

RELIANCE STEEL & ALUMINUM CO.

PRINCIPLES OF CORPORATE GOVERNANCE

Purpose of the Board of Directors

The primary role of the Board of Directors of Reliance Steel & Aluminum Co. (the “Board”) is to represent the interests of the Company’s shareholders in the strategic and material decisions of the Company. Among the most important responsibilities are the determination of corporate policies, the nomination of directors, the selection and evaluation of the Chief Executive Officer (“CEO”), the ongoing review of the senior management team, planning for management succession and the review and approval of executive compensation. The Board will also provide advice and guidance to management on a broad range of high-level decisions. Its decision-making role should be limited to strategic, financial, organizational, and ethical issues that are material in the context of the Company’s entire business. The Board will consider management’s conclusions regarding the materiality of any given issue but the Board shall be the final decision-maker regarding materiality.

Responsibilities of Key Leaders

Chief Executive Officer

The CEO is the executive manager responsible for the overall performance of all segments of the Company’s business. The CEO is also responsible for operational strategy and planning for the Company, with long-term growth and competitive strength being primary objectives. The CEO is responsible for the hiring, organization and evaluation of management and recommends management and compensation for management. It is the CEO’s responsibility to ensure that management and employees conduct business with high ethical standards. The CEO is also responsible for the Company’s interaction with key outside parties, such as governing and regulatory bodies, industry groups, the media, rating agencies, security analysts and substantial shareholders.

Chairman of the Board

The Chairman of the Board shall be a non-executive position. It is the Chairman’s responsibility to conduct Board meetings, administer the activities of the Board and facilitate communication between management and the Board. Further, the Chairman, and the Lead Director, if any, will make the final determination of the agenda for the Board meetings. Together with the CEO, the Chairman acts as a conduit to outside shareholders, taken as a whole.

Lead Director

If the independent directors elect a Lead Director, the Lead Director shall be a non-management director. It is the Lead Director’s responsibility to conduct meetings of the non-management directors and facilitate communication between non-management

directors and management and between independent directors and the full Board. The Lead Director will make the final determination of the agenda for the meetings of the non-management directors.

Board Composition

Selection of Chairman and CEO

The Board should be free to select the Chairman and the CEO in any way that, in its opinion, is best for the Company at a given point in time. It is the Board's policy that the positions of Chairman and CEO may be held by one person.

Size of the Board

The Bylaws authorize a minimum of 7 and a maximum of 13 directors, with the actual number of directors to be determined by resolution of the Board. The actual number of directors may fluctuate from time to time within the range. At this time, the Board has determined that 8 to 10 members is the optimum size of the Board, including at least 6 members, but not less than a majority, who can be classified as independent under applicable rules of the Securities and Exchange Commission ("SEC") and the New York Stock Exchange ("NYSE").

Mix of Directors

The Board has decided that there should be at least 6 members, but not less than a majority of the Board, who are independent directors. The Board has determined that 6 of the current directors have no interest or conflicts that would prevent them from exercising independent judgment in matters that come before the Board and that they are independent directors as defined by the SEC and the NYSE. Directors should not serve on more than 2 other boards of directors of public, for-profit companies.

Board Membership Criteria

The Nominating and Governance Committee is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment should include issues of management experience, general business knowledge, age, and specific skills or expertise, such as finance, value-added wholesaling, technology, business law and marketing and should include succession planning. The Board encourages the Nominating and Governance Committee to seek diverse experiences and backgrounds when considering candidates. Such assessment is to be made in the context of the perceived needs of the Board at that point in time and the requirements of the NYSE and the SEC, including the independence requirements.

Selection of New Director Candidates

The Board is responsible for selecting and nominating members subject to shareholder approval. The Board delegates the screening process involved to the Nominating and Governance Committee.

Directors Who Change Their Present Job Responsibility

The Board does not believe that directors who retire or undergo a job change should necessarily leave the Board. However, such a change can alter the ongoing skills mix that the Board requires. Therefore, directors who change jobs or become directors of other companies should report such changes to the Nominating and Governance Committee and the Board and there should be an opportunity for the Board, and the Nominating and Governance Committee, to review the continued appropriateness of Board membership under these changed circumstances.

Retirement

The Board has adopted a mandatory retirement age of 75 for Board members other than those who were directors at the time that the resolution regarding mandatory retirement age was adopted.

Board Compensation Review

The Nominating and Governance Committee is responsible for periodically evaluating and recommending director and committee member compensation. Such recommendations shall be presented to the full Board for approval.

Board Meetings

Scheduling and Selection of Agenda Items for Board Meetings

Board meetings are held quarterly following the close of each quarter and before the Company's earnings release. In addition to those four meetings, the Board generally meets at least 2 other times during the year. From time to time special meetings are held as necessary. The meetings are usually held at the Company's corporate headquarters. Each director is free to suggest agenda items although the Chairman and Lead Director, if any, will make the final determination of the agenda unless a majority of the Board requests that an item be included. The Company's Chief Financial Officer and General Counsel attend Board meetings as non-voting resources.

Board Materials Distributed in Advance

Information and data that is important to the Board's understanding of the business should be distributed in writing to the directors before the Board meets. Board members are expected to rigorously prepare for, attend, and participate in all Board and applicable committee meetings.

Access to Employees

The Board has complete access to any Company employee. Directors are to notify the CEO of material contacts with Company employees who are not members of the Board.

Non-Management Directors' Discussion

Meetings of non-management directors take place quarterly, prior to regularly-scheduled Board meetings. From time to time, special meetings are held as necessary. The Chairman, if independent, or a Lead Director appointed by the independent directors, shall preside at the meetings.

Board Committees

Number and Description of Committees

The Board currently has three committees:

- **Audit** – The Audit Committee appoints the independent registered public accountants, subject to approval by the Board and the shareholders, approves the engagement of the independent registered public accountants for all non-audit services, and pre-approves all fees for the independent registered public accountants. The Audit Committee further monitors and provides oversight to the internal audit function, monitors the effectiveness of the Company's internal financial controls and financial reporting, and monitors the Company's compliance with legal and regulatory requirements.
- **Compensation and Stock Option** – Following the annual review of the CEO and the management team by the non-management directors, the Compensation and Stock Option Committee approves and recommends, for approval by the independent directors, salaries, performance bonuses, stock option grants and other matters relating to compensation of the senior management of the Company. The Committee also administers the Company's stock option and restricted stock plans including the review and grant of stock options or restricted stock to eligible employees under the Company's existing plans.
- **Nominating and Governance** – The Nominating and Governance Committee ensures that the Board and each of its standing committees are appropriately constituted. To accomplish this purpose, the Committee examines corporate governance matters, assesses Board membership needs, and recommends candidates for Board membership. The Committee also administers the evaluation of the Board, recommends director compensation and examines the performance and composition of the Board's committees. The Committee monitors compliance with the Company's policies and guidelines and applicable regulations regarding ethics, conflicts of interest and independence.

Assignment and Term of Service of Committee Members

The Board is responsible for the appointment of committee members and committee chairs. The Nominating and Governance Committee will recommend membership and chair rotation policies to the Board as deemed appropriate.

Frequency and Length of Committee Meetings and Committee Agenda

The Chair of each committee shall be responsible for scheduling committee meetings following consultation with the members of that committee. The Chair will also be responsible for the final agenda of each meeting. The members of the committee will report their general discussion to the full Board at the next regularly scheduled meeting. Each committee shall maintain minutes of its meetings.

Formal Evaluation

An annual review of the performance of the Board shall be conducted by the entire Board and an annual review of each committee shall be conducted by the members of such committee and reported to the Board.

Management Review and Succession

Formal Evaluation of Officers

An annual review of the performance of the CEO and overall performance of the management team is conducted by the non-management Directors, with input from the entire Board. The non-management directors will also receive evaluations from the CEO as to the performance of key executives.

Succession Planning

Management must annually report to the Board its plans for management succession as well as preparations for emergency succession. Management is also expected to report its management development efforts to the Board on an annual basis.