

**Schnitzer Steel Industries, Inc.**  
**Charter of the Compensation Committee of the Board of Directors**

**Purpose**

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

- Discharge the Board’s responsibilities relating to compensation of the Company’s executive officers;
- Approve the compensation of the Company’s executive officers and oversee the administration of the Company’s executive and director compensation plans and equity-based plans;
- Oversee and evaluate the performance of the Chief Executive Officer (“CEO”); and
- Oversee the preparation of executive compensation disclosures included in the Company’s proxy statement, in accordance with Securities and Exchange Commission rules and regulations.

**Membership**

The Committee shall consist of at least three directors. Committee members will be appointed on an annual basis (normally immediately following the Company’s annual meeting of shareholders) by the Board upon the recommendation of the Nominating and Corporate Governance Committee in consultation with the Chairman of the Board and the Lead Director, if applicable. Vacancies on the Committee shall be filled through appointment by the Board upon the recommendation of the Nominating and Corporate Governance Committee in consultation with the Chairman of the Board and the Lead Director, if applicable. The Committee Chair shall be appointed by the Chairman of the Board after consultation with the Lead Director, if applicable, and the Chair of the Nominating and Governance Committee. Each member of the Committee shall be independent in accordance with the rules of the NASDAQ Stock Market 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. At least two members of the Committee must qualify as "non-employee directors" for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code, as amended. The Committee may, as needed, establish and designate the members of the Committee who shall constitute a Section 162(m) subcommittee of the Committee.

**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 communications equipment. The Committee shall report regularly to the Board on matters within the Committee's responsibilities and shall maintain minutes of Committee meetings.

### **Duties and Responsibilities**

The Committee shall:

1. Review and approve performance goals and objectives with respect to the compensation of the CEO and the other executive officers, consistent with approved compensation plans.
2. In conjunction with the Chairman of the Board, oversee the performance evaluation of the CEO in light of established goals and objectives and determine the CEO's compensation (including annual base salary, incentive compensation, long-term incentive compensation, and equity-based compensation).
3. Review and approve employment, severance, change-in-control, termination, and retirement agreements for the CEO and the executive officers.
4. Report to the Board with respect to executive compensation plans, including incentive and equity-based compensation, and the results of the evaluations and reviews described above.
5. Administer and interpret executive compensation plans as required by the terms of the plans, the Company's stock plans, and all other equity-based plans from time to time adopted by the Company.
6. Approve the compensation (including annual base salary, incentive compensation, long-term incentive compensation, and equity-based compensation) of the executive officers other than the CEO. The Chairman of the Board may be present during the deliberations and voting on the CEO's and other executive officers' compensation, and the Chairman of the Board and the CEO may be present during deliberations and voting on the compensation of executive officers other than the CEO.
7. Exercise sole authority and responsibility to retain, appoint, obtain the advice of, compensate, oversee the work of and terminate compensation consultants, independent legal counsel and other compensation advisors to assist the Committee in the performance of its duties and responsibilities, including evaluating the compensation of directors, the CEO or the other executive officers, with the sole authority to approve the fees and other retention terms of the Committee's consultants, legal counsel and other advisors. The Company will provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant, independent legal counsel or other adviser retained by the Committee. The Committee shall undertake an independence assessment prior to selecting any compensation consultant, legal counsel or other advisers that will provide advice to the Committee (other than in-house legal counsel) taking into

account such factors as may be required by applicable law, rules and regulations of the Securities and Exchange Commission and NASDAQ listing standards.

8. To review and assess the risks related to the design of the Company's compensation programs and arrangements and annually determine whether the Company's compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.
9. To review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A"), recommend that the CD&A be included in the Company's annual report on Form 10-K and proxy statement, and produce the annual Compensation Committee Report for inclusion in the Company's proxy statement.
10. In consultation with the Nominating and Corporate Governance Committee, review and recommend to the Board for approval compensation for members of the Board, including compensation paid to committee members and committee chairs.
11. Annually self-evaluate the performance of the Committee.
12. Annually review and assess the adequacy of the Committee's charter and recommend any proposed changes to the Board.
13. Have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by the Committee in order to discharge its responsibilities hereunder.
14. Perform such other duties and responsibilities as the Board may, from time to time, assign to the Committee.