

OLYMPIC STEEL

COMPENSATION COMMITTEE CHARTER

Status

The Compensation Committee (“Committee”) is a committee of the Board of Directors of the Company (“Board”).

Membership

The Committee will be comprised of at least three (3) members of the Board. Each member of the Committee: (1) shall be an Independent Director under the listing requirements of the Nasdaq Stock Market LLC (“NASDAQ”) and all other applicable laws, rules, and regulations governing director independence; (2) shall be an “outside director” for purposes of Section 162(m) of the Internal Revenue Code; (3) shall be a “non-employee director” for purposes of Rule 16b-3 promulgated under the Securities Exchange Act of 1934; and (4) shall not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof. Compensatory fees shall not include: (i) fees received as a member of the Committee, the Board or any other Board committee; or (ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service). In determining whether a Board member is eligible to serve on the Committee, the Board must consider whether the Board member is affiliated with the Company, a subsidiary of the Company or any affiliate of a subsidiary of the Company to determine whether such affiliation would impair the Board member’s judgment as a member of the Committee.

The members of the Committee shall be elected annually by the Board based on nominations made by the Company’s Nominating Committee. Each member shall serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member. Unless a Chair of the Committee is elected by the full Board, the members of the Committee may designate a Chairman by majority vote of full Committee membership.

Purpose

The primary purposes of the Committee are to: (1) assist the Board in meeting the Board’s responsibilities with regard to oversight and determination of executive compensation, including the compensation of the Company’s Executive Chairman and the Company’s Chief Executive Officer; and (2) to administer the Company’s equity-based or equity-linked compensation option plans, bonus plans and deferred compensation plans, after consultation with management.

Duties and Responsibilities

1. The Committee will develop and implement the Company’s compensation policies and programs for Executive Officers (as such term is defined in the Securities Exchange Act of 1934) and Board members.

2. The Committee will review and approve, at least annually, corporate goals and objectives relevant to the compensation of the Executive Chairman, Chief Executive Officer and the other Executive Officers of the Company.
3. The Committee will, either as a Committee or together with other independent directors (as directed by the Board), evaluate the performance of the Chief Executive Officer in the light of those corporate goals and objectives. The Committee will approve the calculation of the other Executive Officers' incentive compensation based on the applicable performance metrics used in evaluating the Executive Officers. The Committee will set compensation levels for the Executive Officers, including the Chief Executive Officer, based on those evaluations and any other factors as it deems appropriate. The Committee will review and recommend to the Board for approval, or approve, as applicable (a) base salary or retainer, (b) annual bonus, (c) long-term incentive compensation, and (d) any other compensation, perquisites, and special or supplemental benefits for the Company's Executive Chairman, Chief Executive Officer and other Executive Officers. In reviewing and recommending, or approving, items (a) through (d) above, the Committee may consider the compensation awarded to officers at other companies, the Company's performance, the individual's performance, and any other factors the Committee deems appropriate. The Chief Executive Officer may not be present during voting or deliberations by the Committee on his or her compensation.
4. The Committee will make recommendations to the Board with respect to the approval, adoption and amendment of all cash- and equity-based incentive compensation plans in which any Executive Officer of the Company participates. The Committee will also make recommendations to the Board with respect to the approval, adoption and amendment of all other equity-based plans.
5. The Committee will administer the Company's equity-based incentive compensation plans, and will provide for the administration of the other plans adopted by the Board that contemplate administration by the Committee. The Committee, or a subcommittee, shall approve all grants of stock options and other equity-based awards, subject to the terms and conditions of applicable plans. The Committee's administrative authority shall include the authority to approve the acquisition by the Company of shares of the Company's stock from any plan participant.
6. The Committee will review and approve any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any Executive Officer of the Company. The Committee shall review and approve any severance or other termination payments proposed to be made to any Executive Officer of the Company.
7. The Committee will periodically review director compensation in relation to other comparable companies and in the light of such other factors as the Committee may deem appropriate. The Committee shall discuss this review with the Board.

8. The Committee will periodically conduct a risk assessment of the Company's compensation plans and programs and discuss with the Board whether such plans and programs are designed in a manner that creates incentives for employees to take inappropriate or excessive risk.
9. The Committee will report its activities to the Board at least annually in such manner and at such times as the Committee or the Board deem appropriate.
10. The Committee will review and discuss with the Company's management the Compensation Discussion and Analysis ("CD&A") required by Securities and Exchange Commission Regulation S-K Item 402. Based on such review and discussion, the Committee will determine whether to recommend to the Board that the CD&A be included in the Company's Annual Report on Form 10-K and proxy statement for the annual meeting of the Company's shareholders.
11. The Committee will provide, over the names of the members of the Committee, the Compensation Committee report required by Securities and Exchange Commission Regulation S-K Item 407 for the Company's Annual Report on Form 10-K and proxy statement for the annual meeting of Company's shareholders.

Operations and Meetings

The Committee will meet at least annually and at such other additional times as it deems necessary to fulfill its responsibilities. The Committee Chair will, in consultation with the other members of the Committee and appropriate officers of the Company, establish the agenda for each Committee meeting. Any Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. The Committee may act only by unanimous written consent or by the affirmative vote of a majority of its members at a meeting.

The Committee may request any officer or other employee of the Company, or any representative of the Company's legal counsel or other advisors, to attend a meeting or to meet with any members or representatives of the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting should not attend such meeting unless specifically invited by the Committee. Notwithstanding the foregoing, the Chief Executive Officer may not be present while the Committee is voting on or discussing the Chief Executive Officer's compensation. Any Committee member may be excused from a meeting to permit the remaining members of the Committee to act on any matter in which such member's participation is not appropriate, and such member's absence shall not destroy the quorum for the meeting.

Minutes

Minutes of each meeting are to be prepared and sent to Committee members and also to the Board members who are not members of the Committee. The minutes as finally approved shall be placed in the corporate minute books of the Company by the Secretary or Assistant Secretary of the Company.

Delegation

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (1) “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, and (2) “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code.

Resources and Authority

The Committee has the following specific responsibilities and authority:

- The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser;
- The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee;
- The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee;
- The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:
 - the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
 - the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
 - the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
 - any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;

- any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Executive Officer of the Company.

However, the Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Regulation S-K Item 407(e)(3)(iii): (1) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Executive Officers or Board members, and that is available generally to all salaried employees; and/or (2) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

The Committee shall also have appropriate resources and authority to discharge its responsibilities under this Charter.

Annual Review

At least annually, the Committee will (1) review and reassess the adequacy of this Charter with the Board and recommend any changes to the Board and (2) evaluate its own performance against the requirements of this Charter and report the results of this evaluation to the Board. The evaluation will include establishment of the goals and objectives of the Committee for the upcoming year. The Committee will conduct its review and evaluation in such manner as it deems appropriate.