

## **CORPORATE GOVERNANCE GUIDELINES**

The following Corporate Governance Guidelines (the "Guidelines") have been adopted by the Board of Directors (the "Board") of A.M. Castle & Co. (the "Corporation") to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision-making both at the Board and management level, and to enhance stockholder value over the long term. These Guidelines are a statement of policy and are not intended to change or interpret any federal or state law or regulation, including the laws of the State of Maryland, or the Charter or Bylaws of the Corporation. The Guidelines are subject to periodic review by the Governance Committee (the "Committee") of the Board and to modification from time to time by the Board.

### **BOARD COMPOSITION**

#### **1. Selection of Chair of the Board**

The Board at its discretion may select its Chair in any way the Board determines.

#### **2. Size of the Board**

The Board believes that it should generally have no fewer than nine members. This number permits diversity of experience without hindering effective discussion or diminishing individual accountability.

#### **3. Selection of New Directors**

The entire Board shall be responsible for nominating candidates for election to the Board at the Corporation's annual meeting of stockholders and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Committee is responsible for identifying, screening and recommending candidates to the entire Board for Board membership. When formulating its Board membership recommendations, the Committee shall also consider any advice and recommendations offered by the Chief Executive Officer, directors or the stockholders of the Corporation or any outside advisors the Committee may retain.

An orientation process for all new directors will be maintained. The orientation program is the responsibility of the Chief Executive Officer.

#### **4. Board Membership Criteria**

Nominees for director shall be selected on the basis of experience, integrity, absence of conflict or potential conflict of interest, ability to make independent analytical inquiries, understanding of the Corporation's business environment and willingness to devote adequate time to Board duties. Board members are expected to diligently prepare for, attend, and participate in Board and applicable committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as an outstanding director.

The Committee shall be responsible for assessing the appropriate balance of skills and characteristics required of Board members.

The Board shall be committed to a diversified membership, in terms of both the individuals involved and their various experiences and areas of expertise.

The Board shall be committed to satisfying qualification requirements for audit committee members as established by law, regulation or the listing requirements of the New York Stock Exchange (the "NYSE").

**5. Percentage of Independent Directors on Board**

Independent directors shall constitute a majority of the Board.

**6. Board Definition of Director Independence**

No director will qualify as an independent director of the Corporation unless the Board has affirmatively determined that the director meets the standards for being an independent director established from time to time by the NYSE, the U.S. Securities and Exchange Commission and any other applicable governmental and regulatory bodies. To be considered independent under the rules of the NYSE, the Board must affirmatively determine that a director has no material relationship with the Corporation (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation). To assist it in determining each director's independence in accordance with the NYSE's rules, the Board has established guidelines, which provide that a director will be deemed independent unless:

- (i) within the preceding three years, the director was an employee, or an immediate family member of the director was an executive officer, of the Corporation;
- (ii) within the preceding three years, the director or an immediate family member of the director received during any twelve-month period more than \$100,000 in direct compensation from the Corporation, excluding director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (iii) (A) the director or an immediate family member of the director is a current partner of a firm that is the Corporation's internal or independent auditor; (B) the director is a current employee of such a firm; (C) an immediate family member of the director is a current employee of such a firm and participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member of the director was, within the last three years (but is no longer), a partner or employee of such a firm and personally worked on the Corporation's audit within that time;
- (iv) the director or an immediate family member of the director is, or has been within the preceding three years, employed as an executive officer of another company where any of the Corporation's executive officers at the same time serves or served on that company's compensation committee; or
- (v) the director is a current employee, or an immediate family member of the director is a current executive officer, of another company that made payments to or received payments from the Corporation for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or two percent (2%) of such other company's consolidated gross revenues.

For purposes of these guidelines, an “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home, and references to the “Corporation” include any parent or subsidiary in a consolidated group with the Corporation.

The Board annually will review all relationships between its directors and the Corporation to determine whether the directors meet these categorical independence tests. If a director has a relationship with the Corporation that is not covered by these independence guidelines, those directors who satisfy such guidelines will consider the relevant circumstances and make an affirmative determination regarding the materiality of such relationship and whether the director would therefore be considered independent under the NYSE’s rules.

The Corporation will disclose in its proxy statement (a) the basis for any Board determination that a relationship was immaterial despite the fact that it did not meet the categorical independence tests of immateriality set forth above, and (b) any charitable contributions made by the Corporation to any charitable organization in which a director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year exceeded the greater of \$1 million, or two percent (2%) of such charitable organization’s consolidated gross revenues.

**7. Retirement Age**

No director after having attained the age of 72 years shall be nominated for re-election or reappointment to the Board, without the prior approval of the Committee.

**8. Directors Who Change Their Present Job Responsibility**

Each director will notify the Committee if the director has a material change in employment circumstances or other directorships. The Committee shall consider factors deemed relevant in reviewing the continued appropriateness of Board membership and the affected director shall be expected to act in accordance with the Committee’s recommendation.

**9. Director Compensation**

The Corporation’s employees shall not receive additional compensation for their service as directors. Director compensation shall be reviewed annually as determined by the Human Resources Committee.

The Corporation believes that compensation for non-employee directors should be competitive.

**10. Evaluation of Board**

The Board shall be responsible for annually conducting a self-evaluation of the Board as a whole. The Committee shall be responsible for establishing and implementing the process for such evaluation.

**11. Board Contact with Senior Management**

Board members shall have complete access to senior management of the Corporation. Board members shall use sound business judgment to ensure that such contact does not interfere with management responsibilities.

Furthermore, the Board encourages senior management, from time to time, to bring employees into Board meetings who: (a) can provide additional insight concerning the items being discussed because of personal involvement in these areas; (b) represent significant aspects of the Corporation's business; and (c) assure the Board of exposure to employees with future potential to assure adequate plans for management succession within the Corporation.

**12. Interaction with Institutional Investors and Press**

The only persons authorized to speak on behalf of the Company to securities analysts, broker-dealers, and security holders are the Chief Executive Officer and the Chief Financial Officer; or other persons specifically designated by either of them to speak with respect to a particular topic or purpose. Unless otherwise agreed to or requested by the Chief Executive Officer, each director shall refer all inquiries from institutional investors and the press to the Chief Executive Officer or his designee or to the Chair.

**13. Communications**

The Board shall work with management to establish and maintain an electronic or physical mailbox for direct communication with written directors and disclose communication procedures in public reports. All written communications shall be distributed to the Chair or other directors as appropriate.

**BOARD MEETINGS**

**14. Frequency of Meetings**

There shall be at least four regularly scheduled meetings of the Board each year.

**15. Selection of Agenda Items for Board Meetings**

The Chair of the Board shall prepare an agenda of items to be considered by the Board at each of its specified meetings during the year. Each Board member shall be free to suggest inclusion of items on the agenda for any given meeting.

**16. Strategic Discussions at Board Meetings**

At least one Board meeting each year will be substantially devoted to long-range strategic plans.

**17. Outside Directors' Discussion**

The Board's policy is to have a separate meeting time for the non-employee directors in conjunction with the regularly scheduled Board meetings. The Chair will chair the regularly scheduled meetings of outside directors and will serve as the interface between the non-

employee directors and the Chief Executive Officer in communicating the matters discussed during the session.

**18. Executive Sessions**

The non-employee directors may meet with each of the Corporation's independent external auditors, internal auditors and outside legal counsel to discuss pending financial and compliance matters.

**19. Board Materials Distributed in Advance**

Information and data is important to the Board's understanding of the Corporation's business and essential to prepare Board members for productive meetings. Presentation materials relevant to each meeting will be distributed in writing to the Board in advance of the meeting unless doing so would compromise the confidentiality of competitive information or impracticable.

**COMMITTEE MATTERS**

**20. Number and Names of Board Committees**

The Corporation shall have three standing committees: Audit, Human Resources and Governance. The duties for each of these committees shall be outlined in each committee's charter and by resolution of the Board. The Board may form additional committees as deemed appropriate.

**21. Independence of Audit, Human Resources and Nominating and Corporate Governance Committees**

In accordance with the listing requirements of the NYSE, the Audit, Human Resources and Governance Committees shall be composed entirely of independent directors.

**22. Assignment and Rotation of Committee Members**

The Committee shall be responsible for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Committee's recommendations, the Board shall be responsible for appointing the members to the committees on an annual basis.

The Committee shall annually review the committee assignments and shall consider the rotation of members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

**23. Annual Review by Committee**

Each committee shall annually review its charter and recommend to the Board any changes it deems necessary. In addition to its charter, the Committee will annually review the Corporate Governance Guidelines and recommend to the full Board any changes it deems necessary.

## LEADERSHIP DEVELOPMENT

### 24. Evaluation of Chief Executive Officer

The Board shall conduct an ongoing evaluation of the Chief Executive Officer. The evaluation of the Chief Executive Officer is accomplished through the following process:

- The non-employee independent directors meet annually without the Chief Executive Officer present and evaluate his performance and recommend to the Board any compensation adjustments deemed appropriate.
- This evaluation is communicated to the Chief Executive Officer.
- The Human Resources Committee uses this evaluation in determining its recommendations relating to the Chief Executive Officer's compensation.
- Compensation for the Chief Executive Officer is approved by a majority of the non-employee independent directors.

### 25. Succession Planning

The Board understands the importance of succession planning. Therefore, the Human Resources Committee, along with the Chief Executive Officer, shall analyze the current management, identify possible successors to senior management, and timely develop a succession plan. The plan shall then be reviewed periodically by the Board.

### 26. Management Development

The Board, with the assistance of the Human Resources Committee, shall periodically review the plans for the education, development, and orderly succession of senior and mid-level managers throughout the Corporation.

## CONFLICTS OF INTEREST

### 27. Interest Matters

If a director, directly or indirectly, has a financial or personal interest in a contract or transaction to which the Corporation is to be a party, or is contemplating entering into a transaction that involves use of corporate assets or competition against the Corporation, the director is considered to be "interested" in the matter. The director should contact the Chief Executive Officer, the Corporate Secretary or the Chair of the Committee of any such "interest". The director's involvement or interest will be reviewed by the Corporation's outside legal counsel, and then referred for resolution to the Committee. Interested directors should be identified and/or disclosed, and they shall not participate in any discussion or any vote relating to the matter in which they have been deemed to be interested. The decision of the Committee on all matters of "interest" shall be final.