Profit Sharing and Retirement Savings Plan

Steel Dynamics offers employees two methods to save for retirement:

- **Profit Sharing Contributions**—This benefit is fully funded by the company and vests gradually over six years of service.

- **401(k) Retirement Savings Contributions**—This benefit allows you to contribute a percentage of your earnings to your retirement account, with the company matching a percentage of your contribution. Both your contributions and the match are immediately 100% vested.

The administration of these two retirement benefits has been combined so that the investments are handled by the same plan administrator. This allows employees to more easily direct and monitor their retirement plan investments.

This section contains summaries of the two plan components, followed by information related to working with the retirement plan service provider to direct the investments in your accounts.

Note: This plan gives you choices to invest in a variety of investment funds. All employees are provided with informative investment materials when they are hired. Prospectuses are automatically mailed to your home when you begin investing in a fund. Updated materials are available on request by calling Fidelity Investments or accessing their internet website, www.401k.com.
SDI Retirement Plan Philosophy

Steel Dynamics offers a generous retirement plan based on a joint commitment by the company and employees. Each year the company allocates a percentage of the company’s pre-tax profits to a profit sharing pool, some of which is generally paid in cash, but most of which is deposited into employee retirement plan accounts. The size of each year’s profit sharing pool depends on the company’s operating performance and financial success.

In addition to the company’s profit sharing contribution to your retirement plan, you may contribute to your 401(k) account through weekly payroll deductions. When you make 401(k) contributions to the Plan, the company contributes as well with a matching percentage based on the company’s financial success.

Your SDI retirement plan depends greatly on you, both as a contributor of funds and as a prudent investor. To prepare for your retirement, you must make a commitment to save for retirement. The company’s plan is set up so that you actively participate in making investment decisions, and thus have greater control over the degree of risk you are willing to bear relative to the potential growth of your retirement account.

As a result, the amount of money available for your retirement will be determined by several factors: the amount of the company’s contributions, the amount of your contributions, and the growth of your investments over the years. Because different employees are at different stages in life and have different investment objectives, a wide range of investment choices is available. You can choose investments that are most suited to your individual investment needs.

The key concepts behind the philosophy of SDI’s retirement plan that will help you retire financially secure include you taking individual responsibility by investing for your retirement, and SDI offering you the opportunity to benefit from the company’s financial success through profit sharing and employer matching contributions.
Summary
Profit Sharing Contributions

Benefit: Profit sharing is based on the company’s calendar year pre-tax profit. Part of the profit sharing award is contributed to eligible employees’ 401(k) account, while part is generally paid in cash.

Eligibility/Effective Date: All SDI employees (other than leased employees, interns, independent contractors, non-resident aliens and employees covered by a collective bargaining agreement) are eligible to share in the profit-sharing distribution if they are credited with at least 1,000 hours of service during the prior year, except in the year of retirement, disability or death.

When awarded: Annual profit sharing awards are measured on a calendar year basis and are contributed or paid no later than the following March.

Investment choices: One-half of the profit-sharing contributions allocated to your account is invested as you choose from a list of individual investment options and/or in one of the Portfolios Asset Allocation options available through Fidelity Investments. The SDI Investment Committee determines how the other 50% is invested.

Means of directing investments: Your initial choice of funds is made on your enrollment form. After you are enrolled, you may use one of the following ways to direct Fidelity to change the allocation of your future contributions or move investments previously accumulated in your account between funds:
- The automated telephone system (1-800-835-5097) between the hours of 9:00 am and 8:00 pm Eastern time.
- Internet access (www.401k.com)
PROFIT SHARING PLAN (continued)

Vesting/Termination: You become fully vested after completing six years of vested service. If you terminate employment with SDI before you are fully vested, you are entitled to the following percentages of funds held in your account:

<table>
<thead>
<tr>
<th>Years Vested Service</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1</td>
<td>0%</td>
</tr>
<tr>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td>2</td>
<td>30%</td>
</tr>
<tr>
<td>3</td>
<td>40%</td>
</tr>
<tr>
<td>4</td>
<td>60%</td>
</tr>
<tr>
<td>5</td>
<td>80%</td>
</tr>
<tr>
<td>6</td>
<td>100%</td>
</tr>
</tbody>
</table>

Limitations: Federal tax law limits the amount of contributions that can be made to your account and, in some cases, limits the amount of compensation that can be recognized for purposes of computing the allocation of the profit-sharing contribution. (See Summary Plan Description.)

Contact: Payroll/Benefit/HR representative for initial enrollment and beneficiary selection.

Investment Administration: Fidelity Investments
Call a customer service representative at 1-800-835-5097 or use the Fidelity Investments website: www.401k.com

Required Actions:

Upon hire, you must complete an enrollment form to select investment options and a designation of beneficiary form. If you are participating in the 401(k) component of the Plan, the enrollment form with investment selections and the designation of beneficiary form will also apply to the profit-sharing component of your account. No other action is required on your part to participate in this plan. To change your beneficiary, you must complete a new designation of beneficiary form.
Summary
401(k) Retirement Savings Contributions

Benefit: You may elect to make pre-tax contributions or after-tax contributions (Roth 401(k)) to the Plan through the convenience of automatic payroll deductions. The percentage of your pay that you may contribute to the Plan is generally from 1% to 70%, unless you are a highly compensated employee. The Company will add an employer match to your contribution (explained below).

Eligibility: All employees of SDI are eligible to participate in the Plan, other than leased employees, interns, independent contractors, non-resident aliens and employees covered by a collective bargaining agreement.

Employer Match: The percentage added by the company to the employee’s contribution is recalculated each quarter, based on a rolling five quarter average of the company’s return on assets. This percentage will be no less than 5% or more than 50% of the employee’s contribution.

Investment choices: Your 401(k) deferral contributions and employer match are invested as you choose, from a list of individual investment options and/or in one of the Portfolios Asset Allocation options made available through Fidelity Investments.

Means of directing investments: Your initial choice of funds is made on your enrollment form. After you are enrolled, you may use one of the following three ways to direct Fidelity to change your deferral percentage, the allocation of your future contributions or move investments previously accumulated in your account between funds:

Contact Fidelity Investments

| Automated Telephone System: | 24 hour access 1-800-835-5097  
Para Espanol (1-800-587-5282) |
|-------------------------------|---------------------------------|
| Participant Service Representative: | Monday– Friday, 8:00 am – 8:00 pm ET  
1-800-835-5097 |
| Internet: | 24 hour access [www.401k.com](http://www.401k.com) |
401(k) PLAN (continued)

Vesting: Your 401(k) contributions and employer match are immediately 100% vested.

Sign-up/Change: New employees can sign up immediately. Non-participating employees may sign up at any time. You can change or stop your deferral percentage at any time.

Limitations: The IRS imposes a limit on the annual contribution that each individual can make to their 401(k) account, and this limitation generally changes annually. Other IRS limitations may also apply.

Plan Loans: The Plan allows employees to request a loan from their retirement account. You may generally borrow up to one-half of your account balance. Other rules and limitations also apply.

Contact: Payroll/Benefit/HR representative for initial enrollment and beneficiary selection.

Investment Administration: Fidelity Investments
Call a customer service representative at 1-800-835-5097 or use the Fidelity Investments website: www.401k.com

Required Actions: You must complete an application to enroll, select your investment selections and contribution percentage, and complete a designation of beneficiary form.
Managing Your Retirement Plan Investments

You may invest your Profit Sharing and 401(k) retirement savings among a variety of options, including a stable value account, various bond and equity mutual funds, and Portfolios Asset Allocation options. Fidelity Investments provides retirement plan services, including communication and education about investment choices, facilitating your selection of investments and changing investments, and periodically reporting to you the performance of your investments. Fidelity also maintains a secure, user-friendly website, which allows you to check on your account balances, change your 401(k) deferral percentage and redirect investments.

Investment Selections. A list of investment selections, which may change from time to time, is included in materials provided separately to you when you are initially hired. These materials include summary sheets describing each of the available investment alternatives. You may request updated copies of these materials at any time, or you may access the information at www.401k.com.

Asset Allocation and Investment Changes. In both the Profit Sharing and the 401(k) portions of your accounts, you generally may allocate your self-directed investments (in increments of whole percents) among any of the available investment options, including the Portfolios Asset Allocation options. There may be limitations on your ability to change your investment elections for your existing account balances (including declining your investment instructions) in the event of certain actions, for example, excessive trading. In addition, such actions may result in redemption fees being assessed to your account. Please refer to the underlying prospectus(es) and other fund information for further details.

Fees. Generally, no fees are charged for making investment changes unless required due to unethical trading practices by the participant.

How to Contact Fidelity Investments

<table>
<thead>
<tr>
<th>Contact Fidelity Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automated Telephone System:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Participant Service Representative:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Internet:</td>
</tr>
</tbody>
</table>
MANAGING YOUR RETIREMENT PLAN INVESTMENTS (continued)

**Investment decisions are your own**

Neither Fidelity Investments nor Steel Dynamics, Inc. will make a recommendation to buy or sell any specific investment option available to you. As a participant, you should consider your options carefully and seek your own investment advice, if needed.

**Other investment services offered by Fidelity Investments**

Fidelity offers additional investment services outside the Profit Sharing and Retirement Saving Plan. SDI makes no recommendation to employees to use Fidelity, or any other brokerage concern, for such investment services. Any decision you make to use these other services is an individual choice.
Profit Sharing and Retirement Savings Plan

Steel Dynamics offers employees two methods to save for retirement:

- **Profit Sharing Contributions**—This benefit is fully funded by the company and vests gradually over six years of service.

- **401(k) Retirement Savings Contributions**—This benefit allows you to contribute a percentage of your earnings to your retirement account, with the company matching a percentage of your contribution. Both your contributions and the match are immediately 100% vested.

The administration of these two retirement benefits has been combined so that the investments are handled by the same plan administrator. This allows employees to more easily direct and monitor their retirement plan investments.

This section contains summaries of the two plan components, followed by information related to working with the retirement plan service provider to direct the investments in your accounts.

Note: This plan gives you choices to invest in a variety of investment funds. All employees are provided with informative investment materials when they are hired. Prospectuses are automatically mailed to your home when you begin investing in a fund. Updated materials are available on request by calling Fidelity Investments or accessing their internet website, www.401k.com.
SDI Retirement Plan Philosophy

Steel Dynamics offers a generous retirement plan based on a joint commitment by the company and employees. Each year the company allocates a percentage of the company’s pre-tax profits to a profit sharing pool, some of which is generally paid in cash, but most of which is deposited into employee retirement plan accounts. The size of each year’s profit sharing pool depends on the company’s operating performance and financial success.

In addition to the company’s profit sharing contribution to your retirement plan, you may contribute to your 401(k) account through weekly payroll deductions. When you make 401(k) contributions to the Plan, the company contributes as well with a matching percentage based on the company’s financial success.

Your SDI retirement plan depends greatly on you, both as a contributor of funds and as a prudent investor. To prepare for your retirement, you must make a commitment to save for retirement. The company’s plan is set up so that you actively participate in making investment decisions, and thus have greater control over the degree of risk you are willing to bear relative to the potential growth of your retirement account.

As a result, the amount of money available for your retirement will be determined by several factors: the amount of the company’s contributions, the amount of your contributions, and the growth of your investments over the years. Because different employees are at different stages in life and have different investment objectives, a wide range of investment choices is available. You can choose investments that are most suited to your individual investment needs.

The key concepts behind the philosophy of SDI’s retirement plan that will help you retire financially secure include you taking individual responsibility by investing for your retirement, and SDI offering you the opportunity to benefit from the company’s financial success through profit sharing and employer matching contributions.
**Summary**

**Profit Sharing Contributions**

**Benefit:** Profit sharing is based on the company’s calendar year pre-tax profit. Part of the profit sharing award is contributed to eligible employees’ 401(k) account, while part is generally paid in cash.

**Eligibility/Effective Date:** All SDI employees (other than leased employees, interns, independent contractors, non-resident aliens and employees covered by a collective bargaining agreement) are eligible to share in the profit-sharing distribution if they are credited with at least 1,000 hours of service during the prior year, except in the year of retirement, disability or death.

**When awarded:** Annual profit sharing awards are measured on a calendar year basis and are contributed or paid no later than the following March.

**Investment choices:** One-half of the profit-sharing contributions allocated to your account is invested as you choose from a list of individual investment options and/or in one of the Portfolios Asset Allocation options available through Fidelity Investments. The SDI Investment Committee determines how the other 50% is invested.

**Means of directing investments:** Your initial choice of funds is made on your enrollment form. After you are enrolled, you may use one of the following ways to direct Fidelity to change the allocation of your future contributions or move investments previously accumulated in your account between funds:
- The automated telephone system (1-800-835-5097) between the hours of 9:00 am and 8:00 pm Eastern time.
- Internet access ([www.401k.com](http://www.401k.com))
**PROFIT SHARING PLAN** *(continued)*

**Vesting/Termination:** You become fully vested after completing six years of vested service. If you terminate employment with SDI before you are fully vested, you are entitled to the following percentages of funds held in your account:

<table>
<thead>
<tr>
<th>Years Vested Service With Company</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1</td>
<td>0%</td>
</tr>
<tr>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td>2</td>
<td>30%</td>
</tr>
<tr>
<td>3</td>
<td>40%</td>
</tr>
<tr>
<td>4</td>
<td>60%</td>
</tr>
<tr>
<td>5</td>
<td>80%</td>
</tr>
<tr>
<td>6</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Limitations:** Federal tax law limits the amount of contributions that can be made to your account and, in some cases, limits the amount of compensation that can be recognized for purposes of computing the allocation of the profit-sharing contribution. *(See Summary Plan Description.)*

**Contact:** Payroll/Benefit/HR representative for initial enrollment and beneficiary selection.

**Investment Administration:** Fidelity Investments
Call a customer service representative at 1-800-835-5097 or use the Fidelity Investments website: www.401k.com

**Required Actions:**

Upon hire, you must complete an enrollment form to select investment options and a designation of beneficiary form. If you are participating in the 401(k) component of the Plan, the enrollment form with investment selections and the designation of beneficiary form will also apply to the profit-sharing component of your account. No other action is required on your part to participate in this plan. To change your beneficiary, you must complete a new designation of beneficiary form.
Summary
401(k) Retirement Savings Contributions

Benefit: You may elect to make pre-tax contributions or after-tax contributions (Roth 401(k)) to the Plan through the convenience of automatic payroll deductions. The percentage of your pay that you may contribute to the Plan is generally from 1% to 70%, unless you are a highly compensated employee. The Company will add an employer match to your contribution (explained below).

Eligibility: All employees of SDI are eligible to participate in the Plan, other than leased employees, interns, independent contractors, non-resident aliens and employees covered by a collective bargaining agreement.

Employer Match: The percentage added by the company to the employee’s contribution is recalculated each quarter, based on a rolling five quarter average of the company’s return on assets. This percentage will be no less than 5% or more than 50% of the employee’s contribution.

Investment choices: Your 401(k) deferral contributions and employer match are invested as you choose, from a list of individual investment options and/or in one of the Portfolios Asset Allocation options made available through Fidelity Investments.

Means of directing investments: Your initial choice of funds is made on your enrollment form. After you are enrolled, you may use one of the following three ways to direct Fidelity to change your deferral percentage, the allocation of your future contributions or move investments previously accumulated in your account between funds:

Contact Fidelity Investments

| Automated Telephone System:       | 24 hour access 1-800-835-5097                  |
|                                  | Para Espanol (1-800-587-5282)                  |
| Participant Service Representative: | Monday– Friday, 8:00 am – 8:00 pm ET          |
|                                  | 1-800-835-5097                                  |
| Internet:                        | 24 hour access [www.401k.com]                  |
**401(k) PLAN (continued)**

**Vesting:** Your 401(k) contributions and employer match are immediately 100% vested.

**Sign-up/Change:** New employees can sign up immediately. Non-participating employees may sign up at any time. You can change or stop your deferral percentage at any time.

**Limitations:** The IRS imposes a limit on the annual contribution that each individual can make to their 401(k) account, and this limitation generally changes annually. Other IRS limitations may also apply.

**Plan Loans:** The Plan allows employees to request a loan from their retirement account. You may generally borrow up to one-half of your account balance. Other rules and limitations also apply.

**Contact:** Payroll/Benefit/HR representative for initial enrollment and beneficiary selection.

**Investment Administration:** Fidelity Investments

*Call a customer service representative at 1-800-835-5097 or use the Fidelity Investments website: www.401k.com*

**Required Actions:** You must complete an application to enroll, select your investment selections and contribution percentage, and complete a designation of beneficiary form.
Managing Your Retirement Plan Investments

You may invest your Profit Sharing and 401(k) retirement savings among a variety of options, including a stable value account, various bond and equity mutual funds, and Portfolios Asset Allocation options. Fidelity Investments provides retirement plan services, including communication and education about investment choices, facilitating your selection of investments and changing investments, and periodically reporting to you the performance of your investments. Fidelity also maintains a secure, user-friendly website, which allows you to check on your account balances, change your 401(k) deferral percentage and redirect investments.

Investment Selections. A list of investment selections, which may change from time to time, is included in materials provided separately to you when you are initially hired. These materials include summary sheets describing each of the available investment alternatives. You may request updated copies of these materials at any time, or you may access the information at www.401k.com.

Asset Allocation and Investment Changes. In both the Profit Sharing and the 401(k) portions of your accounts, you generally may allocate your self-directed investments (in increments of whole percents) among any of the available investment options, including the Portfolios Asset Allocation options. There may be limitations on your ability to change your investment elections for your existing account balances (including declining your investment instructions) in the event of certain actions, for example, excessive trading. In addition, such actions may result in redemption fees being assessed to your account. Please refer to the underlying prospectus(es) and other fund information for further details.

Fees. Generally, no fees are charged for making investment changes unless required due to unethical trading practices by the participant.

How to Contact Fidelity Investments

<table>
<thead>
<tr>
<th>Contact Fidelity Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automated Telephone System:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Participant Service Representative:</td>
</tr>
<tr>
<td>Internet:</td>
</tr>
</tbody>
</table>
MANAGING YOUR RETIREMENT PLAN INVESTMENTS (continued)

Investment decisions are your own

Neither Fidelity Investments nor Steel Dynamics, Inc. will make a recommendation to buy or sell any specific investment option available to you. As a participant, you should consider your options carefully and seek your own investment advice, if needed.

Other investment services offered by Fidelity Investments

Fidelity offers additional investment services outside the Profit Sharing and Retirement Saving Plan. SDI makes no recommendation to employees to use Fidelity, or any other brokerage concern, for such investment services. Any decision you make to use these other services is an individual choice.