	1,023,537
Total Common Shares & DSUs(1)(2)	**42,260**	**$1,023,537**

JAMES F. DINNING

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.

Age 66
Calgary, Alberta, Canada
Chair of the Board since 06/May/2014
Director since 17/Feb/2003
Independent(7)

Public Board Memberships:
Western Investment Company

BOARD AND COMMITTEE MEETINGS ATTENDED DURING 2018:

Board	5 of 5
Nominating and Corporate Governance	4 of 4

PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	96.15%	3.85%
2017	96.62%	3.38%

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares(1)	26,000	$ 629,720
DSUs(1)(2)	37,155	899,894
Total Common Shares & DSUs(1)(2)	**63,155**	**$1,529,614**

BRIAN R. HEDGES

Mr. Hedges is a corporate Director. He retired from the Company effective May 2, 2018. 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 and 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.

Age 66
Toronto, Ontario, Canada
Director since 12/May/2009
Not independent

Public Board Memberships:
None

BOARD AND COMMITTEE MEETINGS ATTENDED DURING 2018:

Board	5 of 5
Environmental Management and Health & Safety	2 of 2

PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	99.61%	0.39%
2017	99.72%	0.28%

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares(1)	125,477	$3,039,053
DSUs(1)(2)	3,556	86,126
Total Common Shares & DSUs(1)(2)	**129,033**	**$3,125,179**
Unexercised Common Share Options(3)	536,773	

BARBARA S. JEREMIAH

Ms. Jeremiah is a Corporate Director. Prior to her retirement in 2009, Ms. Jeremiah served as Executive Vice President of Alcoa, Inc. a leading aluminum producer, from 2002 until 2008, when she also assumed the position of Chairman's Counsel. Ms. Jeremiah served on the Board of Directors of Boart Longyear Limited from 2011 until May 2015, EQT Corporation from 2003 to 2012 and First Niagara Financial Group, Inc. from 2010 to 2013.

Age 67
Pittsburgh, Pennsylvania
Director since 3/May/2016
Independent[7]

Public Board Memberships:
Allegheny Technologies Incorporated
Aggreko plc
The Weir Group plc

BOARD AND COMMITTEE MEETINGS ATTENDED DURING 2018:

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PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	99.51%	0.49%
2017	99.63%	0.37%

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares[1]	5,335	$ 129,214
DSUs[1][2]	8,106	196,327
Total Common Shares & DSUs[1][2]	**13,441**	**$325,541**

ALICE D. LABERGE

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 is currently a Director of the Canadian Public Accountability Board.

Age 62
Vancouver, BC, Canada
Director since 30/Jul/2007
Independent[7]

Public Board Memberships:
Royal Bank of Canada
Nutrien Ltd.

BOARD AND COMMITTEE MEETINGS ATTENDED DURING 2018:

Board	5 of 5
Audit	2 of 2
Nominating and Corporate Governance	4 of 4
Management Resources and Compensation	2 of 2

PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	98.95%	1.05%
2017	96.79%	3.21%

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares[1]	7,400	$179,228
DSUs[1][2]	29,488	714,199
Total Common Shares & DSUs[1][2]	**36,888**	**$893,427**

WILLIAM M. O'REILLY

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.

Age 70
Toronto, Ontario, Canada
Director since 12/May/2009
Independent[7]

Public Board Memberships:
None

Board and Committee Meetings Attended During 2018:

Board	5 of 5
Management Resources and Compensation	4 of 4
Nominating and Corporate Governance	4 of 4

PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	98.94%	1.06%
2017	99.67%	0.33%

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares[1]	15,300	$370,566
DSUs[1][2]	31,162	754,744
Total Common Shares & DSUs[1][2]	**46,462**	**$1,125,310**

JOHN G. REID

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 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.

Age 50
Jackson, Tennessee, United States
Director since 02/May/2018
Not Independent

Public Board Memberships:
None

Board and Committee Meetings Attended During 2018:

Board	2 of 2
No committee membership	

PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	99.72%	0.28%
2017	n/a	n/a

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares[1]	104,404	$2,528,665
RSUs[4]	148,265	3,590,978
Total Common Shares & RSUs[1][4]	**252,669**	**$6,119,643**
Unexercised Common Share Options[5]	246,656	
Unexercised SARs[5]	232,871	

ANNIE THABET

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 Chair of the Board of the Institute of Corporate Directors – Quebec.

Board and Committee Meetings Attended During 2018:

Board	5 of 5
Audit	3 of 3
Environmental Management and Health & Safety	2 of 2

PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	99.72%	0.28%
2017	n/a	n/a

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares(1)	7,590	$183,830
DSUs(1)(2)	5,065	122,674
Total Common Shares & DSUs(1)(2)	**12,655**	**$306,504**

Age 58
Îles-des-Soeurs, Quebec, Canada
Director since 01/Jan/2018
Independent (7)

Public Board Memberships:
Transcontinental Inc.

JOHN R. TULLOCH

Mr. Tulloch is a Corporate Director. Mr. Tulloch was Executive Vice President of SSAB AB (a Nordic and US based steel company) and President of their North American Division from 2007 until his retirement in 2008. From 2004 until the takeover of IPSCO Inc. by SSAB, in 2007 he was Executive Vice President, Steel and Chief Commercial Officer of IPSCO. Prior to that he held various senior executive positions at IPSCO, including Vice President and General Manager of the Tubular Division. From 2009 to 2018 Mr. Tulloch served as a director of SSAB AB. He is a past Director of various steel and energy industry associations, including the American Iron and Steel Institute, the Metal Service Center Institute, the Steel Manufacturers Association and the Interstate Natural Gas Association of America Foundation.

BOARD AND COMMITTEE MEETINGS ATTENDED DURING 2018:

Board	5 of 5
Environmental Management and Health & Safety	3 of 3
Management Resources and Compensation	4 of 4

PREVIOUS VOTING RESULTS:

	FOR	WITHHELD
2018	99.70%	0.30%
2017	99.70%	0.30%

SECURITIES HELD AS AT MARCH 4, 2019:

	NUMBER OUTSTANDING	TOTAL VALUE AS AT MARCH 4, 2019
Common Shares(1)	11,000	$266,420
DSUs(1)(2)	17,220	417,068
Total Common Shares & DSUs(1)(2)	**28,220**	**$683,488**

Age 71
Naperville, Illinois, United States
Director since 02/May/2013
Independent(7)

Public Board Memberships:
None

(1) The common share and the DSU values noted in the above table are based on the closing price of a common share on the TSX on March 4, 2019 of $24.22.

(2) For further information on DSUs, see "2018 Non-Executive Director Compensation" commencing on page 22 of this Circular, "Deferred Share Unit Plan" on page 24 of this Circular and "Deferred Share Units Held" on page 25 of this Circular.

(3) Mr. Hedges currently has an aggregate of 536,773 unexercised common share options, of which 333,379 are currently vested, which were granted when he was an employee of the Company. For further details regarding the share options owned by Mr. Hedges, see "Outstanding Share Based and Option Based Awards" commencing on page 49 of this Circular.

(4) The number of RSUs reflected in the above table for Mr. Reid is the number of RSUs as at March 4, 2019 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 4, 2019 of $24.22. For further information on the RSUs owned by Mr. Reid, see "Outstanding Share Based and Option Based Awards" commencing on page 49 of this Circular.

(5) Mr. Reid currently owns an aggregate of 246,656 unexercised common share options, of which 217,721 are currently vested. He also owns 232,871 unexercised SARs, including SARs issued on February 20, 2019, of which 44,047 are currently 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 49 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 2018.

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 or our CEO 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 or our CEO 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, 2018 were as follows:

Non-Executive Directors	Audit Committee	Environmental Management and Health & Safety Committee	Management Resources and Compensation Committee	Nominating and Corporate Governance Committee
A. Benedetti	X	X (Chair)		
J.M. Clark	X (Chair)			X
J.F. Dinning				X
B.R. Hedges		X		
B.S. Jeremiah	X		X	
A.D. Laberge			X	X
W.M. O'Reilly			X	X (Chair)
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 Independent Directors

Our independent Board members hold an in camera session without management and non-independent board members at every quarterly meeting. The only meetings at which the Board does not meet without management and non-independent board members are those special meetings held by conference call for specific purposes, such as approvals related to acquisitions or financing transactions. The Company's independent Board members met separately at four scheduled quarterly board meetings held during 2018.

Eight of the ten nominees to the Board of Director are independent. Mr. Hedges, who retired as Chief Executive Officer of the Company on May 2, 2018 is not independent under Part 1.4(3) of NI 52-110 *Audit Committees* ("NI 52-110") by virtue of being a former executive officer of the Company within the prior three years. Mr. Reid, the President and Chief Executive Officer 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, by virtue of the Charters of the Audit Committee, Management Resources and Compensation Committee and Nominating and Corporate Governance Committee is not currently permitted to serve on any such committee as their respective Charters provide that such committees be comprised entirely of independent directors.

The following table summarizes the meetings of the Board and its committees held in 2018.

Board / Committee	No. of Meetings for 2018
Board of Directors	5
Audit Committee	4
Environmental Management and Health & Safety Committee	3
Management Resources and Compensation Committee	4
Nominating and Corporate Governance Committee	4

Attendance at Board and Committee Meetings Held

We believe that an engaged board governs more 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 2018. The Directors' attendance records are also included in the nominee table commencing on page 10 of this Circular.

	2018 BOARD MEETINGS				2018 COMMITTEE MEETINGS				2018 BOARD & COMMITTEE MEETINGS			
DIRECTORS	No. of Meetings			Attended	No. of Meetings			Attended	No. of Meetings			Attended
A. Benedetti(1)	4	of	5	80%	7	of	7	100%	11	of	12	92%
J.M. Clark	5	of	5	100%	8	of	8	100%	13	of	13	100%
J.F. Dinning	5	of	5	100%	4	of	4	100%	9	of	9	100%
J.A. Hanna(2)	3	of	3	100%	3	of	3	100%	6	of	6	100%
B.R. Hedges	5	of	5	100%	2	of	2	100%	7	of	7	100%
B.S. Jeremiah(1)	4	of	5	80%	8	of	8	100%	12	of	13	92%
A.D. Laberge	5	of	5	100%	8	of	8	100%	13	of	13	100%
L. Lachapelle(2)	3	of	3	100%	4	of	4	100%	7	of	7	100%
W.M. O'Reilly	5	of	5	100%	8	of	8	100%	13	of	13	100%
J. G. Reid(3)	2	of	2	100%		n/a		n/a	2	of	2	100%
A. Thabet	5	of	5	100%	5	of	5	100%	10	of	10	100%
J.R. Tulloch	5	of	5	100%	7	of	7	100%	12	of	12	100%

(1) Mr. Benedetti and Ms. Jeremiah were unable to attend a Board meeting held by telephone on January 16, 2018, which was called on short notice.

(2) Mr. Hanna and Ms. Lachapelle retired as directors of the Company on May 2, 2018.

(3) 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 better 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 discusses 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 relevant to the business and governance of the Company.

Skills / Experience	No. of Nominee Directors with Experience	Name of Directors with Experience
Managing or Leading Growth experience driving strategic direction and leading growth of an organization	10	Benedetti, Clark, Dinning, Hedges, Jeremiah, Laberge, O'Reilly, Reid, Thabet and Tulloch
Business Climate familiarity with the geographic regions in which the Company carries on its business	8	Benedetti, Dinning, Hedges, Jeremiah, Laberge, O'Reilly, Reid and Tulloch
Chief Executive Officer Experience experience as a chief executive of a publicly listed company or major organization	5	Benedetti, Hedges, Laberge, O'Reilly and Reid
Industry Experience experience in the steel industry, combined with a knowledge of market participants and key customer markets	7	Benedetti, Dinning, Hedges, Jeremiah, Reid, Thabet and Tulloch
Human Resources expertise in executive compensation programs including compensation, benefit and pension programs	10	Benedetti, Clark, Dinning, Hedges, Jeremiah, Laberge, O'Reilly, Reid, Thabet and Tulloch
Financial Expertise experience in financial accounting and reporting, and corporate finance (familiarity with internal financial controls, Canadian or U.S. GAAP and / or IFRS)	7	Benedetti, Clark, Dinning, Hedges, Jeremiah, Laberge and Thabet
Safety, Health and Environment understanding of the requirements and leading practices of workplace safety, health and environmental practices	6	Benedetti, Dinning, Hedges, Jeremiah, Reid and Tulloch
Operations Experience understanding of the plant operations, including quality	6	Benedetti, Clark, Hedges, Reid, Thabet and Tulloch
Governance knowledge of best practices in public companies	8	Benedetti, Clark, Dinning, Hedges, Jeremiah, Laberge, O'Reilly and Thabet

REPRESENTATION OF WOMEN

Representation of Women on the Board of Directors

Three of the ten (30%) of the Company's current Directors and of the nominee directors are women. Ms. Laberge, Ms. Jeremiah and Ms. Thabet have been Directors of the Company since 2007, 2016 and 2018, respectively.

Representation of Women in Executive Officer Positions

Three of seven (43%) of the Company's executive officer positions are held by women, including one of the two (50%) C-Suite executives. Ms. Britton is the Executive Vice President, CFO and Secretary of the Company and has been with the Company since 1987. Ms. Kelly is the Vice President, Information Systems of the Company and has been with the Company since 1998. Ms. Coleman is the Vice President, Controller and Assistant Secretary and has been with the Company since 1991.

The Company believes that a Board and executive team made up of highly qualified individuals from diverse backgrounds promotes better corporate governance, performance and effective decision-making. The Board has not, at this time, adopted any fixed targets or quotas relating to the representation of women on the Board or in executive officer positions as we do not believe that quotas or a formulaic approach necessarily result in the identification or selection of the best candidates. The NCG Committee and the Company nonetheless make efforts 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 will, when seeking candidates for the Board or senior executive positions, among other things (a) consider candidates who are highly qualified based on their experience, functional expertise and personal skills and qualities; and (b) consider diversity criteria including gender and geographical background of the candidate.

BOARD EDUCATION

The NCG Committee is responsible for reviewing the Company's director education program. In 2018, continuing education sessions were held on the days adjacent to most regularly scheduled Board meetings or were incorporated into the Board Meetings. These sessions included presentations by senior management and external industry representatives on topics germane to the Company and its business. Directors may also attend relevant external education programs. A summary of the educational sessions organized by the Company in 2018 and the directors in attendance is set out below.

BOARD EDUCATIONAL SESSIONS HELD IN 2018		PARTICIPATING DIRECTORS									
Date	**Educational Session**	**Benedetti**	**Clark**	**Dinning**	**Hedges**	**Jeremiah**	**Laberge**	**O'Reilly**	**Reid**	**Thabet**	**Tulloch**
Feb 14, 2018	Chief Executive Officer presentation on strategic acquisition opportunities. Chief Operating Officer presentation on market conditions and steel pricing.	✓	✓	✓	✓	✓	✓	✓	(1)	✓	✓
May 1, 2018	Chief Executive Officer presentation on Company and comparator performance. Chief Operating Officer presentation on market conditions.	✓	✓	✓	✓	✓	✓	✓	(1)	✓	✓
Aug 8, 2018	Chief Executive Officer strategic update and presentation on market conditions. Presentation by Chief Executive Officer of Welded Tube Canada on impact of tariffs and implications for steel supply chain.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Aug 9&10, 2018	Offsite Strategic Outlook Session. Various presentations on Company's culture, growth and financial strategies by senior management.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nov 6, 2018	Manitoba Region Service Center presentation and tours of Winnipeg Manitoba Service Centers Chief Executive Officer strategic and operational update.	✓	✓	✓	✓	(2)	✓	✓	✓	✓	✓
Throughout the year	Received and reviewed articles on steel, oil and gas markets serviced by the Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(1) Mr. Reid was not elected as a director until May 1, 2018; however, he did attend and/or presented at the February 14, 2018 and May 1, 2018 educational sessions.
(2) Ms. Jeremiah did not attend the November 7, 2018 plant tours; however, she participated in the Board / Committee meetings by telephone.

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 cash fees paid to non-executive Directors during 2018. Our Directors may choose to receive all or any portion of director and committee fees in DSUs.

FEE SCHEDULE		
Fees	**Cash Compensation**	**Comments**
Board of Directors		
Annual Retainer Fees		
• 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	40,000	All non-executive Directors, except Chair of the Board.
Director Meeting Fee	2,000	Per meeting. All non-executive Directors, except Chair of the Board.
Committees		
Annual Retainer Fees		
• Audit Committee Chair	14,000	Chair of the Audit Committee.
• MR&C Committee Chair	10,500	Chair of the MR&C Committee.
• Other Committee Chair	8,000	Other Committee Chairs, except Chair of the Board.
• Committee Member	4,000	Payable to those committee members who are not Chair of said committee or Chair of the Board.
Committee Meeting Fee	2,000	Per meeting / per committee. All non-executive Directors, except Chair of the Board.
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**	**Comments**
Annual Retainer	72,000	Value of DSUs issued to all non-executive Directors, including the Chair of the Board.

Our U.S. Directors were paid the U.S. equivalent of the retainers and fees noted above. We reimburse expenses incurred by our Directors while attending Board and committee meetings.

2018 Non-Executive Director Compensation

During the financial year ended December 31, 2018, we paid an aggregate of $834,572 in compensation relating to annual Board and Committee retainers, meeting fees and travel fees to our non-executive Directors. In 2018, we also made quarterly allocations of DSUs with an aggregate value of $672,330 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 and no additional compensation was paid to Mr. Hedges, our former CEO, for his services as a Director of the Company prior to his retirement as CEO on May 2, 2018.

The following table sets out the total compensation paid to each of our non-executive Directors during the year ended December 31, 2018.

NAME OF DIRECTOR	BOARD FEES		COMMITTEE FEES			TRAVEL FEE	SUB-TOTAL	DSUs IN LIEU OF CASH	CASH TOTAL	DSU ALLOCA-TIONS	TOTAL COMPEN-SATION[1]
	Retainer	Meeting Fees	Chair Retainer	Member Retainer	Meeting Fees						
A. Benedetti[6]	$ 40,000	$ 8,000	$ 5,297	$ 5,352	$ 14,000	$ 6,000	$ 78,649	-	$ 78,649	$ 72,000	$ 150,649
J.M. Clark	40,000	10,000	14,000	4,000	16,000	1,500	85,500	84,000	1,500	72,000	157,500
J.F. Dinning	175,000	-	-	-	-	-	175,000	-	175,000	72,000	247,000
J.A. Hanna[2][6]	13,516	6,000	2,703	1,352	6,000	1,500	31,071	29,571	1,500	24,330	55,401
B.R. Hedges[3]	26,484	4,000	-	2,648	4,000	1,500	38,632	37,132	1,500	47,670	86,302
B.S. Jeremiah	40,000	8,000	-	8,000	16,000	4,500	76,500	-	76,500	72,000	148,500
A.D. Laberge	40,000	10,000	-	8,000	16,000	6,000	80,000	-	80,000	72,000	152,000
L. Lachapelle[2][4]	13,516	6,000	2,703	1,352	8,000	3,000	34,571	-	34,571	24,330	58,901
W.M. O'Reilly[4][5]	40,000	10,000	8,845	4,000	16,000	1,500	80,345	-	80,345	72,000	152,345
A. Thabet	40,000	10,000	-	6,000	10,000	6,000	72,000	52,000	20,000	72,000	144,000
J.R. Tulloch[5]	40,000	10,000	6,952	5,352	14,000	6,000	82,304	-	82,304	72,000	154,304
TOTALS	**$508,516**	**$82,000**	**$40,500**	**$46,056**	**$120,000**	**$37,500**	**$834,572**	**$202,703**	**$631,869**	**$672,330**	**$1,506,902**

(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. Hanna and Mrs. Lachapelle did not stand for re-election at the May 2, 2018 annual Shareholders Meeting.*

(3) *Mr. Hedges retired as Chief Executive Officer on May 2, 2018; however, was re-elected to the Board.*

(4) *Mrs. Lachapelle was Chair of the NCG Committee from May 12, 2010 to May 2, 2018. Mr. O'Reilly was appointed Chair of the NCG Committee on May 2, 2018.*

(5) *Mr. O'Reilly was Chair of the MRC Committee from May 6, 2014 to May 2, 2018. Mr. Tulloch was appointed Chair of the MRC Committee on May 2, 2018.*

(6) *Mr. Hanna was Chair of the EMH&S Committee from May 6, 2014 to May 2, 2018. Mr. Benedetti was appointed Chair of the EMH&S Committee on May 2, 2018.*

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 centres 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" on page 32 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.

In 2018, the Board, with the assistance of the Nominating and Corporate Governance Committee, undertook a comprehensive review of our Director pay practices and levels, which the Board had intentionally left unchanged since 2014 as the Company managed through challenging market conditions related to declining steel and oil prices in 2015-2016. In November 2018, on completion of this review, the Board adopted changes to the Director compensation plan to take effect January 1, 2019 designed to (a) simplify the Director compensation plan and (b) to target total Director pay at or below the median level of our Canadian comparator group.

Effective January 2019, the Company eliminated meeting fees for Board and committee meetings; eliminated separate fees for committee participation; and adjusted total Director pay. Each non-executive director (other than the Board Chair) will now receive a cash retainer at the annual rate of $85,000 payable quarterly and an equity retainer comprising quarterly grants of DSUs at an annual rate of $85,000. The cash retainer payable to the Board Chair will continue at the existing level of $175,000 annually and the equity retainer payable to the Board Chair, comprising quarterly grants of DSUs, will increase to $120,000 annually. The Chairs of the Board committees will receive additional cash retainers as follows: Audit - $18,000; MR&C - $15,000; NCG - $12,000; and EMH&S - $12,000. Rates for travel and advisory fees remain unchanged from existing levels and Directors may continue to elect to receive DSUs in lieu of all or any part of their cash compensation.

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 March, June, September and December in each year. In 2018, the number of DSUs credited quarterly to each Director's account was determined by dividing $18,000 by the Market Price at the allocation date. As of January 1, 2019, the quarterly allocation of DSUs was increased from $18,000 to $21,250 for Directors and from $18,000 to $30,000 for the Chair of the Board, as part of the Director compensation benchmarking, review and analysis completed in 2018. A Director may elect to receive payment in DSUs, rather than cash, for all or a portion of his or her annual Board retainer, annual chair retainer and / or meeting fees, 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 in the Director's account on the redemption date by the Market Price on such redemption date. Applicable income tax and other withholdings are deducted as required by law.

Deferred Share Units Held

As at March 4, 2019, the non-executive Directors held an aggregate of 227,274 DSUs, which were valued at an aggregate of $5,504,575 as of such date. The number of DSUs held by each non-executive Director and their value as at March 4, 2019 is provided in the following table.

Non-Executive Directors	Number of DSUs held as at March 4, 2019	Value of DSUs as at March 4, 2019[1]
A. Benedetti	53,262	$1,290,006
J.M. Clark	42,260	1,023,537
J.F. Dinning	37,155	899,894
B.R. Hedges	3,556	86,126
B.S. Jeremiah	8,106	196,327
A.D. Laberge	29,488	714,199
W.M. O'Reilly	31,162	754,744
A. Thabet	5,065	122,674
J.R. Tulloch	17,220	417,068
TOTAL	**227,274**	**$5,504,575**

(1) *Based on the closing price of a common share on the TSX on March 4, 2019 of $24.22.*

SHARE OWNERSHIP OF NON-EXECUTIVE DIRECTORS

The target value of share 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 $336,000 for 2018. Effective January 1, 2019 this amount was increased to $510,000. The Chair of the Board was required to own common shares and DSUs with a combined value of not less than $741,000 for 2018. Effective January 1, 2019 this amount was increased to $885,000. All Directors, except for Ms. Jeremiah and Ms. Thabet, who have until May 3, 2019 and January 1, 2021, respectively, have met the prior share ownership threshold. All Directors have met the new share ownership threshold, except for Ms. Jeremiah and Ms. Thabet, who have until January 1, 2022 to reach the new share ownership 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 share ownership of the non-executive Directors and their compliance with the foregoing policy as at March 4, 2019.

Non-Executive Directors	Target Value of Share Ownership[(1)] 2018	2019	Number of Shares	Number of DSUs	Combined Value of Shares and DSUs[(2)]	Meets Guidelines
A. Benedetti	$336,000	$510,000	7,800	53,262	$1,478,922	yes
J.M. Clark	336,000	510,000	-	42,260	1,056,041	yes
J. F. Dinning	741,000	885,000	26,000	37,155	1,529,614	yes
B.R. Hedges[(3)]	336,000	510,000	115,477	3,556	3,268,672	yes
B.S. Jeremiah	336,000	510,000	5,335	8,106	335,297	pending[(4)]
A.D. Laberge[(3)]	336,000	510,000	7,000	29,488	883,739	yes
W.M. O'Reilly[(3)]	336,000	510,000	14,700	31,162	1,111,475	yes
A.Thabet	336,000	510,000	7,590	5,065	316,110	pending[(5)]
J.R. Tulloch	336,000	510,000	11,000	17,220	689,167	yes

(1) *The share ownership requirements were increased effective January 1, 2019.*

(2) *Based on the higher of the closing price of a common share on the TSX on March 4, 2019, of $24.22 or the value of such shares / DSUs at the time of acquisition / grant.*

(3) *Shares for which directors have control or direction but are not beneficially owned are excluded for the purpose of the share ownership policy. The following have been shares have been excluded from the above table in relation to Mr. Hedges, 10,000 common shares; Ms. Laberge, 400 common shares; and Mr. O'Reilly, 600 common shares.*

(4) *Ms. Jeremiah has until May 3, 2019 to reach the previous share ownership target and has until January 1, 2022 to reach the new share ownership target.*

(5) *Ms. Thabet has until January 1, 2021 to reach the previous share ownership target and has until January 1, 2022, to reach the new share ownership target.*

As at March 4, 2019, the nominees for election at the upcoming Meeting of shareholders beneficially own an aggregate of 299,306 common shares and have control or direction of an additional 11,000 common shares, which number includes the common shares owned by non-independent Directors.

Increase 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 4, 2019 has increased 18% from the combined number of common shares and DSUs owned by these non-executive Directors as at March 5, 2018 (the disclosure date used in our Information Circular for our meeting held in 2018).

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

In December 2018, 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, 2018 was $186,000. 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 Chief Executive Officer ("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, 2018; (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 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.

The level of RSU grants is conditional on 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 RSU grants and cash bonuses (for all C-Suite executives and most head office employees) are tied to 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 performance and incentivizing 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 of the Company and its various business units is highly dependent upon the price of steel. It is also highly dependent upon the price of crude oil and the corresponding level of activity in the oil and gas industry and the impact of that industry on 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 head office employees and senior management 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 performance relative 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 oil and gas 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 C-Suite executives and head office employees to protect against excessive compensation rewards resulting primarily from cyclical increases in commodity prices.

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. We have not in past economic cycles adjusted our targets to make the incentive compensation more easily achieved for our Named Executive Officers during a down cycle. 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 a cash bonus or an RSU grant. Over the course of the economic cycle, we believe senior management will be appropriately incentivized and compensated; however, we believe such compensation should track Company performance.

Throughout 2017 and the first four months of 2018, the MR&C Committee with the assistance of Hugessen, an independent executive compensation consultant, completed a comprehensive analysis of executive compensation in anticipation of Mr. Reid's succession as CEO effective May 2, 2018. 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 comparator group; (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. This review resulted in some changes to short and mid-term compensation as set out below, to be competitive with and align with the practices of our comparator group.

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 Objectives**
Base Salary *(all executives and employees)*	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 *(all executives and a large percentage of employees)*	Combined with base salary, the target level of performance driven cash bonus provides market competitive cash compensation. For head office employees in support functions such as information systems, purchasing, accounting and human resources the cash bonus is driven by earnings per share. For most employees in the Company's operating units, the cash bonus is driven by return on net assets of their operations.	Attract and retain highly qualified leaders. Motivate strong business performance. Vary compensation based on earnings performance. Align employee and shareholder interest. Reduce compensation expense in periods of cyclical downturn.

MID AND LONG-TERM INCENTIVES		
Compensation Element / Eligibility	**Description**	**Linkage to Compensation Objectives**
Equity Bonus – RSUs *(CEO and CFO)*	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 33 of this Circular. 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. 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 48 of the Circular.	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.
Equity Bonus – RSUs *(Other Employees)*	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 is determined by the Board of Directors with reference to the Company's earnings in the prior year. 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 48 of the Circular.	
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 33 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 45 of this Circular and "Share Appreciation Rights Plan" commencing on page 47 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 developed 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 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.		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 50 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 platforms.*

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 and the United States and other companies operating in the metals industry in North America, in each case with annual revenues roughly in the range of 50% to 200% of the annual revenues of the Company. Due to the fact there are no public Canadian companies who 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 U.S. companies in our comparator group include publicly traded companies within the size range referred to above, operating in various aspects of the metals business in North America, including steel 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., our largest competitor, is included in our performance benchmarking processes, but is not included in our compensation benchmarking because it falls outside the size range referred to above.

With the appointment of John Reid as CEO effective May 2, 2018, the MRCC and the Board have for the first time given greater weight to the U.S. comparator group than the Canadian comparator group in establishing CEO pay. 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. For the most recent review and benchmarking of CFO pay, the MRCC and the Board have continued to rely exclusively on the Canadian comparator group and other relevant Canadian-based data sources.

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. Individual levels, which are reviewed annually, may vary from this objective depending upon the particular experience and other qualifications of the individual, sustained performance level, length of service and other relevant factors. We use comparator group information to assist in reviewing compensation levels and establishing compensation arrangements appropriate to our circumstances. We do not set compensation by using a formulaic approach to the benchmarks relative to the comparator group or any particular company in the comparator group.

The companies included in our executive compensation comparator group consist of:

Canada

Aecon Group Inc.
Canfor Corporation
Ensign Energy Services Inc.
Finning International Inc.
Linamar Corporation
Martinrea International Inc.
Precision Drilling Corporation
Secure Energy Services Inc.
ShawCor Ltd.
Toromont Industries Ltd
Transcontinental Inc.
West Fraser Timber Co Ltd.

United States

Carpenter Technology Corporation
Commercial Metals Company
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, FORMER 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, Former CEO and the CFO for 2018.

The cash bonus and RSU awards for the Former CEO, CEO, and the CFO are tied to earnings per share. The RSUs, share options and SARs will 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, Former CEO and the CFO for 2018.

CEO (John Reid) 02May2018 – 31Dec2018					
Earnings per Share	< $0.75	$0.75-$1.00	$1.00	$1.75	$2.75
Cash Incentive as % of Salary	0%	0%	42%	107%	220%
RSU as $ or % of Salary (as applicable)	0%	US$250,000	42%	180%	295%
SARs Value	US$300,000	US$300,000	US$300,000	US$300,000	US$300,000

COO (John Reid) 01Jan2018 – 02May2018					
Earnings per Share	< $0.75	$0.75-$0.99	$1.00	$1.75	$ 2.75
Cash Incentive as % of Salary	0%	0%	30%	130%	230%
RSU as % of Salary	0%	0%	30%	100%	170%
SARs Value	$250,000	$250,000	$250,000	$250,000	$250,000

Mr. Reid served as Chief Executive Officer of the Company for two-thirds of the year (May 2 – December 31) and as chief operating officer of the Company for one-third of the year (January 1 – May 1). Accordingly, Mr. Reid received two-thirds of the incentive amounts payable as CEO and one-third of the incentive amounts payable as COO. The applicable amounts were calculated based on Mr. Reid's applicable salary at the time being US$785,000 as CEO and US$651,900 as COO.

Former CEO (Brian Hedges) 01Jan2018 – 02May2018					
Earnings per Share	< $0.75	$0.75-$0.99	$1.00	$1.75	$2.75
Cash Incentive as % of Salary	0%	0%	30%	159%	237%
RSU as % of Salary	0%	0%	30%	213%	318%
Share Option Value	$350,000	$350,000	$350,000	$350,000	$350,000

Mr. Hedges served as Chief Executive Officer of the Company for one-third of the 2018 fiscal year (January 1 to May 2); based on his compensation arrangement he was paid one-third of the incentive amounts as per the above table. Mr. Hedges' RSUs award was paid in cash, as he is over 65 years of age and no longer a full-time employee.

CFO – 2018					
Earnings per Share	< $0.75	$0.75-$0.99	$1.00	$1.75	$2.75
Cash Incentive as % of Salary	0%	0%	45%	150%	270%
RSU as $ or % of Salary (as applicable)	0%	$100,000	45%	80%	130%
Share Option Value	$210,000	$210,000	$210,000	$210,000	$210,000

No RSU awards will be made under these plans unless earnings per share are at least $0.75 per share and no cash bonus will be paid under these plans unless earnings per share are at least $1.00. Where reported basic earnings per share are above $1.00 and between the other thresholds set out in the above tables, the size of the grant is proportionately increased. The structured incentive awards are capped at earnings per share of $2.75. 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 Ms. Britton at 67,200 per year.

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 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 share options or SARs, as applicable, made to Mr. Hedges, Mr. Reid and Ms. Britton for 2018 were determined based on the incentive compensation tables above. The number of share options and SARs 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. Hedges, Mr. Reid and Ms. Britton 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 metals service center earnings before interest and tax by the value of 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. Halcrow 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 2018, the maximum net income for determining bonus awards for participants in this plan was set at $200 million, which equates to $3.22 per share. Based on basic earnings per share achieved and a pre-determined factor at various levels, a pool of funds is divided among all head office employees, other than the CEO, the CFO and Vice President Service Center Operations, whose incentive compensation structure is discussed above. The percentage participation of each person in the plan, including Ms. Kelly and Mr. Halcrow, 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 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), Ms. Jeremiah, Ms. Laberge and Mr. O'Reilly.

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 are supplemented with input from independent compensation consultants. The relevant experience of the MR&C Committee members is summarized below.

J.R. Tulloch	• 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
B.S. Jeremiah	• member of Remuneration Committees of Aggreko plc and The Weir Group plc • former Chair of the Board of Boart Longyear Limited and ex officio member of its Compensation Committee • former chair of the Compensation Committee of First Niagara Financial Group • former Executive Vice President of Alcoa, Inc.
A.D. Laberge	• Chair of Human Resources Committee of Royal Bank of Canada • member of Canadian Public Accountability Board Human Resources Committee • former President and CEO of Fincentric Corporation • former Senior Vice President, Finance and CFO of MacMillan Bloedel Limited
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 Board of Directors and Management Resources Committee and its Chair regarding matters relating to executive compensation • Executive Officer of the company from 1993 to 1996 • Chair of the MR&C Committee from May 2014 to May 2018

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) approving and monitoring share ownership policies; (iv) overseeing any 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 28 of this Circular. The MR&C Committee reviews and makes recommendations to the Board regarding executive officer compensation with reference to appropriate comparator groups of companies. The MR&C Committee completed an extensive executive compensation benchmarking analysis in 2017, for the CEO and CFO which took effect in 2018 as part of the Chief Executive Officer succession process. This process, as previously described, resulted in changes to the reward structure to better align short, medium and long-term incentives to the comparator group.

Authority of the Management Resources & Compensation Committee
The MR&C Committee has the authority to retain advisors to assist in the evaluation of Chief Executive Officer 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 Chief Executive Officer. 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 Chief Executive Officer, 19 corporate and head office senior managers and 19 general managers of our business units, who are key to our decentralized management structure.

In camera Board meetings are held with and without the Chief Executive Officer 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 CEO, CFO and the majority of all senior executives in our business units have been 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 approves the appointment of the CFO and all other corporate officers.

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 2017 Hugessen advised the MR&C Committee in connection with a comprehensive analysis of executive compensation in anticipation of Mr. Reid's succession as Chief Executive Officer of the Company, effective May 2018. The benchmarking undertaken by the MR&C Committee with the assistance of Hugessen included an analysis of: (i) the Company's comparator group; (ii) corporate performance; (iii) target total pay vis-à-vis the Company's comparator group; (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. Hugessen's services were not utilized during 2018.

The following table summarizes the executive compensation consulting and other fees charged by Hugessen for their services during each of the 2018 and 2017 fiscal years:

Service	Fiscal Year 2018	Fiscal Year 2017
Executive Compensation	-	$119,000
Other Fees	-	-
TOTAL	**-**	**$119,000**

Executive Compensation – Related Fees

In 2017 the MR&C Committee retained Hugessen for executive compensation consulting related to the MR&C Committee's review of the Company's executive compensation arrangements. Hugessen assisted the MR&C Committee in evaluating and developing its recommendations in respect of senior management compensation for 2018 and beyond as discussed above. 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.

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 2018 and 2017, no additional services were undertaken by Hugessen.

RISK MANAGEMENT AND RISKS RELATED TO COMPENSATION POLICIES & PRACTICES

We have implemented an enterprise risk management ("ERM") program which is discussed in our most recent Annual Information Form under the heading "Risk Management and Risks Affecting Our Business". A formal enterprise risk management assessment and report including mitigation strategies has been presented to the Board. The executive team regularly updates the Board at and between quarterly Board Meetings on market conditions, our operations and of 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 to 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.

We have had a pay for performance philosophy for many years. The compensation plans have evolved and 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.

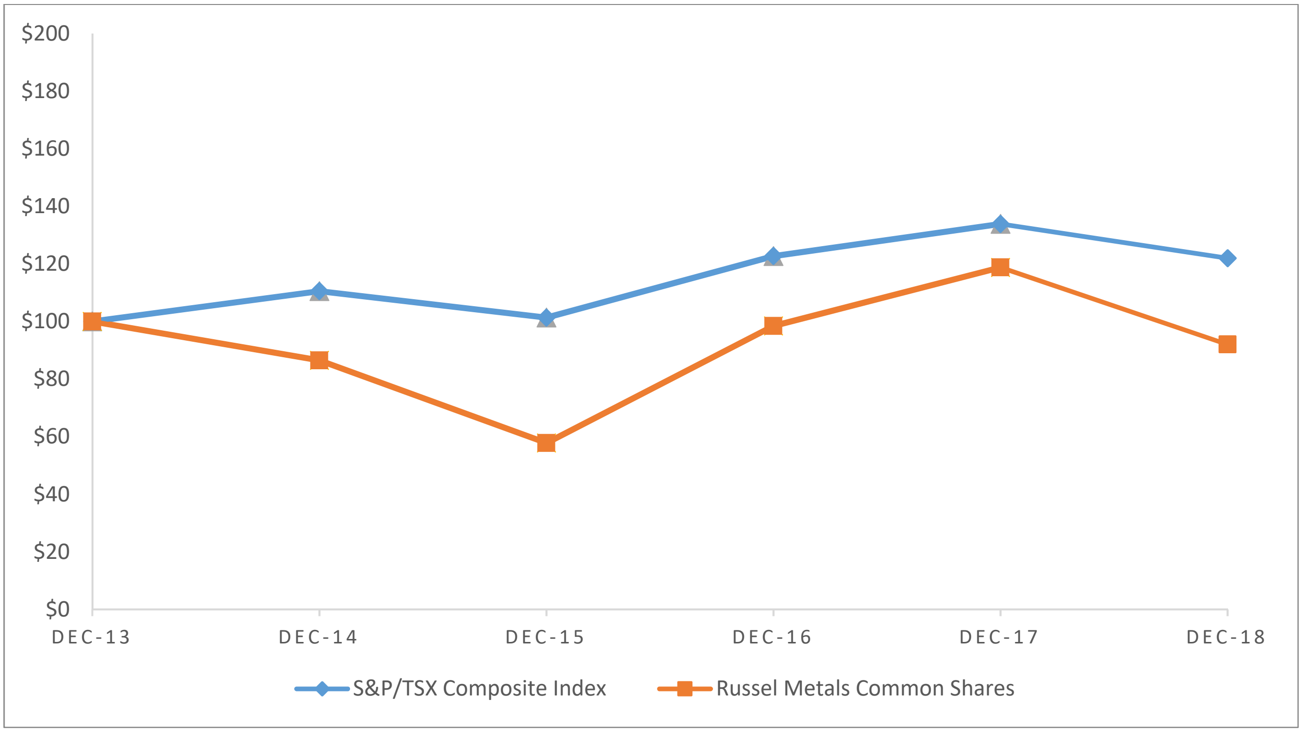
COMPENSATION PLANS – RISK SAFEGUARDS

Key Component	Description
Profit Driven	Variable compensation plans are either earnings per share based or return on net assets-based. 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 executive officers have thresholds and caps. The caps ensure that management is not incented to take undue risks.
Limits on number of SARs and Share Options issuable	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..
Share 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 her base salary.
Role of MR&C Committee and the Board of Directors in Risk Assessment	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 50 top paid executives, managers and sales staff. The Board of Directors gives final approval for C-Suite executive compensation. Communication is achieved, in part, by cross-committee membership. The MR&C Committee also reports regularly to the full Board of Directors.

Management and the Board of Directors have also implemented a number of polices 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) material changes to banking and debt agreements; (iii) derivatives other than back-to-back foreign exchange hedges on inventory purchases; and (iv) changes to the Company's investment policy.

PERFORMANCE GRAPH

The following graph shows a comparison over the five-year period ended December 31, 2018 of the value of $100.00 originally invested in common shares of Russel Metals and the S&P/TSX Composite Index and, in each case, assuming reinvestment of cash dividends paid.



	DEC-13	DEC-14	DEC-15	DEC-16	DEC-17	DEC-18
S&P/TSX Composite Index	$100.00	$110.55	$101.36	$122.72	$133.89	$121.99
Russel Metals Common Shares	$100.00	$86.50	$57.79	$98.46	$118.79	$92.04

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, 2018. 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 stable outcome. In our circumstances, on December 31, 2013 the WTI price was US$98.17 per barrel (in comparison to US$45.41 per barrel on December 31, 2018) and oil and gas activity was robust in Canada. As a result, the five-year comparison in the graph above is against a relative peak in our economic cycle.

The five-year return to shareholders as at December 31, 2018 was also materially adversely affected by the deterioration in the Company's share price from $30.94 on August 10, 2018 to $21.33 at December 31, 2018, a decline of 31% which was disconnected with the Company's strong financial performance over this same time period. During the same period, global stock markets saw their largest declines since 2009, with the S&P/TSX Composite Index falling from 16,326 to 14,218, a decline of 12%.

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 endeavor 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 a strong dividend yield.

Basic earnings per share for 2018 was $3.53 compared to earnings of $2.00 in 2017 and $1.02 in 2016. The total compensation paid to Named Executive Officers ("NEOs") for 2018 was $14,540,715, which includes six NEOs due to the retirement of the former CEO during 2018. The NEO compensation, as publicly reported, for 2017 was $10,748,514 and for 2016 was $6,003,898, which includes five NEOs reported during those years. Our corporate incentive plans are earnings per share based and thus track changes in earnings.

The following table provides the total cost of the compensation to the Named Executive Officers as a percentage of the net earnings for the last three years.

	2016	**2017**	**2018**
Net Earnings	$62,800,000	$123,800,000	$218,977,000
Total Compensation Paid to NEOs	6,003,898	10,748,514	14,540,715[(1)]
Percentage of Net Earnings	9.6%	8.7%	6.6%

(1) The total compensation paid to the NEOs in 2018 reflects six NEOs, as opposed to five NEOs for 2016 and 2017, due to the retirement of the former CEO during 2018. For comparison purposes, excluding the former CEO's compensation in 2018, total compensation paid to the other five NEOs was $12,592,402 which represents 5.8% of net 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 by Mr. Reid (the current CEO), Mr. Hedges (the former 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 2 of the table.

Name and Principal Position	Year	Salary	Share Based Awards(5)	Share Options(6)(7) / SARs (6)(7)	Non-Equity Incentive Plan(8)	Pension Value	All Other Comp(9)	Total Compensation
J.G. Reid(1)(2)	2018	$ 959,934	$ 2,479,754	$ 340,533	$ 2,140,021	$ 12,702	$ 416,550	$ 6,349,494
President and CEO	2017	846,231	846,231	250,000	1,100,101	12,592	316,115	3,371,270
	2016	830,922	255,987	250,000	251,668	12,726	653,275	2,254,578
B. R. Hedges(3)	2018	259,722	832,312	116,667	620,308	107,000	12,304	1,948,313
(Former CEO)	2017	785,200	1,672,476	350,000	1,248,468	300,000	23,214	4,379,358
	2016	755,000	254,435	350,000	246,130	281,000	22,880	1,909,445
M.E. Britton	2018	420,000	546,000	210,000	1,134,000	214,130	9,760	2,533,890
Executive Vice President, CFO and Secretary	2017	384,280	307,424	210,000	576,420	191,238	8,696	1,678,058
	2016	369,500	114,545	210,000	119,718	188,237	8,589	1,010,589
J.F. MacLean(4)	2018	362,752	130,000	-	1,355,728	11,088	8,234	1,867,802
Vice President, Service Center Operations	2017	322,221	100,000	-	346,249	10,812	7,302	786,584
	2016	313,157	35,000	-	90,615	10,664	7,009	456,445
M.A. Kelly	2018	308,062	130,000	-	520,000	11,700	7,158	976,920
Vice President, Information Systems	2017	306,000	100,000	-	291,791	11,620	6,833	716,244
	2016	300,000	50,000	-	102,478	11,539	6,972	470,989
D.J. Halcrow	2018	184,658	120,000	-	520,000	10,000	29,638	864,296
Vice President, Purchasing and Inventory Management	2017	183,420	90,000	-	291,791	10,000	28,373	603,584
	2016	176,091	40,000	-	102,478	10,000	29,728	358,297

(1) *Mr. Reid was promoted to CEO on May 2, 2018 and was promoted to President on January 1, 2016.*

(2) *In U.S. dollars Mr. Reid's salary was: 2018 – US$737,391; 2017 – US$651,900; 2016 – US$615,000; and his total compensation was 2018 – US$4,636,186; 2017 – US$2,404,491; and 2016 – US$1,519,152. These amounts have been converted to Canadian dollars using the U.S. dollar published average exchange rates for 2018 US$1.00 = CDN$1.2961; 2017 US$1.00 = Cdn$1.2981; and 2016, US$1.00 = Cdn$1.3256.*

(3) *Mr. Hedges retired as CEO on May 2, 2018.*

(4) *Mr. MacLean was promoted to Vice President Service Center Operations on January 17, 2018 and Vice President Canadian Service Center Operations on January 1, 2017. In 2016 he was the Regional Manager Manitoba / Saskatchewan.*

(5) *The aggregate dollar value of the RSUs granted based on Market Price, (as defined in the RSU Plan) on the date of grant is equal to the amounts shown in the table; however, Mr. Reid's grant is further adjusted 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" commencing on page 48 of this Circular.*

(6) *These amounts represent the Black-Scholes valuation of share options granted using the following assumptions: dividend yield: 5% for 2018, 2017, and 2016; expected volatility (based on historical volatility over the last 5 years):29% for2018, 26% for 2017, and 26% for 2016; expected life: 5 years; risk free rate of return 2% for 2018, 2017and 2016; and weighted average fair value of options granted: $5.04 for 2018, $4.14 for 2017 and $2.16 for 2016. The share options and SARs were priced based on the higher of the closing price of the common shares on the TSX on the day prior to the grant and the closing price on the second business day following the grant. See "Share Option Plan" commencing on page 45 of this Circular and "SARs Plan" commencing on page 47 of this Circular.*

(7) *Mr. Hedges and Ms. Britton received share options in 2018, 2017 and 2016. Mr. Reid received SARs in 2018 and 2017 and share options in 2016.*

(8) *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 year.*

(9) *The amounts shown represent the Company's contributions to the Value Sharing Plan (as defined on page 45 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" on page 54 of this Circular; a bonus of US$250,000 in 2016 for Mr. Reid in respect of a real estate transaction by the Company; premiums for a life insurance policy for Mr. Hedges; premiums for Group Term Life Insurance for each of the Named Executive Officers; auto allowance (of $18,330 for 2018 and 2017 and $19,035 for 2016) for Mr. Halcrow; and a golf club membership (of $7,015 for 2018 and $6,598 for 2016) for Mr. Halcrow. Mr. Reid, Mr. Hedges, Ms. Britton and Mr. MacLean received an auto allowance during 2018, 2017, and 2016; however, the same has not been disclosed for these Named Executive Officers as it is less than 10% of their total salaries. Ms. Kelly does not receive an auto allowance. Mr. Halcrow is the only Named Executive Officer to receive a golf club membership. Group Term Life Insurance and Value Sharing Plan benefits are generally available to all employees.*

SHARE 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 her annual salary. The current holdings of each of the CEO and CFO meet the 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 C-Suite executive management'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 48 of this Circular).

The table below shows the number and value of shares and RSUs owned, as of March 4, 2019, by the Company's C-Suite executives.

Name	2018 Base Salary	Multiple	Target Value of Share Ownership	Value of Shares Held	Value of RSUs Held	Combined Value of Shares and RSUs Held [(1)]	Meets Guidelines
J.G. Reid	$1,017,439	x5	$5,087,195	$3,190,684	$3,704,417	$6,895,101	yes
M.E. Britton	420,000	x2	840,000	3,359,035	992,223	4,351,258	yes

(1) *The values 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 4, 2019 of $24.22, 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 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 the C-Suite executives and allow us to attract and retain new candidates to these positions. Effective February 2017, Mr. Reid our CEO received and will continue to receive SARs in place of share options (see "Share Appreciation Rights Plan" commencing on page 47 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, 2018. There were 770,885 common shares available for issuance under the Share Option Plan, representing 1% of the issued and outstanding common shares, as at December 31, 2018. On February 7, 2019, an aggregate of 53,708 share options were granted to the CFO valued at $210,000.

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**
2018	62,028,991	64,815	0.10%
2017	61,788,013	141,773	0.23%
2016	61,704,990	375,000	0.61%

2018 Share Options Granted
The following table sets forth information relating to share options for 2018. As at December 31, 2018, an aggregate 1,691,086 common shares would be issued if all the outstanding share options were exercised. An additional 770,885 common share options were available for grant as at December 31, 2018.

	Number of Optioned Shares	Weighted Average Exercise Price	Number of Additional Share Options Available for Grant at Dec. 31, 2018
Balance, January 1, 2018	1,941,719		
Granted	64,815		
Exercised	(216,698)		
Expired or Forfeited	(98,750)		
BALANCE, DECEMBER 31, 2018	**1,691,086**	**$25.75**	**770,885**

2018 & 2017 Year-End Dilution Levels
The following table sets forth information concerning share options outstanding as at December 31 for 2017 and 2018.

YEAR END DILUTION LEVELS			
Year	**No. of Shares Outstanding**	**No. of Optioned Shares**	**Percentage**
2018	62,106,895	1,691,086	2.72%
2017	61,890,197	1,941,719	3.14%
(1) *All numbers are as at December 31.*			

Gain by Named Executive Officers from the Exercise of Share Options
In 2018, Mr. Hedges, Ms. Britton and Ms. Kelly were the only Named Executive Officers to exercise share options. Mr. Hedges exercised 40,000 share options, Ms. Britton exercised 16,850 share options and Ms. Kelly exercised 35,000 share options. These share option exercises resulted in a gain upon exercise to Mr. Hedges of $477,600, Ms. Britton of $139,518 and to Ms. Kelly of $222,900 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. On May 11, 2018 Mr. Reid was issued 18,253 SARs valued at $90,533 following his promotion to CEO, pursuant to the Company's long-term incentive compensation program for that position. On February 20, 2019 Mr. Reid was issued 101,724 SARs, valued at $397,740, 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 medium 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 33 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 numbers of RSUs granted. Management makes its recommendations to the MR&C Committee as to the number 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 33 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 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 as at December 31, 2018.

OPTION BASED AWARDS – SHARE OPTIONS				
Name	**Number of Securities Underlying Unexercised Share Options**	**Share Option Exercise Price**	**Share Options Expiration Date**	**Value of Unexercised In-The-Money Share Options**[(1)]
B.R. Hedges	53,111	$ 25.70	17-Feb-21	$ -
	52,474	26.18	15-Feb-22	-
	47,361	28.99	02-May-22	-
	64,457	30.00	02-May-22	-
	126,086	25.36	02-May-22	-
	81,528	18.11	02-May-22	262,520
	88,608	28.99	02-May-22	-
	23,148	31.46	02-May-22	-
	536,773			**$ 262,520**
J.G. Reid	5,000	$ 25.70	17-Feb-21	$ -
	18,740	26.18	15-Feb-22	-
	25,372	28.99	12-Feb-23	-
	46,041	30.00	19-Feb-24	-
	93,633	25.36	18-Feb-25	-
	57,870	18.11	16-Feb-26	186,341
	246,656			$ 186,341
J.F. MacLean	-	-	n/a	-
	-			**$ -**
M.E. Britton	39,548	$ 19.84	12-May-20	$ 58,927
	31,866	25.70	17-Feb-21	-
	31,484	26.18	15-Feb-22	-
	28,417	28.99	12-Feb-23	-
	38,674	30.00	19-Feb-24	-
	78,652	25.36	18-Feb-25	-
	97,222	18.11	16-Feb-26	313,055
	53,165	28.99	16-Feb-27	-
	41,667	31.46	27-Feb-28	-
	440,695			**$ 371,982**
M.A. Kelly	10,000	$ 19.84	12-May-20	$ 14,900
	10,000	25.70	17-Feb-21	-
	11,000	26.18	15-Feb-22	-
	11,000	28.99	12-Feb-23	-
	42,000			**$ 14,900**
D.J. Halcrow	10,000	$ 25.70	17-Feb-21	$ -
	11,000	26.18	15-Feb-22	-
	11,000	28.99	12-Feb-23	-
	32,000			**$ -**

(1) Based on the closing price of a common share on the TSX on December 31, 2018 of $21.33.

The following table sets out certain information with respect to SARs outstanding as at December 31, 2018. Mr. Reid is the only Named Executive Officer with SARs.

OPTION BASED AWARDS – SHARE APPRECIATION RIGHTS				
Name	**Number of Securities Underlying Unexercised Share Appreciation Right**	**Share Appreciation Right Exercise Price**	**Share Appreciation Right Expiration Date**	**Value of Unexercised In-The-Money Share Appreciation Right(1)**
J.G. Reid	63,291	$28.99	16-Feb-27	$ -
	49,603	31.46	27-Feb-28	-
	18,253	30.38	11-May-28	-
	131,147			**$ -**

(1) *Based on the closing price of a common share on the TSX on December 31, 2018 of $21.33.*

The following table sets out certain information with respect to RSUs outstanding for all Named Executive Officers as at December 31, 2018.

SHARE BASED AWARDS – RESTRICTED SHARE UNITS			
Name	**No. of Not Vested RSUs**	**Value of Not Vested RSUs(1)**	**2018 Value of Vested (Not Paid Out)(1) RSUs**
B.R. Hedges	-	$ -	$ -
J.G. Reid	37,537	800,656	77,675
M.E. Britton	14,189	302,650	34,371
J.F. MacLean	4,552	97,091	10,502
M.A. Kelly	4,974	106,093	15,003
D.J. Halcrow	4,336	92,483	12,003

(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, 2018 of $21.33.*

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 2018 and all cash bonuses earning during 2018, in each case, for all Named Executive Officers.

Name	Share Options Value Vested During 2018[(1)]	SARs Value Vested During 2018[(2)]	RSUs Value Vested During 2018[(3)]	Non-Equity Incentive Plan Compensation Value Earned During 2018
B.R. Hedges[(4)]	$842,371	$ -	$2,040,970	$ 602,308
J.G. Reid	559,285	42,405	106,768	2,140,021
M.E. Britton	505,429	-	47,244	1,134,000
J.F. MacLean	-	-	14,436	1,355,728
M.A. Kelly	-	-	20,623	520,000
D.J. Halcrow	-	-	16,498	520,000

(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 has not been issued share options. All share options issued to Ms. Kelly and Mr. Halcrow were fully vested prior to January 1, 2018.*

(2) *The SAR value vested is the aggregate dollar value that would have been realized if the SARs 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 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 2018.*

(4) *On May 2, 2018, at the age of 65, Mr. Hedges retired as CEO of the Company, which resulted in all outstanding RSUs being paid out in full.*

PENSION PLAN AND OTHER BENEFITS

Russel Metals provides retirement benefits in various forms, including defined benefit plans, defined contribution plans and registered retirement savings plan contributions.

DEFINED BENEFITS PLANS

Mr. Hedges participated in and Ms. Britton participates in a final average earnings plan, which plan includes other members of senior management of the Company. Due to their respective salary levels, this plan provides the maximum benefit allowable, which in 2018 was $2,944 per year of service under the Income Tax Act. The normal form of benefit for a member without a spouse at retirement is a pension payable for life and guaranteed for 120 months. For a member with a spouse at retirement, the normal form is a pension payable for life, reducing on the member's death to 60% and payable thereafter to the surviving spouse. There is an offset for Canada Pension Plan benefits.

Mr. Hedges also participated in a defined benefit individual supplementary retirement plan, which entitled him to a maximum annual pension at age 65 which, together with all other pension benefits Canada Pension Plan benefits and amounts payable under the Company's defined benefit plan (referred to above), equals the product obtained by multiplying 3% by the number of years of service to a maximum of 60% of his average salary for the 36 consecutive month period during which Mr. Hedges experienced his highest salary including periods of permanent disability. The maximum annual payment from the supplementary plan is capped at $350,000 payable in the normal form (equal to $334,000 payable in the form of pension elected by Mr. Hedges on retirement). On the death of Mr. Hedges following retirement, his surviving spouse would become entitled to a pension of equal amount to his supplementary pension, based on the form of pension elected by Mr. Hedges on retirement. If the spouse predeceases Mr. Hedges, no further benefits are payable from the supplementary retirement plan upon Mr. Hedges death. We have agreed to make payments to fund an individual trust representing the portion of the Company's obligations under the supplementary retirement plan arising in respect of Mr. Hedges' service after December 31, 2002. Obligations related to the period prior to December 31, 2002 are unfunded. Mr. Hedges retired on May 2, 2018 and is receiving a pension under both of these plans.

The following table summarizes prescribed information regarding the benefits payable to Mr. Hedges and Ms. Britton under the defined benefit plans referred to above. No other Named Executive Officer participates in a defined benefit plan.

Name	No. of Years Credited Service	Annual Benefits Payable		Opening Present Value of Obligation at Start of 2018	Compensatory Change [2]	Non-Compensatory Change [3]	Closing Present Value of Obligation at End of 2018
		At Year End	At Age 65[1]				
B.R. Hedges	23.83	$401,000	N/A	$7,450,000	$107,000	$(658,000)	$6,899,000
M.E. Britton	34.0	100,000	107,000	1,954,000	55,000	(375,000)	1,634,000

(1) *Mr. Hedges retired on May 2, 2018. Annual Benefits shown are payable in the form of Joint & Survivor 100% as elected by member.*

(2) *Compensatory change represents the service cost for 2018 and any difference between estimated and actual earnings.*

(3) *Non-compensatory change includes interest on beginning of year obligations, experience gains and losses and change in actuarial assumptions.*

Amounts shown in the table have been determined using the same actuarial assumptions as those used to determine the year-end pension plan valuations disclosed in note 15 of the 2018 consolidated financial statements.

DEFINED CONTRIBUTION PLANS

Ms. Britton, Mr. MacLean and Ms. Kelly 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 2018. The respective plans are described in more detail below the table:

Name	Accumulated Value at Start of 2018	Compensatory [1]	Accumulated Value at End of 2018
M.E. Britton	$1,484,601	$159,130	$1,635,869
J.F. MacLean	110,848	11,088	137,348
M.A. Kelly	126,601	11,700	153,101

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

Ms. Britton participates in a defined contribution individual supplementary retirement plan. This plan provides for an annual contribution to a trust of an amount equal to 36.6% of Ms. Britton's salary for service on and after January 1, 2007. The plan is intended to provide for maximum annual payments commencing at age 65 in an amount which, together with all other pension benefits Canada Pension Plan benefits and amounts payable under the Company's defined benefit plan), would total 60% of her average salary for the 36 consecutive month period during which Ms. Britton experienced her highest salary. If Ms. Britton retires prior to age 65 and elects to accelerate the payment of her supplementary pension, the maximum annual amount of the payment from the trust will be reduced by one-half of 1% for each calendar month prior to the month in which she would turn 65 years of age. On the death of Ms. Britton following retirement, her surviving spouse would be entitled to an annual payment not exceeding two-thirds of the annual payment Ms. Britton would be entitled to under the supplemental plan. The funding of the supplemental payments will be limited to the contributions made by the Company to the trust and the earnings of the trust, net of any losses of the trust. Assets of the trust available for the funding of supplementary payments include amounts in the refundable tax accounts of the trust. Any funds remaining on the death of Ms. Britton and her spouse will be paid to her named beneficiary.

Mr. MacLean and Ms. Kelly participate in a defined contribution plan covering our Canadian employees, which provides for an annual contribution of an amount equal to 2% of their respective base salary. In addition, we make contributions based on a percentage of the contributions made by Mr. MacLean and Ms. Kelly. In 2018, we contributed $11,088 to Mr. MacLean's account and $11,700 to Ms. Kelly's account. All contributions vest immediately.

401K PLAN AND RETIREMENT SAVINGS PLAN

Mr. Reid participates in a 401K defined contribution plan covering our U.S. employees. We make contributions based on a percentage of Mr. Reid's compensation and his personal contributions up to a maximum each year. The maximum contribution for 2018 was US$9,800 (Cdn$12,702). All contributions vest immediately. Mr. Halcrow has an amount contributed to his registered retirement savings plan. A contribution of $10,000 was made on behalf of Mr. Halcrow during 2018.

LIFE INSURANCE POLICY AND PENSION REPLACEMENT INSTRUMENT

In 2014, in lieu of executive pension arrangements, 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. 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 (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 payable to his estate in the event of his death.

In 2018 we contributed US$204,500 to these plans and US$104,349 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, Ms. Britton and Mr. MacLean, described below.

DOUBLE TRIGGER CHANGE OF CONTROL AGREEMENTS

We have entered into change of control agreements with Mr. Reid, Mr. MacLean and Ms. Britton 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 this Agreement by an 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, including the average annual amounts paid or payable 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 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, Ms. Britton and Mr. MacLean would have been entitled had they been terminated on December 31, 2018 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 on Account of Pension Benefits and Life Insurance**	**Immediate Vesting of Share Options / SARs**	**Immediate Vesting of RSUs[1]**
J.R. Reid	$7,640,962	$826,002	$186,341	$800,656
M.E. Britton	3,207,471	417,440	156,527	302,650
J.F. MacLean[2]	2,193,616	22,176	-	97,091

(1) *In addition, any vested but not distributed RSUs are also deemed payable upon a change of control.*

(2) *Mr. MacLean's Executive Employment Agreement, which includes the change of control, was entered into February 7, 2019.*

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 (80%) of our current Directors and of the nominees for election as a Director at the Meeting, are independent. Mr. Hedges is not independent by virtue of being a former executive officer of the Company within the prior three years. Mr. Reid is the President and Chief Executive Officer of the Company and is not independent by virtue of being a current executive officer of the Company.
Other Board Positions held by the Company's Directors	Mr. Benedetti, Mr. Clark, Mr. Dinning, Ms. Jeremiah, Ms. Laberge and Ms. Thabet are directors of other public companies which 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 scheduled quarterly Board meeting. In 2018, there were four regular / quarterly board meetings with in camera sessions.
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	Mr. Benedetti and Ms. Jeremiah were unable to attend a Board meeting held by telephone on January 16, 2018, which was called on short notice. Otherwise, Directors attended all other Board and Committee meetings held in 2018. For further information on attendance at the 2018 Board and Committee meetings see "Attendance of Board and Committee Meetings Held" on page 17 of this Circular.

CORPORATE GOVERNANCE	
Disclosure Requirement	**Practices of Russel Metals**
Board Charter	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. The Board reviews and approves our strategic direction, business plan and capital expenditure budget annually. The Board and management also discuss the Company's goals and objectives for the next five years, look back at the previous five years to assess performance, successes and failures and consider the opportunities and risks of the Company's business. 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 conditions and the operating environment quarterly and management also reports to the Board on performance and financial results in writing between meetings. The Board approves acquisitions and capital expenditures in excess of $3 million. The Board reviews and approves changes in business focus, corporate financings and debt issues. The Board expects management to keep it apprised of all material risks facing us and to provide it with regular reports on our activities and on any external developments that are likely to affect the Company. The Board also expects management to advise it of any events that have or are likely to have a material effect on the Company. The interaction between the Board and management challenges management to proactively manage the cyclical nature of the business to ensure it maximizes shareholder value. 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. The Board charter is included as Schedule A to this Circular commencing on page 64 of this Circular.
Size of Board	The number of Directors to be elected at the Meeting is set at ten. 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. Our articles require us to have a minimum of seven and a maximum of 12 Directors.
Director Term Limits and Retirement 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 have the total average tenure of its Board (i.e.: total years on the Board divided by the number of Directors) be approximately 10 years. Both policy requirements 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 term limits for directors are necessary or appropriate, nor does it believe that directors should expect to be re-nominated annually until they reach the normal retirement age established by the Board. 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. The Company will also continue to manage director tenure through a rigorous director evaluation and assessment process, which is conducted annually and a demonstrated commitment to the process of periodic Board renewal. This process, which includes Board and Committee evaluations and a peer evaluation process, is designed to identify any circumstance in which a particular 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 does expire 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.

CORPORATE GOVERNANCE	
Disclosure Requirement	**Practices of Russel Metals**
Board Committees	Russel Metals' Board committees are the Audit Committee, NCG Committee, MR&C Committee and EMH&S Committee. 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. The members of these committees are all independent, except for Mr. Hedges who is a member of the EMH&S Committee and is not independent by virtue of being a former executive officer of the Company within the prior three years. More information regarding the Board's committees can be found under "Committees of the Board of Directors" on page 16 of this Circular.
Position Descriptions	The Board has approved position descriptions for the Chair of the Board, the Chair of each committee of the Board and the CEO. 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").
Orientation Program	All new Directors receive a comprehensive orientation on their election or appointment to the Board which includes: • 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 our 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 Directors review and execute the Company's Code of Business Conduct and Ethics Policy and Insider Trading Policy.
Attendance at Board Meetings	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.
Ongoing Education Program	We provide our Directors with: • supplemental Company specific and general industry information designed to keep them current with respect to factors affecting the Company • periodic tours of our facilities, and presentations by senior corporate and operating personnel • presentations concerning legal and policy developments affecting Canadian public companies generally and the responsibilities of Directors For specific details about the ongoing education sessions held in 2018 and attendance of Directors at these sessions, see "Board Education" on page 21 of this Circular. 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. Our Directors also participate in external educational seminars that are relevant to their role on the Board.
Culture of Ethical Business Conduct	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. 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).

CORPORATE GOVERNANCE	
Disclosure Requirement	**Practices of Russel Metals**
Monitoring Compliance with Code of Business Conduct and Ethics and other Policies	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. The Company encourages the reporting of any complaints, concerns or questions relating to: • accounting matters • internal controls • financial irregularities • compliance with the Company's policies • unethical business conduct, including but not limited to, safety, environmental, conflicts of interest, bribery, theft and / or fraud 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. The CEO and CFO investigate all reports submitted to the Whistleblower Hotline. The Audit Committee Chair receives notice and has access to all reports submitted to the third party provider.
Conflict of Interest	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 arrangement. If any such arrangement were to arise, it would first be considered by the Audit Committee and would require the approval of the Board of Directors (in each case, without the participation of the Director who had the material interest in question).
Audit Committee	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. The Audit Committee meets quarterly with our external auditors and with our Director of Internal Audit without management being present. The Audit Committee is comprised of independent Directors. The Board annually appoints the Audit Committee and its Chair. 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").
Nominating and Corporate Governance Committee	The responsibilities of the NCG Committee include: • 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 Directors • conducting an annual evaluation of the Board, the Committees of the Board and Chair of the Board The NCG Committee is comprised of independent Directors. The Board annually appoints the NCG Committee and its Chair. As part of each meeting, members of the NCG Committee meet without any member of management present.

CORPORATE GOVERNANCE	
Disclosure Requirement	**Practices of Russel Metals**
Nomination of New Directors	The NCG Committee is responsible for making recommendations to the Board concerning new Director candidates. 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 certain other factors considered relevant by the NCG Committee. The NCG Committee develops profiles of individuals whose background and skills would complement those of the existing Directors for consideration by the Board.
Gender Diversity on the Board of Directors and Senior Management	We believe that a Board made up of highly qualified individuals from diverse backgrounds promotes better corporate governance and performance and effective decision-making. While it has not adopted a specific policy regarding Board or executive diversity, the NCG Committee nonetheless makes efforts to ensure that directors and officers have a wide range of skills, experiences and backgrounds to meet our needs. To support this objective, the NCG Committee and the Company will, when seeking candidates for the Board or senior executive positions, among other things (a) consider candidates who are highly qualified based on their experience, functional expertise and personal skills and qualities; and (b) consider diversity criteria including gender and geographical background of the candidate. The Board has not, at this time, adopted any fixed targets or quotas relating to the representation of women on the Board or in executive officer positions as it does not believe that quotas or a formulaic approach necessarily result in the identification or selection of the best candidates. Women represent 30% of the Company's Board of Directors and of the nominees to the Board of Directors. 43% of the Company's executive officers and 50% of the Company's C-Suite Executive Officers are women. For further details relating to the "Representation of Women" see page 20 of this Circular.
Management Resources and Compensation Committee	The responsibilities of the MR&C Committee include: • 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 • approving and monitoring share 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 The MR&C Committee is comprised of independent Directors. The Board annually appoints the MR&C Committee and its Chair. The MR&C Committee considers matters within its mandate and makes recommendations to the full Board. As part of each meeting, the MR&C Committee members meet without any member of management present.

CORPORATE GOVERNANCE	
Disclosure Requirement	**Practices of Russel Metals**
Determining Executive Officer and Director Compensation	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. 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. The NCG Committee makes recommendations to the Board regarding Director compensation with reference to board compensation of comparably sized Canadian companies.
Environmental Management and Health & Safety Committee	The mandate of the EMH&S Committee is to monitor, evaluate and make recommendations to the Board for the purposes of ensuring that we conduct our activities in a manner that complies with applicable environmental and occupational health and safety laws. 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. The Board annually appoints the EMH&S Committee and its Chair. Management reports quarterly to the Board on these areas and the EMH&S Committee.
Board, Committee and Individual Director Assessment	Each Director completes a questionnaire annually assessing the performance of the Board and its committees. Each Director also individually meets with the Chair of the Board annually 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. 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. It is expected that individual and corporate goals can be more readily achieved as Directors are assisted in identifying areas that may be improved. 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. Each Director also completes an annual assessment of the Chair of the Board. These assessments are submitted to the Chair of the NCG Committee, who discusses any issues raised with the Chair of the Board on a "without attribution" basis.
Outside Advisors	Each committee of the Board has the authority to retain and compensate any outside consultants and advisors it considers necessary to fulfill its mandate. Directors may engage advisors at our expense for other purposes with the concurrence of the Chair of the NCG Committee.

CERTIFICATE

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

DATED the 4th day of March, 2019.

/s/ *M. E. Britton*

MARION E. BRITTON,
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 incorporation 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 Chairman of the Nominating and Corporate Governance Committee ("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 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 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 Qualifications 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

(a) At least one-third of the Directors shall not be officers or employees of Russel or any of its affiliates.

(b) 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 three years of the date of such Director's first election to 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 Board shall appoint the Chair annually at the first meeting of the Board after a meeting of the members at which Directors are elected. If the Board does not so appoint a Chair, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

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; and

(c) Management Resources and Compensation 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) change in business focus;

(iii) issuance of securities;

(iv) 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.

<u>DUTIES AND RESPONSIBILITIES</u>

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 CBCA and Constating 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 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, including appointing, training and monitoring senior management.

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 and 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 recommendation 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.

16.8 **Code of Business Conduct and Ethics**

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

16.9 **Compliance and Disclosure**

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

17. NOMINATION OF DIRECTORS

17.1 **Nomination and Appointment of Directors**

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

(b) The Board shall adopt a process recommended to it by the Nominating and Corporate Governance Committee pursuant to which the Board shall:

(i) consider what competencies and skills the Board, as a whole, should possess; and

(ii) assess what competencies and skills each existing Director possesses.

18. BOARD EFFECTIVENESS

18.1 Position Descriptions

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

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

(b) the CEO.

18.2 Director Orientation and Continuing Education

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

(a) a comprehensive orientation program for new Directors; and

(b) a continuing education program for all Directors.

18.3 Board, Committee and Director Assessments

The Board shall review and, if determined appropriate, adopt a process recommended by the Nominating and Corporate Governance Committee for assessing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Directors on an annual basis.

18.4 Annual Assessment of the Board

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

Russel Metals