

# OLYMPIC STEEL, INC.

## CORPORATE GOVERNANCE GUIDELINES

### Responsibility of the Board

The primary mission of the Board of Directors of Olympic Steel, Inc. is to advance the interests of the Company's shareholders by creating a valuable long-term business. The Board believes that this mission is best served by establishing a corporate culture of accountability, responsibility and ethical behavior through the careful selection and evaluation of senior management and members of the Board and by carrying out the Board's responsibilities with honesty and integrity.

In discharging their obligations, directors should be entitled to rely on the honesty and integrity of the Company's senior executives, its auditors and other outside advisors. Board members are expected to devote the time necessary to appropriately discharge their responsibilities and to rigorously prepare for and, to the extent possible, attend and participate in all Board meetings and meetings of Board committees on which they serve. Each Board member is expected to ensure that other commitments do not materially interfere with the member's service as a director.

### Director Selection

***Board Membership Criteria.*** The Nominating and Governance Committee is responsible for reviewing with the Board, at least annually, the appropriate skills and experience required of Board members. This assessment should include factors such as judgment, skill, diversity, integrity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. When assessing the composition of the Board and considering new candidates, the Nominating and Governance Committee is responsible for ensuring the Board is comprised of a diverse mix of leaders who value, encourage and embrace diversity of thought and perspective and represent a broad range of backgrounds and experiences. Candidates should be persons whose knowledge, skills, expertise, diversity, integrity and leadership are likely to contribute materially to the Board and accelerate the safe and profitable growth of Olympic Steel.

***Selection of Director Nominees.*** The Nominating and Governance Committee will recommend candidates for election to the Board in accordance with the policies and principles in its charter and the criteria described in these Guidelines. An invitation to join the Board should be extended by the Board through the Chairman of the Board and the Chair of the Nominating and Governance Committee. The Nominating and Governance Committee will be responsible for recommending the nomination of those incumbent directors it deems appropriate for re-election to the Board as they see fit.

***Director Orientation and Continuing Education.*** The Company will establish and review periodically an orientation program for new directors that includes presentations by senior management. All directors will also be invited to participate in the orientation program. Periodically, the Company will provide opportunities for directors to visit the Company's principal facilities in order to provide greater understanding of the Company's business and operations.

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## **Board Composition**

***Independent Directors.*** A majority of the members of the Board must satisfy the applicable independence requirements set forth in the Nasdaq Stock Market listing requirements and under applicable law. Appendix A sets forth certain categorically immaterial relationships that do not impair a director's independence to assist the Board in making its independence determinations.

***Size of the Board.*** It is the sense of the Board that a size of eight to ten members is about right. However, the Board may consider altering its size and will periodically review the size of the Board based on recommendations of the Nominating and Governance Committee.

***Positions of Chairman and Chief Executive Officer.*** Currently, the roles of Chairman and Chief Executive Officer are split, although in the past, these roles have been combined. The Board has no policy with respect to the separation of these offices. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to consider it each time that it elects the Chief Executive Officer.

***Service on Other Boards.*** A director who serves as a Chief Executive Officer of a public company shall not serve on more than two other public company boards of directors. A director who is not a Chief Executive officer of a public company shall not serve on more than four other public company boards of directors. The Board may determine exceptions to these limits on an individual basis.

Directors should advise the Chairman of the Board and the Chair of the Nominating and Governance Committee in advance of accepting an invitation to serve on the board of directors (or similar body) of another company or entity. Additionally, the Chief Executive Officer and other executive officers must seek the approval of the Board before accepting membership on other boards (or similar bodies), including corporate and charitable boards.

***Lead Director.*** In the event the Chairman is not independent, then the Board will have a Lead Director who will be an independent director and selected by the independent directors of the Board. The Lead Director will: (i) preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors; (ii) serve as liaison between the Chairman and the independent directors; (iii) approve information to be sent to the Board; (iv) approve meeting agendas for the Board; (v) approve meeting schedules to assure that there is sufficient time for discussion of all agenda items; (vi) have the authority to call meetings of independent directors; and (vii) if requested by major shareholders, be available for consultation and direct communication.

***Term Limits.*** The Board does not believe it should establish term limits. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, able to provide an increasing contribution to the Board as a whole.

**Retirement Policy.** The Board does not believe that age alone should determine whether an individual should serve as a director and therefore does not believe that a mandatory retirement age for directors is appropriate.

## **Director Compensation**

**Compensation Policy and Review.** It is the policy of the Board to provide non-management directors with a mix of compensation, including an annual cash retainer and equity compensation. Proposed changes in Board compensation shall initially be reviewed by the Compensation Committee, but any changes in the compensation of directors shall require the approval of the Board. The Compensation Committee shall periodically review the status of Board compensation in relation to comparable companies and other factors the Compensation Committee deems appropriate. The Compensation Committee shall discuss its review with the Board.

## **Board Meetings**

**Schedule.** Board meetings are scheduled in advance and held not less than quarterly. The Board holds special meetings as required.

**Agendas.** The Chairman of the Board, in consultation with the Lead Director, the Chief Executive Officer and other members of senior management, will establish the agenda for each Board meeting. Each Board member may submit items to be included on the agenda. Board members may also raise subjects that are not on the agenda at any meeting.

**Distribution of Board Material.** Information that is important to the Board's understanding of the Company's business should be distributed to the directors a reasonable period of time before the Board meeting.

**Meetings of Non-Management Directors.** The non-management directors will meet at least quarterly without management directors present. The independent Chairman of the Board or the Lead Director, as applicable, shall supervise the conduct of the meetings of non-management directors. Meetings of the non-management directors should generally coincide with regularly scheduled Board meetings; however, the independent Chairman of the Board or the Lead Director, as applicable, or a majority of the non-management directors, may call a meeting of the non-management directors at any time. The independent Chairman of the Board or the Lead Director, as applicable, shall communicate the results of the meetings to the Chief Executive Officer and the non-independent Chairman of the Board, as appropriate. If one or more non-management directors does not satisfy the applicable independence requirements set forth in the Nasdaq Stock Market listing requirements and under applicable law, then at least once annually an executive session including only independent directors shall be held.

**Board Presentations and Access to Employees and Advisors.** Directors shall have full access to officers and employees of the Company and, as necessary and appropriate, the Company's independent advisors, including legal counsel and independent accountants. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. Each director will use his or her judgment to ensure that any such contact is not disruptive to the business operations of the

Company and will, to the extent appropriate, provide the Chairman of the Board and the Chief Executive Officer with a copy of any written communications between a director and an officer or employee of, or advisor to, the Company.

The Board encourages senior management to invite to Board meetings officers, other key employees and independent advisors who can provide additional insight into the matters being discussed, or whom senior management believes should be given exposure to the Board.

***Board Interaction with Investors, Media and Others.*** The Board believes that senior management speaks for the Company. Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that Board members would do so with the knowledge of senior management and, in most instances, at the request of senior management.

## **Board Committees**

***Standing Committees.*** The Board will have at all times an Audit and Compliance Committee, a Compensation Committee and a Nominating and Governance Committee. All of the members of those committees will satisfy the applicable independence requirements set forth in the Nasdaq Stock Market listing requirements and under applicable law.

Committees shall receive authority exclusively through delegation from the Board through the articles of incorporation, Board resolutions, committee charters or as provided by these Guidelines. All committee actions must be ratified by the Board before becoming effective, unless taken pursuant to an express delegation of authority. In addition to the authority granted hereunder or under each committee's charter or in the case of a committee, by further resolution of the Board, the Board and each standing committee have the authority to retain and compensate independent legal, financial or other advisors as such committee may deem necessary without consulting or obtaining the approval of the Board or management of the Company.

***Appointment and Term of Service of Committee Members.*** Committee members will be appointed by the Board with consideration of the desires of individual directors. Consideration will be given to rotating committee members periodically, but the Board does not believe that rotation should be mandated as a policy. Committee chairs shall be appointed by the Board based on recommendations from the Nominating and Governance Committee.

***Committee Charters.*** The Audit and Compliance Committee, a Compensation Committee and a Nominating and Governance Committee will each have a written charter approved by the Board. The Board shall determine whether any other committees will have a charter. The charters will set forth the purposes and responsibilities of the committees as well as qualifications for committee membership, procedures for appointment and removal, structure and operations, and reporting to the Board. The charters will also provide that each committee will annually evaluate its performance. The charters of the Audit and Compliance Committee, a Compensation Committee and a Nominating and Governance Committee will be included on the Company's website and copies of the charters will be made available upon request to the Company's Secretary.

***Committee Meetings and Committee Agenda.*** Each committee chair, in consultation with the committee members and appropriate officers of the Company, will determine the frequency of committee meetings consistent with the committee's charter, provided that a majority of committee members may call a meeting of the committee on which they are members at any time. Each committee chair, in consultation with the other members of the committee and senior management, will develop the committee's agenda.

***Transactions with Directors and Their Affiliates.*** The Audit and Compliance Committee will review all relationships and transactions in which the Company and its directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. The Company's Chief Financial Officer is primarily responsible for the development and implementation of processes and controls to obtain information from the directors and executive officers with respect to related-person transactions in order to enable the Audit and Compliance Committee to determine, based on the facts and circumstances, whether the Company or related person has a direct or indirect material interest in the transaction. In the course of its review of a potentially material related-person transaction, the Audit and Compliance Committee will consider: (i) the nature of the related person's interest in the transaction; (ii) the material terms of the transaction, including without limitation, the amount and type of transaction; (iii) the importance of the transaction to the related person; (iv) the importance of the transaction to the Company; (v) whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; and (vi) any other matters the Audit and Compliance Committee deems appropriate.

Based on this review, the Audit and Compliance Committee will determine whether to approve or ratify any transaction which is directly or indirectly material to the Company or a related person. Any member of the Audit and Compliance Committee who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction; however, such director may be counted in determining the presence of a quorum at a meeting of the Committee that considers the transaction.

## **Management Succession**

***Chief Executive Officer Selection.*** The Board shall select a Chief Executive Officer in a manner that is in the best interests of the Company.

***Evaluation and Compensation of Chief Executive Officer.*** The Compensation Committee will conduct an annual review of the performance of the Chief Executive Officer in light of the goals and objectives of the Company. The Compensation Committee will set Chief Executive Officer compensation based on such factors set forth in its charter and otherwise as it deems appropriate.

***Succession Planning and Management Development.*** The Nominating and Governance Committee should, at least annually, make a report to the Board on succession planning. The Company's succession plan will include appropriate contingencies in case the Chief Executive Officer retires, resigns or is incapacitated. The Board, with the assistance of the Nominating and Governance Committee, will evaluate potential successors to the Chief Executive Officer. The

Chairman of the Board and the Chief Executive Officer should at all times make available their recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

### **Share Ownership Guidelines**

***Director Ownership of Company Shares.*** Each director shall be required to own common shares or common share equivalents of the Company (which shall be deemed to include, among others, unvested restricted shares, common shares underlying vested restricted stock units and shares or common share equivalents deferred in an equity deferred compensation plan) with an aggregate market value of not less than five times the cash portion of the annual retainer (a) no later than June 1st of the fifth calendar year following the date the director was first elected or appointed to the Board and (b) on each June 1st thereafter.

**February 11, 2020**

Categorically Immaterial Relationships

A. If the director is, or has an immediate family member who is, a partner, principal or member (or any comparable position) of, or an executive officer or employee of, any organization to which the Company made, or from which the Company received, payments for property or services in the current fiscal year or the last fiscal year so long as, during such fiscal year, (i) the amount involved does or did not exceed \$120,000 or (ii) such director or immediate family member does or did not have a direct or indirect material interest in the transaction in an amount in excess of \$120,000.

B. If the director is, or has an immediate family member who is, a partner, principal or member (or any comparable position) of, or an executive officer or employee of, any organization that received commissions or other payments for property or services from a third party on the basis of property or services that such third party provided to the Company in the current fiscal year or the last fiscal year so long as, during such fiscal year, (i) the amount involved does or did not exceed \$120,000 or (ii) such director or immediate family member does or did not have a direct or indirect material interest in the transaction in an amount in excess of \$120,000.

C. If the director is, or has an immediate family member who is, an officer, director or trustee of a foundation, school, charitable or other not-for-profit organization to which the Company has made a discretionary charitable contribution in the current fiscal year or the last fiscal year in amount not in excess of \$120,000 in such fiscal year.

D. If the director serves on the board of directors of another company at which another Company director or executive officer also serves on the board of directors (except if the director or an immediate family member of the director is, or has been within the last three fiscal years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on such other company's compensation committee).