

**A. M. CASTLE & CO.**  
**CORPORATE GOVERNANCE GUIDELINES**

JULY 2009

These 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 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.

**ROLE OF THE BOARD**

The business of the Corporation is conducted by its employees, managers and officers, under the direction of the Chief Executive Officer, and the oversight of the Board, to enhance the long-term value of the Corporation for its stockholders. In addition to its general oversight of management, the Board also performs a number of specific functions, including: works with management to review, monitor and, where appropriate, approve fundamental financial and business strategies and major corporate actions; performs the annual Chief Executive Officer evaluation; oversees Chief Executive Officer succession planning; ensures processes are in place for maintaining the integrity of the Corporation, including the integrity of the financial statements; and assesses major risks facing the Corporation and reviews options for their mitigation.

**BOARD COMPOSITION**

**1. Selection of Chair of the Board and Lead Director**

The Board selects its Chair in any way the Board determines. If the Chair is not an independent director, the Board will also select a Lead Director.

**2. Size of the Board**

The Board should generally have no fewer than nine members. This number permits diversity of experience without hindering effective discussion or diminishing individual accountability. The Committee periodically evaluates whether a different size of the Board would be preferable.

**3. Selection of New Directors**

The 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, evaluating and recommending candidates for Board membership to the Board. 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 advisors the Committee may retain. Stockholders wishing to suggest director candidates should submit their suggestions in writing to the attention of the Corporate Secretary of the Corporation, providing the candidate's name and qualifications for service as a Board member, a document signed by the candidate indicating the candidate's willingness to serve, if elected, and evidence of the stockholder's ownership of Corporation stock. A stockholder wishing to formally nominate a candidate must do so by following the procedures described in the Corporation's Bylaws.

The Committee will develop and periodically review an orientation process for all new directors.

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

Nominees for Board membership 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 a director of the Corporation.

The Board shall seek 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 committee members as established by law, regulation or the listing requirements of the New York Stock Exchange (the "NYSE").

Each director is expected to attend the Corporation's annual meeting of stockholders.

#### **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 or regulatory body. No director will qualify as an independent director unless the Board affirmatively determines that the director has no material relationship with the Corporation (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Corporation). In addition, a director will not be determined to be independent if:

- (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 \$120,000 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 external 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 works on the Corporation's audit; 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 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 Committee will periodically review all relationships between its directors and the Corporation to determine whether the directors meet the independence guidelines set forth above.

The Corporation will disclose in its proxy statement any contributions made by the Corporation to any tax exempt 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 tax exempt 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 recommendation of the Committee.

**8. Directors Who Change Their Present Job Responsibility; Other Public Company Directorships**

Each director will tender his resignation if the director has a change in position or responsibility in his or her principal occupation. The Committee will then evaluate whether the Board should accept the resignation based on a review of the potential impact of such a change on the individual's continued Board membership. The Board does not have a policy limiting the number of other public company boards of directors upon which a director may serve. Rather, each director will notify the Committee if the director has a change in directorships, and the Committee will evaluate the potential impact of such a change on the individual's continued Board membership.

**9. Director Compensation**

The Corporation's employees shall not receive additional compensation for their service as directors. The Human Resources Committee will review director compensation and recommend any changes deemed appropriate to the Board.

**10. Evaluation of Board**

The Committee shall oversee the evaluation of the effectiveness of the Board and its committees, at least annually.

**11. Board Contact with Senior Management**

Board members shall have access to 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; (b) represent significant aspects of the Corporation's business; or (c) provide information to the Board that may be relevant in considering management succession within the Corporation.

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

The only persons authorized to speak on behalf of the Corporation 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 or the press, and on-line inquiries to the Chief Executive Officer or his designee or to the Chair of the Board.

### **13. Communications**

Stockholders may contact the Chair of the Board, an individual director, the Board as a group, or a specified committee or group, including the independent directors as a group, by the following means:

- **Mail:** A.M. Castle & Co.  
Board Communication  
3400 N. Wolf Road  
Franklin Park, Illinois 60131  
Attn: Corporate Secretary
- **E-Mail:** CorporateSecretary@amcastle.com

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. The Corporation will initially receive and process the communication before forwarding them to the addressee. Directors generally will not be forwarded communications that are primarily commercial in nature, relate to improper or irrelevant topics, or request general information about the Corporation. Communications also may be referred to other departments within the Corporation.

### **14. Board Stock Ownership**

The Committee shall establish stock ownership guidelines for directors and from time to time compare these with similar guidelines established by comparable public companies.

## **BOARD MEETINGS**

### **15. Frequency of Meetings**

There shall be at least four regularly scheduled meetings of the Board each year. Special meetings may be called by the Chair or a majority of the directors.

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

The Chair of the Board, coordinating with the Corporation's Chief Executive Officer, 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 encouraged to suggest inclusion of items on the agenda for any given meeting.

**17. Strategic Discussions at Board Meetings**

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

**18. Executive Sessions**

A separate meeting time for the independent directors ("Executive Session") will be scheduled to be held in conjunction with regularly scheduled Board meetings. The Chair of the Board, or if the Chair is not an independent director, the Lead Director, will chair the Executive Sessions. Each committee of the Board will meet in Executive Session (with no non-independent directors in attendance) at least once a year and these meetings will be presided over by the chair of that committee, who is an independent director.

**19. Board Materials Distributed in Advance**

Materials relevant to each meeting of the Board will be distributed to the Board in advance of the meeting unless doing so would compromise the confidentiality of competitive information or is impracticable. Each director is expected to review this information in advance of the meeting to facilitate the efficient use of meeting time.

**20. Access to Independent Advisors**

The Board and the committees have the right at any time to retain independent outside advisors. The Corporation will provide appropriate funding, as determined by the Board or any committee, to compensate those outside advisors, as well as to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties. Board members will notify the Chair of the Board or, if the Chair is not an independent director, the Lead Director prior to retaining any outside advisors.

**COMMITTEE MATTERS**

**21. 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, which will be subject to approval by the Board. The Board may form additional committees as it deems appropriate.

**22. 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.

**23. Composition of Board Committees**

The Committee shall be responsible for making recommendations to the Board with respect to the composition of Board committees. After reviewing the Committee's recommendations, the Board shall be responsible for determining the members of each committee.

**LEADERSHIP DEVELOPMENT**

**24. Evaluation of Chief Executive Officer**

The Board shall evaluate and determine the compensation of the Chief Executive Officer using such process as determined by the Board.

**25. Executive Management Succession Planning**

The Human Resources Committee has the responsibility to review succession plans concerning positions held by officers and key personnel of the Corporation.

**CONFLICTS OF INTEREST**

**26. Interest Matters**

Each director will disclose to the Board any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest with the Corporation. The Committee has the responsibility to consider any possible conflicts of interest of a director.