

# COMPENSATION COMMITTEE

## CHARTER

### I. PURPOSE OF COMMITTEE

The broad purposes of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Steel Dynamics, Inc. (the “Company”) are:

- to review and make recommendations to the Board concerning all salaries, incentive and other compensation paid to the executive officers, to the chief financial officer, and to non-employee directors,
- to oversee the administration of the Company’s executive compensation programs,
- to review and approve all stock option and other equity or equity-based (within the meaning of Section 3(a)(11) of the Securities Exchange Act of 1934) compensation plans and awards,
- to act as the administrator or administrative “committee” under each of our stock option and other incentive based plans (to the extent that such role is not performed by the full Board or by another specifically authorized committee), and
- to prepare any report on executive compensation required by the rules and regulations of the Securities and Exchange Commission (the “SEC”).

### II. COMMITTEE MEMBERSHIP

A. The Committee shall consist of not less than three (3) nor more than five (5) persons, each of whom shall be a member of and be appointed by the Board, and each of whom shall meet (i) all criteria for “independence” that may be prescribed from time to time by SEC, Nasdaq and tax rules, listing standards and regulations applicable to this Committee, (ii) the definition of a “non-employee director” within the meaning of Rule 16b-3 promulgated by the SEC under the Securities Exchange Act of 1934, and (iii) the definition of an “outside director” within the meaning of Section 162(m)(4)(C) of the Internal Revenue Code.

B. Members shall be appointed by the Board upon the recommendation of the Company’s Corporate Governance and Nominating Committee, in consultation with the Chief Executive Officer and other Board members, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

### **III. COMMITTEE OPERATION**

A. Members of the Committee or, in default, the Board shall designate one member of the Committee as chair of the Committee.

B. The Committee may meet in person or telephonically, not less frequently than semi-annually, but may also take action and make recommendations by written consent in lieu of a meeting. The Committee shall inform the Board, at regular Board meetings, unless circumstances otherwise demand, of actions taken or issues discussed at its meetings.

C. Any member of the Committee may call a meeting of the Committee upon due notice to each member at least forty-eight hours prior to the meeting, unless waived. Two members shall constitute a quorum if the Committee's membership is three, and three members if the Committee's membership is four or five. If a quorum is present a majority of the members present shall decide any question brought before the Committee.

D. The Committee may engage the services of outside consultants or advisors, as it shall deem necessary or appropriate in the discharge of its duties and responsibilities.

### **IV. COMMITTEE DUTIES AND RESPONSIBILITIES**

The Committee shall have the following duties and responsibilities:

A. In consultation with the Chief Executive Officer, establish the Company's general compensation philosophy and programs for senior executives, and oversee the development and implementation of the compensation programs for senior executives.

B. Subject to Board approval, determine and recommend the compensation of the Chairman of the Board (if a person different than the Chief Executive Officer), the Chief Executive Officer, and, with input from the Chief Executive Officer, for all senior executive officers and the chief financial officer. Compensation of other officers may be established by management without Committee review and recommendation, provided such compensation is within competitive ranges or guidelines approved by the Committee.

C. Review and recommend to the Board, for approval, terms of employment and employment contracts for all senior executive officers and the chief financial officer.

D. Review and recommend to the Board, for approval, terms of all perquisites benefiting senior executive officers and the chief financial officer.

E. Review and approve goals and objectives relevant to the compensation of the Chief Executive Officer, the other senior executive officers and the chief financial officer, and review and recommend to the Board, for approval, all base compensation and incentive compensation and bonus programs and payments, whether payable in cash, in stock or in any other form, benefiting any of the senior executive officers and the chief financial officer. In carrying out its responsibilities in connection therewith, the Committee shall consider, among other factors, the Company's and each person's individual and/or divisional performance and the value of similar base compensation and incentive awards to chief executive and comparable senior officers at comparable companies.

F. Make recommendations to the Board for compensation of Board members and members of the various Board committees, including any retainers, meeting attendance fees, committee chair fees, stock option grants, and any other form of compensation.

G. Review and recommend to the Board appropriate insurance coverages for directors and officers.

H. Act as administrator for the Company's stock option plans, stock purchase plans, stock-based executive incentive plans, and any other executive incentive plan, with authority to perform all functions and exercise all authority granted to any "Committee" or "Administrative Committee" or similar body described in any such plan or plans. This authority, however, shall only be exercised in default of (i) the Board's specific delegation of such function to this Committee, (ii) the Board's direct assumption of the role of such committee under one or more of such plans, or (iii) the Board's appointment of a different committee in connection with any such plan or plans.

I. In consultation with management, oversee regulatory compliance with respect to compensation matters.

J. Review and assess the continued adequacy of this Charter and make recommendations to the Board with respect to any recommended changes.

K. Perform any other duties or responsibilities expressly or by implication delegated to the Committee by the Board or pursuant to the Corporate Governance Policies of the Board.

L. Prepare an annual report to the Board, as required by law.