STEEL DYNAMICS INC
Form DEF 14A
March 28, 2017

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Steel Dynamics, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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To our Stockholders:

You are cordially invited to attend the Annual Meeting of Steel Dynamics, Inc. on Thursday, May 18, 2017 at 9:00am EDT at the Calhoun Ballroom in the Grand Wayne Center, 120 West Jefferson Boulevard, Fort Wayne, Indiana 46802. The following items of business will be voted on which are detailed in the following proxy statement. The Board recommends a FOR vote for each of the following proposals:

(1) To elect ten (10) Directors for a one-year term.

(2) To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017.

(3) To hold an advisory vote on the frequency of future advisory votes to approve the compensation of the Named Executive Officers.

(4) To hold an advisory vote to approve the compensation of the Named Executive Officers.

Who Can Vote

You are entitled to vote all shares of common stock registered in your name at the close of business on March 20, 2017. However, if your shares are held in the name of your broker or bank, your broker or bank will provide you with a form of proxy giving them authority to vote your shares.

How to Vote

If you received the paper form of these proxy materials, you have three choices: you may vote your shares in person by attending the meeting, you may vote by using the Internet or by toll-free telephone, or you may vote by completing and executing the proxy card and returning it by mail in the enclosed postage paid envelope.

If you received only the Notice of Annual Meeting, then, in accordance with the Securities and Exchange Commission's "notice and access" rules, you may only vote using the Internet by obtaining the proxy materials in the manner described in the Notice and by following the instructions in the Notice or on the proxy form. **Please note that you cannot vote your shares by filling out and returning the Notice itself.**

You may always revoke your proxy before it is voted at the meeting by following the instructions in the accompanying proxy statement.

Important Notice Regarding the Availability of Proxy Materials

All materials are available on the Internet at the following website: http://materials.proxyvote.com/858119. These proxy materials are also available on our Internet site at www.steeldynamics.com under the heading "Investors."

WE ENCOURAGE YOU TO VOTE PROMPTLY, EVEN IF YOU INTEND TO ATTEND THE ANNUAL MEETING.

MARK D. MILLETT
President and Chief Executive Officer
April 7, 2017

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Voting Information

Purpose

We are providing you with this Proxy Statement and these proxy materials in connection with the solicitation of proxies by our Board of Directors, to be voted at our 2017 Annual Meeting of Stockholders and at any postponement or adjournment thereof. We will hold the meeting on May 18, 2017, beginning at 9:00 a.m. EDT, in the Calhoun Ballroom of the Grand Wayne Center, 120 West Jefferson Boulevard, Fort Wayne, Indiana 46802.

Our fiscal year begins on January 1 and ends on December 31. References in this Proxy Statement refer to the year 2016, therefore, the twelve-month period which ended December 31, 2016.

Internet Availability of Proxy Materials

As permitted by the Securities and Exchange Commission's ("SEC") "notice and access" rules, we are making our proxy statement and 2016 annual reports (which are not part of the proxy solicitation materials) available to most of our stockholders via the Internet rather than by mail. Accordingly, by April 7, 2017, we will begin distributing to our stockholders either (i) for some who wish to receive their proxy materials in this manner, a paper or "Full Set" copy of our proxy statement, the accompanying form of proxy card, and our 2016 annual report, or (ii) for most, only a *Notice of Internet Availability of Proxy Materials* (the "Notice"), explaining how to access this proxy statement and other materials via the Internet, how to vote your shares, and, if you prefer, how to also obtain a paper copy of these materials at no charge.

Who Can Vote

You are entitled to notice of and to vote at the Annual Meeting if you were a stockholder of record at the close of business on March 20, 2017.

Shares Outstanding

On March 20, 2017, there were 242,383,332 shares of common stock outstanding. A list of stockholders entitled to vote at the meeting is available at our corporate office and will also be available at the meeting. Each share is entitled to one vote on each matter properly brought before the meeting.

Annual Meeting Webcast

We will be webcasting this year's Annual Meeting. You may access the webcast at www.steeldynamics.com under "Investors Annual Meetings." Aside from our Proxy Statement and form of proxy, no other information on our website, including the audio webcast, is to be considered a part of our proxy soliciting materials.

Voting of Shares

If your shares of common stock are registered in your name with our transfer agent, Computershare Trust Company, N.A., you are the stockholder "of record". But if your shares are registered in the name of a broker, bank, custodian, or other nominee, that person is the stockholder of record and you are considered the "beneficial" owner.

Voting Shares Held by Brokers, Custodians, Banks or Other Nominees

Many stockholders arrange to have their shares held by brokers, banks, custodians or other nominees. These are referred to as "Broker Held Shares". In this situation, the record or "registered holder" is that particular broker, bank, custodian or nominee. This is often referred to as holding shares in "street name." In such case, your name, as the actual beneficial owner, does not appear in our stock register. Therefore, for Broker

Held Shares, the process of distributing the proxy materials and tabulating votes involves two-steps. The broker first informs us how many of their clients are beneficial owners, and we provide them with the number of sets of proxy materials that correspond to the number of beneficial owners who are to receive paper copies. ***Each broker then forwards those proxy materials to its clients***, ***to obtain their voting instructions***. So if you receive a paper copy of the proxy materials from your broker, the accompanying return envelope is self-addressed to return your *executed proxy card with your voting instructions* to your broker. Shortly before the meeting, each broker totals the votes and submits a kind of master proxy card to our vote tabulator reflecting the aggregate votes of the beneficial owners for whom it holds shares.

For this reason, if your shares are held by your broker, you should follow your broker's instructions included on that form.

If you do not give your voting instructions to your broker, your broker may not be able to vote your shares. Under applicable rules of self-regulatory organizations governing brokers, your bank, broker, custodian or other nominee will only be able to vote your shares with respect to so-called items that are considered "discretionary." Discretionary items are proposals considered routine under the rules of the New York Stock Exchange, so in such situations your broker may vote these shares even in the absence of your voting instructions. For the 2017 Annual Meeting, however, the only discretionary item is Proposal No. 2, the ratification of the selection of our independent auditors. ***On all the other non-discretionary items***, including the ***Election of Directors*** (Proposal No. 1), the non-binding ***Advisory Vote on the Frequency of Future Advisory Votes to Approve the Compensation of Named Executive Officers*** (Proposal No. 3) and the non-binding ***Advisory Vote to Approve the Compensation of the Named Executive Officers*** (Proposal No. 4), ***if you do not give voting instructions to your broker, those shares will not be voted and will be treated as "broker non-votes."***

Voting Shares Held in Your Name

On the other hand, if you are the record owner, then, regardless of whether you have received a paper copy of these proxy materials or only a Notice, you may vote your shares only if you do so in person at the Annual Meeting, if you submit your instructions by telephone or on the Internet following the instructions contained in these proxy materials, or by proxy if you properly fill in and sign your proxy card and mail it in the enclosed, prepaid and addressed envelope. In that situation, your "proxy" that is, the persons named in your proxy card will then vote your shares as you have directed.

With respect to shares you hold in your own name, if you send in your proxy and do not revoke it, your shares will be voted in accordance with your instructions. If you do not specify how you want your shares voted with respect to one or more proposals, your shares will be voted FOR Proposal No. 1 (the election as directors of all nominees listed under "Election of Directors"); FOR Proposal No. 2 (the "Ratification of the Appointment of Independent Registered Public Accounting Firm as Auditors"); FOR Proposal No. 3 (that the one year cycle by continued for the non-binding "Advisory Vote on the Frequency of Future Advisory Votes on the Compensation of the Named Executive Officers"); and FOR Proposal No. 4 (the non-binding "Advisory Vote to Approve the Compensation of the Named Executive Officers").

We realize that most of you will probably not be able to attend the meeting in person. Therefore, regardless of whether you are the record owner or the beneficial owner, it is very important that your shares be voted. We can only take action at the Annual Meeting, with respect to a particular matter, if a quorum, or majority, of the total number of shares of common stock outstanding and entitled to vote on that matter is "present" at the Annual Meeting. ***Therefore, unless you intend to come to the Annual Meeting and vote in person, or you intend to vote via the Internet or by phone, we are asking for your proxy to authorize the persons named in the proxy to be present at the Annual Meeting, to represent you, and to vote your shares at the Annual Meeting in accordance with your instructions.***

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Required Vote

Quorum

The presence, in person or by proxy, of the holders of a majority of the shares that are entitled to vote at the Annual Meeting is necessary to constitute a quorum for all purposes and all proposals.

Election of Directors

For purposes of the election of directors (Proposal No. 1), the ten director nominees who receive the highest number of votes cast "FOR" the election of those directors will be elected; provided, however, that the Board has adopted a Policy requiring that, in advance of and as a condition to being approved as a candidate for election, each candidate must have agreed that if he or she receives a "WITHHOLD" vote of greater than 50% of all the votes cast or present at the meeting, the Board will consider that to have been tantamount to a majority vote "against" that person and, accordingly, he or she will be deemed to have automatically resigned. Under that Policy, should this occur, the Board, in the exercise of its discretion, has the ability to override the resignation, but only if, upon a consideration of all pertinent factors, the Board makes an affirmative determination that accepting such resignation would not be in the best interest of the Company and its stockholders.

Accordingly, you may vote "FOR ALL" of the director nominees, "WITHHOLD ALL" of the director nominees, or "WITHHOLD" your vote from one or more nominees, by checking the "For All Except" box and writing in the name of the director or directors *from whom you want to withhold your vote*. Accordingly, checking the "For All Except" box and writing in the name of a particular nominee will have the same effect as a vote "AGAINST" that nominee and will trigger that nominee's resignation if the total "WITHHOLD" votes for that nominee aggregate more than 50% of the total votes cast or present with respect to that nominee.

Other Proposals

For all proposals, *other than Proposal No. 1* (the election of directors), the affirmative vote of a majority of the shares represented, in person or by proxy, and entitled to vote on the item will be required for approval. On such matters, you may vote "FOR," "AGAINST" or "ABSTAIN." A proxy marked "Abstain" with respect to an item will not be voted, although it will be counted for purposes of determining whether there is a quorum. Accordingly, an abstention will have the same effect as a negative vote.

Your Choices on How to Vote by Proxy

We are offering you four possible choices of how to vote by proxy:

§ Mail: If you have received a paper copy of these proxy materials, you may mark, sign, date and return your enclosed proxy card in the enclosed envelope (if your shares are registered directly in your name);

§ Telephone: If you have received a paper copy of these proxy materials, you may vote by using the toll-free telephone number and instructions shown on your proxy card, if your shares are registered directly in your name or, if not, by voting card if this option is also offered by your bank or broker, in either case using a secure control number and account number;

§ Internet: Whether in paper form or by Notice only, by using the Notice or web site information and instructions listed on your proxy card or in the form of Notice, if your shares are registered directly in your name or, if not, if this option is also offered by your bank or broker in either case using a secure control number and account number; and

§ In person at the meeting: If your shares are registered directly in your own name, you may vote by paper ballot handed out at the Annual Meeting, provided that you have with you the Notice or proxy card that you received from the Company. *But if your shares are registered in the name of your bank or broker, and if you wish to be able to vote your shares in person at the Annual Meeting, you will need to check the box on the Voter Instruction Form you will receive with your proxy material, requesting a "Legal*

Proxy" which is what you will actually use to vote your shares. If you don't request that Legal Proxy, your vote will not count.

We anticipate that telephone and Internet voting will be available 24 hours a day, 7 days a week. Both the Internet and telephone voting instructions are designed to prompt you on how to proceed, and you will be able to confirm that your instructions have been properly received and recorded. For both of these methods, you will also need a control number, which is noted on your proxy card or, in the case of Internet voting, in the Notice if you did not receive a paper copy of the proxy materials. The telephone and Internet voting facilities will close at 11:59 p.m. EDT on May 17, 2017.

The method by which you vote will not limit your right to vote in person at the meeting if you decide to attend the meeting, provided that you follow the foregoing instructions for voting in person.

We do not know of any business to be transacted at the Annual Meeting, other than those matters described in this Proxy Statement. However, should any other matters properly come before the Annual Meeting, including consideration of a motion to adjourn the meeting to another time or place in order to solicit additional proxies in favor of the recommendations of the Board of Directors, the persons named as proxies and acting thereunder will have the discretion to vote on those matters according to their best judgment, to the same extent as the person granting the proxy.

Revocation of a Proxy

You may revoke your proxy at any time before it is voted at the meeting in one of four ways:

§ Notify our Chief Financial Officer, Theresa E. Wagler, in writing and before the meeting;

§ Submit another proxy with a later date than your earlier proxy;

§ Vote by telephone or Internet on a later date than the date you earlier voted; or

§ Vote in person at the meeting in accordance with the foregoing instructions.

Multiple Stockholders Sharing the Same Address

Under rules adopted by the SEC, we are permitted to deliver a single copy of our Proxy Statement and Annual Report, or notice of availability of these materials, to stockholders sharing the same last name and address. This process, called householding, allows us to reduce the number of copies of these materials that we must print and mail. However, if you share the same last name and address with other Steel Dynamics stockholders and would like to stop householding for your account, you may contact our Investor Relations Department in the manner described below under the heading "Investor Relations Department," including your name, address, and account number.

Cost of Preparing, Mailing and Soliciting Proxies

We will pay all of the costs of preparing, printing and mailing this Proxy Statement and of soliciting these proxies. We will ask brokers to forward the proxy materials, our 2016 Annual Report and our SEC Form 10-K to the persons who were our beneficial owners on the record date. We will also reimburse such brokers for their expenses incurred in sending proxies and proxy materials to our beneficial owners.

In addition, proxies may be solicited on our behalf in person, or by telephone, e-mail or other electronic means, by our officers, directors, and employees who will receive no additional compensation for soliciting. We have also engaged the firm of Okapi Partners to assist us in the solicitation of proxies. We have agreed to pay Okapi Partners a fee of approximately $8,000 plus expenses for these services.

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Voting Results

We will publish the voting results on our Company's website at www.steeldynamics.com under "Investors" following the Annual Meeting, as well as in a current report on Form 8-K, which we will file with the SEC within four business days following the Annual Meeting.

Investor Relations Department

You may contact our Investor Relations Department in one of three ways:

§ Writing to Steel Dynamics, Inc., Investor Relations Department, 7575 West Jefferson Blvd., Fort Wayne, Indiana 46804;

§ E-mail to investor@steeldynamics.com; or

§ Phone the Investor Relations Department at 260.969.3500.

Stockholder Communications with Directors

If you wish to communicate with the Board of Directors, our non-executive Chairman of the Board, our Lead Independent Director, any individual director, or the Chair of any particular Board committee, you may do so by sending a communication, marked "Stockholder Communication," in care of our Chief Financial Officer at our corporate offices, 7575 West Jefferson Blvd., Fort Wayne, Indiana 46804. Your letter should describe your share ownership and how held. Our Chief Financial Officer will review each such communication and, depending upon the subject matter, will either forward the communication to the director or committee chair to whom it is addressed, or, as appropriate, to our non-executive Chairman of the Board, to our Lead Independent Director or to the Company's legal counsel. Our Chief Financial Officer may also attempt to deal with the subject matter directly where it is a request for general information about the Company, or may elect to not forward or act on the matter where it consists of junk mail, contains resumes, is primarily commercial in nature, involves personal grievances or is otherwise irrelevant to the Board governance process.

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Governance of the Company

Governance Policy

Our business affairs are managed under the direction of our Board of Directors in accordance with the Indiana Business Corporation Law and our Amended and Restated Articles of Incorporation and Bylaws. The role of our Board of Directors is to effectively govern the affairs of the Company for the long term benefit of our stockholders and other constituencies. The Board strives to ensure the success and continuity of the Company and its mission through the election and appointment of qualified management, which regularly keeps Board members informed regarding our business and regarding our industry. The Board is also responsible for ensuring that Steel Dynamics, Inc.'s activities are conducted in a responsible and ethical manner. We are committed to the maintenance of sound corporate governance principles.

We operate under corporate governance principles and practices that are reflected in a set of written Corporate Governance Policies, which is available on our Company's website at www.steeldynamics.com under "Investors Corporate Governance."

These include the following principles:

§ At least a majority of our directors and all of the members of our Audit, Compensation and Corporate Governance and Nominating Committees are required, at a minimum, to meet, and do meet, all applicable objective and subjective standards for independence, including the Nasdaq Listing Rules for director independence, as more fully described in the discussion of "Director Independence" below.

§ Our Board and each Board committee have the authority to engage independent legal, financial or other advisors as they deem necessary, at our expense.

§ Our Board, at least annually, engages in a strategic planning meeting, during which it reviews and assesses our business strategies, although board-level discussions involving strategic issues occur regularly, as appropriate, throughout the year.

§ Independent and non-employee directors meet in executive session no less than quarterly.

§ Our Board and Board committees conduct an annual self-evaluation.

§ Our Board regularly reviews succession planning and related consideration of corporate talent development issues at all critical management levels, and, with respect to Chief Executive Officer and senior management succession, no less than annually.

§ Directors have unrestricted access to our officers and employees.

§ Our independent directors utilize input from the Corporate Governance and Nominating Committee and from the Compensation Committee to conduct an annual review of our Chief Executive Officer's performance.

Board Leadership Structure

Mr. Keith E. Busse serves as our non-independent, non-executive Chairman of the Board. If elected at the Annual Meeting, Mr. Busse will continue to serve in that capacity. Mr. Busse, as the non-executive Chairman, presides at meetings of the Board. Since 2010, the Board has operated with a Lead Independent Director, selected annually from among the independent directors. James C. Marcuccilli served as our Lead Independent Director during 2016, and, if elected at the Annual Meeting, will continue to serve in that capacity. The Chairman and Lead

Independent Director serve at the pleasure of the Board and are appointed annually following the Annual Meeting.

The Lead Independent Director presides at all Board meetings at which the Chairman is not present, presides at all meetings of the executive sessions of the independent directors, serves as a liaison between

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management and the Board as well as between the Chairman and the independent directors, approves Board meeting agendas, assists the Board committee chairs in preparing agendas for the respective committee meetings, and has the authority to call meetings of the independent directors. In addition, he may perform such other functions and responsibilities requested by the Board or the independent directors from time to time. The Lead Independent Director also serves as the Chair of the Board's Succession Planning Committee. The Lead Independent Director also has the authority to call additional executive sessions of the independent directors, in addition to those that are pre-planned. The Board considers that the Lead Independent Director's active involvement in the foregoing functions and activities will ensure the Board will be able to maintain an appropriate level of independent oversight over its critical information flow and decision-making processes.

Board's Role in Risk Oversight

The Board oversees the Company's risk management processes, including the identification of risk areas and issues and the oversight of risk assessment and risk management. Management reviews these risk management processes with the full Board on a rolling periodic basis, by subject matter, including identification of key risk areas, including a consideration of the relationship between elements of risk and the Company's strategic planning process and key strategies as well as the Company's risk tolerance and the steps taken to address them. More specifically, our Chief Financial Officer, in consultation with our Chief Executive Officer, business unit leaders, the corporate treasurer, internal audit director, legal counsel, and other necessary individuals, regularly undertakes various risk assessment analyses involving the principal risks we face, both separately and comprehensively; assessing how and in what ways these risks affect or may affect the Company or our operations; and how management, through compliance training, best practices awareness, and implementation of various programs and practices, identifies, evaluates, and undertakes to mitigate these risks. Whether involving direct Board oversight covering such matters as financial, credit, tax, operational, electronic data systems, safety, environmental, employment-related, trade, regulatory, litigation, or other legal risks, management also periodically reports to:

§ the *Audit Committee,* regarding:

- risks related to its duties and responsibilities prescribed in its charter;
- management's policies and processes for risk assessment and risk management and its periodic evaluation of the Company's risks and the steps management is taking, or proposes to take, to monitor and mitigate those risks; and
- the status and reasonableness of its disclosure controls and Sarbanes-Oxley Section 404 controls;

§ the *Compensation Committee,* regarding risk assessment and mitigation measures related to our compensation programs, policies and practices, to ensure that they do not encourage or engender unreasonable risk-taking or risk-inducing practices that might adversely impact stockholders and long-term stockholder value, and how such factors must be considered in formulating and reviewing our compensation programs, policies, and practices.

§ the *Corporate Governance and Nominating Committee*, regarding the risks related to the duties and responsibilities prescribed in its Charter, including:

- the institution, oversight, and monitoring of the Company's good governance best practices;
- the oversight of the Company's company-wide and senior officer level business conduct and ethics rules and practices; and
- maintenance of effective Board representation by ensuring that thoughtful, well qualified and diligent people are selected as director candidates and as committee members.

Committees and Meetings of the Board of Directors

During 2016, the Board of Directors had three standing committees each consisting of five directors: an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee.

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The Board, together with management, periodically reviews the applicable provisions of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Act and the implementing rules thereunder, the rules and pronouncements of the SEC, pertinent provisions of the Internal Revenue Code of 1986 (the "Code"), and the Listing Rules of the Nasdaq Stock Market regarding corporate governance policies, processes, and listing standards, including applicable audit and compensation committee independence standards. In conformity with such requirements, the committees of the Board operate under written charters. All three committees, the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee, regularly update and revise their charters to take into account increased charter, legislative, regulatory and listing standards requirements, as well as other governance changes. We also operate under a set of Corporate Governance Policies, which are reviewed frequently. All charters and policies may be found on our website, at www.steeldynamics.com under "Investors Corporate Governance", or by writing to Steel Dynamics, Inc., Attention: "Investor Relations Department," 7575 West Jefferson Blvd., Fort Wayne, Indiana 46804 and requesting copies.

The members of each committee, and the chair of each committee, are appointed annually by the Board. Each committee had the following members during 2016:

	Corporate Governance and Nominating	**Compensation**	**Audit**
Mark D. Millett			
John C. Bates			
Keith E. Busse			
Frank D. Byrne, M.D.	Member	Member	
Kenneth W. Cornew		Member	Member
Traci M. Dolan		Member	Chair
Dr. Jürgen Kolb	Member		Member
James C. Marcuccilli	Chair	Member	Member
Bradley S. Seaman	Member		Member
Gabriel L. Shaheen	Member	Chair	
Richard P. Teets, Jr.			
Committee Meetings Held	**5**	**5**	**8**

The Board also has a Succession Planning Committee. The Succession Planning Committee works with management and with the Board to review, monitor, and make recommendations regarding the succession planning process and procedures at all senior levels, including those relating to the Chief Executive Officer, and to the identification, development, and promotion of critical talent at senior management levels to address both planned leadership transition and unexpected transition challenges. The Succession Planning Committee consists of the Lead Independent Director and the chairpersons of each of the other standing committees. The Succession Planning Committee consisted of four members during 2016 and was chaired by James C. Marcuccilli, our Lead Independent Director and chairperson of our Corporate Governance and Nominating Committee.

The Board held five regularly scheduled and special meetings during 2016. All directors attended at least 75% of those meetings, as well as the meetings of each of the committees on which they served. The Company's independent directors met in executive session four times during 2016, without management present.

We encourage all members of the Board to attend our Annual Stockholders Meeting. At the 2016 Annual Meeting all directors were in attendance.

Director Independence

Each of our Audit, Compensation, and Corporate Governance and Nominating Committee charters require that each member of each committee meet:

§ all applicable criteria defining "independence" prescribed from time to time under Rule 5605(a)(2) of the Listing Rules for Nasdaq-listed companies, as well as those enhanced independence requirements

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for Audit Committee members prescribed pursuant to Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the "Exchange Act");

§ the enhanced standards of independence, in effect during 2016, applicable to compensation committee members, including the requirement to consider the impact upon independence of the receipt of any consulting, advisory, or compensatory fees paid by the Company (other than board fees), of which there were none; or of the existence of any "affiliate" relationship between the member and the Company or any of its subsidiaries or affiliates, of which there were none;

§ the criteria for a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act; and

§ the criteria for what constitutes an "outside director" within the meaning of Section 162(m) of the Code.

The Board must also annually make both an affirmative objective and subjective determination that all such "independence" standards have been, and continue to be met by the independent directors and members of each of our three standing committees, as well as the additional heightened independence standards prescribed by SEC and Nasdaq Listing Rules for audit committee and compensation committee members. To be found to be objectively independent, each director must be neither an officer nor an employee of Steel Dynamics, Inc. or any of its subsidiaries, nor an individual who has any relationship with Steel Dynamics, Inc. or any of its subsidiaries, or with management (either directly or as a partner, stockholder or officer of an entity that has such a relationship) which, in the Board's opinion, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In addition, a director is presumptively considered not independent if:

§ the director or a family member, directly or indirectly through either a family or entity relationship, received any payments from Steel Dynamics or any of its subsidiaries, during any period of twelve consecutive months within the preceding three years, (other than for Board or Committee service, from investments in the Company's securities, or from any Company retirement plan) relating to the provision of accounting, consulting, legal, investment banking, or financial advisory services;

§ the director has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than $120,000 in direct compensation from the Company, other than director and committee fees;

§ the director is a family member of a person who is, or at any time during the three prior years was employed as an executive officer by Steel Dynamics or any of its subsidiaries;

§ the director is, or has a family member who is, a partner in, an executive officer or controlling stockholder of any entity to which Steel Dynamics made, or from which Steel Dynamics received payments for property or services, in the current or prior three years, that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more (other than, with other minor exceptions, payments arising solely from investments in the Company's securities);

§ the director is, or has a family member who is employed as an executive officer of another entity where, at any time within the prior three years, any of Steel Dynamics' executive officers served on the compensation committee of the other entity; or

§ the director is, or has a family member who is a current partner of Steel Dynamics' outside auditors, or was a partner or employee of that outside auditor who worked on the Company's audit at any time during the prior three years.

The Board made its independence determination with respect to each director for calendar year 2016 and for each director nominee for election to the Board of Directors at the 2017 Annual Meeting. The Board has similarly made an additional affirmative determination of independence with respect to each member of the Audit Committee and the Compensation Committee, under the special audit committee and compensation committee independence criteria set forth under applicable SEC rules and Nasdaq Listing Rules.

The Board determined that during 2016 seven of the eleven members of our Board of Directors, Frank D. Byrne, M.D., Kenneth W. Cornew, Traci M. Dolan, Dr. Jürgen Kolb, James C. Marcuccilli, Gabriel L. Shaheen

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and Bradley S. Seaman, met all independence requirements, thus at all times constituting more than a majority of the eleven member Board. The Board has determined that, if elected at the 2017 Annual Meeting, of the ten persons nominated as candidates for election as directors, the same seven directors would continue to meet all such independence criteria. The Board also determined that, if elected at the Annual Meeting, during 2017, three of our ten directors, founders Keith E. Busse, Mark D. Millett and Richard P. Teets, Jr., will remain non-independent directors.

The Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is responsible, among other things, for:

§ reviewing and evaluating developments in corporate governance practices, and reviewing and recommending to the Board effective corporate governance policies and procedures and appropriate charter provisions, as well as Board organization, size and composition;

§ establishing criteria for and identifying, evaluating, and recommending for election as directors both incumbent and prospective nominees who meet the Committee's and the Board's criteria of board member requirements, and who, by virtue of their background, knowledge, attributes, skills, business, financial, life experience and expertise, are willing and able to actively and materially contribute as a board member, either for election by Steel Dynamics' stockholders at each Annual Meeting, or for appointment by the Board to fill any director vacancies;

§ identifying Board members for assignment to various Board committees;

§ drafting and overseeing a Code of Ethics for Principal Executive Officers and Senior Financial Officers, a Company-wide Code of Business Conduct and Ethics, and from time to time such other policies as are necessary or appropriate in the interest of good governance practices. Copies of the foregoing and following policies are available on our Company's website at www.steeldynamics.com under "Investors Corporate Governance":

- Statement of Policy for the Review, Approval or Ratification of Transactions With Related Persons;
- Policy Pertaining to Related Party Relationships;
- Policy on Recoupment of Incentive-Based Executive Bonuses in the Event of Certain Restatements;
- Policy Regarding Insider Trading and Certain Prohibited Transactions (Prohibition on Hedging, Short-Term Trading, and Options, and Restrictions on Pledging);
- Antitrust and Commercial Fair Dealing Policy; and
- Policy Governing the Receipt, Retention and Treatment of Complaints Regarding Accounting, Internal Accounting Controls, Auditing Matters, or Other Business or Financial Misconduct.

§ determining, recommending, or rendering advice to the Board regarding applicable statutory, regulatory or Nasdaq Listing Rules "independence" requirements for board or committee membership, as well as rendering objective and subjective independence determinations; and

§

reviewing and evaluating, at least annually, the performance of the Board and Board committee members and making recommendations to the Board concerning the number, function, and composition of the Board's committees.

Director Nomination Process

When considering a proposed candidate for nomination as a director for consideration by stockholders at an Annual Meeting or when a vacancy occurs on the Board, including a vacancy, if at all, created by an increase in the number of directors, the Corporate Governance and Nominating Committee first identifies any potential gaps of skillsets, or additional skills that are or may be warranted, considers other factors such as background, general life experiences and diversity, and then identifies potential nominees to fill the need. Proposed nominees

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may be referred or recommended to the Committee from many different sources, including but not limited to members of the Committee, by other directors, by outside persons or advisors, by a stockholder in accordance with the procedures described below, or under the direction of the Committee and for its consideration at approval, by an outside independent professional search firm.

The Committee reviews background information on each proposed nominee, including the proposed nominee's accomplishments, experience, and skills. In addition to a candidate's inventory of skills and substantive qualifications, the Committee looks for various other demonstrated attributes, including:

§ business acumen;

§ financial literacy;

§ integrity;

§ independence;

§ informed judgment and practical wisdom;

§ collegiality;

§ a commitment to represent the long-term interests of the Company and its stockholders;

§ a willingness to devote the necessary time and attention to the Company's business and the needs of the Board, and its committees; and

§ the nominee's ability to work in and help maintain a productive environment.

Additionally, the Committee takes into account such factors as industry and general business knowledge, operating experience, demonstrated ethical business conduct, familiarity with or experience regarding international business matters, considerations such as safety, logistics, legal/governmental/environmental regulation experience, information technology, and risk assessment, as part of the director candidate qualification process. Members of the Corporate Governance and Nominating Committee also subject the re-nomination candidacy of incumbent Board members to the same process, taking into consideration the extent to which they have determined that each such existing Board member, through his or her prior performance, has met the applicable criteria and has developed a valuable in-depth knowledge of the Company, its history, its strengths and weaknesses, and its goals and objectives to merit continued service as Board members.

Stockholder Nominations

The Corporate Governance and Nominating Committee will consider suggestions from stockholders for potential director nominees. In order to provide the Committee sufficient time to evaluate proposed nominees, a stockholder desiring to recommend a proposed nominee for consideration by the Committee, for nomination at the 2018 Annual Meeting of Stockholders, should send any such recommendation to Steel Dynamics, Inc., Attention: Chief Financial Officer, 7575 West Jefferson Blvd., Fort Wayne, Indiana 46804, no later than December 8, 2017, who will then forward it to the Committee. Any such recommendation should include a description of the proposed nominee's qualifications for Board service, the proposed nominee's written consent to be considered for nomination and to serve if nominated and elected, stock ownership information, including date or dates of purchase, the proposed nominee's resume, information regarding any relationship, as well as any understandings between the proposing stockholder, the proposed nominee, and any other person or organization regarding the proposed nominee's board service, if elected, and the addresses and telephone numbers for contacting the stockholder and/or the proposed nominee for more information.

The Compensation Committee

The Board determined that all members of the Compensation Committee were independent during 2016 within the meaning of Rules 5605(a)(2) and 5605(d)(2)(A) of the Nasdaq Listing Rules (which includes the enhanced Nasdaq independence standards applicable to compensation committee members), and that they also met the definition of a "non-employee director" within the scope of Exchange Act Rule 16b-3 and an "outside director" within the meaning of Section 162(m) of the Code.

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The Compensation Committee is responsible, among other things, for:

- establishing, reviewing, and approving corporate goals and objectives relating to our Chief Executive Officer's and Named Executive Officers' compensation;
- evaluating our Chief Executive Officer's and other executive officers' (as well as the Company's overall) performance, at least annually, in light of those corporate goals and objectives and determining and approving their compensation based on this evaluation;
- reviewing and approving our executive compensation plans and agreements, including our equity-based plans; and, at least annually, reviewing the operation of all such plans and agreements and assessing the relationship between our overall compensation policies and practices and financial risk;
- exercising general oversight with respect to our compensation agreements and incentive and equity-based plans relating to our Chief Executive Officer and other executive officers;
- reviewing and making recommendations to the Board, taking into account Company performance and the duties and responsibilities of each board or committee position, regarding compensation of the non-employee members of the Board;
- overseeing regulatory compliance with respect to compensation matters and engaging the services of independent professional compensation consultants and advisors, with costs paid by the Company;
- reviewing and determining compliance, with respect to each Committee member, of all required objective and subjective factors governing independence as well as the independence of the Committee's advisors, including its compensation consultant and other advisors;
- acting as the "Administrator" or "Committee" in connection with the operation and administration of our equity and cash-based incentive compensation programs, with the authority to approve and authorize both equity and cash-based awards, options, and grants thereunder; and
- preparing and approving an annual report on executive compensation for inclusion in our Annual Report on Form 10-K and Proxy Statement, and reviewing and discussing with management the Company's Compensation Discussion and Analysis, to determine whether to recommend to the Board that the Compensation Discussion and Analysis be included either in our Annual Report on Form 10-K, or alternatively, in this Proxy Statement and incorporated by reference from this Proxy Statement into our Annual Report on Form 10-K.

Compensation Committee Interlocks and Insider Participation

None of our current or former officers or employees or any current or former officers or employees of our subsidiaries, served as a member of the Compensation Committee during 2016. Moreover, during 2016 (a) none of our executive officers served on the compensation committee of another entity, any of whose executive officers served on our Compensation Committee, and (b) none of our executive officers served as a director of another entity, any of whose executive officers served on our Compensation Committee.

The Audit Committee

The Board has both objectively found and also affirmatively determined that all members of the Audit Committee are independent as defined by Rule 5605(a)(2) and Rule 5605(c)(2) of the Nasdaq Listing Rules, and also met all additional or enhanced criteria for Audit Committee membership independence set forth in Section 10A(m)(3) of the Exchange Act and Rule 10A-3(b)(1) thereunder.

In addition, our Board has also determined that, for 2016, each member of our Audit Committee, by virtue of his or her extensive financial and business experience and training, met, and continues to meet, the criteria of an "audit committee financial expert" within the meaning of that term in Rule 407 of Regulation S-K. None of the members of the Audit Committee served on the audit committee of more than two other public companies.

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The Audit Committee is responsible, among other things, for:

- the adequacy, quality, and integrity of the Company's accounting and financial reporting processes and the integrity of its financial statements;
- the appointment, retention, compensation, independence, performance, and oversight of the Company's independent registered public accounting firm;
- the audits of the Company's financial statements;
- in consultation with management and with legal counsel, the Company's compliance with legal and regulatory filings and requirements;
- the soundness and performance of the Company's internal audit function, internal accounting controls, disclosure controls and procedures, and internal control over financial reporting;
- the Company's risk management process, system and controls, including risks related to the financial reporting process, credit risk, liquidity risk, and market risk;
- the preparation and approval of an Audit Committee Report required by the rules of the SEC for inclusion in the Company's annual Proxy Statement;
- the establishment of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential anonymous submission by employees of concerns regarding potential fraud or other questionable accounting, financial, or auditing matters; and
- the maintenance and oversight of a policy governing related party transactions required to be disclosed under Item 404 of SEC Regulations S-K, including the process the Audit Committee employs to identify related party transactions for review, in response to PCAOB Auditing Standard No. 18, as well as governing the review, approval or ratification of any such permitted related party transactions.

The Audit Committee meets periodically with management and with our independent auditors in the discharge of its responsibilities. The Committee reviews our financial statements and discusses them with management and our independent auditors before those financial statements or the results thereof are publicly released and before they are filed with the SEC. The Audit Committee also regularly meets privately with the independent auditors. Details are set forth in the section titled "Report of the Audit Committee" below.

Statement of Policy for the Review, Approval or Ratification of Transactions with Related Persons

Transactions with "related persons" are subject to our Statement of Policy For the Review, Approval or Ratification of Transactions With Related Persons. A copy of this policy is available on our Company's website at www.steeldynamics.com under "Investors Corporate Governance."

Under our policy, once a person has been identified as a "related person," and if there is a proposed transaction of $120,000 or more involving the related person and the Company or any of its subsidiaries, the transaction must be considered, approved or ratified by the Audit Committee. For purposes of our Policy, a "related person" is a person who is (or at any time since the beginning of our last fiscal year was) a director, director nominee, executive officer, 5% stockholder, immediate family member of any of the foregoing, an entity which is owned or controlled by any of such persons, or any other person which our Audit Committee or Board has so identified.

We have established the dollar amount of the transactional threshold at a lower amount than is required by law, so that even smaller transactions with related persons will be reviewed for fairness and appropriateness. Employment of a related person in the ordinary course of business consistent with our policies and practices with respect to the employment of non-related persons in similar positions (so long as the related person is not an executive officer required to be reported in our annual Proxy Statement), while not specifically subject to the Policy, are nonetheless disclosed herein. Transactions involving competitive bids are considered pre-approved for purposes of our policy.

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Covered transactions will normally be approved in advance by the Audit Committee, unless, upon certification by our Chief Executive Officer or Chief Financial Officer that a determination cannot be practicably made prior to the next Audit Committee meeting, the Chair of the Audit Committee may review and approve the proposed related person transaction, subject, however, to the prompt reporting of the transaction to the full Audit Committee.

In reviewing any related person transaction, the Audit Committee must consider the proposed benefits to the Company, the availability of other sources of comparable products or services, an assessment of whether the proposed transaction is at least on terms comparable to the terms available to an unrelated third party or to employees generally, and must then determine that the transaction is fair and reasonable to the Company.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our non-employee directors and our executive officers to file with the SEC initial reports of beneficial ownership of the Company's common stock and other equity securities or derivatives as well as reports of changes in beneficial ownership. These persons are required to provide us with a copy of their required Section 16(a) reports as and when they are filed. Based on our records and information furnished to us by our executive officers and directors, we believe that all Exchange Act filing requirements with respect to 2016 were met.

Stockholder Proposals for 2017

Any stockholder satisfying the requirements of the Exchange Act Rule 14a-8, and wishing to submit a proposal for inclusion in our Proxy Statement for our 2018 Annual Meeting of Stockholders, must submit the proposal in writing to the attention of our Chief Financial Officer, Theresa E. Wagler, at 7575 West Jefferson Blvd., Fort Wayne, Indiana 46804, no later than December 8, 2017.

In addition, Section 2.9 of our bylaws, which is an advance notice bylaw, governs the timely submission of nominations for director or other business proposals that a stockholder may wish to have considered at the annual meeting. There were no such proposals submitted for this Annual Meeting. Pursuant to that bylaw, any stockholder who does not submit a timely or otherwise qualifying proposal for inclusion in next year's (2018's) Annual Meeting Proxy Statement, but may still wish to make a proposal at that 2018 Annual Meeting, will be required to have delivered written notice to our Chief Financial Officer no later than December 8, 2017. That notice, if any, must contain the information required by Section 2.9 of the bylaws, a copy of which can be viewed on our Company's website, at www.steeldynamics.com under "Investors Corporate Governance," or a copy of which may be requested, addressed as noted above, free of charge. If such a proposal were to be actually made at next year's Annual Meeting, a proxy granted by a stockholder prior to that Annual Meeting will be deemed to have given discretionary authority to the proxies to vote that individual's shares on any matter introduced pursuant to the foregoing Section 2.9 advance notice bylaw.

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Proposal No. 1
Election of Directors

Our stockholders will be asked to elect ten directors at the 2017 Annual Meeting.

All of the persons listed below are incumbent members of our Board and were elected at the 2016 Annual Meeting. As a result of its ongoing performance review by the Corporate Governance and Nominating Committee (see "The Corporate Governance and Nominating Committee Director Nomination Process"), each incumbent Board member's service and performance as a director during 2016 has been determined to have met all expectations. Therefore, all ten director candidates have been recommended for nomination by the Committee and, as such, have been nominated by the Board of Directors. Each director, if elected, will serve until our 2018 Annual Meeting of Stockholders, or until a qualified successor director has been elected.

We will vote the shares *you hold in your own name* in the manner you specify on the enclosed proxy card, or by telephone or Internet. If you do not specify how you want your shares voted, we will vote them FOR the election of all of the nominees listed below. If you wish your shares voted for some, but not all, of the nominees, or if you wish to "WITHHOLD" your vote from some but not all of the nominees, you may so indicate on the proxy card or by telephone or the Internet when you vote your proxy. As previously described in the "Required Vote" section of this Proxy Statement, if you WITHHOLD your vote from a nominee, it will have the same effect as a vote AGAINST that nominee.

If your shares, however, are *Broker Held Shares*, be sure to instruct your broker, bank, custodian, or nominee on how you want your shares voted, with respect not only to this Proposal No. 1, but to each of the proposals on the agenda. If you do not give your instructions, your broker, bank, custodian, or nominee will not be able to vote your shares. (See "Voting Shares Held by Brokers, Custodians, Banks or Other Nominees".)

As previously noted, therefore, upon recommendation of the Corporate Governance and Nominating Committee, the Board has nominated Mark D. Millett, Keith E. Busse, Frank D. Byrne, M.D., Kenneth W. Cornew, Traci M. Dolan, Dr. Jürgen Kolb, James C. Marcuccilli, Bradley S. Seaman, Gabriel L. Shaheen and Richard P. Teets, Jr. for election as directors for a one year term. All but Messrs. Millett, Busse and Teets are and will be independent directors.

The Board has also reviewed all transactions during 2016 between Steel Dynamics, Inc. or any of its subsidiaries or affiliates, and companies or entities in which a director or a family member or affiliate might have owned any interest, for the purpose of ensuring that such transactions, if any, were approved in accordance with our Statement of Policy For the Review, Approval or Ratification of Transactions With Related Persons, and, further, for the purpose of determining whether any of such transactions impacted the independence of such directors. The Board has affirmatively determined that none of the independent directors is an officer or employee of the Company or any of our subsidiaries and none of such persons have any relationships which, in the opinion of our Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Ownership of a significant amount of our stock, by itself, does not constitute a material relationship.

Each of the nominees for election as director has indicated his or her willingness to serve, if elected, but in the event that any nominee at the time of the election is unable to serve or is otherwise unavailable for election, the Board, upon recommendation of the Corporate Governance and Nominating Committee, may select a substitute nominee. In that event the persons named in the enclosed proxy intend to vote the proxy for the person so selected. We do not anticipate that any nominee will be unable to serve.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE
***FOR* EACH OF THE FOLLOWING NOMINEES:**

Name	Position with Steel Dynamics, Inc.	Age	Director Since
Mark D. Millett	Director, President and Chief Executive Officer	57	1993
Keith E. Busse	Director, Non-Executive Chairman of the Board	74	1993
Frank D. Byrne, M.D.	Director	64	2005
Kenneth W. Cornew	Director	52	2016
Traci M. Dolan	Director	59	2012
Dr. Jürgen Kolb	Director	74	1996
James C. Marcuccilli	Lead Independent Director	66	2005
Bradley S. Seaman	Director	56	2013
Gabriel L. Shaheen	Director	63	2009
Richard P. Teets, Jr.	Director	61	1993

INFORMATION CONCERNING EXPERIENCE, QUALIFICATIONS,
ATTRIBUTES AND SKILLS OF DIRECTOR NOMINEES AND OTHER EXECUTIVE OFFICERS

Mark D. Millett, a co-founder of our Company and a director since inception, was appointed our President and Chief Executive Officer effective January 1, 2012. Prior to that, from April 2011, Mr. Millett served as our President and Chief Operating Officer and, from June 2008 to April 2011, our Executive Vice President of Metals Recycling and Ferrous Resources and President and Chief Operating Officer of OmniSource Corporation. In that role, he was responsible for the Company's metallic resources platform, including all ferrous and nonferrous metals recycling operations, as well as the Company's ironmaking initiatives. In 2007 and 2008, Mr. Millett managed the Company's flat roll operations, including the Butler Flat Roll Division, Jeffersonville coating facilities and The Techs. From 1998 to 2007, Mr. Millett managed the Company's Flat Roll Division at Butler, Indiana, including the hot mill, cold mill, and coating facilities. Between 1993 and 1996, Mr. Millett was responsible for the design, construction and start-up operation of the Company's Butler, Indiana flat roll, melting and casting operations. A metallurgist by training, Mr. Millett, prior to his co-founding of Steel Dynamics, served from 1981 to 1985 as chief metallurgist for Nucor Corporation's Darlington, South Carolina, division, charged with developing the world's first commercially viable thin-slab-casting process as the manager of that project at Nucor's Hazelett facility. In 1987, Mr. Millett was given the responsibility by Nucor for the design, construction, staffing, and operation of the melting and casting facility at Nucor's world's-first thin-slab casting facility at Crawfordsville, Indiana. Mr. Millett holds a bachelor's degree in metallurgy from the University of Surrey in England (1981). Mr. Millett was named Steelmaker of the Year in 2014 by the Association of Iron and Steel Technology. Mr. Millett brings to the Board both a wealth of training and experience in steel metallurgy and in casting and coating technology and, by reason of his leadership of the Company's iron initiative projects, a comprehensive knowledge of iron making technology as well as, by reason of his leadership of OmniSource Corporation, a strategic and operational understanding of scrap metal recycling as both a resource for a steel manufacturing business and as an independent business platform.

Keith E. Busse is a co-founder of our Company, is the non-executive Chairman of the Board and has been a director since inception. Prior to his retirement on December 31, 2011, Mr. Busse had been our Chief Executive Officer since inception. Mr. Busse also, from 1993 until May 2007, was our President, at which time he became Chairman and Chief Executive Officer. Prior to 1993, for a period of twenty-one years, Mr. Busse worked for Nucor Corporation in various capacities, including general manager of its Vulcraft subsidiary in St. Joe, Indiana. In 1986, Mr. Busse was appointed by Nucor to be the general manager of, and to head the construction and operation of, the world's first flat roll steel mini-mill utilizing thin-slab-casting steel technology at Crawfordsville, Indiana. Mr. Busse holds an undergraduate degree in accounting from International Business College, a degree in business finance from St. Francis College (now the University of St. Francis) and a master's degree in business administration from Indiana University. Mr. Busse was named Steelmaker of the Year in 2005 by the Association of Iron and Steel Technology and was named by *Business Week Magazine* as one of the Top 10 entrepreneurs in the United States. He serves as a director of Accuride Corporation, a public company and previously served as Chairman of the board of Tower Financial Corporation until the company was acquired by Old National Bancorp in 2014. Mr. Busse's ongoing contributions to the Board, as one of the most innovative and strategic minds in the steel business, and his leadership skills as both visionary and as motivator, are invaluable, even as the Company has matured and is poised for further growth.

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Frank D. Byrne, M.D., retired, served for ten years (2004 2014) as President of St. Mary's Hospital in Madison, Wisconsin, part of SSM Health Care, a multi-state healthcare delivery system. Previously, he served in a variety of executive leadership and governance roles at Parkview Health, a regional healthcare system in northeast Indiana, from 1991-2004, including serving as President of Parkview Hospital from 1995-2002. He practiced pulmonary and critical care medicine in Fort Wayne, Indiana from 1982-1994. Dr. Byrne has also served in numerous governance roles in not-for-profit and privately held organizations for more than 20 years, including hospitals, health systems, health insurance companies, community foundations, multispecialty physician practices, and professional associations. Dr. Byrne holds a Bachelor of Science degree in pre-professional studies from the University of Notre Dame (1974), a doctor of medicine degree from S.U.N.Y. Downstate Medical Center (1977), a certificate of Executive Management from the University of Michigan Business School Executive Program (1996) and a Master of Medical Management degree from Carnegie Mellon University (1999). He attended the Executive Program at the University of Michigan Business School and corporate governance education programs at Harvard Business School, the University of Wisconsin, and Stanford University schools of Business and Law. Dr. Byrne is a member of both our Compensation Committee and of our Corporate Governance and Nominating Committee. Dr. Byrne brings to the Board extensive executive leadership and governance experience, as well as experience in management of complex organizations, employment-related matters, compensation policies, mergers and acquisitions, safety, and process improvement.

Kenneth W. Cornew, since 2013, has been Senior Executive Vice President and Chief Commercial Officer of Exelon Corporation and CEO of Exelon Generation. Exelon is a leading competitive energy provider in the U.S. with one of the cleanest and lowest cost power generation fleets. Its utilities serve millions of electric and gas customers. In his current role, Mr. Cornew is responsible for the operations of Exelon's nuclear, fossil, and renewable fleets, as well as the commercial and retail businesses of Constellation, with which Exelon merged in 2012. In 1990 Mr. Cornew joined Exelon where, throughout his career, he was instrumental in establishing and growing the company's competitive energy business. From 2008 through 2012, Mr. Cornew was Exelon's Senior Vice President and CEO of its commercial and retail business. Prior to joining Exelon, Mr. Cornew worked for PJM Interconnection, a regional transmission organization and part of the U.S. Eastern Interconnection Grid serving several states in the Mid-Atlantic and Mid-West regions. Mr. Cornew has been and continues to be a leader in advocacy for the industry, he currently serves on the Board of Directors of the Electric Power Research Institute whose focus is research and development relating to the generation, delivery and use of electricity. Mr. Cornew holds a Bachelor of Science degree in Electrical Engineering from Rutgers University (1987) and an MBA from the Drexel University (1995). Mr. Cornew currently serves on the Industry Advisory Board for Rutgers School of Engineering as well as the Board of Trustees for the Living Classrooms Foundation. Mr. Cornew is a member of both our Audit Committee and of our Compensation Committee. Mr. Cornew brings to the Board a comprehensive understanding and experience in power operations, commodity cycles, strategic growth, mergers and acquisitions, safety, and process improvement.

Traci M. Dolan, retired, served for ten years (2004 2014) with ExactTarget, Inc., a salesforce.com company, which provides global cross-channel interactive marketing software-as-a-service. From July 2011 until February 2014, she served as Chief Administrative Officer and Corporate Secretary, in which she was responsible for human resources, executive compensation, legal and corporate governance, real estate, risk management, and shareholder relations. Prior to this, she served as principal financial officer responsible for all financial and administrative functions, including financial and strategic planning, accounting, tax and treasury functions, among other responsibilities. Prior to joining ExactTarget, Ms. Dolan served as Chief Financial Officer and Vice President of Finance and Administration, Secretary and Treasurer of Made2Manage Systems, Inc., which she joined in March 2000. From 1995 to 2000, Ms. Dolan was with Macmillan Publishing, USA where she held various financial and operating positions including Vice President of Finance and Operations, and before that, Controller and Vice President of Finance. She began her career at Coopers & Lybrand, progressing to the role of audit manager. She holds a Bachelor of Science Degree in Business from Indiana University (1981). Ms. Dolan is Chairperson of our Audit Committee and a member of our Compensation Committee. Ms. Dolan brings to the Board a comprehensive knowledge of accounting, finance and financial management as well as experience in managing and overseeing regulatory compliances in the areas of executive compensation and risk management involving public companies.

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Dr. Jürgen Kolb, retired, served for fifteen years (1986 2001) as a member of Salzgitter, AG's Management Board, including responsibility as Director of Sales and Executive Vice President and Chairman of Salzgitter's world-wide Trading, Warehousing and Steel Service Center activities. Salzgitter, AG is a large German steelmaker. Dr. Kolb has served in numerous capacities within the German, European and World Steel Federation and regularly consults with both private and publicly traded steel and other industrial companies and private equity firms internationally. Dr. Kolb holds degrees from the Johann Wolfgang Goethe University in Frankfurt, Germany (1967) and from the Ruhr-University in Bochum, Germany (1976). Dr. Kolb is a member of both our Audit Committee and of our Corporate Governance and Nominating Committee. Dr. Kolb brings to the Board international expertise and experience, not only in steelmaking technologies across all product lines, but also regarding the conditions and operating trends in the global steel markets.

James C. Marcuccilli has served as President and Chief Executive Officer of STAR Financial Bank, a regional bank based in Fort Wayne, Indiana, since 1997. Mr. Marcuccilli serves as a director of STAR Financial Group, Inc., the holding company parent of STAR Financial Bank, as well as a director of STAR Financial Bank. Prior to that, Mr. Marcuccilli had responsibility for oversight of nine of STAR's financial institutions throughout Indiana. He has also had management experience in transportation (1965-2002) and Ready-Mix and Aggregates business (1968-2007). Mr. Marcuccilli has served as chairman of the Northeast Indiana Regional Partnership from 2008-2009 and is a board member of the Indiana Economic Development Corporation (2004 to present). Mr. Marcuccilli holds a bachelor's degree in business finance from the University of Notre Dame (1973). Mr. Marcuccilli is a member of both our Compensation Committee and of our Audit Committee and is Chairperson of our Corporate Governance and Nominating Committee. Mr. Marcuccilli was appointed the Company's Lead Independent Director in December 2011 and has served in this capacity since then. He brings to the Board his extensive experience in financial analysis and management, in banking and in organizational management and a background as a successful entrepreneur, having assisted in the growth and development of STAR Financial Bank from a single rural bank in the early 1970s to its status today as one of Indiana's premier banking institutions.

Bradley S. Seaman has been employed, since August 1999, by Parallel49 Equity, a private equity firm that makes control investments in lower middle market companies in the United States and Canada. Founded in 1996, Parallel49 Equity, with offices in Lake Forest, Illinois and Vancouver, British Columbia, has acquired nearly sixty companies in specialty manufacturing, business services, and value-added distribution. From 1999 through December 2011, Mr. Seaman was Managing Director and leader of its U.S. operations, and, since January 2012, has served as its Managing Partner, responsible for leading overall firm operations, strategy, funding, and investments. Prior to joining Parallel49 Equity, and from 1990 through July 1999, Mr. Seaman was employed by GE Capital Corporation, a division of the General Electric Company, where he held a number of increasingly senior positions in GE's Transportation & Industrial Funding and Commercial Finance units, ultimately being promoted to head GE Capital's transactions origination teams in Ohio, Michigan and Missouri. In 1994, Mr. Seaman was selected to be part of a new group that was established to focus GE Capital's debt and equity products on the emerging private equity market, and, in that capacity, headed GE's offices in New York and Chicago. During this period, Mr. Seaman also led GE's involvement in the original equity and debt financing for Steel Dynamics in June 1994. Mr. Seaman holds a Bachelor of Science degree in Business Administration from Bowling Green State University (1982) and an MBA from the University of Dallas (1986). Mr. Seaman is a member of both our Audit Committee and of our Corporate Governance and Nominating Committee. He serves as Chairman of the board of directors of CPI Card Group, Inc., a public company. He brings to the Board a comprehensive understanding and experience in the debt and equity capital markets, management experience, manufacturing expertise, and both operational and corporate governance experience drawn from his involvement in the management and oversight of Parallel49 Equity platform companies.

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Gabriel L. Shaheen, from 2000 to the present, has served as President, Chief Executive Officer and a principal of GLS Capital Ventures, LLC and partner of NxtStar Ventures, LLC, both of them providing private advisory services to both start-up and existing life insurance, annuity insurance, and other financial services organizations, as well as to entities that serve such organizations. From January 1998 through December 1999, Mr. Shaheen served as Chairman, President and Chief Executive Officer of Lincoln National Life Insurance Company, with responsibility for all of Lincoln's life and annuity operations throughout the United States. Prior to that, from November 1996 through January 1998, he served as Managing Director of Lincoln UK, Lincoln National Corporation's British subsidiary, and from May 1994 through November 1996, served as Chairman, President and Chief Executive Officer of Lincoln National's reinsurance business and companies, including life and health, worldwide. Mr. Shaheen is an actuary by profession, having received his bachelor's degree in actuarial math from the University of Michigan (1976) and a master's degree in actuarial science from the University of Michigan (1977). Mr. Shaheen serves as Chairman of the board of directors of Horace Mann Educators Corporation, a public company. Mr. Shaheen is Chairperson of our Compensation Committee and a member of our Corporate Governance and Nominating Committee. Mr. Shaheen brings an extensive background of training, skills, and experience in the world of risk assessment and management, as well as management skills and experience in operating and supervising complex institutional relationships and major operating units of large publicly traded companies.

Richard P. Teets, Jr. is a co-founder of our Company and has been a director since inception. Prior to his retirement on March 31, 2016, Mr. Teets had been our Executive Vice President for Steelmaking and President and Chief Operating Officer of Steel Operations since August 2008. In April 2007, Mr. Teets became an Executive Vice President, overseeing the Company's four long-products steelmaking divisions and the steel fabricating business, New Millennium Building Systems. In 1998, Mr. Teets initiated the planning for construction of the Company's structural-steel mill at Columbia City, Indiana. From 1998 to 2007, he managed the construction, start-up, and operation of the structural mill and was responsible for its commercial success and growth. From 1993 to early 1996, Mr. Teets was responsible for the planning and construction of the Company's pioneering flat roll steel mill in Butler, Indiana as well as its subsequent construction of a cold rolled facility, after which he became Vice President and General Manager of Rolling and Finishing at the flat roll mill. Prior to that, after a ten year career at J&L Steel (later LTV Steel), Mr. Teets joined Nucor Corporation in 1987 as an engineering manager at Crawfordsville, Indiana, where he was given broad responsibility for the design and construction of its new thin-slab-casting facility at that location. Thereafter, in 1991, he assumed responsibility for Nucor's Crawfordsville, Indiana cold-rolling and finishing operations. Mr. Teets holds a bachelor's degree in mechanical engineering from Lafayette College (1977) and a master's degree in business administration from Duquesne University (1982). Mr. Teets was named the Steel Advocate of the Year during 2016 by the American Metal Market. Mr. Teets brings to the Board a strong academic and operational background and business experience in the design, construction and operation of steel mill facilities, as well as demonstrated leadership in organizing, budgeting for and directing complex projects, both at the construction and operational levels.

Other Named Executive Officers

Theresa E. Wagler (46) is our Executive Vice President and Chief Financial Officer since May 2007. She joined the Steel Dynamics corporate finance team in 1998, and has held various finance and accounting positions, including Chief Accounting Officer and Vice President and Corporate Controller, and was appointed to her current position in May 2007. She is responsible for and oversees accounting, risk management, taxation, treasury, and information technology functions, as well as, financial planning and analysis, investor relations, and corporate communications. Prior to joining Steel Dynamics, Ms. Wagler served as Assistant Corporate Controller for Fort Wayne National Bank and as a certified public accountant with Ernst & Young LLP. She graduated cum laude from Taylor University with a bachelor's degree in accounting and systems analysis. In addition, Ms. Wagler serves as a director of CF Industries Holdings, Inc., a public company, and also serves as a director and audit committee chair for Trine University.

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Russell B. Rinn (59) is our Executive Vice President for Metals Recycling, and President and Chief Operating Officer of OmniSource Corporation since July 2011. Mr. Rinn is responsible for OmniSource's ferrous and nonferrous metals recycling operations in the Midwest and in the Southeastern United States, as well as sourcing, marketing, trading, and logistics activities spanning the nation. OmniSource procures metal scrap, processes it, and markets these recycled metals to external customers and supplies ferrous scrap to the Company's steel mills. Prior to joining Steel Dynamics, Mr. Rinn was an Executive Vice President of the Commercial Metals Company (CMC), a Texas-based mini-mill steel company. He has more than 30 years of experience in the steel and metals recycling industries. Russ is a graduate of the Executive Program of the Stanford University Graduate School of Business and of the Management Development Program at the University of Michigan's Business School. He holds a Bachelor's degree in Finance, Marketing and Business Administration from Texas Lutheran University.

Christopher A. Graham (53) is our Senior Vice President, Manufacturing Group since March 2016. Since 2013, Mr. Graham served as a Vice President of Steel Dynamics and the President of its fabrication operations. Mr. Graham is responsible for the Company's fabrication operations, but with the added responsibility of the Company's other downstream manufacturing facilities. He will lead the Company's strategic growth in the area of adding businesses that will utilize Steel Dynamics metal products as raw material in the manufacture of other products. Mr. Graham was part of the team that constructed the Company's first steel mill in 1994. He held various leadership positions within the Company's steel group prior to moving into the fabrication operations in 2007. He was responsible for four operating fabrication plants from 2007 to 2010, at which point he also became the team leader responsible for overseeing the restructuring and integration of three acquired fabrication facilities, and in 2014 was made responsible for the integration of the Columbus Flat Roll Division. Mr. Graham earned a bachelor's degree in business management from Western Governors University and his MBA from the University of Saint Francis.

Glenn A. Pushis (51) is our Senior Vice President, Long Products Steel Group since March 2016. Since 2014, Mr. Pushis has served as a Vice President overseeing the Company's Butler Flat Roll Division and six flat roll coating facilities located in Indiana and Pennsylvania. Mr. Pushis is responsible for the Company's four long product steel mills, which together have approximately 3.8 million tons of annual steelmaking capacity, producing specialized engineered bars, structural steel, railroad rail, merchant bars and other specialty steels, primarily serving the construction, transportation and industrial sectors. Mr. Pushis was also part of the team that constructed the Company's first steel mill in 1994. He held various leadership positions within the Company's steel group, including the positions of General Manager for the Engineered Bar Products Division from 2003 to 2007 and more recently, the Butler Flat Roll Division from 2007 to 2014. Mr. Pushis earned a bachelor's degree in mechanical engineering from Purdue University and his MBA from Indiana University.

Barry T. Schneider (48) is our Senior Vice President, Flat Roll Steel Group since March 2016. Since 2014, Mr. Schneider served as a Vice President overseeing the Company's Engineered Bar Products and Roanoke Bar steel divisions. Mr. Schneider is responsible for the Company's two flat roll steel mills and eleven flat roll coating lines, which together have approximately 7.2 million tons of annual capacity, producing hot roll, cold roll and coated steel products, including a wide variety of specialty products, such as light gauge hot roll, galvanized and painted products. Mr. Schneider was also part of the team that constructed the Company's first steel mill in 1994, serving in several engineering and operational roles in the melt shop during the Company's first five years of operations. He was the manager of the Butler Flat Roll Division's hot strip mill and later the cold rolling and coating facilities from 2000 to 2007. Mr. Schneider then held the position of General Manager for the Engineered Bar Products Division from 2007 to 2014. Mr. Schneider earned a bachelor's degree in mechanical engineering and a master of science in engineering management from Rose-Hulman Institute of Technology.

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Director Compensation

The following table presents the total compensation for each person who served as a non-employee member of the Board during 2016. Other than as set forth in the table, and described more fully below, we did not pay any other compensation or make any equity or non-equity awards to any of the non-employee members of the Board. Mr. Millett, who is our Chief Executive Officer, received no compensation for his service as a member of the Board and, consequently, is not included in this table. The compensation received by Mr. Millett, as a current employee of the Company, is presented in the 2016 Summary Compensation Table. Mr. Teets, who was our Executive Vice President for Steelmaking and President and Chief Operating Officer of Steel Operations through his retirement on March 31, 2016, received no compensation for his service as a member of the Board until after his retirement. Mr. Teets' compensation earned as a director after his retirement is presented in the 2016 Summary Compensation Table.

Cash Compensation

For 2016, the standard cash compensation arrangements for the non-employee members of the Board included a $90,000 annual cash retainer (payable quarterly), as well as cash committee participation fees and retainers as follows:

	Committee Chair	Committee Member	Annual Retainers
Audit Committee	$ 25,000	$ 12,000	
Compensation Committee	20,000	7,500	
Corporate Governance and Nominating Committee	15,000	7,500	
Lead Independent Director			$ 40,000
Non-Executive Chairman of the Board			130,000

Non-employee members of the Board may elect to defer up to 100% of their annual cash retainer relating to their Board service, in increments of 10%, in the form of deferred stock unit ("DSU") award a book-entry award expressed in equity-equivalent stock units and ultimately settled at the end of the deferral period in a like number of shares of the Company's common stock. This deferral election must be made at the beginning of each year before the compensation is earned. The director is required to elect, in advance, the applicable deferral period, specifically, of either one year or the earlier to occur of five years or one year following his or her retirement from the Board, for settlement and conversion of his or her DSU award into an equivalent number of shares of the Company's common stock.

Equity Compensation

Non-employee members of the Board also receive an annual equity award, in the form of DSUs. The DSU awards are determined using the closing market price of the Company's common stock on the last business day immediately preceding June 1 of each year. In 2016, these DSU awards each had a grant date fair value of $120,021. Each non-employee member of the Board is required to elect, in advance, the applicable deferral period for settlement and conversion of his or her DSU award into an equivalent number of shares of the Company's common stock, specifically, for a period of either one year, or the earlier to occur of, five years, or one year following his or her retirement from the Board.

Equity Ownership Policy for Directors

We maintain an equity ownership policy for the non-employee members of the Board. Under this policy, each non-employee member of the Board is required to own and hold shares of the Company's common stock equal to at least five times his or her annual cash retainer, currently $90,000, for an aggregate of $450,000. We review compliance with this policy annually and require each non-employee member of the Board to meet his or her respective equity ownership requirement within five years of joining the Board. As of the date of this Proxy Statement, we believe that each of the existing non-employee members of the Board either satisfies, or will satisfy this requirement, on a timely basis.

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2016 Director Compensation Table

Name (a)	Fees Earned or Paid in Cash (b) (1)	Stock Awards (c) (2)	Total (h)
John C. Bates	$ 85,000	$ 120,021	$ 205,021
Keith E. Busse	215,000	120,021	335,021
Frank D. Byrne, M.D.	100,000	120,021	220,021
Kenneth W. Cornew	54,750	120,021	174,771
Traci M. Dolan	117,500	120,021	237,521
Dr. Jürgen Kolb	104,500	120,021	224,521
James C. Marcuccilli	168,000	120,021	288,021
Bradley S. Seaman	104,500	120,021	224,521
Gabriel L. Shaheen	112,500	120,021	232,521

(1) The following directors elected to receive all or a portion of their annual cash retainer in the form of a DSU award: Mr. Bates received a DSU award for 3,516 shares of the Company's common stock with a grant date fair value of $85,000 in lieu of cash and Dr. Byrne received a DSU award for 977 shares of the Company's common stock with a grant date fair value of $20,000 in lieu of cash.

(2) The amounts reported in this column represent the grant date fair value of the DSU awards granted on June 1, 2016 under the Company's 2015 Equity Incentive Plan ("2015 Plan"). These DSU awards were each for 4,869 shares of the Company's common stock on the basis of the Nasdaq closing market price for the Company's common stock on the last business day prior to the grant date. Each 2016 DSU award vested in full on the grant date, June 1, 2016, subject only to the particular deferred settlement date elected in advance by the director for settlement of his or her DSU award into shares of the Company's common stock on a one-for-one basis.

Security Ownership of Directors and Executive Officers

The following table shows how much of the Company's common stock the directors and the Named Executive Officers, and all directors and executive officers, as a group, beneficially owned as of March 20, 2017. For purposes of the following table, beneficial ownership is determined in accordance with Exchange Act Rule 13d-3.

	Beneficial Ownership as of March 20, 2017			
	Current Beneficial Holdings	Shares Subject to Options	Total	Percent Owned*
Named Executive Officers				
Mark D. Millett	3,087,183	23,332	3,110,515	1.3%
Theresa E. Wagler	279,733	6,669	286,402	0.1%
Russell B. Rinn	137,199	5,834	143,033	0.1%
Christopher A. Graham	27,353		27,353	0.0%
Glenn A. Pushis	49,486		49,486	0.0%
Barry T. Schneider	47,303		47,303	0.0%
Directors				
Keith E. Busse	1,004,943		1,004,943	0.4%
Frank D. Byrne, M.D.	64,390		64,390	0.0%
Kenneth W. Cornew	4,943		4,943	0.0%
Traci M. Dolan	28,266		28,266	0.0%
Dr. Jürgen Kolb	48,163		48,163	0.0%
James C. Marcuccilli	63,658		63,658	0.0%
Bradley S. Seaman	18,274		18,274	0.0%

Gabriel L. Shaheen (1)	48,631		48,631	0.0%
Richard P. Teets, Jr. (2)	5,158,380		5,158,380	2.1%
Directors and Executive Officers as a Group (15 persons)	**10,067,905**	**35,835**	**10,103,740**	**4.2%**

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Represents currently exercisable options and options exercisable within 60 days.

*

Assumes exercise of all stock options currently exercisable or exercisable within 60 days covering 35,835 shares with a corresponding increase in the number of outstanding shares from 242,383,332 on the record date to 242,419,167.

(1)

Mr. Shaheen's ownership includes 3,000 shares held in his retirement plan.

(2)

Mr. Teets' ownership includes 94,089 shares of the Company's common stock owned by Mr. Teets' spouse and 21,352 shares held in trust for Mr. Teets' children, with respect to which Mr. Teets disclaims beneficial ownership of all these shares.

Security Ownership of Certain Beneficial Owners

At December 31, 2016, based upon filings with the SEC, and based upon a total of 243,785,485 shares issued and outstanding at that time, the following persons owned more than 5% of the Company's common stock.

Name and Address	Amount of Beneficial Ownership	Percent of Class
The Vanguard Group (1) 100 Vanguard Blvd. Malvern, PA 19355	23,203,301	9.5%
BlackRock Inc. (2) 55 East 52nd Street New York, NY 10055	18,934,623	7.8%

(1)

Share amounts are based on a Schedule 13G/A filed with the SEC on February 10, 2017, reporting beneficial ownership as of December 31, 2016, which indicates that The Vanguard Group has sole voting power of 142,669 of the shares shown, shared voting power of 26,970 of the shares shown, sole dispositive power of 23,045,781 of the shares shown and shared dispositive power of 157,520 of the shares shown.

(2)

Share amounts are based on a Schedule 13G/A filed with the SEC on January 27, 2017, reporting beneficial ownership as of December 31, 2016, which indicates that BlackRock, Inc. has sole voting power of 18,030,547 of the shares shown and sole dispositive power of 18,934,623 of the shares shown.

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Proposal No. 2
Ratification of the Appointment of Independent Registered Public Accounting Firm as Auditors

In accordance with the provisions of the Sarbanes-Oxley Act of 2002, the Audit Committee has appointed Ernst & Young LLP (Ernst & Young) as our independent registered public accounting firm, to conduct our annual audit for the year 2017. Although not legally required, but in accordance with established policy, we are submitting this appointment to stockholders for ratification. In the event the appointment is not ratified, we anticipate that no change in auditors would be made for the current year because of the difficulty and expense of making any change mid-year. However, any such vote would be considered in connection with our deliberation of the appointment of an independent registered public accounting firm for 2018.

Ernst & Young conducted our annual audit for 2016, and representatives of Ernst & Young will be present and will be available at the meeting to respond to questions from stockholders, and, if the representatives desire, will have an opportunity to make a statement.

The Board of Directors recommends a vote FOR the approval of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2017.

Audit and Non-Audit Fees

The following table presents fees paid for services rendered by Ernst & Young, as the Company's independent registered public accounting firm, for the years ended December 31, 2015 and 2016.

	2015	2016
Audit Fees	$ 1,982,000	$ 2,165,000
Audit Related Fees		
Tax Fees	130,000	128,000
All Other Fees		
	$ 2,112,000	$ 2,293,000

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

Consistent with SEC policies regarding auditor independence, the Audit Committee must pre-approve all audit and permissible non-audit services provided by our independent auditors. Our Non-Audit Services Pre-Approval Policy covers all services to be performed by our independent auditors. The policy contemplates a general pre-approval for all audit, audit-related, tax, and all other services that are permissible, with a general pre-approval period of twelve months from the date of each pre-approval. Any other proposed services that are to be performed by our independent auditors, not covered by or exceeding the pre-approved levels or amounts, must be specifically approved in advance of service.

Prior to engagement, the Audit Committee will pre-approve the following categories of services.

§ **Audit fees** include fees for (1) services rendered in connection with the audit of the Company's consolidated financial statements included in its Form 10-K and reviews of financial statements included in the quarterly Forms 10-Q; and (2) the review of internal control over financial reporting with the objective of obtaining reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Such work also includes, but is not limited to, fees for the review of the Company's valuation of business combinations, services rendered in connection with comfort letters, statutory audits of subsidiaries, and services associated with statutory or regulatory filings or engagements, including SEC registration statements, periodic reports, and other documents filed with the SEC or other documents issued in connection with securities offerings.

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- **Tax fees** include fees related to services performed by the independent auditors' tax personnel, except those services specifically related to the financial statements which are included in audit fees, and included tax consulting fees (assistance with tax audits and appeals, tax advice relating to mergers and acquisitions, due diligence assistance regarding tax matters, and transfer pricing studies).

Applicable SEC rules and the Audit Committee's pre-approval policy permits the delegation of pre-approval authority for services not covered by the Audit Committee's general pre-approval to the Chair of the Audit Committee.

Report of the Audit Committee

The Audit Committee operates under a written Charter that is available on our Company's website at www.steeldynamics.com under "Investors Corporate Governance." The Audit Committee is comprised of five non-employee independent directors, each of whom met the definition of "audit committee financial expert."

The Audit Committee is responsible for overseeing our accounting and financial reporting processes and audits of our financial statements, and is directly responsible for the appointment and oversight of our independent auditors, including review of their qualifications, independence and performance. In carrying out its oversight responsibilities, the Committee relies on the expertise and knowledge of management, the internal auditors and the independent registered public accounting firm, legal counsel, and other advisors. While the Audit Committee's specific responsibilities are also summarized in this Proxy Statement under "Governance of the Company The Audit Committee," the Audit Committee, among its other responsibilities, oversees:

- The integrity of our financial statements, our accounting and financial reporting processes, and our systems of internal control over financial reporting and safeguarding of our assets;
- Our compliance with legal and regulatory requirements;
- The performance of our internal auditors and internal audit functions; and
- Our guidelines and policies with respect to risk assessment and risk management.

Roles and Responsibilities

Management, our independent registered public accounting firm, and the Audit Committee each have different roles and responsibilities with respect to our financial statements and internal control over financial reporting. Management is responsible for the preparation, presentation, and integrity of our consolidated financial statements, accounting and financial reporting principles, internal control over financial reporting, and disclosure controls and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. Management is also responsible for objectively reviewing and evaluating the adequacy, effectiveness, and quality of our system of internal control.

Our independent registered public accounting firm, Ernst & Young is responsible for performing an independent audit of our consolidated financial statements and for expressing an opinion, based on the results of their audit, whether the consolidated financial statements are fairly presented in all material respects, in conformity with accounting principles generally accepted in the United States. In addition, Ernst & Young is also responsible for expressing an opinion on the effectiveness of our internal control over financial reporting.

Oversight and Assessment of the Independent Auditors

The Audit Committee selects and appoints our independent auditors, reviews the performance of the independent auditors in the annual audit and in assignments unrelated to the audit, and reviews and approves the independent auditors' fees. The Audit Committee approved the selection and engaged the services of Ernst & Young as our independent auditing firm for the Company's fiscal year ended December 31, 2016, after employing its annual quality and review process described below.

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In 2016, the Audit Committee, with assistance from management, conducted a formal performance appraisal of Ernst & Young, soliciting the opinions of the Audit Committee, internal audit, executive management and other relevant Company employees. In determining whether to appoint Ernst & Young as Steel Dynamics' independent auditor for 2017, the Audit Committee took into consideration a number of factors, including the frankness and quality of the Audit Committee's ongoing discussions with our auditor, the auditor's independence, and the assessment of the professional qualifications and past performance of both Ernst & Young as a whole and the Lead Audit Partner. The results assessed Ernst & Young's performance to have met all expectations. In that regard, the Audit Committee recommends engaging Ernst & Young as our independent auditing firm for the Company's fiscal year ending December 31, 2017.

Required Disclosures and Discussions

In connection with the December 31, 2016 audited consolidated financial statements, the Audit Committee:

§ Met with Ernst & Young eight times with management present and four times without management present.

§ Discussed with the Company's independent auditors, Ernst & Young, the matters required to be discussed in Auditing Standard No. 16 (*Communication with Audit Committees*), issued by the Public Company Accounting Oversight Board (United States) ("PCAOB"), now codified as AS No. 1301, as well as Auditing Standard No. 18 *(Related Parties)*.

§ Received and reviewed the written disclosures and the letter from Ernst & Young required by PCAOB Rule 3526 (Communication with Audit Committees Concerning Independence), and has discussed with the auditors their independence.

§ Reviewed and discussed with management and with Ernst & Young management's report on Steel Dynamics' internal control over financial reporting and Ernst & Young's attestation report on the effectiveness of Steel Dynamics' internal control over financial reporting.

§ Discussed whether the provision of services by Ernst & Young and the fees paid to them for services not related to the audit of the financial statements referred to above, is compatible with maintaining Ernst & Young's independence.

Recommendation to Include the Financial Statements in the Annual Report

Based upon the Audit Committee's discussions with management and our independent registered public accounting firm, and the Audit Committee's review of the audited financial statements and the representations of management and the report of our independent registered public accounting firm to the Audit Committee, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

The Audit Committee:

Traci M. Dolan, Chair
Kenneth W. Cornew, Member
Dr. Jürgen Kolb, Member
James C. Marcuccilli, Member
Bradley S. Seaman, Member

April 7, 2017

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EXECUTIVE COMPENSATION AND RELATED INFORMATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") provides you with a detailed description of our Named Executive Officer (our "NEOs") compensation program. It provides an overview of our philosophy, policies and programs, which are designed to achieve our compensation objectives. For 2016, our NEO's were:

Name	Position
Mr. Millett	President and Chief Executive Officer
Ms. Wagler	Executive Vice President and Chief Financial Officer
Mr. Rinn	Executive Vice President for Metals Recycling and President and Chief Operating Officer of OmniSource Corporation
Mr. Graham	Senior Vice President, Manufacturing Group
Mr. Pushis	Senior Vice President, Long Products Steel Group
Mr. Schneider	Senior Vice President, Flat Roll Steel Group
Mr. Teets	Former Executive Vice President for Steelmaking, President and Chief Operating Officer of Steel Operations (retired March 31, 2016)

Executive Summary

2016 Business Achievements

We achieved numerous record and near-record financial and operating results during 2016, driving a one-year total stockholder return of 119% and a three-year total stockholder return of 112%. The domestic steel industry market environment was still challenged during the year with continued excess imported steel and weak demand from certain consuming sectors such as energy, agriculture and heavy equipment. However, steady demand from the automotive and construction sectors helped offset some of this weakness. Additionally, the successful strategic diversification of our Columbus Flat Roll Division's value-added product portfolio and customer base realignment, significantly benefited 2016 financial results. This transformational change will also benefit the coming years, as we successfully constructed and began operating a $100 million flat roll steel paint line during the fourth quarter of 2016, both on budget and ahead of schedule.

We recorded numerous achievements during the year, including the following:

§ Record steel production and shipments, maintaining higher utilization than the domestic industry;

§ Record fabrication revenues and shipments;

§ Record adjusted operating income of $861 million (excluding non-cash asset impairment charges);

§ Second highest annual cash flow from operations of $853 million and strong free cash flow (operating cash flow less capital investments) of $655 million;

§ Second highest adjusted EBITDA of $1.2 billion, only $10 million less than our record; and

§ Even after investing in operations, decreasing total debt, and increasing dividends while also initiating a share repurchase program in 2016, we achieved record end-of-year liquidity of over $2.0 billion.

As demonstrated, our business model and unique operating culture generates strong cash flow through all market cycles based on the low, highly-variable cost structure of our operations and our highly diversified, value-added product offerings. The strength of our through-cycle cash generation, coupled with a strong credit and capital structure profile provides great opportunity for continued organic and inorganic growth. We are squarely focused on the continuation of sustainable, optimized value creation.

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Results of 2016 Say-on-Pay Vote

At our 2016 Annual Meeting of Stockholders, we conducted a non-binding advisory vote on the compensation of the NEOs, commonly referred to as a "say-on-pay" vote. Our stockholders approved the compensation with 95% of the votes cast on the proposal voted in favor of our executive compensation program.

As the Compensation Committee evaluated our executive compensation policies and practices throughout 2016, it was mindful of the support our stockholders expressed for our compensation philosophy and approach to incentive opportunities of linking the incentive compensation opportunities of the executive officers to a combination of short-term overall profitability and long-term incentives linked to a number of performance measures compared to our steel sector competitors. As a result, the Compensation Committee has retained the program's strong emphasis on both short-term annual incentives that reward the NEOs when we meet certain profitability hurdles and long-term performance-based incentive compensation opportunities that provide incentives that promote the creation of sustainable long-term value for our stockholders.

Consistent with the recommendation of the Board and the preference of our stockholders for holding advisory say-on-pay votes on the compensation of the NEOs on an annual basis, the Board has continued this policy and, as set forth in Proposal No. 3 in this Proxy Statement, is recommending that the say-on-pay advisory vote be conducted annually. Accordingly, following the Annual Meeting to which this proxy statement relates, the next advisory say-on-pay vote will take place in 2018 and the next say-on-frequency vote will take place in 2023.

2016 Executive Compensation Actions

For 2016, the Compensation Committee took the following compensation actions (each described in more detail below):

§ Increased Mr. Millett's annual base salary by 2%, or $20,000 to $1,010,000. In addition, the Compensation Committee adjusted the annual base salaries of the Executive Vice Presidents by an average of 5% and the other NEOs with their promotion to Senior Vice Presidents and added responsibilities on March 31, 2016 by an average of 10%;

§ Based on our record profitability in 2016, approved an annual incentive compensation award for Mr. Millett, as determined under the Annual Plan, equal to 350% of his annual base salary and approved annual incentive compensation awards for the other NEOs ranging from 264% to 350% of their annual base salaries;

§ Approved performance share awards with a three-year performance period (from 2016 to 2018) under our Long-Term Incentive Program ("LTIP"), to Mr. Millett with a target grant date fair value of $1,515,000 and to the other NEOs, with target grant date fair values ranging from $82,500 to $580,000;

§ Approved ten year Stock Appreciation Right awards under our Stock Appreciation Right ("SAR") Program, to Mr. Millett with a grant date fair value of $383,040 and to the Executive Vice Presidents with grant date fair values ranging from $95,760 to $109,440; and

§ As part of our company-wide annual Restricted Stock Unit ("RSU") award program for substantially all employees, including the NEOs, approved an RSU award to Mr. Millett with a grant date fair value of $84,134, and RSU awards to the other NEOs with grant date fair values ranging from $50,487 to $68,442.

Compensation Philosophy and Objectives

Our executive compensation program reflects the team-oriented entrepreneurial culture upon which the Company was founded and that has contributed to our success. While the type of executive we seek to attract and retain might have the opportunity to work elsewhere at a higher assured wage, nonetheless, we believe that he or she will want to work for us because of the opportunity to earn a higher multiple of that assured wage in a year in which his or her efforts have contributed to a substantially more profitable year. As previously noted, fundamental to this philosophy is the recognition of the central role that teamwork plays in the achievement of this kind of consistent superior financial and operational performance, under all market conditions, both at the executive and

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plant levels. This philosophy is, in fact, reflected at every level of the Company, from the employee on the plant floor to the corporate and divisional executive management team.

This philosophy drives the following compensation design principles:

§ *base salary* is fixed, payable in cash, and generally set at or below the median of the competitive market, yet, when combined with the potential from our highly-leveraged annual incentive compensation, aspires to be sufficiently competitive to attract and retain the type of entrepreneurial executives we seek;

§ *annual incentive compensation* should be awarded only after Company profits and/or divisional earnings first exceed certain minimum threshold levels established by the Compensation Committee from time to time and designed to initially provide a minimum return to stockholders, with annual incentive compensation awards dependent upon additional earnings beyond such minimums, capped, however, at pre-established multiples of base salary;

§ *long-term incentive compensation* should be predominantly performance-based, with the amounts earned measured by how our executives have performed relative to our steel sector competitors over a multi-year period, based on pre-established key financial and operational measures;

§ total direct compensation across all market conditions should be market competitive when Company performance so merits, but below market norms when that performance lags; and

§ any reward for exemplary individual effort and performance over time should be expressed primarily through annual increases in the level of base salary.

The following charts illustrate the 2016 target total direct compensation mix of our Chief Executive Officer, Executive Vice Presidents and Senior Vice Presidents granted by the Compensation Committee:

The following charts illustrate the 2016 maximum potential compensation mix of our Chief Executive Officer, Executive Vice Presidents and Senior Vice Presidents granted by the Compensation Committee:

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Pay for Performance

Both our *annual incentive compensation award opportunities* and our *long-term incentive compensation award opportunities* have a common "pay-for-performance" design. Each program rewards one or more elements important to the short-term or long-term interests of the Company and its stockholders.

Annual Incentive Compensation Award Opportunities

The annual incentive compensation award opportunities for our "corporate executive officers", including our Chief Executive Officer and our Chief Financial Officer, are based on Company-wide profitability, in excess of a pre-established minimum percentage return of stockholders equity, while the annual incentive compensation award opportunities of our "divisional executive officers," with both Company-wide and business unit responsibilities, are based in part on Company-wide profitability and in part on profitability of the division or business units that they manage, in excess of a pre-established hurdle rate of return on assets deployed to that division or business unit. We have selected these measures as the primary performance metrics for determining the annual incentive compensation awards under the Annual Plan because we deem them to be both objective and clearly aligned with driving long-term stockholder value creation. There is a strong relationship between our profits-oriented financial performance under the Annual Plan, as illustrated by our net income (excluding non-cash impairment charges), and our Chief Executive Officer's annual incentive compensation award under that Annual Plan, over the last five years:

CEO Annual Incentive Compensation Plan Awards

Long-Term Incentive Compensation Award Opportunities

The long-term incentive compensation award opportunities granted to the designated NEOs under the LTIP are based on Company-wide operating performance, measured on the basis of four key elements: revenue growth, operating margin, after-tax return on invested capital, and after-tax return on equity, compared to the same performance measures of a pre-established group of steel sector competitors, over a long-term (three-year) measurement period, but also subject to a multi-year service-based vesting requirement. We have selected these performance measures for determining the amount of the awards earned because we believe that they are also objective indicators of our ability to execute on our long-term strategic initiatives in a dynamic and volatile global economy and industry. The relationship between the Company's rankings (1 being the highest) against the steel sector competitors (7 competitors for 2012 and 2013 and 6 competitors for 2014, 2015 and 2016) on each of the

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four financial and operating measures under the LTIP and our Chief Executive Officer's percentage of maximum shares earned under the LTIP, is illustrated below:

CEO Long-Term Incentive Compensation Plan Awards

The positive impact on overall incentive compensation payable to the NEOs, in the aggregate, under both the Annual Plan and the LTIP, will better help us to attract and retain outstanding executive management talent. Combining these incentive compensation awards with the other compensation earned by our Chief Executive Officer in 2016, Mr. Millett received total direct compensation of $6,563,182, ***which, even then, still placed him below the 25th percentile of the chief executive officers at the companies in our compensation peer group***. We believe that future LTIP awards will provide market-competitive pay opportunities to the NEOs, provided the Company's performance is sufficient to earn the award. The Compensation Committee will monitor all compensation to ensure that aggregate incentives of our executive officers are appropriate to provide short-term and long-term value to the Company and its stockholders.

Administration of Executive Compensation Program

Role of the Compensation Committee

The Compensation Committee has responsibility for the development, implementation, monitoring, and oversight of our executive compensation program, as well as responsibility for ensuring that our compensation plans and programs remain consistent with our compensation philosophy. The Compensation Committee annually evaluates and establishes the compensation of our Chief Executive Officer and, with the input of our Chief Executive Officer, the compensation of our other NEOs; evaluates and establishes the compensation for the non-employee members of the Board; and reviews and approves all cash and equity-based incentive plans and awards under such plans.

The Compensation Committee meets throughout the year, as necessary, to perform its duties and responsibilities. During 2016, the Compensation Committee held five meetings. From time to time, the Compensation Committee may invite our Chief Executive Officer, our Board Chair or other executive officers to attend and to participate in portions of its meetings, but only Compensation Committee members are present during compensation-related decision-making.

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Role of Our Chief Executive Officer

Our Chief Executive Officer supports the work of the Compensation Committee by providing necessary background information and updates on the operations of the Company and the performance of each of our executive officers.

As noted above, our Chief Executive Officer recommends adjustments to the base salaries, target annual incentive compensation award opportunities, and long-term incentive awards of the NEOs who report directly to him. He also provides the Compensation Committee with an annual performance evaluation of each executive officer.

The Compensation Committee receives a recommendation from our Chief Executive Officer as to any proposed adjustment to his own base salary, as well as his self-assessment of his performance for the year under review. The Compensation Committee, however, evaluates the performance of our Chief Executive Officer based on its own assessment of his performance or inputs from other Board Committees, and exercises its judgment as to whether, and to what extent, to adjust his compensation levels and whether to adjust the compensation levels of any of our executive officers.

Role of Compensation Consultant

The Compensation Committee has authority to engage the services of one or more compensation consultants or other advisors, at the Company's expense, as it deems necessary or appropriate in the discharge of its duties and responsibilities. During 2016, the Compensation Committee engaged the services of Compensia, Inc., a national compensation consulting firm, to provide ongoing executive and director compensation advisory services.

Compensia reports directly to the Compensation Committee. The Compensation Committee may replace its compensation consultant or hire additional advisors at any time. Representatives of Compensia attend meetings of the Committee, as requested, and communicate with the Committee Chairperson and with management as circumstances warrant. All decisions regarding the compensation of our executive officers, however, are made by the Compensation Committee. The Compensation Committee has assessed the independence of Compensia taking into account, among other things, the enhanced independence standards and factors set forth in Exchange Act Rule 10C-1 and the applicable Nasdaq Listing Rules, and concluded that Compensia meets all applicable independence criteria, and that there are no conflicts of interest with respect to the work that Compensia performs for the Compensation Committee.

Use of Competitive Data

To monitor the competitiveness of our executive officers' compensation, the Compensation Committee uses a compensation peer group which reflects the pay of executives in comparable positions at similarly-situated companies. Typically, this compensation peer group is composed of a cross-section of direct steel competitors as well as companies in related industrial or basic materials sectors. During 2016, the Compensation Committee re-visited and, after review and deliberation, decided to maintain the existing peer group comprised of the metals and industrial companies listed below. The Compensation Committee used the compensation peer group as a reference in the course of its compensation deliberations in 2016.

	Peer Group Companies	
AGCO Corporation	Fluor Corporation	Nucor Corporation
AK Steel Holding Corporation	Masco Corporation	Oshkosh Corporation
Commercial Metals Company	Navistar International Corporation	Reliance Steel & Aluminum Co.
Dover Corporation	Newmont Mining Corporation	United States Steel Corporation
Flowserve Corporation		

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We do not believe that it is appropriate to make compensation decisions strictly upon any type of benchmarking to a peer or other representative group of companies. The Compensation Committee believes, however, that information regarding the compensation practices at other companies is useful in at least two respects. First, the Compensation Committee recognizes that our compensation policies and practices must be competitive in the marketplace to attract and retain executive talent. Second, this information is useful in assessing the reasonableness and appropriateness of individual executive compensation components and of our overall executive compensation program. Peer group information is only one of a number of factors that the Compensation Committee considers, however, in making its decisions with respect to the compensation of our executive officers.

Summary of the Executive Compensation Program Components

The following describes each component of our executive compensation program and how compensation amounts were determined for the NEOs for 2016.

Base Salary

We seek to orient annual, short-term incentive compensation significantly toward substantial at-risk incentive compensation, consistent with the Compensation Committee's approved risk-assessment review of the Company's compensation plans. Consistent with this approach, we use base salaries to provide an essential level of compensation we believe to be necessary to recruit and retain the type of entrepreneurial executives we seek to attract, and who are willing to accept such base-level compensation in challenging market conditions, even in situations in which their individual and collective efforts and performance has been outstanding.

The Compensation Committee, in the course of its our annual performance review process, considers each NEOs position, responsibilities and duties, as well as his or her experience, qualifications, unique value, and performance, for purposes of determining whether to adjust his or her base salary. Base salary adjustments are also influenced by the Compensation Committee's analyses of the base salary levels for executives in comparable positions in the competitive marketplace, prepared by its compensation consultant or by the Committee itself.

In February 2016, the Compensation Committee reviewed the base salaries of the NEOs, taking into consideration the factors described above as well as the recommendations of our Chief Executive Officer and, exercising its judgment and discretion, increased Mr. Millett's annual base salary by 2%. In addition, the Compensation Committee adjusted the annual base salaries of the Executive Vice Presidents by an average of 5% and the other NEOs with their promotions to Senior Vice Presidents and added responsibilities on March 31, 2016 by an average of 10%.

Annual Incentive Compensation Plan

Consistent with our compensation philosophy, the majority of the annual compensation opportunity for our NEOs is provided through objectively-determined Company and divisional performance-based incentive compensation awards under the Annual Plan. The Annual Plan has a short-term focus, consistent with our objective of providing substantial annualized incentive compensation linked to Company and/or business unit profits above a pre-established minimum threshold level.

In 2016, our broad group of executive officers including but not limited to the NEOs (a group of 24 individuals) were eligible to participate in the Annual Plan. Each NEO, based on his or her role and responsibilities, was eligible to participate as one of the two broad categories of officers identified in the Annual Plan "Corporate Executive Officer" or "Divisional Executive Officer." This determines the amount of the maximum award that he or she is eligible to receive, and the determining factors used to calculate that award.

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The following table highlights the total opportunity, as well as each of the components of the Annual Plan, expressed for each NEO, as the minimum and maximum bonus opportunities as a percentage of base salary:

NEO	**Total**	**Corporate Bonus Pool Component**	**Divisional ROA Bonus Pool Component**	**Cash Component**	**Restricted Stock Component**
Mr. Millett	0% to 350%	0% to 350%	N/A	0% to 250%	0% to 100%
Ms. Wagler	0% to 350%	0% to 350%	N/A	0% to 250%	0% to 100%
Mr. Rinn	0% to 350%	0% to 175%	0% to 175%	0% to 250%	0% to 100%
Mr. Graham	0% to 300%	0% to 120%	0% to 180%	0% to 200%	0% to 100%
Mr. Pushis	0% to 300%	0% to 120%	0% to 180%	0% to 200%	0% to 100%
Mr. Schneider	0% to 300%	0% to 120%	0% to 180%	0% to 200%	0% to 100%

Annual incentive compensation awards are determined on February 1 of the year following the year for which the incentive compensation is earned, based upon the Company's audited results of operations. The number of shares of restricted stock issuable to an executive officer, if any is earned, is determined by dividing the dollar amount of the restricted stock component of the award by the closing market price of the Company's common stock on the last business day immediately preceding February 1.

These restricted stock awards vest as to one-third of the shares of the Company's common stock covered by the award at the time of issuance and as to the remaining two-thirds of the shares covered by the award in equal installments on the first and second anniversaries of the date of issuance.

Award Measures and Calculations

In the case of the Corporate Executive Officers, their annual incentive compensation award opportunities are based entirely on their participation in the "Bonus Pool" component of the Annual Plan. The size of the Bonus Pool is determined based on Company-wide "Adjusted Net Income" in excess of a pre-determined threshold return on "Average Stockholders Equity" (expressed as a percentage, which, for 2016, was established at 10%). For purposes of the Annual Plan, "Adjusted Net Income" is defined as consolidated net income, before taxes and extraordinary items, including adjustments for occasional start-up expenses associated with significant capital expenditures or businesses, non-cash asset impairments and charges associated with refinancing activities.

The Bonus Pool is determined by multiplying our "Adjusted Net Income" for the year in excess of the 10% of Average Stockholders Equity threshold by a percentage amount, set annually by the Committee (for 2016, this percentage continued to be 5.5%). The exclusion from the Bonus Pool of the amount of the "Average Stockholders Equity" component is intended to preserve within the Company a deemed return on equity before any incentive compensation is paid to our executive officers predicated on Company profits and, consequently, operates as a threshold level of performance that must be exceeded before the Bonus Pool (if any) is determined. For 2016, our "Average Stockholders Equity" was $2.8 billion, which was derived by taking the sum of "Total Steel Dynamics, Inc. Equity" in the Company's balance sheet for the month ended December 31, 2015, and each month in 2016, divided by 13. For 2016 as disclosed in the Grants of Plan Based Awards Table, the threshold before any annual incentive plan award began to be earned from the Bonus Pool required a 10% return on equity and the target compensation required a 14% return on equity.

In the case of the Divisional Executive Officers, their incentive compensation award opportunities are based on Company-wide performance (as derived from the "Bonus Pool" component of the Annual Plan as described above) and on the profitability performance of the divisional or business unit under their management. This latter portion of their incentive compensation award opportunity as determined through a formula based on the operating performance of their respective divisions or business units, as measured against a return on assets percentage amount (a "Minimum ROA Target").

For 2016, the Compensation Committee set the Minimum ROA Target, which varied by business unit (between 0% and 6%), below which no divisional or business unit annual incentive compensation award would be paid. The Compensation Committee also set a "Maximum ROA Target," which also varied by business unit (between 20% and 30%), at which level a Divisional Executive Officer would be entitled to receive his or her

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maximum divisional or business unit annual incentive compensation award. The primary considerations included in determining the Minimum ROA Targets and Maximum ROA Targets were as follows: the amount of capital assets required to operate and maintain the respective division or business unit; the expected financial margin that a specific division or business unit has the opportunity to achieve, in both moderate and exceptional market environments; and the materiality of the contribution that a specific division or business unit may have on the consolidated financial results of the Company.

For 2016, the division or business unit's performance is measured by calculating that unit's "Divisional Return on Assets," using the formula set forth in the Annual Plan, by dividing the sum of (i) the appropriate entity's pre-tax income for the year, (ii) the amount of certain corporate expenses allocated to that entity, and (iii) the amount of incentive compensation award compensation expenses associated with the Annual Plan, by the "Average Divisional ROA Assets" or "Average Divisional Group ROA Assets". For 2016 as disclosed in the Grants of Plan Based Awards Table, the business unit target compensation ranged from 14% to 18% return on assets.

2016 Annual Incentive Award Earned

The Compensation Committee determined that the Bonus Pool under the Annual Plan was $25.0 million, which provided more than required for payments equal to 100% of each executive officer's maximum annual incentive award opportunity payable out of the Bonus Pool. The total corporate level incentive compensation for the two Corporate Executive Officers, Mr. Millett and Ms. Wagler, which were derived from the Bonus Pool, aggregated $5.6 million, while the total incentive compensation for the Divisional Executive Officers, Messrs. Rinn, Graham, Pushis and Schneider which was derived from the Bonus Pool, aggregated $2.1 million.

With respect to the portion of their incentive compensation award opportunities based on Divisional results, the payments for the Divisional Executive Officers varied from 64% to 100% of their maximum incentive compensation award. Consequently, Messrs. Rinn, Graham, Pushis and Schneider earned an aggregated amount of $2.3 million from Divisional results.

The following table summarizes the key components of the 2016 annual incentive awards earned by the NEOs:

	Corporate Bonus Pool	**Divisional Results**	**2016 Incentive Award Earned**				
NEO	**Actual % of Base Salary**	**Actual % of Base Salary**	**Targeted % of Base Salary**	**Actual % of Base Salary**	**% of maximum incentive award opportunity**	**% of Actual Base Salary Paid in Cash**	**% of Actual Base Salary Paid in Restricted Stock**
Mr. Millett	350%	N/A	175%	350%	100%	250%	100%
Ms. Wagler	350%	N/A	175%	350%	100%	250%	100%
Mr. Rinn	175%						