STEEL DYNAMICS INC
Form DEF 14A
April 01, 2010

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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:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(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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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be Held on May 20, 2010

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 20, 2010
PLACE	Grand Wayne Center Calhoun Ballroom 120 West Jefferson Boulevard Fort Wayne, Indiana 46802
ITEMS OF BUSINESS	(1) To elect eleven (11) 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, 2010. (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 22, 2010.
2009 ANNUAL REPORT	Our 2009 Annual Report to Stockholders, together with our financial statements, which are 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, 2010

This proxy statement and the accompanying proxy are being first sent to stockholders on or about April 6, 2010.

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Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be Held on May 20, 2010:

This proxy statement, the notice of annual meeting, a form of proxy, and our 2009 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. These materials are also available on our Internet site at www.steeldynamics.com under the heading "Investors."

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STEEL DYNAMICS, INC.

7575 West Jefferson Blvd.
Fort Wayne, IN 46804
Telephone: (260) 969-3500

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

To be Held on May 20, 2010

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 2010 Annual Meeting of Stockholders and at any postponement or adjournment thereof. We will hold the meeting on May 20, 2010, 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 2009, therefore, refer to the twelve-month period ended December 31, 2009.

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 22, 2010. 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 22, 2010, there were 216,417,222 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 will probably not be able to attend the meeting in person. Therefore, it is very important that your shares be represented by proxy. 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.

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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, Custodians, Banks or Other Nominees. Many stockholders' shares are held by brokers, banks, custodians or other nominees ("Broker Held Shares"). In this situation, the "registered holder" on our stock register is the particular broker, bank, custodian or nominee. 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 Broker Held Shares, distributing the proxy materials and tabulating votes is a two-step process. The Broker 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 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 the accompanying return envelope is addressed to return your executed proxy card to your Broker. Shortly before the meeting, each Broker totals the votes and submits a proxy card to our vote tabulator reflecting the aggregate votes of the beneficial owners for whom it holds shares.

So 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 or may not be able to vote your shares. They will be able to vote your shares only with respect to "discretionary" items, 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 may vote shares held in street name, even in the absence of your voting instructions. For the 2010 Annual Meeting, this only includes the ratification of the selection of our independent auditors (Proposal No. 2). On any non-discretionary items, which for this Annual Meeting includes the election of directors (*Proposal No. 1*), 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. 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.

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. For purposes of the election of directors (Proposal No. 1), the eleven 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 or 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

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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 choices of how to vote by proxy:

- You may vote by mail, 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) 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 19, 2010.

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. 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 Wagler, in writing and 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.

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. 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.

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If you hold your shares through a Broker, you can also request householding by contacting that Broker. 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 to forward the proxy materials and our 2009 Annual Report 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, 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 $7,000 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 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 four ways:

- writing to Steel Dynamics, Inc., Investor Relations Department, 7575 West Jefferson Blvd., Fort Wayne, Indiana 46804;
- fax at 260.969.3590 to the attention of the Investor Relations Department;
- 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, with any particular Board committee, with our Lead Director, or with any other individual director, 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 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, to our Lead Director 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.

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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, and do meet, the "independence" requirements of the Marketplace Rules of the Nasdaq Stock Market.

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.

Board Leadership Structure. Keith E. Busse currently serves as both Chief Executive Officer and Chairman of our Board of Directors. During 2009, however, the Board established the position of Lead Director, who must be an independent director, and Joseph R. Ruffolo was appointed to that position. The Lead Director serves at the pleasure of the Board and is appointed annually following the Annual Meeting.

The Lead Director's responsibilities include:

Organizing, calling and establishing the agenda for and leading executive sessions of the independent directors;

Serving as liaison between the Board of Directors and the Chairman and Chief Executive Officer;

Consulting with the Chairman from time to time to set the agenda for Board meetings or, as necessary, to facilitate discussion regarding particular issues;

Facilitating effective Board focus and consensus on key strategic issues;

Coordination with Chairman and Chief Executive Officer regarding the nature and timelines of information provided to the Board;

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Assist Compensation Committee in performance evaluations of senior executives; and

Serving as Chairman of the Succession Planning Committee.

Currently, it is the Board's belief that combining the role of Chief Executive Officer and Board Chairman facilitates better comprehension by members of the Board of management's insights, programs, practices, growth initiatives and strategic planning. At the same time, the Lead Director's active involvement in functions and activities similar to the role normally played by an independent Board Chairman will enable the Board to ensure that it will be able to maintain an appropriate level of independent oversight over the Board's decision-making processes.

Board's Role in Risk Oversight. Our Chief Financial Officer, together with the Company's controllers, corporate treasurer, and internal audit director, 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 training, best practices awareness and implementation of various programs and practices, identifies, evaluates and undertakes to mitigate these risks. Whether involving financial, credit, operational, electronic data systems, safety, environmental, employment-related, trade, regulatory, litigation or other legal risks, management periodically reports to the Audit Committee regarding such risk assessment and mitigation activities.

The Audit Committee, as part of its primary responsibility to periodically meet with management and with legal counsel in order to identify, assess and monitor our various risk exposures and to understand the steps undertaken by management to control such exposures, engages management by providing its comments and suggestions and, as necessary, reports to the Board with respect to such activities and any need for Board involvement.

In addition, and with respect to compensation policies and programs, insofar as they may involve risk-taking or risk-inducing practices that might adversely impact stockholders and long-term stockholder value, the Compensation Committee also considers such factors in formulating and reviewing our compensation policies, programs and practices. However, because (i) our incentive compensation at the senior corporate and senior divisional levels is "team-based" and is based on the Company's consolidated pre-tax profitability in excess of a return-on-equity hurdle rate or by divisional profitability in excess of a return-on-assets hurdle rate, (ii) our incentive compensation at the operational or production level is based upon quality and volume of production and upon the cost to convert raw materials to finished products, and (iii) our compensation programs do not reward risk-taking for short-term gain, we believe that none of our compensation plans or programs pose any material risk to our Company.

Committees and Meetings of the Board of Directors. During 2009, the Board of Directors had three standing committees: an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. Our Audit Committee, our Compensation Committee and our Corporate Governance and Nominating Committee each consist of four persons.

Each of our Board standing 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 Marketplace Rules of 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 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.,

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Attention: "Investor Relations," 7575 West Jefferson Blvd, Fort Wayne, Indiana 46804 and requesting copies.

During 2009, the Board of Directors also formed a special committee, the Succession Planning Committee, chaired by Joseph R. Ruffolo, our Lead Director, with the broad responsibility of formulating and supervising all succession planning processes and procedures at all senior corporate and divisional levels. Members of the Succession Planning Committee, in addition to Mr. Ruffolo, consist of the chairpersons of each of three standing committees, James C. Marcuccilli (Audit Committee), Dr. Jürgen Kolb (Corporate Governance and Nominating Committee) and Richard J. Freeland (Compensation Committee), together with John C. Bates, a non-management and, currently, non-independent director.

Director Independence. Each of our three standing committee charters require that each member of each committee meet: (1) all applicable criteria defining "independence" 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 standing committees, that each director qualifying as independent is neither an officer nor 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 $120,000 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.

The Board made its independence determination with respect to each director for the year 2009 and for each director nominee for election to the Board of Directors at the 2010 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 2009 seven of the eleven members of our Board of Directors, Frank D. Byrne, M.D., Paul B. Edgerley, Richard J. Freeland, Dr. Jürgen Kolb, James C. Marcuccilli, Joseph D. Ruffolo and Gabriel Shaheen met all independence requirements, thus at all times constituting more than a majority of the eleven member Board. The Board has determined that, for 2010, and if elected at the 2010 Annual Meeting, the same seven persons will continue to meet all independence criteria. The Board also determined that four of our eleven 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 ten regularly scheduled and special meetings during 2009 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 2009. 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 2009 Annual Meeting all of the current Board members were in attendance, except for Paul B. Edgerley.

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 five times during 2009.

The members of this Committee during 2009 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 drafting and overseeing 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.

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Establishing and overseeing management succession planning and implementation except that during 2009, this function was delegated to a special Succession Planning Committee under the chairmanship of Joseph R. Ruffolo, who is also the Board's Lead Director.

When considering a proposed nominee 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 nominees to fill the vacancy. Proposed nominees 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 proposed nominee, as well as the proposed nominee'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 and 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 proposed nominee 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 will consider nominees recommended by stockholders. In order to provide the Committee sufficient time to evaluate proposed nominees, stockholders desiring to recommend a proposed nominee for consideration by the Committee should send such recommendation to Steel Dynamics, Inc., Attention: Chief Financial Officer, 7575 West Jefferson Blvd, Fort Wayne, Indiana 46804, no later than December 15, 2010, 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, 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 members of the Compensation Committee during 2009 were Richard J. Freeland, Joseph R. Ruffolo, Frank D. Byrne, M.D. and, since his appointment as a director during 2009, Gabriel L. Shaheen, 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.

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Richard J. Freeland acted as chair of the Compensation Committee during 2009.

The Compensation Committee is responsible for:

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

In addition, the Compensation Committee reviews and evaluates our compensation policies and programs for senior corporate and divisional officers, as well as for operational level employees, insofar as such policies and programs may involve risk-taking or risk-inducing activities. The Committee reports its findings and conclusions to the Audit Committee and to the Board.

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/A or, alternatively, included in this Proxy Statement and incorporated by reference from this Proxy Statement into our Annual Report on Form 10-K/A. The Compensation Committee's report is set forth beginning on page 17 of this Proxy Statement.

During 2009, the Compensation Committee held three 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 2009. Moreover, during 2009 (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 2009.

The members of the Audit Committee during 2009 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 during most of 2009. When Mr. Ruffolo was appointed as Lead Director, however, he resigned his co-chair position, although he remains an Audit Committee member. Mr. Marcuccilli then was appointed co-chair with Mr. Edgerley for the rest of 2009 and holds that position today.

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Our Board has also determined that, for 2009, 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.
- Reviewing with management the adequacy and effectiveness of our internal, financial and disclosure controls and the development of our internal audit function.
- The qualifications, performance and independence of our independent auditors.
- Risk assessment and 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 2009 were met.

Stockholder Proposals for 2011. 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 2011 Annual Meeting of Stockholders must submit the proposal in writing to our Chief Financial Officer, Theresa Wagler, at 7575 West Jefferson Blvd, Fort Wayne, Indiana 46804, on or before December 15, 2010.

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 proxy statement. Therefore, for our 2011 Annual Meeting, if such a proposal is not delivered prior to January 21, 2011, it may not be presented at the meeting at all. If a proposal is made after December 22, 2010 and prior to January 21, 2011, we will retain the discretion to vote proxies we receive with respect to any such proposals.

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Proposal No. 1
Election of Directors

Our stockholders will elect eleven directors at the 2010 Annual Meeting. The persons listed below are all incumbent members of our Board, and were elected at last year's Annual Meeting, except for Gabriel L. Shaheen who was appointed by the Board in September 2009 to fill a newly created Board vacancy. All incumbent Board members' service and performance as directors during 2009 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 2011 Annual Meeting of Stockholders, or until a qualified successor director has been elected.

We will vote the shares you hold in your own name 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.

If your shares are held by a Broker, be sure to instruct your Broker on how you want your shares voted, with respect to each item on the agenda. (See "Voting Shares Held by Broker" at page 2.)

As previously noted, 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, Joseph D. Ruffolo and Gabriel L. Shaheen. All but Messrs. Busse, Millett, Teets and Bates are independent directors.

Our Board of Directors has also reviewed all transactions during 2009 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 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 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 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
Gabriel L. Shaheen

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INFORMATION CONCERNING EXPERIENCE, QUALIFICATIONS, ATTRIBUTES AND SKILLS OF DIRECTOR NOMINEES

Keith E. Busse Director Since: 1993
Age: 67

Keith E. Busse has been our Chairman and Chief Executive Officer and a director since 1993. Mr. Busse is a co-founder of our Company. From 1993 until May 2007, Mr. Busse was also 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 rolled steel mini-mill utilizing thin slab casting steel technology. The mill became operational in 1987 and is located in Crawfordsville, Indiana. Mr. Busse holds an undergraduate degree in accounting from International Business College and a degree in business finance from St. Francis College (now the University of St. Francis). He also holds 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 is also a director of Tower Financial Corporation, a publicly held bank holding company, and Accuride Corporation, also a public company. 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, quite apart from his role as Chairman and Chief Executive Officer, are invaluable, even as the Company has matured and is poised for further growth.

Mark D. Millett Director Since: 1993
Age: 50

Mark D. Millett has been our Executive Vice President of Metals Recycling and Ferrous Resources, President and Chief Operating Officer of OmniSource Corporation since August 1, 2008. Mr. Millett is a co-founder of our Company and has been a director since 1993. In this role, he is responsible for SDI's "resources platform," including all ferrous and non-ferrous metals recycling operations as well as SDI's ironmaking initiatives Iron Dynamics and Mesabi Nugget. In 2008 and 2009, Mr. Millett led the design, construction and eventual start-up in January 2010, of the world's first commercial ironmaking facility utilizing the ITmk3® process, a revolutionary, low-cost iron production technology. In April 2007, Mark was named an Executive Vice President in charge of flat-rolled steel operations, including the Flat Roll Division and The Techs, as well as ferrous technologies and mining. 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. Under his leadership, the Flat Roll Division experienced exceptional growth, including upgrading of the facility to include a paint line, expanding shipping capabilities, and increasing the mill's annual production capacity to approach 3 million tons. Mr. Millett also integrated and operated our acquisitions of a Jeffersonville galvanizing facility, to which a paint line was later added, and The Techs three galvanizing facilities. Between 1993 and 1996, Mr. Millett was responsible for the design, construction and start up operation of the Company's flat rolled, melting and casting operations. A metallurgist by training, Mr. Millett from 1981 to 1985 served 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, which he obtained in 1981.

Mr. Millett brings to the Board both a wealth of training and experience in steel metallurgy and in casting and coating technology and, most recently, a comprehensive knowledge of iron making technology.

Richard P. Teets, Jr. Director Since: 1993
Age: 55

In August 2008, Mr. Teets was appointed Executive Vice President for Steelmaking and President and Chief Operating Officer of Steel Operations and is now responsible for all of the Company's steelmaking operations, including the Flat Roll Division, Structural and Rail Division, Engineered Bar Products Division, Roanoke Bar Division, The Techs, and Steel of West Virginia Inc. Mr. Teets is a co-founder of our Company and has been a director since 1993. 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 SDI'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 SDI's pioneering flat rolled 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, with responsibilities initially for the hot-rolling and engineering departments and, later, for construction and operation of the cold-rolling and galvanizing facilities. After a ten year career at J&L Steel (later LTV Steel), Mr. Teets joined Nucor as an engineering manager at Crawfordsville, Indiana, where he was given broad responsibility for the design and construction of its new thin-cast-slab facility at that location. Thereafter, in 1991, he assumed responsibility for Nucor's Crawfordsville, Indiana cold-rolling and finishing operations at Crawfordsville. Mr. Teets holds a bachelor's degree in mechanical engineering from Lafayette College, which he obtained in 1977, and a master's degree in business administration from Duquesne University in 1982. Teets brings to the Board a unique background of academic training and business experience in the design, construction and operation of steel mill facilities.

John C. Bates Director Since: 1994
Age: 66

John C. Bates is the President and Chief Executive Officer and a director of Heidtman Steel Products, Inc., which he joined in 1963, and for which he has served as its President and Chief Executive Officer and a director since 1969. Heidtman Steel Products, Inc. is a large steel service center, with plants located throughout the Midwest and Eastern Seaboard, serving the automotive, heavy truck, construction, metal building, pipe and tube and various other OEM product suppliers with hot rolled, cold rolled and various coated products. Mr. Bates is a co-founder of our Company and has been a director since 1993. Heidtman Steel is our largest customer for our steel products. Mr. Bates' intimate knowledge of the service center business, which, in addition to his own company, represents a large portion of our revenues from steel operations, is a strategic asset to both management and the Board in staying abreast of and maintaining the Company's competitive position in that marketplace.

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Frank D. Byrne, M.D. Director Since: 2005
Age: 57

Frank D. Byrne, M.D. is currently (since July 2004) President of St. Marys Hospital Medical Center in Madison, Wisconsin. Previously, he served eight years with Parkview Hospital in Fort Wayne, Indiana, as its Medical Director (1994-1995), President (1995-2002) and Executive Vice President of Parkview Health Systems between 2002 and 2004. Prior to that, Dr. Byrne practiced pulmonary and critical care medicine in Fort Wayne. Dr. Byrne holds a bachelor of science degree from the University of Notre Dame (1974), a doctor of medicine degree from S.U.N.Y. Downstate Medical Center (1977) and a degree in medical management from Carnegie Mellon University in 1999. He is currently a member of the board of directors of Lincare Holdings, Inc., a publicly traded medical equipment company, and serves on its audit committee. Dr. Byrne has been a director since 2005 and 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 experience and capability, as well as extensive experience involving employment-related issues and compensation policies.

Paul B. Edgerley Director Since: 2002
Age: 54

Paul B. Edgerley has been Managing Director of Bain Capital Partners, LLC, a private equity firm since 1990. From 1988 to 1990, he served as a principal of that firm. Prior to joining Bain Capital Partners, LLC, Mr. Edgerley spent five years at Bain and Company, Inc., where he worked as a consultant and a manger in its health care information services, retail, and automotive industries. Prior to that, Mr. Edgerley served as a certified public accountant with Peat Marwick Mitchell & Company. Mr. Edgerley holds a bachelor degree from Kansas State University (1978), with emphasis on accounting, and a masters in business administration from Harvard Business School, which he obtained in 1983. He is a director of Keystone Automotive Operations, Inc. and Sensata Technologies, both of them publicly held companies. Mr. Edgerley has been a director since 2002 and is a member of and Co-chair of our Audit Committee. Mr. Edgerley's more than 20 years of experience in the complex world of venture capital investing, together with his extensive skills and experience in financial analysis and management, provides unique insight to the Board across the spectrum from budgeting to operations analysis to mergers and acquisitions analysis, financing and integration.

Richard J. Freeland Director Since: 2000
Age: 73

Richard J. Freeland has been the President and Chief Executive Officer for more than twenty-nine years of Pizza Hut of Fort Wayne, Inc. and six affiliated companies that own and operate more than 46 Pizza Hut franchised restaurants in Indiana and Ohio, having grown that company, from a start-up operation in 1972 to its present size, employing over 2,000 employees.

Mr. Freeland is a self-made entrepreneur, having spent some nine years as an iron worker prior to 1972 but with no formal university or college post-high school educational training. Mr. Freeland has been a director since 2000 and is a member and Chairman of our Compensation Committee and a member of our Corporate Governance and Nominating Committee. Mr. Freeland's contribution to the Board includes his vast experience involving the risks and potential benefits of an entrepreneur, his skills in understanding and nurturing effective leadership structures in a complex organization, as well as sound business judgment.

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Dr. Jürgen Kolb Director Since: 1996
Age: 67

Dr. Jürgen Kolb, currently 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 Frankford, Germany (1967) and from the Ruhr-University in Bochum, Germany (1976). Dr. Kolb has been a director since 1996 and is a member of our Audit Committee and the Chairman of our Corporate Governance and Nominating Committee. Dr. Kolb brings to the Board a much-needed 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 Director Since: 2005
Age: 59

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 the 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 has been a director since 2005 and is a member of our Audit Committee and of our Corporate Governance and Nominating Committee and, since 2009, a Co-Chairman of our Audit Committee. Mr. Marcuccilli holds a degree in business finance from the University of Notre Dame (1973). 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 his family-owned banking enterprise from a single rural bank in the early 1970s to its status today as one of Indiana's premier banking institutions.

Joseph D. Ruffolo Director Since: 1999
Age: 68

Joseph D. Ruffolo has been a principal in Ruffolo Benson LLC, a business and financial consulting firm. In

1993, he retired early from the Norfolk Southern Corporation, where he was a member of its executive management committee. In 1987, he was appointed chief executive officer of North American Van Lines, which at the time was a subsidiary of PepsiCo, but was subsequently sold to Norfolk Southern. Ruffolo Benson also manages Main Street Venture Fund, LLC, a venture capital firm, which Mr. Ruffolo founded in 2006.

Mr. Ruffolo holds a bachelor's degree from the University of Wisconsin (1964). He is a director of Tower Financial Corporation, a publicly held bank holding company.

Mr. Ruffolo has been a director since 1999 and a member and until July 2009, Co-Chair of our Audit Committee and a member of our Compensation Committee. In July 2009, Mr. Ruffolo was appointed as Lead Director of the Company and currently serves in that capacity. He was also appointed as Chairman of the Company's special Succession Planning Committee. Mr. Ruffolo's extensive business experience, including experience as both chief operating officer and chief executive officer of a large unit of a publicly traded company, his extensive experience in financial and business analysis as both a venture capital investor and consultant, and his collegial management style and leadership commend his skills and experience to the Board, as evidenced by his appointment as both Lead Director and as Chairman of the Company's special Succession Planning Committee.

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Gabriel L. Shaheen Director Since: 2009
Age: 56

Gabriel L. Shaheen, from 2000 to the present, has served as President, Chief Executive Officer and a principal of GLS Capital Ventures, LLC and NXT Star 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, with responsibility for Lincoln National's reinsurance operations , including life and health, worldwide. Mr. Shaheen is an actuary by profession, having received his bachelor degree in actuarial math from the University of Michigan in 1976 and a master's degree in actuarial science from the University of Michigan in 1977. Mr. Shaheen serves on the board of directors of Horace Mann Educators Corp., a public company (2007 to present). Mr. Shaheen brings an extensive background of both training, skills and experience in the world of risk assessment and management, as well as skills as chief executive officer of major operating units of a large publicly traded insurance company.

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Security Ownership of Directors and Executive Officers

The following table shows how much Steel Dynamics, Inc common stock the directors, director nominees, the Named Executive Officers, and all directors, nominees and executive officers as a group beneficially owned as of March 22, 2010. The Named Executive Officers include the Chief Executive Officer and the four next most highly compensated executive officers, based upon compensation earned during 2009. For purposes of the following table, beneficial ownership is determined in accordance with the rules of the SEC.

Name	Beneficial Ownership as of March 22, 2010 Current Beneficial Holdings	Shares Subject to Options	Total	Percent Owned*
Named Executive Officers				
Keith E. Busse(1)	1,677,957	51,590	1,729,547	0.8%
Mark D. Millett(2)	2,790,017	67,260	2,857,277	1.3%
Richard P. Teets, Jr.(3)	5,058,773	67,260	5,126,033	2.3%
Gary E. Heasley(4)	62,055	63,520	125,575	0.1%
Theresa E. Wagler(5)	73,561	57,484	131,045	0.1%
Other Directors or Nominees				
John C. Bates(6)	474,367	4,068	478,435	0.2%
Dr. Frank D. Byrne(7)	13,872	4,068	17,940	
Paul B. Edgerley(8)	34,244	1,924	36,168	
Richard J. Freeland(9)	63,860		63,860	
Dr. Jürgen Kolb(10)	24,804		24,804	
James C. Marcuccilli(11)	13,872	4,068	17,940	
Joseph D. Ruffolo(12)	42,524		42,524	
Gabriel L. Shaheen(13)	1,000		1,000	
Directors and Executive Officers as a Group (13 persons)	10,330,906	321,242	10,652,148	4.8%

Represents currently exercisable options and options exercisable within 60 days.

* Assumes exercise of all stock options (or 6,167,457 shares) currently exercisable or exercisable within 60 days, with a corresponding increase in the number of outstanding shares from 216,417,222 on the record date to 222,584,679.

(1) Chairman, Chief Executive Officer, Company Co-founder, and a director. Includes 28,248 shares that are not yet vested, awarded for 2008, pursuant to our 2008 and 2003 Executive Incentive Compensation Plans. Also includes 600,000 shares held by the Busse Family Investment Company, LLC, over which Mr. Busse exercises neither sole nor shared voting or investment power. All voting and investment power is vested exclusively in a board of managers, of which Mr. Busse is not a member. Mr. Busse disclaims all beneficial ownership of such shares.

(2) Executive Vice President of Metals Recycling and Ferrous Resources, President and Chief Operating Officer of OmniSource Corporation, Company Co-founder and a director. Includes 14,909 shares that are not yet vested, awarded for 2008, pursuant to our 2008 and 2003 Executive Incentive Compensation Plans.

(3) Executive Vice President of Steelmaking, President and Chief Operating Officer for Steel Operations, Company Co-founder, and a director. Includes 84,089 shares of common stock owned by Mr. Teets' spouse and 11,832 shares held in trust for Mr. Teets' minor children, with respect to which Mr. Teets disclaims beneficial ownership of all these shares. Includes 11,881 shares that are

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not yet vested, awarded for 2008, pursuant to our 2008 and 2003 Executive Incentive Compensation Plans.

(4) Executive Vice President for Strategic Planning and Business Development, and President of New Millennium Building Systems. Includes 10,044 shares that are not yet vested, that were awarded for 2008, pursuant to our 2008 and 2003 Executive Incentive Compensation Plans.

(5) Executive Vice President and Chief Financial Officer. Includes 10,201 shares that are not yet vested, that were awarded for 2008, pursuant to our 2008 and 2003 Executive Incentive Compensation Plans.

(6) Director. Consists of all shares of common stock held of record by Heidtman Steel Products, Inc., of which Mr. Bates is the President and Chief Executive Officer. Shares in option column represent stock options, currently exercisable, previously issued to Mr. Bates pursuant to our stockholder approved Non-Employee Director Stock Option Plan.

(7) Director. Shares in option column represent stock options, currently exercisable or exercisable within 60 days, previously issued to Dr. Byrne pursuant to our stockholder approved Non-Employee Director Stock Option Plan.

(8) Director. Shares in option column represent stock options, currently exercisable, previously issued to Mr. Edgerley pursuant to our stockholder approved Non-Employee Director Stock Option Plan.

(9) Director. Shares in option column represent stock options, currently exercisable, previously issued to Mr. Freeland pursuant to our stockholder approved Non-Employee Director Stock Option Plan.

(10) Director. Shares in option column represent stock options, currently exercisable, previously issued to Dr. Kolb pursuant to our stockholder approved Non-Employee Director Stock Option Plan.

(11) Director. Shares in option column represent stock options, currently exercisable, previously issued to Mr. Marcuccilli pursuant to our stockholder approved Non-Employee Director Stock Option Plan.

(12) Lead Independent Director. Includes 12,000 shares held in Mr. Ruffolo's retirement plan. Also includes 4,000 shares held by Mr. Ruffolo's spouse, with respect to which he disclaims beneficial ownership. Shares in option column represent stock options, currently exercisable, previously issued to Mr. Ruffolo pursuant to our stockholder approved Non-Employee Director Stock Option Plan.

(13) Director. Includes 1,000 shares held in Mr. Shaheen's retirement plan.

Security Ownership of Certain Beneficial Owners

At December 31, 2009, based upon filings with the Securities and Exchange Commission, and based upon a total of 215,999,801 shares outstanding at that time, the following persons owned more than 5% of our outstanding common stock.

Name and Address	Amount of Beneficial Ownership	Percent of Class
AXA Financial Inc.(1) 1290 Avenue of the Americas, New York, NY 10104	11,800,712	5.5%
Wellington Management Company, LLP(2) 75 State Street, Boston, MA 02109	11,814,285	5.5%
BlackRock, Inc.(3) 40 East 52nd Street, New York, NY 10022	12,967,891	6.0%

(1) Share amounts are based on a Schedule 13G filed with the SEC on February 2, 2010, reporting beneficial ownership as of December 31, 2009, which indicates that AXA Financial Inc. and its subsidiaries have sole voting and sole dispositive power as to 9,617,052 shares and sole dispositive power as to an additional 2,183,660 shares.

(2) Share amounts are based on a Schedule 13G filed with the SEC on February 12, 2010, reporting beneficial ownership as of December 31, 2009, which indicates that Wellington Management Company, LLP has shared voting and shared dispositive power as to 8,727,885 shares and shared dispositive power as to an additional 3,086,400 shares.

(3) Share amounts are based on a Schedule 13G filed with the SEC on January 29, 2010, reporting beneficial ownership as of December 31, 2009, which indicates that BlackRock, Inc. has sole voting and sole dispositive power of the shares shown.

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

In accordance with the provisions of the Sarbanes-Oxley Act of 2002, the Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm, to conduct our annual audit for the year 2010. 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 by a majority of votes cast, in person or by proxy, 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 the independent registered public accounting firm's appointment for 2011.

Ernst & Young LLP conducted our annual audit for 2009, and we believe that representatives of Ernst & Young LLP will be present at the meeting, will make themselves available at the meeting to respond to appropriate 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 accounting firm for 2010.

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Audit and Non-Audit Fees. The following table presents fees paid for professional audit services rendered by Ernst & Young LLP, an independent registered accounting firm, for the audit of our annual financial statements for the years ended December 31, 2008 and 2009.

	2008	2009
Audit Fees	$ 1,119,700	$ 1,220,900
Audit-Related Fees	14,400	
Tax Fees	202,900	109,700
All Other Fees	2,500	3,000
	$ 1,406,000	$ 1,333,600

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.

Prior to engagement, the Audit Committee will pre-approve the following categories of services. These fees are budgeted, and the Audit Committee requires the independent auditors and management to report actual fees versus the budget periodically throughout the year, by category of service.

1. **Audit fees** include fees for services rendered in connection with the audit of the Company's consolidated financial statements included in the Company's Form 10-K and reviews of financial statements included in the quarterly Form 10-Qs; fees for the audit of Steel Dynamics' 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; subsidiary audits, work performed and other work required to be performed by the independent auditors to be able to form an opinion on our consolidated financial statements. Such work 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.

2. **Audit-related fees** include fees for services reasonably related to the performance of the audit or review of our financial statements and internal controls over financial reporting or that are traditionally performed by the independent auditors. Such services during 2008 included services in connection with accounting consultations related to accounting, financial reporting or disclosure matters not classified as "audit services."

3. **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).

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4. **All other fees** include fees related to online research software.

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 either of the Co-Chairs of the Audit Committee.

Report of the Audit Committee

The Audit Committee of the Board of Directors is responsible for providing independent, objective oversight regarding the integrity of accounting functions and systems of internal controls. Management has the primary responsibility for our accounting and financial reporting processes, the establishment and effectiveness of internal controls and the preparation and integrity of our consolidated financial statements.

Ernst & Young LLP (Ernst & Young), our independent registered public accounting firm, is responsible for performing an independent audit of our consolidated financial statements and on the Company's internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board, Ernst & Young has issued an opinion on whether our financial statements are presented fairly in conformity with accounting principles generally accepted in the United States, and on our internal control over financial reporting. The Audit Committee oversees our financial reporting process on behalf of the Board, reviews our financial disclosures, and meets privately, outside the presence of management, with our independent auditors to discuss our internal accounting control policies and procedures.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management and with Ernst & Young, and recommended to the Board of Directors (and the Board of Directors approved) the inclusion of the audited consolidated financial statements in our 2009 Annual Report on Form 10-K/A, for filing with the Securities and Exchange Commission, as well as the quarterly financial statements included in our Forms 10-Q during 2009, including the specific disclosures in the section entitled "Management Discussion and Analysis of Financial Condition and Results of Operations." These discussions also addressed the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee has discussed with the Company's independent auditors, Ernst & Young, the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants and required to be reported to the Audit Committee by Ernst & Young by SEC Regulation S-X, Rule 2.07. The Audit Committee has received and reviewed the written disclosures and the letter from Ernst & Young required by applicable requirements of the PCAOB regarding communication with the audit committee concerning independence, and has discussed with the auditors their independence. The Audit Committee has also 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.

The Audit Committee has also considered whether the provision of services by Ernst & Young not related to the audit of the financial statements referred to above is compatible with maintaining Ernst & Young's independence.

The Audit Committee also 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. In that regard, the Audit Committee approved the selection and engaged the services of Ernst & Young as our independent auditing firm for the

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Company's fiscal year ended December 31, 2009 and recommends Ernst & Young as our independent auditing firm for the Company's fiscal year ending December 31, 2010.

The Audit Committee:

Paul B. Edgerley, Co-Chair
James C. Marcuccilli, Co-Chair
Dr. Jürgen Kolb, Member
Joseph D. Ruffolo, Member

April 1, 2010

The foregoing Audit Committee Report shall not be deemed to be incorporated by reference in any previous or future documents filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates the report by reference in any such document.

Report of the Compensation Committee

Steel Dynamics, Inc.'s Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis required by item 402(b) of Regulation S-K and, based on such review and discussion, has recommended to the Board that the following Compensation Discussion and Analysis be included in the Proxy Statement and, as incorporated by reference, in our Annual Report on Form 10-K/A.

The Compensation Committee:

Richard J. Freeland, Chair
Joseph D. Ruffolo, Member
Frank D. Byrne, M.D., Member
Gabriel L. Shaheen, Member

April 1, 2010

EXECUTIVE COMPENSATION AND RELATED INFORMATION

Compensation Discussion and Analysis

The following Compensation Discussion and Analysis may contain statements regarding future individual and company performance targets or goals. We have disclosed these targets or goals in the limited context of Steel Dynamics, Inc. compensation programs; and, therefore, you should not take these statements to be statements of management's expectations or estimates of results or other guidance. We specifically caution stockholders not to apply any such statements to other contexts.

This is a report by the Company and our senior officers, primarily our Chief Executive and Chief Financial Officer. It is not a report of the Compensation Committee. Accordingly, the term "we," "our" and "us" refer to the Company, or, where the context requires, to our senior officers.

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Preliminary Statement

This Compensation Discussion and Analysis, or CD&A, addresses the philosophy behind and the objectives of our compensation policies for executive officers named in the Summary Compensation Table and for certain other executives. In addition, this CD&A provides a principles-based context to the data presented in the tables that follow.

This CD&A addresses:

- what our compensation program is designed to reward (described in the section entitled "Compensation Philosophy and Objectives" beginning on page 19); and

- each element of compensation, and why we structure each such element as we do (set forth in the section entitled "Primary Elements of Our Compensation Program" beginning on page 22);

Our compensation program, since inception, has lacked complexity and has been grounded in a fundamental precept: our senior management, just as with our production-level employees, operates as a team, works "hungry" (that is, for basic compensation that is below the median when compared to executives performing similar functions at companies constituting a fairly representative comparator group), and earns relatively highly leveraged, though capped, incentive compensation but only when justified based solely upon bottom-line profits in excess of a threshold amount.

For 2009, where we incurred a small net loss for the year, our Named Executive Officers earned no incentive compensation, except for Mr. Teets, who earned $137,200 cash incentive bonus pursuant to the 2008 Incentive Plan based on the profitability of our steel operations during 2009. Therefore, our executive incentive compensation plan philosophy worked precisely as intended. Furthermore, although the Committee and the Board specifically noted and commended our senior management team for the extraordinary achievement of leading the Company to outperform its industry peers, during the worst economic period in recent memory, by returning to profitability in the second half of 2009 and ending the year with only a small net loss; the Committee, nonetheless, opted not to grant any discretionary bonuses to its Chief Executive Officer, to its Named Executive Officers or to its senior divisional officers. For 2009, therefore, despite steel industry-best performance, our senior management earned total compensation substantially below the 50^{th} percentile as compared with both steel and general industrial companies.

The Committee has under review, for 2010, the addition of one or more long-term equity compensation elements, to complement its historical focus on short-term compensation, in order to better reward and motivate its senior management team by providing an equity-based incentive tied to the creation of long-term stockholder value, measured over a long-enough time horizon, to recognize the fact that, over multi-year business cycles characteristic of the steel industry, the Company's short-term compensation focus has not adequately rewarded the Company's outstanding executive leadership.

Administration of our Compensation Program

The Compensation Committee, or Committee, of our Board of Directors has responsibility for the development, implementation, monitoring, administration and oversight of all elements of our executive compensation programs, as well as responsibility for ensuring that our compensation plans and programs remain true to our compensation philosophy. The Committee annually evaluates and establishes the compensation of (i) the Chief Executive Officer, (ii) with input from the Chief Executive Officer, the compensation of the Chief Financial Officer and the Named Executive Officers included in the Summary Compensation Table, as well as certain other executive officers, and (iii) our directors.

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The Committee also suggests, reviews and approves all equity-based grants and awards under our compensation plans.

The Committee meets as often as necessary to perform its duties and responsibilities. During 2009, the Committee met three times. The Committee from time to time invites the Chief Executive Officer and may invite other senior officers, to attend and to participate in portions of its meetings, but no member of management is present during any Committee deliberations or decision-making.

Compensation Philosophy and Objectives

While we believe that we must be able to attract and retain qualified executive officers within our global steelmaking industry by the establishment and maintenance of a compensation system that is both competitive in the steel, general industrial and basic materials company marketplace for companies of similar size and character, we also believe that we must continue to adhere to our fundamental compensation philosophy that is grounded in the entrepreneurial culture upon which our Company was founded and that has contributed to our success. This is so, even if a certain type of talented executive might opt to work elsewhere, where he or she might be able to earn a higher assured wage but not as high a multiple of that assured wage in a substantially profitable year.

Basic to this culture is the recognition of the central role that teamwork plays in the achievement of consistent superlative company performance, under all market conditions, both plant level and executive level. This philosophy is in fact reflected at every level, from the steelworker on the plant floor to the corporate and divisional executive management team. So, just as it is with our production employees, working as a team in one of our steel mills to achieve a weekly "production bonus" based on quality steel produced on their shifts or a monthly "conversion bonus" based on minimizing long-term conversion costs (*i.e.*, the costs incurred to convert raw material entering a particular production area into product that leaves that area), so it is with our corporate or divisional executives, the "we" in our Company trumps any "I" when it comes to the way we measure, recognize and reward achievement.

We also believe that our stockholders are best served if we achieve earnings success year after year, even in down years during the steel industry business cycle, for that kind of consistent performance will ultimately produce superior long term stockholder value. Consistent with this approach, therefore, we have established a compensation philosophy that forges a direct link, in part, between executive pay and "bottom line" overall company earnings performance and, in part, plant level earnings performance. Therefore, just as all members of a production crew receive a production bonus based upon the team's overall achievement of quality tons of steel successfully produced, so will our executive management earn incentive pay, as a team, and depending on the executive's role, based in whole or in part upon overall Company earnings or a combination of Company and plant level performance in excess of specified amounts.

The objectives of our executive compensation program are to:

- attract, motivate and retain experienced talented and motivated executive officers;
- through incentives, enhance the concept of teamwork and of the importance of either of the Company's overall performance or of the combination of overall Company performance and plant level performance to an individual's overall executive compensation;
- align an executive's incentives with the business unit and company functions most directly impacted by that executive's efforts;
- recognize the appropriateness of higher compensation for persons with greater responsibility and with greater abilities to influence the Company's results; and
- increase stockholder value by focusing on consistent profitability and growth.

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Accordingly, our senior executive compensation policies and programs are much simpler much more and straightforward than most, primarily consisting at present of just three components, each with a relatively short-term time horizon:

- base salary,
- relatively short-term incentive compensation, based upon Company pre-tax profits in excess of certain minimums, consisting primarily of cash but with a potential for some longer-term restricted stock, vesting over two years, during years of exceptional profitability, and
- a twice yearly grant of incentive stock options, with a six-month vesting feature, the same vesting applicable to all of our employees but differing only in the number of options granted, depending upon the executive's level of responsibility.

The foregoing elements, discussed further below, are driven by the following principles:

- base compensation should be fixed, payable in cash, should generally be established at the lower end of the competitive spectrum, yet when in combination with the potential for above market, highly leveraged variable incentive pay, is sufficiently competitive to attract and retain the kind of top quality entrepreneurial executives we seek, willing to place at risk a disproportionately large portion of total annual compensation, based on achievement;
- reward for exemplary individual effort and performance should be expressed through annual increases in the level of base compensation;
- no incentive pay should be awarded unless Company profits and/or divisional earnings first exceed certain minimum threshold levels and are then dependent upon additional earnings beyond such minimums, capped, however, at a multiple of base compensation;
- subjective, discretionary bonuses, although appropriate under the right circumstances, should not generally be utilized as a regular part of incentive compensation; and
- total annual compensation opportunity across all market conditions should be at least at or above marketplace norms when Company performance so merits.

Use of Outside Consultants: Benchmarking

While we recognize that our base compensation, standing alone, is below competitive levels, we believe that our overall compensation program is competitive, for the type of entrepreneurial executives we wish to attract and maintain, with the level of compensation paid to executives at peer companies, except for the relative absence in our compensation system, of elements of long-term incentives to buffer the uneven and, in the long-term, below market impact of our reliance on short-term compensation elements in the cyclical steelmaking industry. We believe that we must remain competitive, not only to attract quality executive talent but also to reduce the likelihood that we lose top executive talent to competitors or to other companies. More in the way of cross-checking to ensure competitiveness than in any sense as a means of establishing either base level or incentive compensation, the Committee compares salary and total compensation against a similarly situated peer group.

The Committee has authority to engage the services of outside consultants and advisors, as it deems necessary or appropriate in the discharge of its duties and responsibilities. The use of outside compensation consultants allows the Committee to be and remain aware of and to evaluate compensation data and plan design information from national surveys and other public companies, including companies we consider to be our peers.

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During 2008 and 2009, the Compensation Committee utilized the services of Towers Perrin, a national consulting company, to assist the Committee in assessing and evaluating both our executive and our director compensation programs and to track pay levels throughout the steel industry and at other comparable industrial enterprises. Towers Perrin has been engaged directly by the Compensation Committee and they report their findings directly to the Committee.

Towers Perrin has assisted the Committee with its review of industry and market data to determine where the Company stands in relation to similar size public companies and with certain peer companies. The surveyed group for 2009's review included, among others:

Company	Ticker	Company	Ticker
Air Products and Chemicals, Inc.	APD	Nucor Corp.	NUE
AK Steel Holding Corp.	AKS	Quanex Corp.	NX
Alcoa Inc.	AA	Reliance Steel and Aluminum Co.	RS
Allegheny Technologies, Inc.	ATI	Schnitzer Steel Industries	SCHN
Ball Corp.	BLL	3M Company	MMM
Caterpillar Inc.	CAT	Timken Co.	TKR
Cliffs Natural Resources	CLF	United States Steel Corp.	X
Commercial Metals Co.	CMC	Vulcan Material	VMC
Gerdau Ameristeel Corp.	GNA	Worthington Industries, Inc.	WOR
MeadWestvaco Corp.	MWV		

The Company does not, however, believe that it is appropriate to base any compensation decisions, whether regarding base salaries or incentive pay, upon benchmarking to a peer or other representative group of companies. The Company does believe that information regarding pay practices at other companies is useful in at least two respects. First, the Company recognizes that compensation practices must be competitive in the marketplace. Second, this marketplace information is one of the many factors that both management and the Committee consider in assessing the reasonableness and appropriateness of our compensation programs that we consider based on the factors we have described in this report.

Overall, the survey data indicates that we provide our Chief Executive Officer and our Named Executive Officers, as well as our other senior executives with a competitive compensation program, taking into account total direct compensation (total annual cash, including base salary and annual cash incentives) plus the annualized expected value of longer-term incentives (stock options and restricted stock awards)). However, consistent with our compensation philosophy, our pay mix is different than our peers, with more weight placed on annual incentives and less emphasis on long-term incentives.

Role of the Chief Executive Officer in Establishing Compensation

The Chief Executive Officer takes part in some meetings of the Committee, to provide necessary background information and updates on the operations of the Company and the performance of each of the executive officers.

Our Chief Executive Officer plays a significant role in recommending base salary compensation for the Named Executive Officers who report directly to him, as well as the other executive officers. He provides an annual performance evaluation of each officer for the Committee. He also prepares a summary that includes a suggested range of base salaries for each executive, and this summary is then used by the Committee as one of the many factors it considers in making a decision as to compensation for the executive officers.

The Committee also receives a recommendation from the Chief Executive Officer as to his own base salary level, as well as his self assessment of his performance for the year under review. The

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Committee, however, evaluates the Chief Executive Officer and the Committee alone establishes his and the other senior officers' base salaries.

Base Salary

Base salary is designed generally to provide a guaranteed level of compensation that is below the median base salary level for comparable positions at other steel companies, or at other industrial or basic materials companies. We do this because we want to orient our senior executives' overall compensation significantly toward substantial at-risk incentive pay, which is highly leveraged as a multiple of base salary. In other words, we view base salaries as providing an essential level of compensation that is necessary to recruit and retain the type of entrepreneurial and highly motivated executives we seek to attract and who are willing to accept such base-level compensation in down market conditions, even though their individual and collective performance has been exemplary. We also do this because it enables the Committee to focus on annual base salary adjustments to reflect an individual's performance or changed responsibilities. Our base salary levels are intended to provide only the foundation of a fair and competitive compensation opportunity for each person and are competitive only because of the existence and operation of our performance-based cash and restricted stock incentive compensation program described in more detail in the following section on "Performance-Based Incentive Compensation." Without that incentive program, which in a year with reasonable profits enables the executives to earn total compensation that better approximates their true market value and in a year with excellent profits enables the executives to hit the higher ends of the range of fair value for persons of their skill and experience, we would not be able to attract and retain persons with the kinds of skills, leadership qualities, temperament and culture that we demand and that have been the keys to our success as a company. Only in the arena of equity-based long-term compensation elements do we lag behind most of the peer company practices in our comparator group, a subject which the Committee intends to address during 2010.

Generally, we annually consider the individual's position, responsibilities and duties, as well as experience, qualifications, unique value, past performance and future potential to enhance stockholder value, as part of our performance review process. Adjustments to salary levels are based on the Committee's assessment of these criteria through review of the following data:

- market studies provided by our compensation consultant or compiled by us or by the Committee; and
- individual performance reviews prepared annually by management and further reviewed by the Committee.

Performance-Based Incentive Compensation

Our performance-based incentive compensation program constitutes the generally short-term variable component of annual compensation. For 2009, this incentive compensation component was plan-based and administered pursuant to our Steel Dynamics, Inc. 2008 Executive Incentive Compensation Plans (our "Incentive Plans"). The 2008 Incentive Plan was approved by stockholders in 2008 and replaced our 2003 Incentive Plan. It is a five-year plan, and the final year of this Incentive Plan is 2012.

Our 2008 Incentive Plan, as was the case with our 2003 Incentive Plan, has a short-term focus, consistent with our compensation philosophy of providing substantial annualized incentive pay keyed to Company profits or divisional profits over and above a minimum threshold level, which, for 2009, remained at 10% of "Average Stockholders Equity," for purposes of calculating the incentive opportunity at the corporate level, and, at the divisional level, over and above a stated "Return on Assets" percentage. The focus of the cash portion of this incentive pay is short-term and follows from management's and the Committee's philosophical commitment to the notion that the best way for management to build sustainable long-term stockholder value is to produce excellent and consistent annual earnings.

Aggregate incentive pay is determined under the Incentive Plan on February 1 of the year following the year for which the incentive compensation is payable, based upon the audited results of operations. Depending upon the size of a defined "Bonus Pool," as described below, and the applicable cap that sets a maximum multiple of an executive's base salary, incentive compensation for the applicable year, if any is payable, is first payable in cash, up to the amount of the cash cap multiple, and if the Bonus Pool has not been depleted by the aggregate amount of the cash incentive pay, additional incentive pay will be payable in restricted Company stock, up to the applicable restricted stock cap multiple. The number of shares of restricted stock issuable to the executive, if any, is determined by dividing the dollar amount of the restricted stock component of the award by the closing market price of the Company's stock on the last business day immediately preceding February 1. Shares of stock issued as incentive compensation under the Incentive Plan vest one-third at the time of issuance and one-third each on the first and second anniversaries of the award.

The Incentive Plan identifies two types of executive officers for eligibility under the Plan, which covers a greater number of executives and Company managers than just the Chief Executive Officer and the Named Executive Officers. Insofar as it pertains to the Chief Executive Officer and the Named Executive Officers, the Plan includes within the designation "Corporate Executive Officer" those persons whose overall responsibilities are Company-wide, and this included, for 2009, our Chief Executive Officer, Keith E. Busse, and our Chief Financial Officer, Theresa E. Wagler. At the Corporate Executive Officer level, a participant, if the Bonus Pool is large enough, is entitled to earn up to 250% of his or her Base Salary in cash and up to 100% of Base Salary in shares. The remaining Named Executive Officers, Executive Vice Presidents, Mark D. Millett, Richard P. Teets, Jr., and Gary E. Heasley are not covered as "Corporate Executive Officers." Instead, they are covered as "Divisional Executive Officers" because, while they have corporate level responsibilities, they also have primary divisional responsibilities and their incentive opportunity will also be dependent upon their respective divisional profitability.

For "Corporate Executive Officers," which includes Mr. Busse and Ms. Wagler, their incentive compensation is determined entirely at the corporate level and is based upon company-wide "Adjusted Pre-Tax Net Income," as defined in the Plan.

For 2009, the "Bonus Pool" was zero as a result of the Company having no Adjusted Pre-Tax Net Income for the year. Typically, the Bonus Pool is determined by multiplying consolidated annual Adjusted Pre-Tax Net Income, less an amount equal to 10% of "Average Stockholders Equity," by a percentage amount, set annually by the Committee ($5^1/_2$% currently).