

PLAN FEATURES

As a Plan participant, you:

- May systematically increase your holdings of the Company's shares through dividend reinvestment;
- May reinvest dividends on a portion of your shares and receive cash dividends on your remaining shares;
- May purchase additional shares with cash investments for your Plan account either by check or automatic deductions from your checking or savings account;
- May deposit share certificates for credit to your account under the Plan;
- May make withdrawals from the Plan;
- May purchase additional shares of Company stock for others by making cash investments on their behalf;
- May transfer all or a portion of your Plan shares to a Plan account for another person;
- May sign up for telephone transaction privileges;
- Will receive statements showing your account transactions and balance.

The Company has appointed Wells Fargo Shareowner Services as processing agent and administrator for the Plan. The Plan is not sponsored or administered by the Company.

Securities in the Plan are not subject to protection under the Securities Investor Protection Act of 1970.

TELEPHONE TRANSACTIONS

If you already participate in the Plan and want to establish telephone privileges for your account, please call Wells Fargo (see "Whom to Contact").

You may establish telephone privileges for your Plan account, enabling you to execute certain Plan orders by phone as follows:

- Sell a portion or all of their Plan shares if current market value of shares to be sold is \$25,000 or less
- Request a certificate for a portion or all of your full Plan shares if the current market value of shares to be issued is \$50,000 or less
- Terminate or change the dollar amount of your Automatic Cash Withdrawal and Investment Service

Certain restrictions may apply.

ELIGIBILITY

All shareholders of record may participate in the Plan. If you are a beneficial holder of Schnitzer Steel Industries, Inc. Common Stock whose shares are held in names other than your own (e.g., held by brokers, trustees or bank nominees), you may participate in the Plan by:

- Becoming a shareowner of record, registering the shares you currently hold in your brokerage account into your own name, or
- Enrolling in the Plan in the same manner as a nonshareowner.

If you are not currently a shareholder, you can enroll in the Plan by completing an authorization form and making an initial cash investment.