

Schnitzer Steel Industries, Inc.
Charter of the Nominating and Corporate Governance Committee
of the Board of Directors

Purpose

The purpose of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Schnitzer Steel Industries, Inc. (the “Company”) is to:

- Identify, select and recommend to the Board individuals proposed to be (i) nominated for election as directors by the shareholders or (ii) elected as directors by the Board to fill vacancies, including vacancies resulting from an increase in the number of directors;
- Working with the Chairman of the Board and the Lead Director, seek to ensure that the Board’s committee structure, committee assignments and committee chair assignments are appropriate and effective;
- Develop and recommend to the Board for approval, and review from time to time, a set of corporate governance principles for the Company, which shall include a process for the evaluation of the Board of Directors, its committees and management;
- Develop and maintain a director education program; and
- Monitor compliance with the corporate governance principles adopted by the Board.

Membership

The Committee shall consist of at least three directors. The Committee Chair shall be appointed by the Chairman of the Board after consultation with the Lead Director and Committee members. Vacancies on the Committee, including of the Committee Chair, shall be filled by the Chairman of the Board after consultation with the Lead Director. Committee members shall meet Nasdaq’s independence requirements for governance committee members as in effect from time to time and all other applicable rules, regulations, and statutes, as determined by the Board in the exercise of business judgment.

Meetings

The Committee shall meet with such frequency and at such intervals as it determines is necessary to carry out its duties and responsibilities. Meetings may be called by the Chair of the Committee or any two Committee members. The Committee may permit attendance at meetings by management and consultants as the Committee may determine appropriate or advisable from time to time. A majority of the members shall constitute a quorum. Concurrence of a majority of the quorum present at a meeting shall be required to take formal action of the Committee. As permitted by ORS 60.354, the Committee may act by unanimous written consent and may conduct meetings by conference

telephone or similar communication equipment. The Committee shall report regularly to the Board on matters within the Committee's responsibilities and shall maintain minutes of Committee meetings.

Schnitzer Trust Nominees

For so long as the shares of Class B Common Stock of the Company deposited in the voting trust (the "Trust") established under that certain 2001 Restated Voting Trust and Buy-Sell Agreement dated as of March 26, 2001, as such agreement may be further amended or restated, represent a majority of the votes that may be cast in the election of directors of the Company, the Committee shall recommend for nomination or election as directors Schnitzer family members or other representatives of the Schnitzer family recommended to the Committee by the trustees of Trust such that there shall at all times be four directors recommended for election by the trustees of the Trust; provided that as a condition to making such recommendation, the Committee shall consider the qualifications of persons recommended by the trustees of the Trust. The Committee shall only recommend persons deemed qualified in accordance with the standards set forth in paragraph 3 (with the exception of qualification as an Independent Director) and paragraph 4 below, to the extent applicable. If any person recommended by the trustees of the Trust is not deemed qualified by the Committee, the Committee shall advise the trustees of the Trust, who shall have the right to make additional recommendations.

Duties and Responsibilities

1. Notwithstanding the Company's eligibility to rely on the "Controlled Company" exception under Nasdaq rules, in addition to the recommendation of the Trust nominees the Committee shall seek to identify and recommend for nomination or election as directors persons who qualify under Nasdaq rules as "Independent Directors" so that a majority of the Board shall be comprised of Independent Directors and shall conduct annual reviews to confirm that directors who initially qualified as independent maintain their status as Independent Directors.
2. The Committee shall review and periodically make recommendations to the Board regarding the composition, size, structure, practices, policies, and activities of the Board and its committees.
3. The Committee shall identify individuals qualified to become directors and develop a pool of potential candidates for consideration in the event of a vacancy on the Board. In assessing potential candidates, the Committee shall consider the composition of the Board as a whole and the character, background and professional experience of each potential candidate. In its evaluation of potential candidates, the Committee shall consider the following factors: qualification as an Independent Director; character, integrity and mature judgment; accomplishments and reputation in the business community; knowledge of the Company's industry or other industries relevant to the Company's business; specific skills such as financial expertise needed by the Board; inquisitive and objective perspective; commitment and ability to devote time and effort to Board responsibilities; and diversity of viewpoints and experience.

4. In considering recommendations regarding the re-nomination of incumbent directors, the Committee shall, in addition to the factors listed in paragraph 3 above, take into account the performance of such persons as directors, including the number of meetings attended and the level and quality of participation and value of continuity and knowledge of the Company gained through Board service.
5. The Committee shall consider potential Board candidates recommended by Company shareholders. Shareholders may recommend qualified candidates by writing to the Committee, in care of the Secretary of the Company, at the Company's principal office address. Any such recommendation must include the candidate's name, age and qualifications (including principal occupation and employment history) and written consent to be named as a nominee in the Company's proxy statement and to serve as a director, if elected. The Committee shall evaluate the qualifications of candidates submitted by shareholders in the same manner as its evaluation of other potential new director candidates.
6. Periodically as appropriate, the Committee shall review, evaluate, and recommend to the Board amendments to the Company's articles of incorporation and bylaws relating to the issues of corporate governance.
7. Periodically as appropriate, the Committee shall recommend to the Board the selection of a Chairman of the Board, a Lead Director, and, in consultation with the Compensation Committee, the Chief Executive Officer (the "CEO") and shall also review the succession plans for the CEO, including, when appropriate, the evaluation of potential successors.
8. The Committee shall periodically report to the Board regarding the Committee's actions and propose any necessary action to the Board.
9. The Committee shall review this Charter at least annually and recommend proposed changes to the Board. The Committee will annually self-evaluate its own performance.
10. The Committee is authorized, to the extent it deems necessary or appropriate, to retain one or more consulting or search firms to assist the Committee in identifying potential candidates to the Board and advise on Board development. The Company will pay all compensation of such firms approved by the Committee.
11. The Committee is authorized, to the extent it deems necessary or appropriate, to seek advice from internal and external legal counsel and other advisors or consultants as the Committee deems necessary or appropriate to assist in the performance of its duties, including, without limitation with respect to the matters described in paragraphs 5, 7 and 9 above, and to present educational opportunities for members of the Board. The Company will pay all compensation and expenses of legal counsel, advisors or consultants engaged by the Committee.
12. The Committee shall conduct annual evaluations of the Board, its committees and individual directors.

13. The Committee shall annually review and assess the D&O questionnaires provided by directors and executive officers of the Company in connection with the Company's annual meeting proxy statement.
14. At least every three years the Committee shall review and report to the Board on the terms of the Company's shareholder rights plan.
15. The Committee shall perform such other duties as the Board may delegate to the Committee from time to time.