

STEEL DYNAMICS INC
Form DEF 14A
April 03, 2009

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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

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- 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):

- No fee required.
- 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:
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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be Held on May 21, 2009**

To our Stockholders:

You are cordially invited to attend the Annual Meeting of Steel Dynamics, Inc. The information for the meeting is as follows:

TIME	9:00 a.m. EDT Thursday, May 21, 2009
PLACE	Grand Wayne Center Calhoun Ballroom 120 West Jefferson Boulevard Fort Wayne, Indiana 46802
ITEMS OF BUSINESS	(1) To elect ten (10) Directors for a one-year term. (2) To ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered accounting firm for the fiscal year ending December 31, 2009. (3) To conduct any other business properly raised at the meeting and any adjournment or postponement of the meeting.
RECORD DATE	You may vote if you were a stockholder of record on March 23, 2009.
2008 ANNUAL REPORT	Our 2008 Annual Report to Stockholders, together with our financial statements, which is not a part of this proxy soliciting material, is enclosed.
PROXY VOTING	You will be able to vote in one of four ways: (1) Mark, sign, date and return your proxy card in the enclosed envelope. (2) Call the toll-free telephone number on your proxy card and follow the instructions for telephone voting. (3) Visit the web site shown on your proxy card and follow the instructions for voting on the Internet. (4) Vote in person at the meeting. You may always revoke your proxy before it is voted at the meeting by following the instructions in the accompanying proxy statement.

KEITH E. BUSSE
Chairman and Chief Executive Officer

April 6, 2009

This proxy statement and the accompanying proxy are being first sent to stockholders on or about April 6, 2009.

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Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be Held on May 21, 2009:

This proxy statement, the notice of annual meeting, a form of proxy, and our 2008 Annual Report to Stockholders are all available on the internet at the following website: <http://materials.proxyvote.com/858119>. In accordance with Securities and Exchange Commission rules, the foregoing website does not use "cookies," track user moves or gather any personal information.

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STEEL DYNAMICS, INC.

6714 Pointe Inverness Way, Suite 200
Fort Wayne, IN 46804
Telephone: (260) 459-3553

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
To be Held on May 21, 2009

Voting Information

Purpose. We are providing you with these proxy materials in connection with the solicitation of proxies by our Board of Directors, to be voted at our 2009 Annual Meeting of Stockholders and at any postponement or adjournment thereof. We will hold the meeting on May 21, 2009, 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 to the year 2008, therefore, refer to the twelve-month period ended December 31, 2008.

This proxy statement, our 2008 Annual Report to Stockholders, including our financial statements, for the required periods ended December 31, 2008, and the accompanying form of proxy and voting instructions beginning on or about April 6, 2009. The 2008 Annual Report is not, however, a part of this proxy statement. These materials are also available on our Internet site at www.steeldynamics.com under the heading "Investors" or otherwise via the Internet by utilizing the website information and instructions listed on the enclosed proxy card.

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 23, 2009. Each common share is entitled to one vote on each matter properly brought before the meeting.

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 held in the name of a broker, custodian, bank, or other nominee, that person is the stockholder of record and you are considered the "beneficial" owner. If you are not present in person at the Annual Meeting, your shares can be voted only if represented by a valid proxy, as described below under "Voting of Shares."

Shares Outstanding. On March 23, 2009, there were 182,111,495 shares of common stock outstanding. A list of stockholders entitled to vote at the meeting is available at our corporate headquarters 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 by selecting "webcast." However, other than 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. We realize that most of you, our stockholders, will probably not be able to attend the meeting in person. Therefore, it

is very important that your shares be represented by proxy.

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This is because 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, in person or by proxy. Therefore, 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.

The effect of you not voting depends on how ownership of your shares is registered and the proposal to be voted upon.

Voting Shares Held by Brokers, Banks and Other Nominees. Brokers, banks or other nominees typically hold shares of common stock for many stockholders. In this situation the "registered holder" on our stock register is the broker, bank or nominee in their own or under a different name. This is referred to as holding shares in "street name." In such cases, you, as the actual "beneficial owner" do not appear in our stockholder register. Therefore, for shares held in street name, distributing the proxy materials and tabulating votes are both two-step processes. The broker, bank or other nominee first informs us how many of their clients are beneficial owners and we provide them with that number of sets of proxy materials. Each broker, bank or other nominee then forwards the proxy materials to its clients who are the beneficial owners to obtain their voting instructions. When you receive proxy materials from your broker, bank or other nominee, the accompanying return envelope is addressed to return your executed proxy card to your broker, bank or other nominee. Shortly before the meeting, each broker, bank or other nominee totals the votes and submits a proxy card reflecting the aggregate votes of the beneficial owners for whom it holds shares.

So if your shares are held by your broker, bank or other nominee, you will be provided a proxy voting instruction form from the institution that holds your shares and should follow the instructions included on that form regarding how to instruct your broker, bank or other nominee to vote your shares. This should be routinely included in the proxy materials you receive from your broker, bank or other nominee. If you do not, you should contact that person.

If you do not give your voting instructions to your broker, bank or other nominee, your broker may represent your shares at the meeting for purposes of obtaining a quorum. However, as more fully described below, in the absence of your voting instruction, your broker may or may not be able to vote your shares. They will be able to vote your shares with respect to "discretionary" items, but not with respect to "non-discretionary" items. Discretionary items are proposals considered routine under the rules of the New York Stock Exchange under which your broker, bank or other nominee may vote shares held in street name in the absence of your voting instructions. These include the election of directors (Proposal No. 1) and the ratification of the selection of our independent auditors (Proposal No. 2). On non-discretionary items for which you do not give instructions to your broker, bank or other nominee, those shares will be treated as "broker non-votes."

In other words, a "broker non-vote" occurs when a nominee such as a broker, bank or other agent, which holds your shares, does not vote on a particular proposal because you, as the beneficial owner, have not granted your nominee either the discretionary voting power with respect to that particular proposal or specific instructions with respect to that proposal, even though the nominee may vote on another proposal for which it does have discretionary authority or for which it has received instructions. Abstentions will be counted towards the vote total for the total number of votes present and voting on each proposal, and will have the same effect as an "Against" vote. Broker non-votes have no effect and will not be counted towards the vote total for any proposal.

Voting Shares Held in Your Name. If you are the record owner and if you properly fill in and sign your proxy card and mail it in the enclosed, prepaid and addressed envelope, or if you submit your proxy instructions by telephone or over the Internet, your "proxy" that is, the persons named in your proxy card will vote your shares as you have directed.

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With respect to shares you hold in your own name, if you send in your proxy but do not provide voting instructions regarding one or more of the following 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 Accounting Firm as Auditors"); and FOR discretionary authority to vote on any other matter that may properly come before the meeting.

Required Vote. The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote at the Annual Meeting is necessary to constitute a quorum for all purposes and all proposals. In the election of directors (Proposal No. 1), the ten director nominees receiving the highest number of votes cast for directors will be elected. You may vote "FOR" all the director nominees or your vote may be "WITHHELD" from one or more nominees. A proxy marked "WITHHELD" with respect to the election of one or more director nominees will not be voted with respect to that particular nominee, although it will be counted for purposes of determining a quorum. Therefore, any shares not voted with respect to a particular director of nominee will have no effect.

For all other proposals, the affirmative vote of a majority of the votes 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 effect of a negative vote.

Your Choices on How to Vote by Proxy. We are offering you four choices of how to vote by proxy:

You may vote by mail in the traditional manner by marking, signing, dating and returning your enclosed proxy card (if your shares are registered directly in your name) or voting card (if your shares are registered in the name of your broker, custodian, bank or other nominee) in the enclosed envelope.

You may vote by telephone using the toll-free telephone number and instructions shown on your proxy or voting card.

You may vote via the Internet by using the web site information and instructions listed on your proxy or voting card.

You may vote in person at the meeting.

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 or voting card. The telephone and Internet voting facilities will close at 8:00 p.m. EDT on May 20, 2009.

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.

We do not know of any business to be transacted at the Annual Meeting other than those matters described in this Proxy Statement, and the period for submitting additional proposals to be considered at the meeting has passed. 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.

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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 Wagler, in writing before the meeting that you wish to revoke your proxy.

Submit another proxy with a later date.

Vote by telephone or Internet on a later date.

Vote in person at the meeting.

Multiple Stockholders Sharing the Same Address. Under rules adopted by the Securities and Exchange Commission ("SEC"), we are permitted to deliver a single copy of our proxy statement and annual report to stockholders sharing the same address. This process, called householding, allows us to reduce the number of copies of these materials that we must print and mail.

We have implemented householding for all stockholders who share the same last name and address and, for shares held in "street name," where the shares are held through the same nominee (e.g., all accounts are at the same brokerage firm), so that they are receiving only one copy of the proxy statement and annual report per address.

However, if you share the same last name and address with other Steel Dynamics stockholders and would like to start or 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, account number and, if applicable, the name of your broker or other holder of record. If you are currently receiving multiple copies of our annual report and proxy statement, you may also request householding by contacting us in the same manner. If you hold your shares through a broker, custodian, bank, or other holder of record, you can request householding by contacting that broker, custodian, bank, or other holder of record. If you consent to householding, your election will remain in effect until you revoke it.

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, custodians, banks, or other holders of record, to forward the proxy materials and our 2008 Annual Report to the persons who were our beneficial owners on the record date. We will also reimburse such brokers, custodians, banks and other holders of record 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, facsimile 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 Georgeson & Co. to assist us in the distribution and solicitation of proxies. We have agreed to pay Georgeson & Co. a fee of approximately \$6,500 plus expenses for these services.

Voting Results. We will publish the voting results on our website at www.steeldynamics.com, at "Investors" following the Annual Meeting, as well as in our Form 10-Q for the second quarter of 2009, which we will file with the SEC.

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

writing to Steel Dynamics, Inc., Investor Relations Department, 6714 Pointe Inverness Way, Suite 200, Fort Wayne, Indiana 46804;

fax at 260-969-3590 to the attention of the Investor Relations Department;

e-mail to investor@steeldynamics.com; or

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phone the Investor Relations Department at 260-459-3553.

Stockholder Communications with Directors. If you wish to communicate with the Board of Directors, with any particular Board committee, or with an individual director, you may do so by sending a communication, marked "Stockholder Communication," in care of our Chief Financial Officer at our corporate offices, 6714 Pointe Inverness Way, Suite 200, Fort Wayne, Indiana 46804. Your letter should indicate that you are a Steel Dynamics stockholder. 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, forward it to the Chair of the Corporate Governance and Nominating Committee or to the Company's legal counsel, attempt to deal with the subject matter directly where it is a request for general information about the Company, or not forward or act on the matter where it consists of spam, involves junk mail, contains resumes, is primarily commercial in nature, involves personal grievances or is otherwise irrelevant to the Board governance process.

Governance of the Company

Corporate 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 our Company for the benefit of our stockholders and other constituencies. The Board strives to ensure the success and continuity of our 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 website at www.steeldynamics.com at "Investors." These include the following principles:

A majority of our directors and all of the members of our Audit, Compensation and Corporate Governance and Nominating Committees are required at the minimum to meet the "independence" requirements of the Nasdaq National Market's Marketplace Rules.

The 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 and periodically reviews and assesses our strategic plan.

Independent and non-employee directors meet in executive session at least quarterly.

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

Our Board reviews succession planning at least annually.

Directors have total 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 CEO's performance.

Committees and Meetings of the Board of Directors. During 2008, the Board of Directors had three standing committees: an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. Our Audit Committee and our Corporate Governance and

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Nominating Committee each consist of four persons, and our Compensation Committee consists of three persons.

Each of our Board committees has adopted a charter that governs its authority, responsibilities and operation. We periodically review, both internally and with the Board, the provisions of the Sarbanes-Oxley Act of 2002, and the rules of the SEC and the Nasdaq Stock Market regarding corporate governance policies, processes and listing standards. In conformity with the requirement of such rules and listing standards, we have adopted a statement of our Corporate Governance Policies, described earlier, and we have adopted a written Audit Committee Charter, a Compensation Committee Charter, and a Corporate Governance and Nominating Committee Charter. The Audit Committee Charter, as well as the charters of the Compensation Committee, and the Corporate Governance and Nominating Committee may all be found on our company website, at www.steeldynamics.com under "Investors Corporate Governance" or by writing to Steel Dynamics, Inc., Attention: "Investor Relations," 6714 Pointe Inverness Way, Suite 200, Fort Wayne, Indiana 46804 and requesting copies.

Director Independence. Each of our three committee charters also require that each member of each committee meet: (1) all applicable criteria defining "independence" that may be prescribed from time to time under Nasdaq Marketplace Rule 4200(a)(15), Rule 10A(m)(3) under the Securities Exchange Act of 1934, (2) the criteria for a "non-employee director" within the meaning of Rule 16b-3 promulgated by the SEC under the Securities Exchange Act of 1934, and (3) the criteria for an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code.

Our Board of Directors also annually makes an affirmative determination that all such "independence" standards have been and continue to be met by the independent directors and members of each of our three committees, that each director qualifying as independent is neither an officer or an employee of Steel Dynamics, Inc. or any of its subsidiaries nor an individual that 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, at any time within the past three years, was employed by Steel Dynamics or any of its subsidiaries;

the director or a family member received payments from Steel Dynamics or any of its subsidiaries in excess of \$60,000 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);

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 in any of the 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 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 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, Inc.'s independent auditing firm, or was a partner or employee of that firm who worked on the Company's audit at any time during the prior three years.

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The Board made its independence determination with respect to each director for the year 2008 and for each director nominee for election to the Board of Directors at the 2009 Annual Meeting. The Board has similarly made an additional affirmative determination of independence with respect to each member of the Audit Committee, under the special Audit Committee independence criteria set forth in Rule 4350(d) of Nasdaq's Marketplace Rules.

The Board determined that during 2008 six of the ten members of our Board of Directors, Frank D. Byrne, M.D., Paul B. Edgerley, Richard J. Freeland, Dr. Jürgen Kolb, James C. Marcuccilli and Joseph D. Ruffolo met all independence requirements, thus at all times constituting a majority of the ten member Board. The Board has determined that, for 2009, and if elected at the 2009 Annual Meeting, the same six persons will continue to meet all independence criteria. The Board also determined that four of our ten directors, John Bates, Keith E. Busse, Mark D. Millett and Richard P. Teets, Jr., were not independent. Messrs. Busse, Millett and Teets are considered inside directors because of their employment and, therefore, not independent. Mr. Bates is considered a non-independent outside director as a result of ownership and control of Heidtman Steel, a substantial purchaser of steel from our Company and, therefore, precluded from being considered independent.

The Board of Directors held eleven regularly scheduled and special meetings during 2008 and all directors attended at least 75% of the meetings of the Board of Directors and of the various committees on which they served during 2008. Steel Dynamics, Inc.'s independent directors and at times the independent directors and the Company's other non-employee director, meet at regularly scheduled quarterly and occasional special executive sessions without management.

The Company urges all members of the Board to attend the Annual Meeting. At the 2008 Annual Meeting all current ten Board members were in attendance.

The members of each committee, and the chair of each committee, are appointed annually by the Board.

The Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee met four times during 2008.

The members of this Committee during 2008 were Dr. Jürgen Kolb, Richard J. Freeland, Frank D. Byrne, M.D. and James C. Marcuccilli. Dr. Kolb acted as Chair of the Committee.

The Corporate Governance and Nominating Committee is responsible for:

Reviewing and evaluating developments in corporate governance practices, and reporting and recommending to the Board effective corporate governance policies and procedures applicable to the Company, including Board organization, size and composition.

Establishing criteria for and identifying, evaluating and recommending to the Board both incumbent and prospective nominees for election as directors by Steel Dynamics' stockholders at each Annual Meeting, as well as for appointments by the Board to fill any director vacancies.

Identifying Board members for assignment to various Board committees.

Drafting and overseeing a Code of Conduct applicable to our Chief Executive Officer, our Chief Financial Officer and all financial officers and managers, as well as directors and a Company-wide Code of Ethics.

Reviewing the performance of Board and Board committee members and making recommendations to the Board concerning the number, function and composition of the Board's committees.

Establishing and overseeing management succession planning and implementation.

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When considering a candidate for nomination as a director at an Annual Meeting, or when a vacancy occurs on the Board of Directors, including a vacancy created by an increase in the number of directors, the Corporate Governance and Nominating Committee identifies potential candidates to fill the vacancy. Candidates may be referred or recommended to the Committee from many different sources, including by members of the Committee, referrals by other directors or by community people, by Company officers, by outside persons or advisors, or by a stockholder in accordance with the procedures described below.

The Committee reviews background information on each candidate, as well as the candidate's accomplishments, experience, skills, business acumen, financial literacy, integrity, independence from management, informed judgment and practical wisdom, collegiality, a commitment to represent the long term interests of our company, its stockholders without a conflict of interest, a willingness to devote the necessary time and attention to our company's business and the needs of the Board, and the nominee's ability to work in and help maintain a productive environment. Generally, the members of the Corporate Governance and Nominating Committee first consider current Board members for re-nomination to the extent they have determined that these persons, through their prior performance, have demonstrated that they meet the applicable criteria and have developed a valuable in-depth knowledge of the Company, its history, its strengths and weaknesses, and its goals and objectives. In the case of a candidate recommended by a stockholder, the Corporate Governance and Nominating Committee may take into account the number of shares held by the recommending stockholder and the length of time that such shares have been held.

The Corporate Governance and Nominating Committee considers nominees recommended by stockholders. In order to provide the Committee sufficient time to evaluate candidates, stockholders desiring to recommend a director candidate for consideration by the Committee should send such recommendation to Steel Dynamics, Inc., Attention: Chief Financial Officer, 6714 Pointe Inverness Way, Suite 200, Fort Wayne, Indiana 46804, no later than December 15, 2009, who will then forward it to the Committee. Any such recommendation should include a description of the candidate's qualifications for Board service, the candidate's written consent to be considered for nomination and to serve if nominated and elected, stock ownership information, the candidate's resume, information regarding any relationship or understanding between the proposing stockholder, the candidate and any other person or organization and the addresses and telephone numbers for contacting the stockholder and/or the candidate for more information. A stockholder who wishes to nominate an individual as a director candidate at the Annual Meeting of stockholders, rather than recommend the individual to the Corporate Governance and Nominating Committee as a nominee, must comply with the advance notice requirements set forth in this proxy statement under "Stockholders' Proposals for 2010 Annual Meeting." The Committee did not receive any stockholder nominee recommendations for the 2009 Annual Meeting.

The Compensation Committee

The members of the Compensation Committee during 2008 were Richard J. Freeland, Joseph R. Ruffolo and Frank D. Byrne, M.D., all of whom were and continue to be independent within the meaning of Nasdaq Marketplace Rule 4200(a)(15), Rule 10A(m)(3) under the Securities Exchange Act of 1934, the definition of a "non-employee director" within the scope of Rule 16b-3 under the Securities Exchange Act of 1934, and the definition of an "outside director" within the meaning of Section 162(m)(4)(C) of the Internal Revenue Code.

Richard J. Freeland acted as chair of the Compensation Committee during 2008.

The Compensation Committee is responsible for:

Reviewing the performance of our executive officers, including our Chief Executive Officer.

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Establishing compensation goals, objectives and elements, including performance-based criteria and the relative weight to be accorded to short-term and long-term components.

Approving and recommending to the Board, the compensation programs and annual compensation of the Chief Executive Officer and all other executive officers.

Approving, recommending to the Board, overseeing and acting as the "Administrator" or the "Committee" in connection with our equity and cash-based incentive compensation programs, including but not limited to our 2008 Executive Incentive Compensation Plan and our 2006 Equity Incentive Plan, with the authority to approve and authorize both equity and cash-based awards, options and grants thereunder.

Approving and recommending to the Board the elements and amounts of compensation for non-employee directors, including the annual cash retainer fees, and any equity-based compensation.

Our Board of Directors has adopted a written Charter for the Compensation Committee, which it revises from time to time. A copy of our Compensation Committee Charter, as revised, is available on our website at www.steeldynamics.com under "Investors." In addition, the Compensation Committee reviews our Compensation Discussion and Analysis, set forth in this Proxy Statement commencing at page 17, and determines whether it should be included either in our Annual Report on Form 10-K or, alternatively, included in this Proxy Statement and incorporated by reference from this Proxy Statement into our Annual Report on Form 10-K. The Compensation Committee's report is set forth beginning on page 17 of this Proxy Statement.

During 2008, the Compensation Committee held seven committee meetings, and all members of the Compensation Committee attended 75% or more of these meetings.

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 2008. Moreover, during 2008 (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 Audit Committee met nine times during 2008.

The members of the Audit Committee during 2008 were Joseph D. Ruffolo, Paul B. Edgerley, Dr. Jürgen Kolb and James C. Marcuccilli, all of whom are independent and all of whom attended at least 75% of the Audit Committee meetings. Messrs. Ruffolo and Edgerley served as Co-Chairs of the Audit Committee.

Our Board has also determined that all members of our Audit Committee, by virtue of their extensive financial and business experience and training, met and continue to meet the criteria of an "audit committee financial expert," as that term is defined in Item 401(h) of Regulation S-K under the Securities Exchange Act. None of the members of the Audit Committee serve on the audit committee of more than two other public companies.

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

The review, oversight and monitoring of our financial reporting process and the integrity of our financial statements.

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Reviewing with management the adequacy and effectiveness of our internal, financial and disclosure controls and the development of our internal audit function.

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The qualifications, performance and independence of our independent auditors.

Risk management and our compliance with legal and regulatory requirements.

In addition, the Audit Committee is directly responsible for the appointment, retention, compensation and oversight of our independent auditors and both the appropriateness of and the approval of the fees for audit and permissible non-audit services to be provided by the independent auditors. The Audit Committee is also responsible for the establishment of procedures for the receipt, evaluation, disposition, retention and treatment of complaints, if any, regarding accounting, internal accounting controls, auditing matters and matters involving allegations, if any, of fraud, financial mismanagement or irregularities.

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 Securities and Exchange Commission. The Audit Committee also regularly meets privately with the independent auditors.

The report of the Audit Committee is set forth in this Proxy Statement beginning at page 16.

Section 16(a) Beneficial Ownership Reporting Compliance. Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers to file with the SEC initial reports of beneficial ownership of our common stock and other equity securities or derivatives, as well as reports of changes in beneficial ownership. These individuals 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 Securities and Exchange Commission filing requirements applicable to our directors and executive officers with respect to 2008 were met, with the exception of one report on Form 4 for Gary Heasley for the purchase of 500 shares of common stock, filed ten days late on November 24, 2008.

Stockholder Proposals for 2010. Any stockholder satisfying the requirements of the Securities and Exchange Commission's Rule 14a-8 and wishing to submit a proposal to be included in our Proxy Statement for our 2010 Annual Meeting of Stockholders must submit the proposal in writing to our Chief Financial Officer, Theresa Wagler, at 6714 Pointe Inverness Way, Suite 200, Fort Wayne, Indiana 46804, on or before December 15, 2009.

In addition, any stockholder who has not submitted a timely proposal for inclusion in next year's proxy statement but still wishes to make a proposal at next year's Annual Meeting must deliver written notice to our Chief Financial Officer no later than 60 days nor more than 90 days prior to the first anniversary of the record date for this year's Annual Meeting. Therefore, for our 2010 Annual Meeting, if such a proposal is not delivered prior to January 21, 2010, it may not be presented at the meeting at all. If a proposal is made after December 22, 2009 and prior to January 21, 2010, we will retain the discretion to vote proxies we receive with respect to any such proposals, so long as we include in our next year's proxy statement advice on the nature of any such proposal and how we intend to exercise our voting discretion, and so long as the proponent does not provide us with a written statement within the time frame determined under Securities and Exchange Commission Rule 14a-4(c)(1) that the proponent intends to deliver its own proxy statement and form of proxy with respect to that proposal.

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Proposal No. 1

Election of Directors

Our stockholders will elect ten directors at the 2009 Annual Meeting. The persons listed below are all incumbent members of our Board, and were elected at last year's Annual Meeting. All incumbent Board members' service and performance as directors during 2008 were found by the Committee to have been exemplary. Therefore, they have been recommended for nomination and re-election by the Corporate Governance and Nominating Committee and, as such, have been nominated by the Board of Directors. Each director, if elected, will serve until our 2010 Annual Meeting of Stockholders, until a qualified successor director has been elected, or until he resigns or is removed by the Board.

We will vote your shares as 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.

Upon recommendation of the Corporate Governance and Nominating Committee, the Board of Directors has nominated Keith E. Busse, Mark D. Millett, Richard P. Teets, Jr., John C. Bates, Frank D. Byrne, M.D., Paul B. Edgerley, Richard J. Freeland, Dr. Jürgen Kolb, James C. Marcuccilli and Joseph D. Ruffolo.

Six of the ten directors of the Company (indicated by asterisk in the following Table of "Information About Directors, Nominees and Executive Officers") are "independent directors" as defined by Section 4200(a)(15) of the Marketplace Rules of the Nasdaq Stock Market.

Our Board of Directors has also reviewed all transactions during 2008 with companies or entities in which such directors 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 Parties, described at page 38, and, further, for the purpose of determining whether any of such transactions impacted the independence of such directors. There were no such transactions. For additional discussion of this issue, we refer you to the section on "Certain Relationships and Related Party Transactions" beginning on page 39. The Board has affirmatively determined that none of such 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.

It is the intention of the persons named in the enclosed proxy to vote the proxy for the election of all ten of the nominees, unless you withhold authority to vote for the election of any or all of these nominees. Each of the nominees for election as director has indicated his 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, and 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. If a substitute nominee is not so selected, such proxy will be voted for the election of the remaining nominees.

The following table provides information, as of the date of this proxy statement, about each incumbent member of the Board of Directors, all of whom are nominees for election as directors. The information presented includes information each director has given us about his age, all positions he

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holds, his principal occupation and business experience for the past five years, and the names of other publicly-held companies for which he serves as a director. None of the director nominees serves as a director of an investment company under the Investment Company Act of 1940, as amended.

Information about the number of shares of common stock beneficially owned by each director appears later in this proxy statement under the heading "Beneficial Stock Ownership of Directors, Executive Officers and Persons Owning More than Five Percent of the Company's Common Stock."

THE BOARD OF DIRECTORS RECOMMENDS A VOTE

FOR EACH OF THE FOLLOWING NOMINEES:

**Keith E. Busse
Mark D. Millett
Richard P. Teets, Jr.
John C. Bates
Frank D. Byrne, M.D.**

**Paul B. Edgerley
Richard J. Freeland
Dr. Jürgen Kolb
James C. Marcuccilli
Joseph D. Ruffolo**

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INFORMATION ABOUT DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS

The following information, including the name, age, five-year business experience and year each person became a director or executive officer, is furnished with respect to each director, including the ten nominees for election as a director (indicated by an "X" in the "Director Nominee" column), the Chief Executive Officer and the four next highest paid executive officers (the "Named Executive Officers") of the Company.

Name	Age	Position(s)	Director Nominee	Has Served as Director Since	Year When Term as a Director Expires
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