

**GERDAU AMERISTEEL CORPORATION**  
**CORPORATE GOVERNANCE COMMITTEE CHARTER**  
**(Amended May 13, 2009)**

**INTRODUCTION**

**1. Definitions**

Capitalized terms used in this Charter have the meanings attributed to them in Schedule “A”.

**2. Purposes**

The purposes of the Corporate Governance Committee are to shape the Company’s approach to corporate governance and recommend to the Board corporate governance principles to be followed by the Company, identify candidates for Board membership, educate Directors and assess their performance on an on-going basis.

**PRINCIPAL DUTIES OF THE COMMITTEE**

**3. Use of Judgment**

The Members must apply judgment while carrying out the responsibilities of the Governance Committee, having regard to the purposes of the Governance Committee as described above. Nothing in this Charter is intended to supplant the exercise of that judgment, which may require Members to perform additional duties, not referred to below, as are warranted in the circumstances or as may be required by law.

**4. Board Succession Plan**

The Governance Committee must develop a Board succession plan.

**5. Identifying Candidates for Nomination as a Director**

- (a) The Governance Committee must develop a list of candidates for Board membership with a view to enhancing the independence and quality of nominees to be selected by the shareholders at the next annual general meeting of shareholders. The search for candidates should extend beyond the traditional sources in order to seek men and women with a desired mix of experience and competencies.
- (b) The Governance Committee must assess whether each of the candidates identified in paragraph (a) of this section would be an Independent Director.
- (c) The Chair must, with the assistance of the Chair of the Board and one or more other Directors appointed by the Board, approach candidates for Board membership, with or without the Chief Executive Officer, to:
  - (i) explore the candidates’ interest in joining the Board and seek their consent to act as a Director; and
  - (ii) ensure that interested candidates fully understand the role of a director and the

contribution they are expected to make, including the commitment of time and energy that the Company expects of its Directors.

- (d) Based on foregoing the Governance Committee will nominate persons for the Board.

## **6. Education of Directors**

- (a) The Governance Committee must ensure that new Directors are given a proper orientation to both the Company and their responsibilities and duties as directors of the Company. In addition, the Governance Committee must ensure that Directors who are not related to Gerdau S.A. receive a proper orientation to Gerdau S.A.
- (b) The Governance Committee must ensure that Directors receive adequate information, including information regarding the Company and its affairs, on an on-going basis in order to properly discharge their duties.

## **7. Performance Assessment of the Board, Board Committees and Individual Directors**

- (a) The Governance Committee must review, on an annual basis, the effectiveness of the Board and all committees of the Board, other than the Governance Committee. The Governance Committee must be reviewed by the Chair of the Board.
- (b) The Governance Committee must, on an annual basis, review the credentials of the current Directors and assess the contribution of individual Directors to assess their suitability for re-election.
- (c) The fact that the Directors are assessed must be publicly disclosed. However, the results of the assessment must remain confidential and must not be publicly disclosed.

## **8. Develop Approach to Corporate Governance**

The Governance Committee has the authority and responsibility to:

- (a) develop or review the charters of the Board, the Audit Committee, the Human Resources Committee, the Corporate Governance Committee and other committees of the Board and recommend to the Board the adoption of or amendments to the charters;
- (b) examine the size of the Board and recommend a Board size that facilitates effective decision-making;
- (c) taking into consideration the recommended size of the Board, recommend the number of Board positions to be filled by Independent Directors bearing in mind any applicable laws or corporate governance guidelines;
- (d) study and recommend the implementation of structures and procedures to ensure that the Board can function independently of management and without conflicts of interest. Consideration should be given to:
  - (i) charging an Independent Director with this stewardship responsibility;
  - (ii) delineating the roles, duties and responsibilities of the Board and management

and ensuring that these boundaries are understood and respected;

- (iii) holding, following each Board meeting, an in camera meeting of the Directors who are Independent Directors (with the Chair of the Governance Committee to act as secretary of such meeting); and
- (iv) adopting a policy that requires the Board, or a committee of the Board, to approve specified decisions and that specifies those decisions that may be delegated to management;
- (e) monitoring the relationship between officers and the Board, and recommending a process whereby the Directors will have access to, and have an effective relationship with, management of the Company;
- (f) working with the Chief Executive Officer and other members of management to ensure that the Company has a healthy corporate governance culture;
- (g) monitoring developments in the area of corporate governance and undertaking;
- (h) other initiatives that may be desirable to maintain the highest standards of corporate governance; and
- (i) reviewing relevant data to assess the Company's competitive position for the components of director compensation and determining the appropriate total compensation package in order to attract quality directors to serve on the Board.

#### **9. Reporting to the Board**

The Governance Committee must report to the Board on all significant matters dealt with by the Governance Committee.

#### **10. Reporting to Shareholders**

The Governance Committee must approve the "Statement of Corporate Governance Practices" section of the Company's management proxy circular.

### **REVIEW AND DISCLOSURE OF CHARTER**

#### **11. Review of Charter**

This Charter must be reviewed by the Corporate Governance Committee at least annually and be submitted to the Board for approval with such amendments as the Governance Committee proposes.

### **ORGANIZATION OF THE COMMITTEE**

#### **12. Number of Members**

The Governance Committee shall consist of at least two Members, to be appointed by the Board on the recommendation of the Chair of the Board.

**13. Qualifications**

- (a) Only a Director is eligible to be a Member.
- (b) The composition of the Governance Committee must comply with any applicable laws, including any requirement regarding Canadian residency or independence.

**14. Chair**

- (a) Each year, the Board must appoint one Member to be Chair of the Governance Committee.
- (b) If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed.

**15. Compensation of Members**

Members are entitled to compensation for acting as Members of the Governance Committee as the Board may from time to time determine, and the compensation may exceed the compensation paid to other directors of the Company to reflect the time-consuming nature and level of responsibility of the Governance Committee's work.

**16. Removal and Vacancies**

Any Member may be removed and replaced at any time by the Board, and will automatically cease to be a Member as soon as the Member ceases to meet the qualifications set out in subsection 13. The Board must fill vacancies in the Governance Committee by appointment from among the Directors. If a vacancy exists on the Governance Committee, the remaining Members may exercise all its powers if a quorum remains in office.

**17. Tenure**

Each Member must hold office until his or her term as a Member of the Corporate Governance Committee expires or is terminated.

**MEETINGS**

**18. Notice of Meetings**

- (a) The Chair may call a meeting of the Governance Committee at any time, and must call a meeting of the Governance Committee when requested to do so by a Member.
- (b) The Governance Committee may invite any person to attend any meeting of the Governance Committee.
- (c) Notice of the time and place of each meeting of the Governance Committee must be given to each Member and any invitees by telephone or other electronic means or by written notice not less than 48 hours before the time of the meeting, and, subject to the requirements of applicable law, need not specify the purpose of or the business to be transacted at the meeting. Meetings of the Governance Committee may be held at any time without notice if all the Members have waived or are deemed to have waived notice of the meeting. A Member participating in the meeting is deemed to have waived notice

of the meeting except where a Member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called.

**19. Times and Places of Meetings and Electronic Meetings**

- (a) The Governance Committee must meet as often as the Governance Committee feels is appropriate to fulfill its responsibilities, which must not be less frequently than annually, at times and places to be determined by the Chair.
- (b) A meeting of the Governance Committee may be held by telephone, or through electronic or other communication facilities that permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a person participating in a meeting by that means is deemed to be present at that meeting.

**20. Meeting Agendas**

The Chair must establish the agenda for each meeting and use his or her best efforts to circulate materials in advance to ensure sufficient time to review and consider the materials before the meeting.

**21. Quorum**

A quorum at any meeting of the Governance Committee is a majority of the Members, provided that if the Governance Committee consists of only two members, a quorum shall be both Members.

**22. Voting and Approval**

- (a) Each Member is entitled to one vote in Governance Committee proceedings.
- (b) Questions arising at any meeting of the Governance Committee must be decided by a majority of votes.

**23. Procedure**

The procedure at meetings is to be determined by the Governance Committee unless otherwise determined by the by-laws of the Company or by a resolution of the Board.

**24. Secretary**

The Chair will determine the secretary of the Governance Committee.

**25. Transaction of Business**

The powers of the Governance Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all Members entitled to vote on that resolution at a meeting of the Governance Committee.

**26. Minutes of Meetings**

The Governance Committee must keep minutes of its proceedings and circulate a copy of the minutes to each Director on a timely basis.

**RETENTION OF EXPERTS**

**27. Retention of Experts**

- (a) The Governance Committee may engage such experts, without Board approval and at the expense of the Company, as it considers necessary to perform its duties.
- (b) The Governance Committee has the sole authority to retain and to terminate any search firm to be used to identify candidates for Board membership, including sole authority to approve the search firm's fees and other retention terms.

**ACCESS TO RECORDS**

**28. Access to Records**

The Governance Committee, and any experts engaged by the Governance Committee, shall be given access to all records and information relating to the Company that they believe are relevant to the performance of their duties.

**SCHEDULE “A”**  
**DEFINITIONS**

“**Affiliate**” has the meaning attributed to that term in the *Canada Business Corporations Act*.

“**Board**” means the board of directors of the Company.

“**Charter**” means this Governance Committee charter and, unless otherwise indicated, references to sections are to sections in this Charter.

“**Chair**” means the individual appointed to chair the Governance Committee under section 14.

“**Director**” means a member of the Board.

“**Governance Committee**” means the corporate governance committee of the Company.

“**Independent**” means independent as determined by the Board in accordance with applicable laws and stock exchange rules and regulations.

“**Member**” means a Director appointed to the Governance Committee by the Board.