

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

RELIANCE STEEL & ALUMINUM CO.

(Exact name of Registrant as specified in its charter)

California
(State or other jurisdiction of incorporation or organization)

95-1142616
(I.R.S. Employer Identification Number)

350 South Grand Avenue, Suite 5100
Los Angeles, California 90071
(213) 687-7700

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Earle M. Jorgensen Company 2004 Stock Incentive Plan
(Full title of plans)

David H. Hannah
Chief Executive Officer
Reliance Steel & Aluminum Co.
350 South Grand Avenue, Suite 5100
Los Angeles, California 90071
(213) 687-7700

(Name, address, including zip code, and telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount To Be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount Of Registration Fee
Common Stock, no par value	143,943 shares(2)	\$50.26(3)	\$7,234,575.18	\$774.10
Total	143,943 shares	—	\$7,234,575.18	\$774.10

- (1) This registration statement also covers an indeterminate number of additional shares of common stock of Reliance Steel & Aluminum Co. (the "Company") that may be issued by reason of stock splits, stock dividends, recapitalizations or similar transactions pursuant to Rule 416(a) of the Securities Act of 1933, as amended (the "Securities Act").
- (2) Represents shares of the Company's common stock, no par value per share (the "Common Stock"), subject to options outstanding under the Earle M. Jorgensen Company 2004 Stock Incentive Plan (the "EMJ Incentive Plan"). The Company assumed the obligations under the EMJ Incentive Plan when Earle M. Jorgensen Company merged with and into the Company's wholly-owned subsidiary, which upon completion of the merger changed its name to Earle M. Jorgensen Company.
- (3) Computed in accordance with Rule 457(h) of the Securities Act. The offering price of \$50.26 represents the weighted average exercise price per share for outstanding options under the EMJ Incentive Plan.

TABLE OF CONTENTS

PART I

PART II

Item 3. Incorporation of Documents by Reference

Item 4. Description of Securities

Item 5. Interests of Named Experts and Counsel

Item 6. Indemnification of Directors and Officers

Item 7. Exemption from Registration Claimed

Item 8. Exhibits

Item 9. Undertakings

SIGNATURES

INDEX TO EXHIBITS

Exhibit 4.1

Exhibit 4.2

Exhibit 4.3

Exhibit 4.4

Exhibit 4.5

Exhibit 4.6

Exhibit 4.7

Exhibit 5.1

Exhibit 23.1

[Table of Contents](#)

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

The information required by Part I of this registration statement on Form S-8 (the “Registration Statement”) will be included in documents that will be sent or given to participants in the Earle M. Jorgensen Company 2004 Stock Incentive Plan (the “EMJ Incentive Plan”) pursuant to Rule 428(b)(1) of the Securities Act of 1933, as amended (the “Securities Act”). That information is not being filed with the Securities and Exchange Commission (the “SEC”) in accordance with the rules and regulations of the SEC.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents previously filed by the Company with the SEC under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), are incorporated by reference into the Registration Statement:

1. the proxy statement/prospectus included in the Registration Statement on Form S-4 filed on February 7, 2006, as amended on February 28, 2006, which was declared effective March 1, 2006 (File No. 333-131615);
2. the Company’s Annual Report on Form 10-K for the year ended December 31, 2005, which contains audited financial statements for the Company; and
3. the description of the Common Stock contained in the Company’s Registration Statement on Form 8-A filed with the SEC on pursuant to Section 12(b) of the Exchange Act, and all amendments thereto and reports filed for the purpose of updating such description.

In addition, all documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date hereof and prior to the filing of a post-effective amendment indicating that all securities offered pursuant to this Registration Statement have been sold or deregistering all such securities then remaining unsold shall be deemed to be incorporated by reference herein and to be part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement.

Item 4. Description of Securities.

Not Applicable.

Item 5. Interests of Named Experts and Counsel.

Not Applicable.

Item 6. Indemnification of Directors and Officers

In Article IV of the Restated Articles of Incorporation of the Company, the Company has eliminated to the fullest extent permitted under California law the liability of directors of the Company for monetary damages. Additionally, the Company is authorized to indemnify its agents as defined in Section 317 of the California General Corporation Law for breach of their duty to the Company and its shareholders through Bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted under Section 317, subject to the limits on such excess indemnification set forth in Section 204 of the California General Corporation Law. Section 5.11 of the Company’s Bylaws provides that the Company shall indemnify each of its agents against expenses, judgments, fines, settlements or other amounts actually and reasonably incurred by such person by reason of such person having been made or having been threatened to be made a party to a proceeding to the

Table of Contents

fullest extent permissible by the provisions of Section 317 of the California Corporations Code, as amended from time to time, and that the Company shall advance the expenses reasonably expected to be incurred in defending any such proceeding, upon receipt of the undertaking required by Section 317(f).

Section 204 of the California General Corporation Law allows a corporation, among other things, to eliminate or limit the personal liability of a director for monetary damages in an action brought by the corporation itself or by way of a derivative action brought by shareholders for breach of a director's duties to the corporation and its shareholders. The provision may not eliminate or limit liability of directors for the following specified actions, however: (i) for acts or omissions that involve intentional misconduct or a knowing and culpable violation of law; (ii) for acts or omissions that a director believes to be contrary to the best interests of the corporation or its shareholders, or that involve the absence of good faith on the part of the director; (iii) for any transaction from which a director derived an improper personal benefit; (iv) for acts or omissions that show a reckless disregard of the director's duty to the corporation or its shareholders in circumstances in which the director was aware, or should have been aware, in the ordinary course of performing a director's duties, of a risk of serious injury to the corporation or its shareholders; (v) for acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's duty to the corporation or its shareholders; (vi) for transactions between the corporation and a director, or between corporations having interrelated directors; and (vii) for improper distributions and stock dividends, loans and guaranties. The provision does not apply to acts or omissions occurring before the date that the provision became effective and does not eliminate or limit the liability of an officer for an act or omission as an officer, regardless of whether that officer is also a director.

Section 317 of the California General Corporation Law gives a corporation the power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding, whether threatened, pending, or completed, and whether civil, criminal, administrative or investigative, by reason of the fact that that person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. A corporation may indemnify such a person against expenses, judgments, fines, settlements and other amounts actually or reasonably incurred in connection with the proceeding, if that person acted in good faith, and in a manner that that person reasonably believed to be in the best interest of the corporation; and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. In an action by or in the right of the corporation, no indemnification may be made with respect to any claim, issue or matter (a) as to which the person shall have been adjudged to be liable to the corporation in the performance of that person's duty to the corporation and its shareholders, unless and only to the extent that the court in which such proceeding was brought shall determine that, in view of all of the circumstances of the case, the person is fairly and reasonably entitled to indemnity for expenses; and (b) which is settled or otherwise disposed of without court approval. To the extent that any such person has been successful on the merits in defense of any proceeding, or any claim, issue or matter therein, that person shall be indemnified against expenses actually and reasonably incurred in connection therewith. Indemnification is available only if authorized in the specific case by a majority of a quorum of disinterested directors, by independent legal counsel in a written opinion, by approval of the shareholders other than the person to be indemnified, or by the court. Expenses incurred by such a person may be advanced by the corporation before the final disposition of the proceeding upon receipt of an undertaking to repay the amount if it is ultimately determined that the person is not entitled to indemnification.

Section 317 of the California General Corporation Law further provides that a corporation may indemnify its officers and directors in excess of the statutory provisions if authorized by its Articles of Incorporation and that a corporation may purchase and maintain insurance on behalf of any officer,

Table of Contents

director, employee or agent against any liability asserted or incurred in his or her capacity, or arising out of his or her status with the corporation.

In addition to the provisions of the Restated Articles of Incorporation and Bylaws of the Company, the Company has entered into indemnification agreements with all of its present directors and officers, to indemnify these persons against liabilities arising from third party proceedings, or from proceedings by or in the right of the Company, to the fullest extent permitted by law. Additionally, the Company has purchased directors' and officers' liability insurance for the benefit of its directors and officers.

At present, there is no pending litigation or proceeding involving a director, officer or employee of the Company pursuant to which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification. Section 317 of the California General Corporation Law and the Bylaws of the Company provide for the indemnification of officers, director and other corporate agents in terms sufficiently broad to indemnify such persons, under certain circumstances, for liabilities (including reimbursement of expenses incurred) arising under the Securities Act. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

The Registration Rights Agreement dated January 17, 2006, by and among the Company, Kelso Investment Associates, L.P. ("KIA"), Kelso Equity Partners II, L.P. ("KEP II"), KIA III-Earle M. Jorgensen, L.P. ("KIA III") and Kelso Investment Associates IV, L.P. ("KIA IV," and collectively with KIA, KEP II and KIA III, the "Stockholders") provides for cross-indemnification by the Company and the Stockholders in connection with registration of the Company's common stock on behalf of the Stockholders.

Item 7. Exemption from Registration Claimed.

Not Applicable.

Item 8. Exhibits.

- 4.1 Earle M. Jorgensen Company 2004 Stock Incentive Plan.
- 4.2 First Amendment to the Earle M. Jorgensen Company 2004 Stock Incentive Plan.
- 4.3 Assumption and Amendment Agreement Earle M. Jorgensen Company 2004 Stock Incentive Plan.
- 4.4 Form of Incentive Stock Option Agreement under the Earle M. Jorgensen Company 2004 Stock Incentive Plan.
- 4.5 Form of Non-Qualified Stock Option Agreement under the Earle M. Jorgensen Company 2004 Stock Incentive Plan.
- 4.6 Form of Restricted Stock Agreement under the Earle M. Jorgensen Company 2004 Stock Incentive Plan.
- 4.7 Form of Stock Option Notice Letter and Assumption and Amendment Agreement.

Table of Contents

- 5.1 Opinion of Kay Rustand, Vice President and General Counsel of the Company (including consent).
- 23.1 Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
- 23.2 Consent of Kay Rustand, Vice President and General Counsel of the Company (contained in its opinion filed as Exhibit 5.1 hereto).
- 24.1 Power of Attorney (included on the signature page of this registration statement).
- 99.1 Certificate of Merger of Earle M. Jorgensen Company with and into RSAC Acquisition Corp., dated April 3, 2006*

* Incorporated by reference to Exhibit 99.1 of Registration Statement on Form S-3 filed with the Securities and Exchange Commission on April 4, 2006

Item 9. Undertakings

1. The undersigned registrant hereby undertakes:

(a) To file, during any period in which offers or sales are being made, a post-effective amendment to the Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that paragraphs (a)(i) and (a)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the undersigned registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(b) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. The undersigned registrant hereby undertakes that, for the purpose of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration

Table of Contents

statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provision, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Company certifies that it has reasonable grounds to believe it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on April 10, 2006.

RELIANCE STEEL & ALUMINUM CO.

By: /s/ DAVID H. HANNAH

David H. Hannah
Chief Executive Officer

[Table of Contents](#)

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints David H. Hannah and Karla Lewis, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and revocation, to sign on his behalf, individually and in each capacity stated below, all amendments and post-effective amendments to this Registration Statement on Form S-8 and to file the same, with all exhibits thereto and any other documents in connection therewith, with the Securities and Exchange Commission under the Securities Act of 1933, as amended, granting unto such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as each such person might or could do in person, hereby ratifying and confirming each act that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated below and on April 10, 2006.

<u>Signatures</u>	<u>Title</u>
<u>/s/ DAVID H. HANNAH</u> David H. Hannah	Chief Executive Officer (Principal Executive Officer); Director
<u>/s/ GREGG J. MOLLINS</u> Gregg J. Mollins	President and Chief Operating Officer; Director
<u>/s/ KARLA LEWIS</u> Karla Lewis	Executive Vice President and Chief Financial Officer (Principal Financial Officer; Principal Accounting Officer)
<u>/s/ JOE D. CRIDER</u> Joe D. Crider	Chairman of the Board; Director
<u>/s/ THOMAS W. GIMBEL</u> Thomas W. Gimbel	Director
<u>/s/ DOUGLAS M. HAYES</u> Douglas M. Hayes	Director
<u>/s/ FRANKLIN R. JOHNSON</u> Franklin R. Johnson	Director

Table of Contents

Signatures	Title
<hr/> <i>/s/ RICHARD J. SLATER</i> <hr/> Richard J. Slater	Director
<hr/> <i>/s/ LESLIE A. WAITE</i> <hr/> Leslie A. Waite	Director

[Table of Contents](#)

INDEX TO EXHIBITS

<u>Exhibits</u>	<u>Description</u>
4.1	Earle M. Jorgensen Company 2004 Stock Incentive Plan.
4.2	First Amendment to the Earle M. Jorgensen Company 2004 Stock Incentive Plan.
4.3	Assumption and Amendment Agreement Earle M. Jorgensen Company 2004 Stock Incentive Plan.
4.4	Form of Incentive Stock Option Agreement under the Earle M. Jorgensen Company 2004 Stock Incentive Plan.
4.5	Form of Non-Qualified Stock Option Agreement under the Earle M. Jorgensen Company 2004 Stock Incentive Plan.
4.6	Form of Restricted Stock Agreement under the Earle M. Jorgensen Company 2004 Stock Incentive Plan.
4.7	Form of Stock Option Notice Letter and Assumption and Amendment Agreement.
5.1	Opinion of Kay Rustand (including consent).
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Kay Rustand (contained in its opinion filed as Exhibit 5.1 hereto).
24.1	Power of Attorney (included on the signature page of this registration statement).
99.1	Certificate of Merger of Earle M. Jorgensen Company with and into RSAC Acquisition Corp., dated April 3, 2006*

* Incorporated by reference to Exhibit 99.1 of Registration Statement on Form S-3 filed with the Securities and Exchange Commission on April 4, 2006

EARLE M. JORGENSEN COMPANY
2004 STOCK INCENTIVE PLAN

**EARLE M. JORGENSEN COMPANY
2004 STOCK INCENTIVE PLAN**

1. ESTABLISHMENT AND PURPOSE.

The Earle M. Jorgensen Company 2004 Stock Incentive Plan (the “Plan”) is established by Earle M. Jorgensen Company, a Delaware corporation (the “Company”), to attract and retain persons eligible to participate in the Plan; motivate Participants to achieve long-term Company goals; and further align Participants’ interests with those of the Company’s other stockholders. The Plan is adopted as of December 17, 2004 (the “Effective Date”), subject to approval by the Company’s stockholders within 12 months after such adoption date. Unless the Plan is discontinued earlier by the Board as provided herein, no Award shall be granted hereunder on or after the date 10 years after the Effective Date.

Certain terms used herein are defined as set forth in **Section 12**.

2. ADMINISTRATION; ELIGIBILITY.

The Plan shall be administered by a Committee determined and appointed by the Board; provided, however, that, if at any time no Committee has been appointed, the Plan shall be administered by the Board. The Plan may be administered by different Committees with respect to different groups of Eligible Individuals. As used herein, the term “Administrator” means the any of the Committees as may be designated to administer the Plan; provided, however, that if at any time no Committee has been appointed, the term “Administrator” means the Board.

The Administrator shall have plenary authority to grant Awards pursuant to the terms of the Plan to Eligible Individuals, except that grants of Awards to non-employee directors shall be made by the Board. Participation shall be limited to such Eligible Individuals as are selected by the Administrator. Awards may be granted as alternatives to, in exchange or substitution for, or replacement of, other Awards outstanding under the Plan or awards outstanding under any other plan or arrangement of the Company or a Subsidiary (including a plan or arrangement of a business or entity, all or a portion of which is acquired by the Company or a Subsidiary), except to the extent that such grant would constitute a repricing. The provisions of Awards need not be the same with respect to each Participant.

Among other things, the Administrator shall have the authority, subject to the terms of the Plan:

- (a) to select the Eligible Individuals to whom Awards may from time to time be granted;
- (b) to determine whether and to what extent Stock Options, Stock Appreciation Rights, Stock Awards or any combination thereof are to be granted hereunder;
- (c) to determine the number of shares of Stock to be covered by each Award granted hereunder;
- (d) to approve forms of agreement for use under the Plan;

(e) to determine the terms and conditions, not inconsistent with the terms of this Plan, of any Award granted hereunder (including, but not limited to, the option price, any vesting restriction or limitation, any vesting acceleration or forfeiture waiver and any right of repurchase, right of first refusal or other transfer restriction regarding any Award and the shares of Stock relating thereto, based on such factors or criteria as the Administrator shall determine);

(f) subject to **Section 9(a)**, to modify, amend or adjust the terms and conditions of any Award, at any time or from time to time, including, but not limited to, with respect to (i) performance goals and targets applicable to performance-based Awards pursuant to the terms of the Plan and (ii) extension of the post-termination exercisability period of Stock Options;

(g) to determine to what extent and under what circumstances Stock and other amounts payable with respect to an Award shall be deferred;

(h) to determine the Fair Market Value; and

(i) to determine the type and amount of consideration to be received by the Company for any Stock Award issued under **Section 6**.

The Administrator shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

Except to the extent prohibited by applicable law, the Administrator may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any portion of its responsibilities and powers to any other person or persons selected by it. Any such allocation or delegation may be revoked by the Administrator at any time. The Administrator may authorize any one or more of their members or any officer of the Company to execute and deliver documents on behalf of the Administrator.

Any determination made by the Administrator or pursuant to delegated authority pursuant to the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Administrator or such delegate at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Administrator or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and Participants.

Each Award granted under the Plan (except unconditional, unrestricted Stock Awards granted as bonuses) shall be evidenced by an Award agreement that contains terms and conditions of such Award, which terms and conditions shall not conflict with the Plan. By accepting an Award, a Participant shall be deemed to agree that the Award shall be subject to all of the terms and conditions in the applicable Award agreement.

3. STOCK SUBJECT TO PLAN.

Subject to adjustment as provided in this **Section 3**, the aggregate number of shares of Stock that may be delivered under the Plan shall not exceed 5% of the aggregate number of shares of Stock issued by the Company upon completion of the merger pursuant to that certain Agreement and Plan of Merger and Reorganization, dated as of December 17, 2004, to which the Company is party, and the Company's public offering of its Stock. The shares to be delivered under the Plan consist, in whole or in part, of Stock held in treasury or authorized but unissued Stock, not reserved for any other purpose.

To the extent any shares of Stock covered by an Award are not delivered to a Participant or beneficiary thereof because the Award expires, is forfeited, canceled or otherwise terminated, or the shares of Stock are not delivered because the Award is settled in cash or used to satisfy the applicable tax withholding obligation, such shares shall not be deemed to have been delivered for purposes of determining the maximum number of shares of Stock available for delivery under the Plan.

Subject to adjustment as provided in this **Section 3**, the maximum number of shares of Stock that may be covered by Awards, in the aggregate, granted to any one Participant during any calendar year shall be 750,000 shares.

In the event of any Company stock dividend, stock split, combination or exchange of shares, recapitalization or other change in the capital structure of the Company, corporate separation or division of the Company (including, but not limited to, a split-up, spin-off, split-off or distribution to Company stockholders other than a normal cash dividend), sale by the Company of all or a substantial portion of its assets (measured on either a stand-alone or consolidated basis) that results in a substantial decrease in the value of the Company, reorganization, rights offering, partial or complete liquidation, or any other corporate transaction, Company share offering or other event involving the Company and having an effect similar to any of the foregoing, the Administrator may make such substitution or adjustments in the (A) number and kind of shares that may be delivered under the Plan, (B) additional maximums imposed in the immediately preceding paragraph, (C) number and kind of shares subject to outstanding Awards, (D) exercise price of outstanding Stock Options and Stock Appreciation Rights and (E) other characteristics or terms of the Awards as it may determine appropriate in its sole discretion to equitably reflect such corporate transaction, share offering or other event; provided, however, that the number of shares subject to any Award shall always be a whole number.

4. STOCK OPTIONS.

Stock Options may be granted alone or in addition to other Awards granted under the Plan and may be of two types: Incentive Stock Options and Non-Qualified Stock Options. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

The Administrator shall have the authority to grant any Participant Incentive Stock Options, Non-Qualified Stock Options or both types of Stock Options. Incentive Stock Options may be granted only to employees of the Company and its Subsidiaries. To the extent that any Stock

Option is not designated as an Incentive Stock Option or, even if so designated, does not qualify as an Incentive Stock Option, it shall constitute a Non-Qualified Stock Option. Incentive Stock Options may be granted only within 10 years from the date the Plan is adopted, or the date the Plan is approved by the Company's stockholders, whichever is earlier.

An Award agreement for Stock Options shall indicate on its face whether it is intended to be an agreement for an Incentive Stock Option or a Non-Qualified Stock Option. The grant of a Stock Option shall occur as of the date the Administrator determines.

Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify the Plan under Section 422 of the Code or, without the consent of the Optionee affected, to disqualify any Incentive Stock Option under Section 422 of the Code.

To the extent that the aggregate Fair Market Value of Stock with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under all plans of the Company) exceeds \$100,000, such Stock Options shall be treated as Non-Qualified Stock Options.

Stock Options granted under this **Section 4** shall be subject to the following terms and conditions and shall contain such additional terms and conditions as the Administrator shall deem desirable:

(a) *Exercise Price.* The exercise price per share of Stock purchasable under a Stock Option shall be determined by the Administrator; provided, however, the exercise price per share shall be not less than the Fair Market Value per share on the date the Stock Option is granted, or if the Stock Option is intended to qualify as an Incentive Stock Option granted to an individual who is a Ten Percent Holder, not less than 110% of such Fair Market Value per share.

(b) *Option Term.* The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than 10 years (or five years in the case of the grant of an Incentive Stock Option to an individual who is a Ten Percent Holder) after the date the Stock Option is granted.

(c) *Exercisability.* Except as otherwise provided herein or determined by the Administrator and set forth in the applicable Award agreement, a Stock Option shall become exercisable with respect to 25% of the shares of Stock covered by the Stock Option in annual installments over a four year period. If the Administrator provides that any Stock Option is exercisable only in installments, the Administrator may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Administrator may determine. In addition, the Administrator may at any time, in whole or in part, accelerate the exercisability of any Stock Option.

(d) *Method of Exercise.* Subject to the provisions of this **Section 4**, Stock Options may be exercised, in whole or in part, at any time during the option term by giving written

notice of exercise to the Company specifying the number of shares of Stock subject to the Stock Option to be purchased.

The option price of any Stock Option shall be paid in full in cash (by certified or bank check or such other instrument as the Company may accept) or, unless otherwise provided in the applicable Award agreement, by one or more of the following: (i) in the form of shares of unrestricted Stock already owned by the Optionee for at least six months prior to the date of exercise based in any such instance on the Fair Market Value of the Stock on the date the Stock Option is exercised; (ii) by certifying ownership of _____ shares of Stock owned by the Optionee for at least six months prior to the date of exercise to the satisfaction of the Administrator for later delivery to the Company (at such time and in such manner as specified by the Company); (iii) unless otherwise prohibited by law for either the Company or the Optionee, by irrevocably authorizing a third party to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Stock Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire exercise price and any tax withholding resulting from such exercise; or (iv) by any combination of cash and/or any one or more of the methods specified in clauses (i), (ii) and (iii). Notwithstanding the foregoing, a form of payment shall not be permitted to the extent it would cause the Company to recognize a compensation expense (or additional compensation expense) with respect to the Stock Option for financial reporting purposes.

If payment of the option exercise price of a Non-Qualified Stock Option is made in whole or in part in the form of Restricted Stock, the number of shares of Stock to be received upon such exercise equal to the number of shares of Restricted Stock used for payment of the option exercise price shall be subject to the same forfeiture restrictions to which such Restricted Stock was subject, unless otherwise determined by the Administrator.

No shares of Stock shall be issued upon exercise of a Stock Option until full payment therefor has been made. Upon exercise of a Stock Option (or a portion thereof), the Company shall have a reasonable time to issue the Stock for which the Stock Option has been exercised, and the Optionee shall not be treated as a stockholder for any purposes whatsoever prior to such issuance. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date such Stock is recorded as issued and transferred in the Company's official stockholder records, except as otherwise provided herein or in the applicable Award agreement.

(e) *Transferability of Stock Options.* Except as otherwise provided in the applicable Award agreement, a Non-Qualified Stock Option (i) shall be transferable by the Optionee to a Family Member of the Optionee, provided that (A) any such transfer shall be by gift with no consideration and (B) no subsequent transfer of such Stock Option shall be permitted other than by will or the laws of descent and distribution, and (ii) shall not otherwise be transferable except by will or the laws of descent and distribution. An Incentive Stock Option shall not be transferable except by will or the laws of descent and distribution. A Stock Option shall be exercisable, during the Optionee's lifetime, only by the Optionee or by the guardian or legal representative of the Optionee, it being

understood that the terms “holder” and “Optionee” include the guardian and legal representative of the Optionee named in the applicable Award agreement and any person to whom the Stock Option is transferred in accordance with this **Section 4(e)**. Notwithstanding the foregoing, references herein to the termination of an Optionee’s employment or provision of services shall mean the termination of employment or provision of services of the person to whom the Stock Option was originally granted.

(f) *Termination by Death or Disability.* Unless otherwise provided in the applicable Award agreement, if an Optionee’s employment by, or provision of services to, the Company or an Affiliate terminates by reason of death or Disability, (i) any Stock Option held by such Optionee may thereafter be exercised, to the extent exercisable at the time of such termination or on such accelerated basis as the Administrator may determine, for a period of one year from the date of such death or Disability or until the expiration of the stated term of such Stock Option, whichever period is shorter, and (ii) each Stock Option that remains unexercisable as of the date of such termination shall be terminated at the time of such termination. In the event of termination of employment or provision of services due to death or Disability, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(g) *Termination by Reason of Retirement.* Unless otherwise provided in the applicable option agreement, if an Optionee’s employment by the Company or an Affiliate terminates by reason of Retirement, any Stock Option held by such Optionee may thereafter be exercised by the Optionee, to the extent it was exercisable at the time of such Retirement, or on such accelerated basis as the Administrator may determine, for a period of 90 days from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is shorter; provided, however, that if the Optionee dies within such period, any unexercised Stock Option held by such Optionee shall, notwithstanding the expiration of such period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of one year from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is shorter. In the event of termination of employment by reason of Retirement, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(h) *Other Termination.* Unless otherwise provided in the applicable Award agreement, if an Optionee’s employment by, or provision of services to, the Company or an Affiliate terminates for any reason other than death, Disability or Retirement, any Stock Option held by such Optionee shall thereupon terminate; provided, however, that, if such termination of employment or provision of services is by the Company without Cause, such Stock Option, to the extent exercisable at the time of such termination, or on such accelerated basis as the Administrator may determine, may be exercised for the lesser of 90 days from the date of such termination of employment or provision of services or the remainder of such Stock Option’s term and provided, further, that if the Optionee dies within such period, any unexercised Stock Option held by such Optionee shall,

notwithstanding the expiration of such period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of one year from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is shorter. In the event of termination of employment or provision of services for any reason other than death, Disability or Retirement, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(i) *Exception to Termination.* Notwithstanding anything in this Plan to the contrary, if an Optionee's employment by, or provision of services to, the Company or an Affiliate ceases as a result of a transfer of such Optionee from the Company to an Affiliate, or from an Affiliate to the Company, such transfer will not be a termination of employment or provision of services for purposes of this Plan, unless expressly determined otherwise by the Administrator. A termination of employment or provision of services shall occur for an Optionee who is employed by, or provides services to, an Affiliate of the Company if the Affiliate shall cease to be an Affiliate and the Optionee shall not immediately thereafter be employed by, or provide services to, the Company or an Affiliate.

5. STOCK APPRECIATION RIGHTS.

Stock Appreciation Rights may be granted either on a stand-alone basis or in conjunction with all or part of any Stock Option granted under the Plan. In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of grant of such Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of grant of such Stock Option. A Stock Appreciation Right shall terminate and no longer be exercisable as determined by the Administrator, or, if granted in conjunction with all or part of any Stock Option, upon the termination or exercise of the related Stock Option.

A Stock Appreciation Right may be exercised by a Participant as determined by the Administrator in accordance with this **Section 5**, and, if granted in conjunction with all or part of any Stock Option, by surrendering the applicable portion of the related Stock Option in accordance with procedures established by the Administrator. Upon such exercise and surrender, the Participant shall be entitled to receive an amount determined in the manner prescribed in this **Section 5**. Stock Options that have been so surrendered, if any, shall no longer be exercisable to the extent the related Stock Appreciation Rights have been exercised.

Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined by the Administrator, including the following:

- (i) Stock Appreciation Rights granted on a stand-alone basis shall be exercisable only at such time or times and to such extent as determined by the Administrator. Stock Appreciation Rights granted in conjunction with all or part of any Stock Option shall be exercisable only at the time or times and to the extent that the Stock Options to which they relate are

exercisable in accordance with the provisions of **Section 4** and this **Section 5**.

- (ii) Upon the exercise of a Stock Appreciation Right, a Participant shall be entitled to receive an amount in cash, shares of Stock or both, which in the aggregate are equal in value to the excess of the Fair Market Value of one share of Stock over (i) such value per share of Stock as shall be determined by the Administrator at the time of grant (if the Stock Appreciation Right is granted on a stand-alone basis), or (ii) the exercise price per share specified in the related Stock Option (if the Stock Appreciation Right is granted in conjunction with all or part of any Stock Option), multiplied by the number of shares in respect of which the Stock Appreciation Right shall have been exercised, with the Administrator having the right to determine the form of payment.
- (iii) A Stock Appreciation Right shall be transferable only to, and shall be exercisable only by, such persons permitted in accordance with **Section 4(e)**.

6. STOCK AWARDS OTHER THAN OPTIONS AND STOCK APPRECIATION RIGHTS.

Stock Awards may be directly issued under the Plan (without any intervening Stock Options), subject to such terms, conditions, performance requirements, restrictions, forfeiture provisions, contingencies and limitations as the Administrator shall determine. Stock Awards may be issued that are fully and immediately vested upon issuance or that vest in one or more installments over the Participant's period of employment or other service to the Company or upon the attainment of specified performance objectives, or the Company may issue Stock Awards that entitle the Participant to receive a specified number of vested shares of Stock (or Stock units) upon the attainment of one or more performance goals or service requirements established by the Administrator.

Shares (or units) representing a Stock Award shall be evidenced in such manner as the Administrator may deem appropriate, including book-entry registration or issuance of one or more certificates (which may bear appropriate legends referring to the terms, conditions and restrictions applicable to such Award). The Administrator may require that any such certificates be held in custody by the Company until any restrictions thereon shall have lapsed and that the Participant deliver a stock power, endorsed in blank, relating to the Stock covered by such Award.

A Stock Award may be issued in exchange for any consideration which the Administrator may deem appropriate in each individual instance, including, without limitation:

- (i) cash or cash equivalents;
- (ii) past services rendered to the Company or any Affiliate; or

-
- (iii) future services to be rendered to the Company or any Affiliate (provided that, in such case, the par value of the stock subject to such Stock Award shall be paid in cash or cash equivalents, unless the Administrator provides otherwise).

A Stock Award that is subject to restrictions on transfer and/or forfeiture provisions may be referred to as an award of “Restricted Stock” or “Restricted Stock Units.”

7. PERFORMANCE AWARDS.

- (a) *Performance Conditions.* The right of a Participant to exercise or receive a grant or settlement of any Award, and its timing, may be subject to performance conditions specified by the Administrator. The Administrator may use business criteria and other measures of performance it deems appropriate in establishing any performance conditions, and may exercise its discretion to reduce or increase amounts payable under any Award subject to performance conditions, except as limited under **Sections 7(b)** and **7(c)** hereof in the case of a Performance Award intended to qualify under Section 162(m) of the Code.
- (b) *Performance Awards Granted to Designated Covered Employees.* If the Administrator determines that a Performance Award to be granted to a person the Administrator regards as likely to be a Covered Employee should qualify as “performance-based compensation” for purposes of Section 162(m) of the Code, the grant and/or settlement of such Performance Award shall be contingent upon achievement of pre-established performance goals and other terms set forth in this **Section 7(b)**.
- (i) *Performance Goals Generally.* The performance goals for such Performance Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to such criteria, as specified by the Administrator consistent with this **Section 7(b)**. Performance goals shall be objective and shall otherwise meet the requirements of Section 162(m) of the Code, including the requirement that the level or levels of performance targeted by the Administrator result in the performance goals being “substantially uncertain.” At the time the performance goals are established, the Administrator may determine that more than one performance goal must be achieved as a condition to settlement of such Performance Awards. Performance goals may differ for Performance Awards granted to any one Participant or to different Participants.
- (ii) *Business Criteria.* One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified Subsidiaries or business units of the Company (except with respect to the total stockholder return and earnings per share criteria), shall be used

exclusively by the Administrator in establishing performance goals for such Performance Awards: (1) total stockholder return; (2) such total stockholder return as compared to total return (on a comparable basis) of a publicly available index; (3) net income; (4) pre-tax earnings; (5) EBITDA; (6) pre-tax operating earnings after interest expense and before bonuses and extraordinary or special items; (7) operating margin; (8) earnings per share; (9) return on equity; (10) return on capital; (11) return on investment; (12) operating income, excluding the effect of charges for acquired in-process technology and before payment of executive bonuses; (13) earnings per share; (14) working capital; and (15) total revenues.

(iii) *Performance Period: Timing For Establishing Performance Goals.* Achievement of performance goals in respect of such Performance Awards shall be measured over such periods as may be specified by the Administrator. Performance goals shall be established on or before the dates that are required or permitted for “performance-based compensation” under Section 162(m) of the Code.

(iv) *Settlement of Performance Awards; Other Terms.* Settlement of Performance Awards may be in cash or Stock, or other Awards, or other property, in the discretion of the Administrator. The Administrator may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with such Performance Awards, but may not exercise discretion to increase any such amount payable in respect of a Performance Award subject to this **Section 7(b)**. The Administrator shall specify the circumstances in which such Performance Awards shall be forfeited or paid in the event of a termination of employment or a Change in Control prior to the end of a performance period or settlement of Performance Awards, and other terms relating to such Performance Awards.

(c) *Written Determinations.* All determinations by the Administrator as to the establishment of performance goals and the potential Performance Awards related to such performance goals and as to the achievement of performance goals relating to such Awards, shall be made in writing in the case of any Award intended to qualify under Section 162(m) of the Code. The Administrator may not delegate any responsibility relating to such Performance Awards.

8. CHANGE IN CONTROL PROVISIONS.

(a) *Impact of Event.* Notwithstanding any other provision of the Plan to the contrary, except to the extent otherwise provided in an agreement granting an Award, in the event of a Change in Control:

(i) The Administrator shall have the discretion to accelerate the vesting of any Stock Options and Stock Appreciation Rights outstanding, but not

-
- fully vested and exercisable as of the date of such Change in Control, to the extent it deems appropriate;
- (ii) The Administrator shall have the discretion to remove all restrictions applicable to any outstanding Stock Awards, the effect of which shall be that the Stock relating to such Awards shall become fully vested and transferable;
 - (iii) The Administrator shall have the discretion to terminate any outstanding repurchase rights of the Company with respect to any outstanding Awards; and
 - (iv) Outstanding Awards shall be subject to any agreement of merger or reorganization that effects such Change in Control, which agreement shall provide for:
 - (A) The continuation of the outstanding Awards by the Company, if the Company is a surviving corporation;
 - (B) The assumption of the outstanding Awards by the surviving corporation or its parent or subsidiary;
 - (C) The substitution by the surviving corporation or its parent or subsidiary of equivalent awards for the outstanding Awards; or
 - (D) Settlement of each share of Stock subject to an outstanding Award for the Change in Control Price (less, to the extent applicable, the per share exercise price), or, if the per share exercise price equals or exceeds the Change in Control Price, the outstanding Award shall terminate and be canceled.
 - (v) In the absence of any agreement of merger or reorganization effecting such Change in Control, each share of Stock subject to an outstanding Award shall be settled for the Change in Control Price (less, to the extent applicable, the per share exercise price), or, if the per share exercise price equals or exceeds the Change in Control Price, the outstanding Award shall terminate and be canceled.
- (b) *Definition of Change in Control.* For purposes of the Plan, a “Change in Control” shall mean the happening of any of the following events:
- (i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), excluding, however, (1) the Company or any of its Subsidiaries, (2) any employee benefit plan (or related trust) of the Company or any of its Subsidiaries, (3) any underwriter temporarily holding securities pursuant to an offering of such

securities, (4) the Kelso Entities, or (5) the Kelso Affiliates (a “Person”), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (a) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (b) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); excluding, however, the following: (w) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (x) any acquisition by the Company, (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (z) any acquisition by any Person pursuant to a transaction which complies with clauses (1), (2) and (3) of subsection (iii) of this **Section 8(b)**; or

- (ii) Within any period of 24 consecutive months, a change in the composition of the Board such that the individuals who, immediately prior to such period, constituted the Board (such Board shall be hereinafter referred to as the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this **Section 8(b)**, any individual who becomes a member of the Board during such period, whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or
- (iii) The approval by the stockholders of the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (“Corporate Transaction”); excluding, however, such a Corporate Transaction pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of

the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets, either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (2) no Person will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors, except to the extent that such ownership existed with respect to the Company prior to the Corporate Transaction, and (3) individuals who were members of the Board immediately prior to the approval by the stockholders of the Corporation of such Corporate Transaction will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(iv) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company, other than to a corporation pursuant to a transaction which would comply with clauses (1), (2) and (3) of subsection (iii) of this **Section 8(b)**, assuming for this purpose that such transaction were a Corporate Transaction.

(c) *Change in Control Price.* For purposes of the Plan, "Change in Control Price" means the highest of (i) the highest reported sales price, regular way, of a share of Stock in any transaction reported on the New York Stock Exchange Composite Tape or other national securities exchange or market on which such shares are listed, as applicable, during the 60-day period prior to and including the date of a Change in Control, (ii) if the Change in Control is the result of a tender or exchange offer, merger or other corporate transaction, the highest price per share of Stock paid in such tender or exchange offer, merger or other corporate transaction, and (iii) the Fair Market Value of a share of Stock upon the Change in Control. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other non-cash consideration, the value of such securities or other non-cash consideration shall be determined in the sole discretion of the Administrator. The Participant shall receive the same form of consideration pursuant to the transaction as holders of Stock, subject to the same restrictions and limitations and indemnification obligations as the holders of Stock, and will execute any and all documents required by the Administrator to evidence the same.

9. **MISCELLANEOUS.**

(a) *Amendment.* The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made that would adversely affect the rights of a Participant under an Award theretofore granted without the Participant's

consent, except such an amendment (i) made to avoid an expense charge to the Company or an Affiliate, or (ii) made to permit the Company or an Affiliate a deduction under the Code. No such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by law, agreement or the rules of any stock exchange or market on which the Stock is listed.

The Administrator may amend the terms of any Stock Option or other Award theretofore granted, prospectively or retroactively, but no such amendment shall adversely affect the rights of the holder thereof without the holder's consent.

(b) *Unfunded Status of Plan.* It is intended that this Plan be an "unfunded" plan for incentive and deferred compensation. The Administrator may authorize the creation of trusts or other arrangements to meet the obligations created under this Plan to deliver Stock or make payments, provided that, unless the Administrator otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of this Plan.

(c) General Provisions.

- (i) The Administrator may require each person purchasing or receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to the distribution thereof. The certificates for such shares may include any legend that the Administrator deems appropriate to reflect any restrictions on transfer.

All certificates for shares of Stock or other securities delivered under the Plan shall be subject to such stock transfer orders and other restrictions as the Administrator may deem advisable under the rules, regulations and other requirements of the Commission, any stock exchange or market on which the Stock is then listed and any applicable Federal or state securities law, and the Administrator may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

- (ii) Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting other or additional compensation arrangements for its employees.
- (iii) The adoption of the Plan shall not confer upon any employee, director, consultant or advisor any right to continued employment, directorship or service, nor shall it interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the employment or service of any employee, consultant or advisor at any time.
- (iv) No later than the date as of which an amount first becomes includible in the gross income of the Participant for Federal income tax purposes with respect to any Award under the Plan, the Participant shall pay to the

Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Administrator, withholding obligations may be settled with Stock, including Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company, its Subsidiaries and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant. The Administrator may establish such procedures as it deems appropriate for the settlement of withholding obligations with Stock.

- (v) The Administrator shall establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of the Participant's death are to be paid.
- (vi) Subject to applicable law, any amounts owed to the Company or an Affiliate by the Participant of whatever nature may be offset by the Company from the value of any shares of Stock, cash or other thing of value under this Plan or an agreement to be transferred to the Participant, and no shares of Stock, cash or other thing of value under this Plan or an agreement shall be transferred unless and until all disputes between the Company or any Affiliate and the Participant have been fully and finally resolved and the Participant has waived all claims to such against the Company or an Affiliate.
- (vii) The grant of an Award shall in no way affect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.
- (viii) If any payment or right accruing to a Participant under this Plan (without the application of this **Section (9)(c)(viii)**), either alone or together with other payments or rights accruing to the Participant from the Company or an Affiliate ("Total Payments") would constitute a "parachute payment" (as defined in Section 280G of the Code and regulations thereunder), such payment or right shall be reduced to the largest amount or greatest right that will result in no portion of the amount payable or right accruing under the Plan being subject to an excise tax under Section 4999 of the Code or being disallowed as a deduction under Section 280G of the Code; provided, however, that the foregoing shall not apply to the extent provided otherwise in an Award agreement or in the event the Participant is party to an agreement with the Company or an Affiliate that explicitly provides for an alternate treatment of payments or rights that would constitute "parachute payments." The determination of whether any

reduction in the rights or payments under the Plan is to apply shall be made by the Administrator in good faith after consultation with the Participant, and such determination shall be conclusive and binding on the Participant. The Participant shall cooperate in good faith with the Administrator in making such determination and providing the necessary information for this purpose. The foregoing provisions of this **Section 9(c)(viii)** shall apply with respect to any person only if, after reduction for any applicable Federal excise tax imposed by Section 4999 of the Code and Federal income tax imposed by the Code, the Total Payments accruing to such person would be less than the amount of the Total Payments as reduced, if applicable, under the foregoing provisions of this Plan and after reduction for only Federal income taxes.

- (ix) To the extent that the Administrator determines that the restrictions imposed by the Plan preclude the achievement of the material purposes of the Awards in jurisdictions outside the United States, the Administrator in its discretion may modify those restrictions as it determines to be necessary or appropriate to conform to applicable requirements or practices of jurisdictions outside of the United States.
- (x) The headings contained in this Plan are for reference purposes only and shall not affect the meaning or interpretation of this Plan.
- (xi) If any provision of this Plan shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereby, and this Plan shall be construed as if such invalid or unenforceable provision were omitted.
- (xii) This Plan shall inure to the benefit of and be binding upon each successor and assign of the Company. All obligations imposed upon a Participant, and all rights granted to the Company hereunder, shall be binding upon the Participant's heirs, legal representatives and successors.
- (xiii) This Plan and each agreement granting an Award constitute the entire agreement with respect to the subject matter hereof and thereof, provided that in the event of any inconsistency between this Plan and such agreement, the terms and conditions of the Plan shall control.
- (xiv) In the event there is an effective registration statement under the Securities Act of 1933, as amended, pursuant to which shares of Stock shall be offered for sale in an underwritten offering, a Participant shall not, during the period requested by the underwriters managing the registered public offering, effect any public sale or distribution of shares of Stock received, directly or indirectly, as an Award or pursuant to the exercise or settlement of an Award.

(xv) Except as may be required by Section 260.140.46 of the California Code of Regulations or other applicable laws, none of the Company, an Affiliate or the Administrator shall have any duty or obligation to disclose affirmatively to a record or beneficial holder of Stock or an Award, and such holder shall have no right to be advised of, any material information regarding the Company or any Affiliate at any time prior to, upon or in connection with receipt or the exercise of an Award or the Company's purchase of Stock or an Award from such holder in accordance with the terms hereof.

(xvi) This Plan, and all Awards, agreements and actions hereunder, shall be governed by, and construed in accordance with, the laws of the State of Delaware (other than its law respecting choice of law).

10. INDEMNIFICATION.

Except for such individual's own willful misconduct or as expressly provided by law, each person who is or shall have been a member of the Committee or of the Board or an officer of the Company shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit, or proceeding to which such person may be made a party or in which such person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by such person in settlement thereof, with the Company's approval, or paid by such person in satisfaction of any judgment in any such action, suit, or proceeding against such person, provided such person shall give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on such person's own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under the Company's Amended and Restated Certificate of Incorporation or Amended and Restated By-laws, by contract, as a matter of law, or otherwise.

11. DEFERRAL OF AWARDS.

To the extent deferral of Awards may result in deferral of taxation to the Participant under the Code and to the extent permitted by law, the Administrator (in its sole discretion) may permit a Participant to:

- (a) have cash that otherwise would be paid to such Participant as a result of the exercise of a Stock Appreciation Right or the settlement of a Stock Award credited to a deferred compensation account established for such Participant by the Administrator as an entry on the Company's books;

-
- (b) have Stock that otherwise would be delivered to such Participant as a result of the exercise of a Stock Option or a Stock Appreciation Right converted into an equal number of Stock units; or
 - (c) have Stock that otherwise would be delivered to such Participant as a result of the exercise of a Stock Option or Stock Appreciation Right or the settlement of a Stock Award converted into amounts credited to a deferred compensation account established for such Participant by the Administrator as an entry on the Company's books. Such amounts shall be determined by reference to the Fair Market Value of the Stock as of the date on which they otherwise would have been delivered to such Participant.

A deferred compensation account established under this **Section 11** may be credited with interest or other forms of investment return, as determined by the Administrator and permitted by the Code and other applicable law. A Participant for whom such an account is established shall have no rights other than those of a general creditor of the Company. Such an account shall represent an unfunded and unsecured obligation of the Company and shall be subject to the terms and conditions of the applicable agreement between such Participant and the Company. If the deferral or conversion of Awards is permitted or required, the Administrator (in its sole discretion) may establish rules, procedures and forms pertaining to such Awards, including (without limitation) the settlement of deferred compensation accounts established under this **Section 11**.

12. DEFINITIONS.

For purposes of this Plan, the following terms are defined as set forth below:

- (a) "*Act*" means the Securities Exchange Act of 1934, as amended.
- (b) "*Affiliate*" means a corporation or other entity controlled by the Company and designated by the Administrator as such.
- (c) "*Award*" means a Stock Appreciation Right, Stock Option, or Stock Award.
- (d) "*Board*" means the Board of Directors of the Company.
- (e) "*Cause*" means (i) the conviction of the Participant for committing a felony under Federal law or the law of the state in which such action occurred, (ii) dishonesty in the course of fulfilling the Participant's duties as an employee or director of, or consultant or advisor to, the Company or (iii) willful and deliberate failure on the part of the Participant to perform such duties in any material respect (other than due to Disability). Notwithstanding the foregoing, if the Participant and the Company or an Affiliate have entered into an employment or services agreement which defines the term "*Cause*" (or a similar term), such definition shall govern for purposes of determining whether such Participant has been terminated for Cause for purposes of this Plan. The determination of Cause shall be made by the Administrator, in its sole discretion.

(f) “*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

(g) “*Commission*” means the Securities and Exchange Commission or any successor agency.

(h) “*Committee*” means one or more committees of directors appointed by the Board to administer this Plan. Insofar as the Committee is responsible for granting Awards to Participants hereunder, it shall consist solely of two or more directors, each of whom is a “non-employee director” within the meaning of Rule 16b-3 under the Act, an “outside director” under Section 162(m) of the Code and an “independent director” as defined by the listing standards of the New York Stock Exchange or other national securities exchange or market on which such shares are listed, as applicable.

(i) “*Covered Employee*” means a person who is a “covered employee” within the meaning of Section 162(m) of the Code.

(j) “*Disability*” means mental or physical illness that entitles the Participant to receive benefits under the long-term disability plan of the Company or an Affiliate, or if the Participant is not covered by such a plan or the Participant is not an employee of the Company or an Affiliate, a mental or physical illness that renders a Participant totally and permanently incapable of performing the Participant’s duties for the Company or an Affiliate; provided, however, that a Disability shall not qualify under this Plan if it is the result of (i) a willfully self-inflicted injury or willfully self-induced sickness; or (ii) an injury or disease contracted, suffered or incurred while participating in a criminal offense. Notwithstanding the foregoing, if the Participant and the Company or an Affiliate have entered into an employment or services agreement which defines the term “Disability” (or a similar term), such definition shall govern for purposes of determining whether such Participant suffers a Disability for purposes of this Plan. The determination of Disability shall be made by the Administrator, in its sole discretion. The determination of Disability for purposes of this Plan shall not be construed to be an admission of disability for any other purpose.

(k) “*Eligible Individual*” means any officer, employee or non-employee director of the Company or an Affiliate, or any consultant or advisor providing services to the Company or an Affiliate.

(l) “*Fair Market Value*” means, as of any given date, (i) the closing sales price per share of the Stock on the New York Stock Exchange (or the principal stock exchange or market on which the Stock is then traded) on the date as of which such value is being determined or, if no sale of Stock is reported on such date, the last previous day on which a sale was reported, or (ii) if the Stock is not listed on the New York Stock Exchange or other principal stock exchange or market, the fair market value of a share of Stock as determined by the Committee, or under procedures established by the Committee, in good faith.

(m) “*Family Member*” means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a Participant (including adoptive relationships); any person sharing the Participant’s household (other than a tenant or employee); any trust in which the Participant and any of these persons have all of the beneficial interest; any corporation, partnership, limited liability company or other entity in which the Participant and any of these other persons are the direct and beneficial owners of all of the equity interests (provided the Participant and these other persons agree in writing to remain the direct and beneficial owners of all such equity interests); and any personal representative of the Participant upon the Participant’s death for purposes of administration of the Participant’s estate or upon the Participant’s incompetency for purposes of the protection and management of the assets of the Participant.

(n) “*Incentive Stock Option*” means any Stock Option intended to be and designated as an “incentive stock option” within the meaning of Section 422 of the Code.

(o) “*Kelso Entities*” means any of Kelso Investment Associates, LP, Kelso Investment Associates III-Earle M. Jorgensen, L.P., Kelso Investment Associates IV, L.P. or Kelso Equity Partners II, L.P.

(p) “*Kelso Affiliates*” means (i) any corporation, partnership (limited or otherwise), limited liability company or other entity controlling, controlled by, or under common control with, any of the Kelso Entities, or (ii) any director, officer or beneficial owner (10% or more of the issued and outstanding equity securities) of any of the Kelso Entities or any of the entities described in **Section 12(q)(i)** immediately above.

(q) “*Non-Qualified Stock Option*” means any Stock Option that is not an Incentive Stock Option.

(r) “*Optionee*” means a person who holds a Stock Option.

(s) “*Participant*” means a person granted an Award.

(t) “*Performance Award*” means a right, granted to a Participant under **Section 7**, to receive Awards based upon performance criteria specified by the Administrator.

(u) “*Retirement*” means termination of a Participant’s employment on or after the date the Participant attains age 65.

(v) “*Stock*” means Common Stock, par value \$0.001 per share, of the Company.

(w) “*Stock Appreciation Right*” means a right granted under **Section 5**.

(x) “*Stock Award*” means an Award, other than a Stock Option or Stock Appreciation Right, made in stock or denominated in shares of, or valued in whole or in part by reference to, Stock.

(y) “*Stock Option*” means an option granted under **Section 4**.

(z) “*Subsidiary*” means any company during any period in which it is a “subsidiary corporation” (as such term is defined in Section 424(f) of the Code) with respect to the Company.

(aa) “*Ten Percent Holder*” means an individual who owns, or is deemed to own, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any parent or subsidiary corporation of the Company, determined pursuant to the rules applicable to Section 422(b)(6) of the Code.

In addition, certain other terms used herein have the definitions given to them in the first places in which they are used.

**FIRST AMENDMENT TO THE
EARLE M. JORGENSEN COMPANY
2004 STOCK INCENTIVE PLAN**

WHEREAS, Earle M. Jorgensen Company (the “Company”) adopted and maintains the Earle M. Jorgensen Company 2004 Stock Incentive Plan (the “Plan”);

WHEREAS, Section 9(a) of the Plan provides that the Board of Directors (the “Board”) of the Company may amend the Plan; and

WHEREAS, the Board desires to amend the Plan.

NOW, THEREFORE, the Plan is hereby amended as follows, effective as of January 1, 2005:

1. The last sentence of the first paragraph of Section 6 of the Plan is amended to read in its entirety as follows:

“Stock Awards may be issued that are fully and immediately vested upon issuance or that vest in one or more installments over the Participant’s period of employment or other service to the Company or upon the attainment of specified performance objectives.”

2. Section 8(a)(iv)(D) of the Plan is amended to read in its entirety as follows:

“(D) Unless otherwise provided in the applicable Award agreement, settlement of each share of Stock subject to an outstanding Award for the fair market value of such share (determined in accordance with Section 409A of the Code and guidance promulgated thereunder) as of the date of the Change in Control (less, to the extent applicable, the per share exercise price), or, if the per share exercise price equals or exceeds such fair market value, the outstanding Award shall terminate and be canceled.”

3. Section 8(a)(v) of the Plan is amended to read in its entirety as follows:

“(v) Unless otherwise provided in the applicable Award agreement, in the absence of any agreement of merger or reorganization effecting such Change in Control, each share of Stock subject to an outstanding Award shall be settled for the fair market value of such share (determined in accordance with Section 409A of the Code and guidance promulgated thereunder) as of the date of the Change in Control (less, to

the extent applicable, the per share exercise price), or, if the per share exercise price equals or exceeds such fair market value, the outstanding Award shall terminate and be canceled.”

4. Section 9(c)(vi) of the Plan is amended to read in its entirety as follows:

“(vi) Subject to applicable law, any amounts owed to the Company or an Affiliate by the Participant of whatever nature may be offset by the Company from the value of any shares of Stock, cash or other thing of value under this Plan or an agreement to be transferred to the Participant.”

5. Section 10 of the Plan is amended by adding the following to the end thereof:

“Any such reimbursement that constitutes deferred compensation subject to Section 409A of the Code shall be made in such a manner so as not to subject any indemnified person to liability under such section.”

6. Section 11 of the Plan is deleted in its entirety.

EARLE M. JORGENSEN COMPANY

By: _____

Name:

Title

ASSUMPTION AND AMENDMENT AGREEMENT

**EARLE M. JORGENSEN COMPANY
2004 STOCK INCENTIVE PLAN**

This Agreement is entered into as of April 3, 2006, by and between Earle M. Jorgensen Company, a Delaware corporation (“EMJ”), and Reliance Steel & Aluminum Co., a California corporation (“Reliance”), regarding the Earle M. Jorgensen Company 2004 Stock Incentive Plan, as amended (the “Plan”).

WITNESSETH:

WHEREAS, EMJ has entered into an Agreement and Plan of Merger (the “Merger Agreement”), dated as of January 17, 2006, with Reliance and RSAC Acquisition Corp., a Delaware corporation and newly-formed wholly-owned subsidiary of Reliance (“RSAC”);

WHEREAS, pursuant to the Merger Agreement, EMJ will be merged with and into RSAC (the “Merger”), with RSAC as the surviving entity, which will immediately change its name to “Earle M. Jorgensen Company” and which will remain wholly-owned by Reliance as of the Effective Time (as defined in the Merger Agreement);

WHEREAS, pursuant to Section 2.03(a) of the Merger Agreement, Reliance will assume and succeed to all of the obligations and liabilities of EMJ under the Plan; and

WHEREAS, as of the Effective Time, shares of EMJ common stock subject to awards issued under the Plan will be replaced with shares of the common stock of Reliance with the number of shares subject to each award and the exercise price thereof adjusted by the Option Exchange Ratio (as defined in the Merger Agreement).

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, and subject to completion of the Merger, the parties agree that the Plan shall be, and hereby is, assumed and amended as follows:

1. Reliance hereby assumes and adopts the Plan as of the Effective Time and agrees to perform all of the obligations and liabilities of EMJ with respect to the Plan, and EMJ hereby consents to such assumption.

2. As of the Effective Time, the Plan is amended in the following respects:

a) Unless the context otherwise requires and except as provided in this Agreement, any reference in the Plan to “Earle M. Jorgensen Company, a Delaware corporation,” is revised to refer to “Reliance Steel & Aluminum Co., a California corporation;” and

b) The second sentence in Section 1 is revised to read as follows:

“The Plan is adopted as of December 17, 2004 (the “Effective Date”).”

c) The first paragraph in Section 3 is revised by deleting and replacing the words “Company” and “Company’s” with “Earle M. Jorgensen Company” and “Earle M. Jorgensen Company’s”, respectively, and by adding the following sentence to the end of the first paragraph: “Notwithstanding the foregoing, the aggregate number of shares of Stock to be delivered under the Plan shall not exceed 432,773.”

d) The third paragraph in Section 3 is revised by inserting the phrase “multiplied by the Option Exchange Ratio” after the words “750,000 shares”.

e) The first sentence of Section 10 is revised by inserting the phrase “, or a member of the committee of Earle M. Jorgensen Company designated to administer the Plan or of the Board of Directors of Earle M. Jorgensen Company or any officer of Earle M. Jorgensen Company” after the word “Company” first appears in that sentence.

f) The last sentence of Section 10 is revised by deleting and replacing the phrase “Company’s Amended and Restated Certificate of Incorporation or Amended and Restated By-laws” with “charter documents of the Company and Earle M. Jorgensen Company, as the case may be”.

g) Section 12(e) is revised by inserting the words “or the Earle M. Jorgensen Company” after the word “Company” in clause (ii).

h) Section 12 is revised by inserting a new clause “(r-1)” which reads as follows:

“(r-1) “*Option Exchange Ratio*” has the meaning set forth in Section 2.03(e) of that certain Agreement and Plan of Merger dated as of January 17, 2006, by and among Earle M. Jorgensen Company, the Company and RSAC Acquisition Corp., a California corporation and wholly owned subsidiary of the Company (“RSAC”), whereby Earle M. Jorgensen Company will be merged with and into RSAC (the “Merger”), with RSAC as the surviving entity and with RSAC changing its name to “Earle M. Jorgensen Company” immediately after the Merger.”

i) Section 12(v) is revised to read as follows:

“(v) “Stock” means Common Stock, no par value, of the Company.”

j) Section 12(z) is revised to read as follows:

“(z) “Subsidiary” means RSAC or Earle M. Jorgensen Company or any company during any period in which it is a “subsidiary corporation” (as such term is defined in Section 424(f) of the Code) with respect to the Company.”

3. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

4. This Agreement may be executed in any number of counterparts each of which may be deemed an original but all of which together shall constitute one of the same instrument.

5. This Agreement shall be construed and governed in accordance with the internal laws of the State of California and the Employee Retirement Income Security Act of 1974, as amended, without giving effect to principles of conflicts of law.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

EARLE M. JORGENSEN COMPANY:

RELIANCE STEEL & ALUMINUM CO.

By: _____
Title

By: _____
Title

**EARLE M. JORGENSEN COMPANY
INCENTIVE STOCK OPTION AGREEMENT
(Time-based Vesting)**

THIS INCENTIVE STOCK OPTION AGREEMENT (this "Agreement") dated as of _____, 20____ ("Grant Date"), is between Earle M. Jorgensen Company, a Delaware corporation (the "Company"), and _____, (the "Participant") relating to options granted under the Company's 2004 Stock Incentive Plan (the "Plan"). Capitalized terms used in this Agreement without definition shall have the meaning ascribed to such terms in the Plan.

1. Grant of Stock Option, Option Price and Term.

a) The Company grants to the Participant an Incentive Stock Option to purchase _____ shares of Stock of the Company ("Option Shares") at a price of \$_____ per share ("Option Price") subject to the provisions of the Plan and the terms and conditions herein.

b) The term of this Stock Option shall be a period of 10 years from the Grant Date (the "Option Period"). During the Option Period, the Stock Option shall be vested and exercisable as of the date set forth below according to the percentage set forth opposite such date:

Date _____	Cumulative Percentage Vested and Exercisable
------------	--

Notwithstanding the foregoing, in the event the Participant incurs a termination of employment for any reason whatsoever as an employee of the Company or an Affiliate, paragraphs (f), (g), (h) and (i) of Section 4 of the Plan shall apply.

c) The Stock Option granted hereunder is designated as an Incentive Stock Option that is not transferable by the Participant except by will or the laws of descent and distribution. To the extent that the aggregate Fair Market Value (determined on the Grant Date) of the Option Shares with respect to which any Incentive Stock Options are exercisable for the first time during any calendar year under all plans of the Company and its Affiliates exceeds \$100,000, the Stock Options or portions thereof which exceed such limit shall be treated as Non-Qualified Stock Options. It should be understood that there is no assurance that the Stock Option will, in fact, be treated as an Incentive Stock Option.

d) The Company shall not be required to issue any fractional shares of Stock. Any fractional shares of Stock shall be paid in cash.

2. Exercise.

The Stock Option shall be exercisable during the Participant's lifetime only by the Participant (or his or her guardian or legal representative (each, a "Representative")), and after the

Participant's death only by a Representative. The Stock Option may only be exercised by the delivery to the Company of a properly completed written notice, which notice shall specify the number of Option Shares to be purchased and the aggregate Option Price for such shares, together with payment in full of such aggregate Option Price. Payment shall only be made as specified in the Plan. If any part of the payment of the Option Price is made in shares of Stock, such shares shall be valued by using their Fair Market Value as of the date of exercise of the Stock Option.

The Stock Option may not be exercised unless there has been compliance with the Plan and all of the preceding provisions of this Section 2, and, for all purposes of this Agreement, the date of the exercise of the Stock Option shall be the date upon which there is compliance with all such requirements.

3. Payment of Withholding Taxes.

If the Company is obligated to withhold an amount on account of any tax imposed as a result of the exercise of the Stock Option, the Participant shall be required to pay such amount to the Company, as provided in the Plan. The Participant acknowledges and agrees that he or she is responsible for the tax consequences associated with the grant of the Stock Option and its exercise.

4. Changes in Company's Capital Structure.

The existence of this Stock Option will not affect in any way the right or authority of the Company or its stockholders to make or authorize (a) any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; (b) any merger or consolidation of the Company's capital structure or its business; (c) any merger or consolidation of the Company; (d) any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Stock or the rights thereof; (e) the dissolution or liquidation of the Company; (f) any sale or transfer of all or any part of its assets or business; or (g) any other corporate act or proceeding, whether of a similar character or otherwise.

In the event of a Change in Control or other corporate restructuring provided for in the Plan, the Participant shall have such rights, and the Committee shall or may, as the case may be, take such actions, as are provided for in the Plan.

5. Plan.

The Stock Option is granted pursuant to the Plan, and the Stock Option and this Agreement are in all respects governed by the Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Agreement by reference or are expressly cited.

6. Employment Rights.

No provision of this Agreement or of the Stock Option granted hereunder shall give the Participant any right to continue in the employ of the Company or any Affiliates, create any inference as to the length of employment of the Participant, affect the right of the Company or Affiliates to terminate the employment of the Participant, with or without Cause, or give the

This Agreement and the Plan embody the complete agreement and understanding among the parties, and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, with respect to the subject matter hereof.

12. Counterparts.

This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same instrument.

13. Successors and Assigns.

This Agreement is intended to bind and inure to the benefit of, and be enforceable by, the Participant and the Company and their respective successors and assigns (including subsequent holders of this Stock Option).

14. No Strict Construction.

The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

15. Remedies.

Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The Participant agrees and acknowledges that money damages will not be an adequate remedy for any breach of the provisions of this Agreement and that the Company shall be entitled to specific performance and injunctive relief in order to enforce, or prevent any violations of, the provisions of this Agreement.

16. Amendments and Waivers.

The Administrator (as defined in the Plan) may amend or waive any of the terms of the Award heretofore granted, prospectively or retroactively, but no such amendment shall adversely affect the rights of the Participant without the Participant's consent.

17. Headings.

The captions set forth in this Agreement are for convenience only and shall not be considered as part of this Agreement or as in any way limiting the terms and provisions hereof.

**[Remainder of page intentionally left blank.
Signature page follows.]**

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Participant has hereunto set his hand, all as of the day and year first above written.

EARLE M. JORGENSEN COMPANY

By: _____
Name: _____
Title: _____

Participant:

**EARLE M. JORGENSEN COMPANY
NON-QUALIFIED STOCK OPTION AGREEMENT
(Time-based Vesting)**

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (this "Agreement") dated as of _____, 20____ ("Grant Date"), is between Earle M. Jorgensen Company, a Delaware corporation (the "Company"), and _____, (the "Participant") relating to options granted under the Company's 2004 Stock Incentive Plan (the "Plan"). Capitalized terms used in this Agreement without definition shall have the meaning ascribed to such terms in the Plan.

1. Grant of Stock Option, Option Price and Term.

a) The Company grants to the Participant a Non-Qualified Stock Option to purchase _____ shares of Stock of the Company ("Option Shares") at a price of \$_____ per share ("Option Price") subject to the provisions of the Plan and the terms and conditions herein.

b) The term of this Stock Option shall be a period of 10 years from the Grant Date (the "Option Period"). During the Option Period, the Stock Option shall be vested and exercisable as of the date set forth below according to the percentage set forth opposite such date:

Date	Cumulative Percentage Vested and Exercisable
-------------	---

Notwithstanding the foregoing, in the event the Participant incurs a termination of employment or provision of services for any reason whatsoever with respect to the Company or an Affiliate, paragraphs (f), (g), (h) and (i) of Section 4 of the Plan shall apply.

c) The Stock Option granted hereunder is designated as a Non-Qualified Stock Option which is not transferable by the Participant except to a Family Member, in accordance with paragraph (e) of Section 4 of the Plan or by will or the laws of descent and distribution. The Stock Option granted hereunder is not intended to constitute an "incentive stock option" as that term is used in Section 422 of the Code.

d) The Company shall not be required to issue any fractional shares of Stock. Any fractional shares of Stock shall be paid in cash.

2. Exercise.

The Stock Option shall be exercisable during the Participant's lifetime only by the Participant (or his or her guardian or legal representative (each, a "Representative")), and after the Participant's death only by a Representative. The Stock Option may only be exercised by the delivery to the Company of a properly completed written notice, which notice shall specify the number of Option Shares to be purchased and the aggregate Option Price for such shares, together

with payment in full of such aggregate Option Price. Payment shall only be made as specified in the Plan. If any part of the payment of the Option Price is made in shares of Stock, such shares shall be valued by using their Fair Market Value as of the date of exercise of the Stock Option.

The Stock Option may not be exercised unless there has been compliance with the Plan and all of the preceding provisions of this Section 2, and, for all purposes of this Agreement, the date of the exercise of the Stock Option shall be the date upon which there is compliance with all such requirements.

3. Payment of Withholding Taxes.

If the Company is obligated to withhold an amount on account of any tax imposed as a result of the exercise of the Stock Option, the Participant shall be required to pay such amount to the Company, as provided in the Plan. The Participant acknowledges and agrees that he or she is responsible for the tax consequences associated with the grant of the Stock Option and its exercise.

4. Changes in Company's Capital Structure.

The existence of this Stock Option will not affect in any way the right or authority of the Company or its stockholders to make or authorize (a) any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; (b) any merger or consolidation of the Company's capital structure or its business; (c) any merger or consolidation of the Company; (d) any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Stock or the rights thereof; (e) the dissolution or liquidation of the Company; (f) any sale or transfer of all or any part of its assets or business; or (g) any other corporate act or proceeding, whether of a similar character or otherwise.

In the event of a Change in Control or other corporate restructuring provided for in the Plan, the Participant shall have such rights, and the Committee shall or may, as the case may be, take such actions, as are provided for in the Plan.

5. Plan.

The Stock Option is granted pursuant to the Plan, and the Stock Option and this Agreement are in all respects governed by the Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Agreement by reference or are expressly cited.

6. Employment, Directorship or Other Service.

No provision of this Agreement or of the Stock Option granted hereunder shall give the Participant any right to continued employment, directorship or other service with respect to the Company or any Affiliates, create any inference as to the length of employment, directorship or other service of the Participant, affect the right of the Company or Affiliates to terminate the employment, directorship or other service of the Participant, with or without Cause, or give the Participant any right to participate in any employee welfare or benefit plan or other program (other than the Plan) of the Company or any of the Affiliates.

7. Governing Law.

This Agreement and the Stock Option granted hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware (other than its laws respecting choice of law).

8. Waiver; Cumulative Rights.

The failure or delay of either party to require performance by the other party of any provision hereof shall not affect its right to require performance of such provision unless and until such performance has been waived in writing. Each and every right hereunder is cumulative and may be exercised in part or in whole from time to time.

9. Notices.

Any notices, consents, or other communication to be sent or given hereunder by any of the parties shall in every case be in writing and shall be deemed properly served if (a) delivered personally, (b) sent by registered or certified mail, in all such cases with first class postage prepaid, return receipt requested, or (c) delivered to a nationally recognized overnight courier service, to the parties at the addresses set forth below:

If to the Company: Earle M. Jorgensen Company
10650 Alameda Street, Lynwood, CA 90262
Attention: _____
Facsimile: (323) _____

If to the Participant: _____

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Date of service of such notice shall be (w) the date such notice is personally delivered, (x) three (3) days after the date of mailing if sent by certified or registered mail, or (y) one (1) day after date of delivery to the overnight courier if sent by overnight courier.

10. Conditional Grant.

This Stock Option is granted upon the condition that the Option Shares shall be forfeited unless each and any person who is a spouse of the Participant at any time on or after the Grant Date (including any person who becomes a spouse after the Grant Date) executes a Consent of Spouse form provided by the Committee, unless the Committee shall waive such condition.

11. Entire Agreement.

This Agreement and the Plan embody the complete agreement and understanding among the parties, and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, with respect to the subject matter hereof.

12. Counterparts.

This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same instrument.

13. Successors and Assigns.

This Agreement is intended to bind and inure to the benefit of, and be enforceable by, the Participant and the Company and their respective successors and assigns (including subsequent holders of this Stock Option).

14. No Strict Construction.

The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

15. Remedies.

Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The Participant agrees and acknowledges that money damages will not be an adequate remedy for any breach of the provisions of this Agreement and that the Company shall be entitled to specific performance and injunctive relief in order to enforce, or prevent any violations of, the provisions of this Agreement.

16. Amendments and Waivers.

The Administrator (as defined in the Plan) may amend or waive any of the terms of the Award heretofore granted, prospectively or retroactively, but no such amendment shall adversely affect the rights of the Participant without the Participant's consent.

17. Headings.

The captions set forth in this Agreement are for convenience only and shall not be considered as part of this Agreement or as in any way limiting the terms and provisions hereof.

**[Remainder of page intentionally left blank.
Signature page follows.]**

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Participant has hereunto set his hand, all as of the day and year first above written.

EARLE M. JORGENSEN COMPANY

By: _____
Name: _____
Title: _____

Participant:

**EARLE M. JORGENSEN COMPANY
RESTRICTED STOCK AGREEMENT**

This Agreement is made and entered into as of the _____ day of _____, 20_____, by and between Earle M. Jorgensen Company, a Delaware corporation (the “Company”), and _____ (“Participant”), relating to the grant and issuance of shares of common stock, par value \$0.001 per share (“Common Stock”), of the Company under the Earle M. Jorgensen Company 2004 Stock Incentive Plan (the “Plan”). Capitalized terms used in this Agreement without definition shall have the meanings ascribed to such terms in the Plan.

WITNESSETH:

WHEREAS, the Company maintains the Plan, which is incorporated into and forms a part of this Agreement;

WHEREAS, pursuant to Section 6 [and Section 7]¹ of the Plan, the Company desires to grant to Participant, and Participant accepts the grant of, _____ shares of Common Stock (the “Shares”);

WHEREAS, Participant has been [duly] selected by the Administrator (as defined in the Plan) to receive the Shares pursuant to Section 6 [and Section 7]¹ of the Plan;

NOW, THEREFORE, in consideration of the above promises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto have agreed, and do hereby agree, as follows:

ARTICLE 1

Issuance of Restricted Shares

1.1 Grant. On the date hereof, pursuant to Section 6 [and Section 7]¹ of the Plan, the Company hereby grants and issues to Participant, and Participant hereby accepts the grant of, the Shares (the “Award”), subject to the terms and conditions hereof. To the extent Participant hereby acquires the Shares and the Shares are not fully vested as of the date hereof, such Shares shall constitute “Restricted Shares” and shall be subject to all of the restrictions described herein.

1.2 Issuance and Escrow. Subject to the provisions of **Section 3.4** hereof, the Restricted Shares shall be evidenced by one or more certificates, which shall be held in custody by the Company until the Restricted Shares vest and become Unrestricted Shares (as hereinafter defined) in accordance with **Section 2.1** hereof.

¹ To be included if a performance award.

1.3 Stockholder Status. Prior to the vesting of the Restricted Shares but only while Participant remains **[a director of] [an employee of] [a service provider to]** the Company, Participant shall have the right to vote the Restricted Shares, the right to receive and retain all regular cash dividends paid or distributed in respect of the Restricted Shares if the record date for such dividends is on or after the date of this Agreement, and except as expressly provided otherwise herein, all other rights as a holder of outstanding shares of Common Stock.

ARTICLE 2

Lapse of Restrictions

The Restricted Shares shall cease to be subject to the restrictions described herein, and shall cease to constitute Restricted Shares (hereafter being referred to as “Unrestricted Shares”), as set forth below:

2.1 Vesting. Subject to the provisions of Sections 2.2 and 2.3, the Restricted Shares shall cease to constitute Restricted Shares, and shall become Unrestricted Shares, pursuant to the following vesting schedule:

[Date]
[Performance
Goal]

Number of Restricted Shares That
Vest

If and to the extent that Restricted Shares do not vest in accordance with the foregoing, such Restricted Shares shall be forfeited by Participant and Participant shall have no further rights with respect hereto. The Company shall cancel such forfeited Shares.

2.2 Change in Control. Notwithstanding anything to the contrary contained in this Agreement, upon a Change in Control, pursuant to Section 8(a) of the Plan, the Administrator shall have the discretion to remove all restrictions applicable to the Restricted Shares, the effect of which shall be that the Shares relating to such Restricted Shares shall become free of all restrictions and become fully vested and transferable to the full extent of the original grant.

2.3 Cessation of Services. In the event that Participant ceases to be **[a director of] [be an employee of] [a service provider to]** the Company **[for any reason]**, any and all Restricted Shares held by Participant on the date of such cessation shall be immediately forfeited. **[To be modified if such termination of employment or provision of services is by the Company without Cause or by the Participant for Good Reason.]**

ARTICLE 3

Restrictions on Transfer

3.1 **Restricted Shares.** Except as permitted in **Section 3.3** hereof, until they vest, Restricted Shares or any interest therein may not be directly sold, transferred, pledged, hypothecated, or otherwise disposed of (whether by operation of law or otherwise) by Participant, or be subject to execution, attachment or similar process. Any transfer in violation of this **Section 3.1** shall be void and of no further effect.

3.2 **Unrestricted Shares.** All Unrestricted Shares shall be freely transferable, subject to compliance with federal and state securities laws.

3.3 **Permitted Transfers.** Participant's Shares (whether or not they constitute Unrestricted Shares) may be transferred to any of Participant's Family Members (as defined in the Plan) (a "Transferee"); provided, however, that any Shares so transferred shall remain subject to the restrictions on transfer and forfeiture set forth herein as though such transfer had not occurred, and further provided that the Transferee agrees in writing to be bound by all of the terms, conditions, and restrictions set forth in this Agreement as a condition precedent to the transfer of the Shares. Restricted Shares shall not otherwise be transferable except by will or the laws of descent and distribution.

3.4 **Legend.** The certificates representing the Shares will bear the following legend:

"The securities represented by this certificate are subject to certain restrictions on transfer and other agreements set forth in a Restricted Stock Agreement, dated as of _____, 20 _____ with the Corporation (the "Restricted Stock Agreement"), copies of which may be obtained at the principal executive office of the Corporation. Any sale, transfer, pledge or other disposition in conflict with, or in derogation of, the Restricted Stock Agreement are void and of no legal force, effect or validity whatsoever."

ARTICLE 4

Section 83(b) Election

Participant understands that Section 83 of the Internal Revenue Code of 1986, as amended (the "Code"), may tax as ordinary income the difference between the amount paid for the Restricted Shares and the Fair Market Value of the Restricted Shares as of the date any restrictions on the Restricted Shares lapse, in the absence of an 83(b) election. Participant understands that he or she may elect to be taxed at the time of the grant of the Restricted Shares rather than when and as restrictions on the Restricted Shares lapse by filing an election under

Section 83(b) of the Code with the Internal Revenue Service within thirty (30) days from the date hereof and by filing a copy of such election with Participant's tax return for the tax year in which the restrictions on the Restricted Shares lapse. PARTICIPANT UNDERSTANDS THAT FAILURE TO MAKE THIS FILING IN A TIMELY MANNER MAY RESULT IN THE RECOGNITION OF ORDINARY INCOME BY PARTICIPANT, WHEN AND AS THE RESTRICTIONS ON THE RESTRICTED SHARES LAPSE, ON ANY DIFFERENCE BETWEEN THE PURCHASE PRICE, IF ANY, AND THE FAIR MARKET VALUE OF THE RESTRICTED SHARES AT THE TIME SUCH RESTRICTIONS LAPSE. PARTICIPANT ACKNOWLEDGES THAT IT IS PARTICIPANT'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO TIMELY FILE THE ELECTION UNDER SECTION 83(b). PARTICIPANT ACKNOWLEDGES THAT HE OR SHE SHALL CONSULT PARTICIPANT'S OWN TAX ADVISERS REGARDING THE ADVISABILITY OR NONADVISABILITY OF MAKING THE ELECTION UNDER SECTION 83(b) OF THE CODE AND ACKNOWLEDGES THAT PARTICIPANT SHALL NOT RELY ON THE COMPANY OR ITS ADVISERS FOR SUCH ADVICE. PARTICIPANT FURTHER ACKNOWLEDGES THAT SHOULD PARTICIPANT FILE THE ELECTION UNDER SECTION 83(b), PARTICIPANT WILL TIMELY DELIVER A COPY OF SUCH ELECTION TO THE COMPANY.

ARTICLE 5

Miscellaneous

5.1 Notices. Any notices, consents, or other communication to be sent or given hereunder by any of the parties shall in every case be in writing and shall be deemed properly served if (a) delivered personally, (b) sent by registered or certified mail, in all such cases with first class postage prepaid, return receipt requested, or (c) delivered to a nationally recognized overnight courier service, to the parties at the addresses set forth below:

If to the Company: Earle M. Jorgensen Company
 10650 Alameda Street, Lynwood, CA 90262
 Attention: _____
 Facsimile: (323) _____

If to the Participant: _____

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Date of service of such notice shall be (w) the date such notice is personally delivered, (x) three (3) days after the date of mailing if sent by certified or registered mail, or (y) one (1) day after date of delivery to the overnight courier if sent by overnight courier.

5.2 Employment, Directorship or Other Service. No provision of this Agreement or of the Shares granted hereunder shall give the Participant any right to continued employment, directorship or other service with respect to the Company or any Affiliates, create any inference as to the length of employment, directorship or other service of the Participant, affect the right of

the Company or Affiliates to terminate the employment, directorship or other service of the Participant, with or without Cause, or give the Participant any right to participate in any employee welfare or benefit plan or other program (other than the Plan) of the Company or any of the Affiliates.

5.3 Governing Law. This Agreement and the Shares granted hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware (other than its laws respecting choice of law).

5.4 Entire Agreement. This Agreement and the Plan embody the complete agreement and understanding among the parties, and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, with respect to the subject matter hereof.

5.5 Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same instrument.

5.6 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of, and be enforceable by, Participant and the Company and their respective successors and assigns (including subsequent holders of the Shares).

5.7 No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

5.8 Remedies. Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its favor. Participant agrees and acknowledges that money damages will not be an adequate remedy for any breach of the provisions of this Agreement and that the Company shall be entitled to specific performance and injunctive relief in order to enforce, or prevent any violations of, the provisions of this Agreement.

5.9 Amendments and Waivers. The Administrator (as defined in the Plan) may amend or waive any of the terms of the Award heretofore granted, prospectively or retroactively, but no such amendment shall adversely affect the rights of Participant without Participant's consent.

5.10 Headings. The captions set forth in this Agreement are for convenience only and shall not be considered as part of this Agreement or as in any way limiting the terms and provisions hereof.

**[Remainder of page intentionally left blank.
Signature page follows.]**

IN WITNESS WHEREOF, the parties have caused this Agreement to be effective as of the date first written above.

EARLE M. JORGENSEN COMPANY

By: _____
Name: _____
Its: _____

Participant

**STOCK OPTION NOTICE LETTER AND ASSUMPTION AND
AMENDMENT AGREEMENT**

Dear Optionee:

As you know, on April 3, 2006, (the "Effective Date") Reliance Steel & Aluminum Co., a California corporation ("Reliance"), acquired Earle M. Jorgensen Company, a Delaware corporation ("EMJ"), through a merger transaction (the "Merger") in accordance with the terms and conditions of that certain Agreement and Plan of Merger by and among Reliance, EMJ and RSAC Acquisition Corp. (the "Company"), a Delaware corporation (the "Merger Agreement"). On the Effective Date, you held one or more outstanding options to purchase shares of EMJ common stock granted to you under the Earle M. Jorgensen Company 2004 Stock Incentive Plan, as amended, (the "Plan") and documented with one or more Stock Option Agreements (the "Option Agreements") issued to you under the Plan (the "EMJ Options"). In accordance with the Merger Agreement, on the Effective Date, Reliance assumed all obligations of EMJ under the EMJ Options. This Stock Option Notice Letter and Assumption and Amendment Agreement (this "Agreement") evidences the assumption and amendment of the EMJ Options, including the necessary adjustments to the EMJ Options required by Section 2.03 of the Merger Agreement.

Your EMJ Options immediately before the Merger and your EMJ Options as adjusted after the Merger (the "Adjusted Options") are as follows:

EMJ STOCK OPTIONS		RELIANCE ASSUMED OPTIONS	
No. of Shares of EMJ Common Stock	EMJ Exercise Price Per Share \$	No. of Shares of Reliance Common Stock	Reliance Exercise Price Per Share \$

The above adjustments are based on the Option Exchange Ratio as defined in the Merger Agreement. Accordingly, the number of shares of Reliance Common Stock purchasable upon exercise of an Adjusted Option are equal to the number of shares of EMJ Common Stock that were purchasable under the applicable EMJ Option immediately prior to the Effective Date multiplied by the Option Exchange Ratio, and the per share exercise price under each such Adjusted Option is equal to the price obtained by dividing the per share exercise price of each EMJ Option by the Option Exchange Ratio, with fractional shares being rounded down to the nearest whole number of shares and where necessary the per share exercise price being rounded up to the nearest cent; provided, however, that the number of shares of Reliance Common Stock subject to the Option and the exercise price per share have been determined in a manner consistent with (i) the requirements of Section 409A of the Internal Revenue Code so that the Options will not be subject to the provisions of that section, which governs certain nonqualified deferred compensation plans; and (ii) the requirements of Section 422 of the Internal Revenue Code with respect to those EMJ Options that were intended to qualify as "incentive stock options" within the meaning of Section 422.

Unless the context otherwise requires, any references in the Plan and the Option Agreement are amended as follows: (i) to the "Company" or the "Corporation" means Reliance, (ii) to "Stock," "Common Stock" or "Shares" means shares of Reliance Common Stock, no par value, (iii) to the

“Board of Directors” or the “Board” means the Board of Directors of Reliance and (iv) to the “Committee” means the Administrative Committee appointed by the Reliance Board of Directors. All references in an Option Agreement or the Plan relating to your status as an employee of EMJ will continue to refer to your status as an employee of EMJ, the Company or any other subsidiary of Reliance if your employment should change.

Except for the adjustments required by the Merger Agreement, the Assumption and Amendment Agreement dated as of April 3, 2006 relating to the Plan (the “Plan Assumption Agreement”) or this Agreement, the agreements evidencing the grants of such Options shall continue in effect on the same terms and conditions.

Nothing in this Agreement or your Option Agreement interferes in any way with your rights and Reliance’s rights, which rights are expressly reserved, to terminate your employment or service as an employee or director at any time for any reason, except to the extent expressly provided otherwise in a written agreement executed by both you and EMJ, the Company or any other subsidiary of Reliance if your employment should change. Any future options, if any, you may receive from Reliance will be governed by the terms of the applicable Reliance stock option plan, and such terms may be different from the terms of your Adjusted Options, including, but not limited to, the time period in which you have to exercise vested options after your termination of employment.

Please sign and date this Agreement and return it promptly to the address listed above. If you have any questions regarding this Agreement or your Adjusted Options, please contact Karla Lewis by phone at (213) 687-7700 or by mail at Reliance Steel & Aluminum Co., 350 South Grand Avenue, Suite 5100, Los Angeles, California 90071. Once your options have vested and you would like to exercise your options, please contact Yvette Schiotis at (213) 687-7700.

RELIANCE STEEL & ALUMINUM CO.

By: _____
Karla Lewis
Executive Vice President & Chief Financial
Officer

ACKNOWLEDGMENT

The undersigned acknowledges receipt of the foregoing Stock Option Notice Letter and Assumption and Amendment Agreement and understands that all rights and liabilities with respect to each of his or her Adjusted Options hereby assumed by Reliance are as set forth in the Option Agreement, the Plan as amended by the Plan Assumption Agreement, and the Stock Option Notice Letter and Assumption and Amendment Agreement.

Dated: _____, 2006

[Name], OPTIONEE

RELIANCE STEEL & ALUMINUM Co.
350 South Grand Avenue
Suite 5100
Los Angeles, California 90071

April 11, 2006

Reliance Steel & Aluminum Co.
350 S. Grand Avenue
51st Floor
Los Angeles, CA 90071

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

I am the Vice President and General Counsel of Reliance Steel & Aluminum Co. and have acted as counsel to Reliance Steel & Aluminum Co. (the "Company") in connection with the preparation and filing with the Securities and Exchange Commission under the Securities Act of 1933, as amended ("Securities Act"), of a Registration Statement on Form S-8 (File No. 333-____) (the "Registration Statement") relating to the issuance of up to 143,943 shares of the Company's common stock ("Securities") upon exercise of certain options under the Earle M. Jorgensen Company 2004 Stock Incentive Plan.

In so acting, I have examined and relied upon the original or copies, certified or otherwise identified to my satisfaction, of such corporate records, documents, certificate, and other instruments, and such factual information otherwise supplied to me by the Company as in my judgment are necessary or appropriate to enable us to render the opinion expressed below.

On the basis of and subject to the forgoing, I am of the opinion that the Securities, when sold pursuant to the Registration Statement and Prospectus contained therein will, under the laws of the State of California, be duly and validly issued, fully paid, and non-assessable.

I consent to the use of this opinion as an exhibit to the Registration Statement and to the use of my name under the heading "Legal Matters" in the Prospectus forming a part of the Registration Statement. In giving such opinion, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Securities Act.

Sincerely yours,

Kay Rustand
Vice President and General Counsel

Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8, No. 333-000000) pertaining to the Earle M. Jorgensen Company 2004 Stock Incentive Plan of Reliance Steel & Aluminum Co. of our reports dated March 10, 2006, with respect to the consolidated financial statements and schedule of Reliance Steel & Aluminum Co., its management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Reliance Steel & Aluminum Co., included in the Reliance Steel & Aluminum Co. Annual Report (Form 10-K) for the year ended December 31, 2005, filed with the Securities and Exchange Commission.

Ernst & Young LLP

Los Angeles, California
April 11, 2006