

WORTHINGTON INDUSTRIES INC  
Form DEF 14A  
August 14, 2018  
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A  
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

**WORTHINGTON INDUSTRIES, INC.  
(Name of Registrant as Specified in its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies:
- 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:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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August 14, 2018

Dear Fellow Shareholders:

On behalf of the Board of Directors and employees of Worthington Industries, Inc. (the Company), I cordially invite you to participate via webcast in the 2018 Annual Meeting of Shareholders (the Annual Meeting) of the Company to be held on Wednesday, September 26, 2018, beginning at 3:00 p.m., Eastern Daylight Time. This year's Annual Meeting will be a virtual meeting of shareholders which means that you will be able to participate in the Annual Meeting, vote and submit your questions during the Annual Meeting via live webcast by visiting [www.virtualshareholdermeeting.com/WOR18](http://www.virtualshareholdermeeting.com/WOR18). **You will not be able to attend the Annual Meeting in person.**

Details of the business to be conducted at the Annual Meeting are provided in the accompanying Notice of Annual Meeting of Shareholders and Proxy Statement, which you are urged to read carefully. If you are a registered shareholder participating in the Annual Meeting via the live webcast at [www.virtualshareholdermeeting.com/WOR18](http://www.virtualshareholdermeeting.com/WOR18), you may revoke your proxy and vote during the Annual Meeting, even if you have previously submitted a proxy.

We have elected to take advantage of Securities and Exchange Commission (SEC) rules that allow us to furnish proxy materials to certain shareholders on the Internet. On or about the date of this letter, we began mailing a Notice of Internet Availability of Proxy Materials (the Notice) to shareholders of record at the close of business on August 1, 2018. At the same time, we provided those shareholders with access to our online proxy materials and filed our proxy materials with the SEC. We believe furnishing proxy materials to our shareholders on the Internet will allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting. If you have received the Notice, you will not receive a printed copy of the proxy materials unless you request it by following the instructions for requesting such materials contained in the Notice.

It is important that your common shares be represented at the Annual Meeting whether or not you are personally able to participate via the live webcast. Accordingly, after reading the accompanying proxy materials, please promptly submit your proxy by telephone, Internet or mail as described in the Proxy Statement or the Notice.

Your continuing interest in our Company is greatly appreciated.

Sincerely,

JOHN P. McCONNELL  
Chairman of the Board and Chief Executive Officer

200 Old Wilson Bridge Rd. Columbus, Ohio 43085

WorthingtonIndustries.com

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD SEPTEMBER 26, 2018**

Notice is hereby given that the 2018 Annual Meeting of Shareholders (the Annual Meeting ) of Worthington Industries, Inc. (the Company ) will be held at 3:00 p.m., Eastern Daylight Time, on Wednesday, September 26, 2018. This year's Annual Meeting will be a virtual meeting of shareholders which means that you will be able to participate in the Annual Meeting, vote and submit your questions during the Annual Meeting via live webcast by visiting [www.virtualshareholdermeeting.com/WOR18](http://www.virtualshareholdermeeting.com/WOR18). **You will not be able to attend the Annual Meeting in person.**

The Annual Meeting is being held for the following purposes:

- (1) To elect three directors, each to serve for a term of three years to expire at the 2021 Annual Meeting of Shareholders;
- (2) To approve the advisory resolution on executive compensation; and
- (3) To ratify the selection of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2019.

Only shareholders of record at the close of business on the record date, August 1, 2018, are entitled to notice of, and to vote at, the Annual Meeting.

We began mailing a Notice of Internet Availability of Proxy Materials (the Notice ) on or about August 14, 2018 to shareholders of record at the close of business on August 1, 2018. The Notice contains instructions on how to access our Proxy Statement, our 2018 Annual Report to Shareholders and the form of proxy on the Internet, as well as instructions on how to request a paper copy of the proxy materials.

By Order of the Board of Directors,

Dale T. Brinkman  
*Secretary*

Columbus, Ohio  
August 14, 2018

**Before you vote, access the proxy materials in one of the following ways prior to the Annual Meeting:**

**To view Online: Have available the information printed in the box marked by the arrow provided in your Notice and visit: [www.proxyvote.com](http://www.proxyvote.com). You may visit [www.proxyvote.com](http://www.proxyvote.com) 24 hours a day, seven days a week, prior to 11:59 p.m., Eastern Daylight Time, on September 25, 2018.**

**If you would like to receive a PAPER or E-MAIL copy:**

**You must request a paper or e-mail copy of the proxy materials. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:**

- (1) By Internet: [www.proxyvote.com](http://www.proxyvote.com)**
- (2) By Telephone: 1-800-579-1639**
- (3) By E-Mail\*: [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com)**

**\*If you request proxy materials by e-mail, please send a blank e-mail including in the subject line the information that is printed in the box marked by the arrow provided in your Notice. Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before September 12, 2018 to facilitate timely delivery of the proxy materials.**

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**PROXY STATEMENT FOR THE  
ANNUAL MEETING OF SHAREHOLDERS OF  
WORTHINGTON INDUSTRIES, INC.**

**To Be Held On Wednesday, September 26, 2018**

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**PROXY STATEMENT SUMMARY**

This summary highlights information about Worthington Industries, Inc. (Worthington or the Company) and certain information contained elsewhere in this Proxy Statement for the Company's Annual Meeting of Shareholders (the Annual Meeting), which will be held on Wednesday, September 26, 2018, beginning at 3:00 p.m. (EDT). This summary does not contain all of the information that you should consider in voting your common shares, and you should read the entire Proxy Statement carefully before voting. For more complete information regarding the Company's performance for the fiscal year ended May 31, 2018 (Fiscal 2018), please review the Company's Annual Report on Form 10-K for Fiscal 2018.

**Virtual Meeting:** The Annual Meeting will be a virtual meeting, which means that you will be able to participate in the Annual Meeting, vote and submit your questions during the Annual Meeting via live webcast, by visiting [www.virtualshareholdermeeting.com/WOR18](http://www.virtualshareholdermeeting.com/WOR18). **You will not be able to attend the Annual Meeting in person.**

**HOW TO CAST YOUR VOTE:**

**Even if you plan to attend the Annual Meeting via the webcast, please vote as soon as possible and in any event prior to 11:59 p.m. (EDT) on September 25, 2018. You can vote in one of the following ways prior to the date of the Annual Meeting:**

<b>Internet</b>	<b>Telephone</b>	<b>Mail</b>
Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> : You can use the Internet 24 hours a day to transmit your voting instructions. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you access the website and follow the instructions.	Call 1-800-690-6903: You can use any touch-tone telephone. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you call and follow the instructions.	If you received a printed copy of the proxy materials, you may submit your vote by completing, signing and dating your proxy card and returning it in the prepaid envelope to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood,

New York  
11717.



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VOTING MATTERS AND BOARD RECOMMENDATIONS

		<b>Board Vote Recommendation</b>	<b>Page Reference (for more detail)</b>
	<b>Management Proposals</b>		
Proposal 1:	Election of three directors, each to serve for a term of three years to expire at the 2021 Annual Meeting of Shareholders	<b>FOR</b> each nominee of the Board	<u>19</u>
Proposal 2:	Approval of advisory resolution on executive compensation	<b>FOR</b>	<u>66</u>
Proposal 3:	Ratification of selection of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2019	<b>FOR</b>	<u>69</u>

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The following table provides summary information about the three director nominees and the seven continuing directors. Additional information about each nominee's and each continuing director's experience, qualifications, attributes and skills can be found beginning on page 20.

Name	Age	Director Since	Occupation	Board Committees (1)
<b>Nominees Standing for Re-Election to the Board at the 2018 Annual Meeting of Shareholders</b>				
<b>John B. Blystone</b>	65	1997	Retired Chairman of the Board, President and Chief Executive Officer, SPX Corporation	Lead Independent Director; Executive; Comp*
<b>Mark C. Davis</b>	58	2011	Private Investor and Chief Executive Officer, Lank Acquisition Corp.	Audit
<b>Sidney A. Ribeau</b>	70	2000	Professor of Communications and Former President, Howard University	N&G
<b>Directors Whose Terms Continue Until the 2019 Annual Meeting of Shareholders</b>				
<b>Kerrii B. Anderson</b>	61	2010	Private Investor and Board Advisor; Former CEO & CFO, Wendy's International, Inc.	Audit; Comp
<b>John P. McConnell</b>	64	1990	Chairman of the Board and Chief Executive Officer, Worthington Industries, Inc.	Executive*
<b>Mary Schiavo</b>	62	1998	Member, Motley Rice LLC	Audit; N&G
<b>Directors Whose Terms Continue Until the 2020 Annual Meeting of Shareholders</b>				
<b>Michael J. Endres</b>	70	1999	Senior Advisor, Stonehenge Partners, Inc.	Executive; Comp
<b>Ozey K. Horton, Jr.</b>	67	2011	Independent Advisor and Director Emeritus, McKinsey & Company	Comp; N&G
<b>Peter Karmanos, Jr.</b>	75	1997	Retired Executive Chairman of the Board and Founder, Compuware	Executive; N&G*
<b>Carl A. Nelson, Jr.</b>	73	2004	Independent Business Consultant	Executive; Audit*

Comp: Compensation

(1)N&G: Nominating and Governance

\*Denotes Committee Chair

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COMMITMENT TO SHAREHOLDERS / GOVERNANCE

Worthington has long operated under a strong corporate Philosophy rooted in the golden rule with earning money for our shareholders and increasing the value of their investment as the Company's first corporate goal. Consistent with this Philosophy and the Company's culture, Worthington is committed to high ethical standards and sound corporate governance practices.

- |                           |  |
|---------------------------|--|
| Strong Corporate Culture  | <ul style="list-style-type: none"><li>•Culture based on long-standing corporate Philosophy rooted in the golden rule</li><li>•First corporate goal is to earn money for our shareholders and increase the value of their investment</li><li>•Comprehensive Corporate Governance Guidelines and Code of Conduct</li></ul>                     |
| Returns to Shareholders   | <ul style="list-style-type: none"><li>•Dividends paid every quarter since going public in 1968</li><li>•Stock buy-back program</li></ul>   |
| Board Independence        | <ul style="list-style-type: none"><li>•9 out of 10 directors are independent - our CEO is the only management director</li><li>•Audit, Compensation, and Nominating and Governance Committees are composed exclusively of directors who are independent under NYSE corporate governance standards and applicable SEC rules</li></ul>         |
| Lead Independent Director | <ul style="list-style-type: none"><li>•John B. Blystone serves as Lead Independent Director</li><li>•Mr. Blystone serves as liaison between management and the other non-management directors, presides over executive sessions of the non-management directors and has authority to call meetings of the non-management directors</li></ul> |
| Executive Sessions        | <ul style="list-style-type: none"><li>•The independent directors regularly meet in private without management</li><li>•The Lead Independent Director presides at these executive sessions</li></ul>  |

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Board Oversight of Risk Management	<ul style="list-style-type: none"><li>•The Board monitors Worthington’s systematic approach to identifying and assessing enterprise risks faced by Worthington and our business units</li><li>•The Audit Committee reviews our overall enterprise risk management policies and practices, financial, reporting and compliance risk exposures and the delegation of risk oversight responsibilities to other Board committees</li><li>•The Compensation Committee oversees compensation risk management</li><li>•Strong pay-for-performance philosophy</li><li>•Executive compensation is more highly leveraged than market median – base salaries are generally below market median and a higher percentage of pay is tied to at-risk incentive compensation</li><li>•Goals and targets for annual and long-term incentive plans are annually reviewed and set by Compensation Committee</li></ul>
Executive Compensation	<ul style="list-style-type: none"><li>•Compensation Committee advised by independent compensation consultant</li><li>•Annual say-on-pay advisory vote</li><li>•Limited perquisites and benefits</li><li>•No defined benefit pension or SERP benefits</li><li>•Change of control equity vesting requires double trigger – must also have termination of employment</li><li>•No employment contracts or change in control arrangements for executive officers outside shareholder-approved incentive plans</li><li>•Have never repriced or offered cash buy-outs of underwater options as the plan provisions prohibit repricing without shareholder consent</li><li>•Non-management directors to hold Worthington common shares valued at five times annual cash retainer</li></ul>
Stock Ownership Requirements	<ul style="list-style-type: none"><li>•CEO to hold Worthington common shares valued at five times annual base salary</li><li>•Members of executive management to hold Worthington common shares valued at a multiple of base salary, depending on position</li><li>•No speculative trading or hedging permitted by directors, officers or other key employees of the Company</li></ul>

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**FISCAL 2018**

**BUSINESS PERFORMANCE AND**

**EXECUTIVE COMPENSATION PROGRAM HIGHLIGHTS**

The Company posted another solid performance in Fiscal 2018 recording its second best year in terms of earnings per diluted common share. This followed strong performances in both Fiscal 2017 and Fiscal 2016 when the Company achieved record earnings per diluted share in each year.

Fiscal 2018 was highlighted by a strong performance in the legacy products for Pressure Cylinders, as both the refrigerant and industrial businesses performed very well. Recently-acquired AMTROL also performed well, somewhat better than initial expectations. Steel Processing had a solid year, but results were down due to lower tolling volume and a lower spread, as unfavorable changes in product mix contributed to margin compression. Equity income from joint ventures was down somewhat, driven largely by lower contributions from ClarkDietrich as rising steel prices compressed margins, and a small decrease in WAVE earnings due to revisions in the cost sharing arrangement between its owners, which resulted in increased allocated costs to WAVE.

Consistent with the Company's compensation philosophy, annual incentive compensation earned by Company participants continued to move in the direction of the Company's performance. Annual compensation incentive bonuses for Corporate employees were paid out at 106% of target, following a payout of 115% of target in Fiscal 2017, which represented the Company's record earnings year. In Fiscal 2016, Corporate employees were paid out at 101% of target.

Corporate long-term performance cash awards for the three-year period ended Fiscal 2018 paid out at 94% of target, slightly ahead of the three-year period ended Fiscal 2017 which were paid out at 92% of target. This followed a payout of only 70% of target for the three-year period ended Fiscal 2016. Weaker results in Fiscal 2015 had negatively impacted the results for both of the three-year periods ended Fiscal 2017 and Fiscal 2016. The number of performance shares earned for the three-year period ended Fiscal 2018 also paid out at 94% of target, but the number of shares earned were up a larger percentage because the target awards were for a greater number of shares due to the lower stock price at the end of Fiscal 2015.

In addition to its solid operating performance, the Company has continued its strategy of growing through transformation, acquisition and innovation. AMTROL has performed well since its acquisition in June 2017, somewhat better than initially forecast. Likewise, the Company continues to see benefits throughout the businesses as a result of its transformation efforts.

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The following table lists, for each of Fiscal 2018, Fiscal 2017 and Fiscal 2016, the incentive compensation earned by the Company's Chief Executive Officer ( CEO ), Chief Financial Officer ( CFO ), and the three other most highly compensated executive officers serving at the end of Fiscal 2018 (collectively, the named executive officers or NEOs ) under their annual incentive bonus awards for those fiscal years and their three-year cash performance and performance share awards earned for the periods ended with such fiscal years. See the Fiscal 2018 Summary Compensation Table beginning on page 50 of this Proxy Statement for additional information on compensation of the NEOs.

Name and Principal Position During Fiscal 2018	Fiscal Year	Annual Incentive Bonus Earned (\$)	3-Year Cash Performance Award Earned (\$)	3-Year Performance Share Award Earned	
				(# of Shares)	Value on Date Distributed (\$)(1)
John P. McConnell, Chairman of the Board and Chief Executive Officer	2018	970,766	935,000	18,700	801,295
	2017	1,015,127	923,000	15,691	788,002
	2016	893,772	697,500	11,858	501,593
B. Andrew Rose, Executive Vice President and Chief Financial Officer (2)	2018	632,236	561,000	9,350	400,648
	2017	661,127	553,800	6,461	324,471
	2016	508,203	418,500	4,883	206,551
Mark A. Russell, President and Chief Operating Officer (2)	2018	767,144	561,000	9,350	400,648
	2017	802,200	553,800	6,461	324,471
	2016	642,269	418,500	4,883	206,551
Geoffrey G. Gilmore, President, Worthington Cylinder Corporation (3)	2018	525,672	149,600	2,493	106,825
	2017	480,000 (4)	143,065	1,431	71,865
	2016	451,350 (4)	233,925	2,339	98,940
Virgil L. Winland, Senior Vice President, Manufacturing	2018	493,164	215,050	3,273	140,248
	2017	515,700	212,290	1,846	92,706
	2016	407,089 (4)	160,425	1,395	59,009

(1) Number of performance shares earned multiplied by closing common share price on the date the performance shares were distributed.

(2) Each of Mr. Rose and Mr. Russell received a special award effective June 28, 2013 (when the closing common share price was \$29.27) of 180,000 performance-based/time-vested restricted common shares. The term of these awards was five years and the restricted common shares would vest if and when both (a) the closing price of the Company's common shares equaled or exceeded \$50.00 per share for 30 consecutive days during the five-year term; and (b) the NEO remained continuously employed by the Company until the share price condition was met.

These restricted common shares vested on December 8, 2016 when the share price condition was met. Mr. Rose and Mr. Russell must hold these restricted common shares until two years after vesting.

(3) Mr. Gilmore was named President of Worthington Cylinder Corporation as of June 1, 2016. He was President of The Worthington Steel Company for Fiscal 2016.

(4) These amounts include supplemental bonuses paid to Mr. Gilmore of \$52,320 for Fiscal 2017 and \$6,750 for Fiscal 2016, and of \$19,586 paid to Mr. Winland for Fiscal 2016.

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**OVERVIEW OF EXECUTIVE COMPENSATION PROGRAM**

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### **WORTHINGTON INDUSTRIES, INC.**

**200 Old Wilson Bridge Road**

**Columbus, Ohio 43085**

**(614) 438-3210**

**[www.worthingtonindustries.com](http://www.worthingtonindustries.com)**

### **PROXY STATEMENT**

**Dated: August 14, 2018**

### **FOR THE ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held On September 26, 2018**

### **GENERAL INFORMATION**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the **Board**) of Worthington Industries, Inc., an Ohio corporation (the **Company**), for use at the 2018 Annual Meeting of Shareholders to be held at 3:00 p.m., Eastern Daylight Time, on September 26, 2018 (the **Annual Meeting**). This year's Annual Meeting will be a virtual meeting of shareholders which means that you will be able to participate in the Annual Meeting, vote and submit your questions during the Annual Meeting via live webcast by visiting [www.virtualshareholdermeeting.com/WOR18](http://www.virtualshareholdermeeting.com/WOR18). On or about August 14, 2018, we began mailing to our shareholders of record at the close of business on August 1, 2018, a Notice of Internet Availability of Proxy Materials containing instructions on how to access the Notice of Annual Meeting of Shareholders, this Proxy Statement, the form of proxy and our 2018 Annual Report to Shareholders (for the fiscal year ended May 31, 2018 ( **Fiscal 2018** )).

As used in this Proxy Statement, the **Company** means Worthington Industries, Inc. or, where appropriate, Worthington Industries, Inc. and its subsidiaries. The term **common shares** means the Company's common shares, without par value. Other than the common shares, there are no voting securities of the Company outstanding.

### **Purpose of the Annual Meeting**

At the Annual Meeting, shareholders will act upon the matters outlined in the Notice of Annual Meeting of Shareholders included with this Proxy Statement. Specifically, the shareholders will be asked to: (1) elect three directors to the Board for three-year terms to expire at the 2021 Annual Meeting of Shareholders; (2) approve an advisory resolution on the Company's executive compensation; and (3) ratify the selection of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2019 ( **Fiscal 2019** ). In addition, following the formal portion of the Annual Meeting, management of the Company will respond to questions from shareholders.

### **Board's Recommendations**

Subject to revocation, all forms of proxy that are properly completed and timely received will be voted in accordance with the instructions contained therein. If no instructions are given (excluding broker non-votes), the persons named as proxy holders will vote the common shares in accordance with the recommendations of the Board. The Board's recommendations are set forth together with the description of each proposal in this Proxy Statement. In summary, the Board recommends a vote:

- **FOR** the election of the Board's nominated slate of directors (see PROPOSAL 1: ELECTION OF DIRECTORS );
- **FOR** the approval of the advisory resolution on executive compensation (see PROPOSAL 2: ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION ); and
- **FOR** the ratification of the selection of KPMG LLP as the independent registered public accounting firm of the Company for Fiscal 2019 (see PROPOSAL 3: RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ).

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### **Shareholder Voting Rights**

Only shareholders of record at the close of business on August 1, 2018 (the Record Date ) or such shareholders proxies are entitled to receive notice of, and to vote at, the Annual Meeting. As of the close of business on the Record Date, there were 59,409,192 common shares outstanding and entitled to vote. Each shareholder is entitled to one vote on each matter voted upon at the Annual Meeting for each common share held. Shareholders do not have cumulative voting rights in the election of directors. All voting at the Annual Meeting will be governed by our Amended Articles of Incorporation, our Code of Regulations and the General Corporation Law of the State of Ohio.

### **Registered Shareholders and Beneficial Shareholders**

If our common shares are registered in your name directly with our transfer agent, EQ Shareowner Services, you are considered, with respect to those common shares, a holder of record (which we also refer to as a registered shareholder ). If you hold our common shares in a brokerage account or through a bank or other holder of record, you are considered the beneficial holder or beneficial owner of the common shares, which is often referred to as holding the common shares in street name .

### **Voting of Common Shares Held in Street Name**

A broker non-vote occurs when a shareholder holds our common shares in street name through a broker or similar organization, and the shareholder does not provide the broker or organization with instructions within the required timeframe before the Annual Meeting as to how to vote the common shares on non-routine matters. Under the applicable sections of the New York Stock Exchange ( NYSE ) Listed Company Manual (the NYSE Rules ), your broker cannot vote your common shares on non-routine matters unless your broker receives instructions from you as to how to vote.

The only proposal which is considered routine is the ratification of the selection of the Company s independent registered public accounting firm. The other proposals are considered non-routine where your broker can only vote your common shares if your broker receives instructions from you.

Your broker will send you directions on how to instruct your broker to vote your common shares. If you want your common shares to be voted on the following matters, you must instruct your broker how to vote: (i) for the election of our director nominees; and (ii) for the proposal to approve the advisory resolution on executive compensation.

### **Attendance and Participation at the Annual Meeting**

We will be hosting the Annual Meeting live via the Internet. **You will not be able to attend the Annual Meeting in person.** Any shareholder can listen to and participate in the Annual Meeting live via the Internet at [www.virtualshareholdermeeting.com/WOR18](http://www.virtualshareholdermeeting.com/WOR18). The webcast will start at 3:00 p.m., Eastern Daylight Time, on September 26, 2018. Shareholders may vote and submit questions while connected to the Annual Meeting on the Internet.

Instructions on how to connect and participate in the Annual Meeting, including how to demonstrate proof of ownership of our common shares, are posted at [www.virtualshareholdermeeting.com/WOR18](http://www.virtualshareholdermeeting.com/WOR18). **If you do not have your 16-digit control number that is printed in the box marked by the arrow on your Notice of Internet Availability of Proxy Materials or your proxy card (if you received a printed copy of the proxy materials), you will only be able to listen to the Annual Meeting.**

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### **How to Vote and Voting Deadlines**

If you are a registered shareholder, there are several ways for you to vote your common shares:

#### **Vote by Internet.**

**Before the Date of the Annual Meeting:** Go to [www.proxyvote.com](http://www.proxyvote.com)

You can use the Internet 24 hours a day, seven days a week, to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m., Eastern Daylight Time, on September 25, 2018. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you access the website and follow the instructions to obtain your records and create an electronic voting instruction form.

**During the Annual Meeting:** Go to [www.virtualshareholdermeeting.com/WOR18](http://www.virtualshareholdermeeting.com/WOR18)

You may attend the Annual Meeting via the Internet and vote during the Annual Meeting. Have the information printed in the box marked by the arrow on your proxy card or Notice of Internet Availability of Proxy Materials available and follow the instructions.

**Vote By Telephone:** Call 1-800-690-6903

You can use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., Eastern Daylight Time, on September 25, 2018. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you call and follow the instructions.

**By Mail:** If you received a printed copy of the proxy materials, you may submit your vote by completing, signing and dating your proxy card and returning it in the prepaid envelope to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717. Sign your name exactly as it appears on the proxy card. Proxy cards submitted by mail must be received no later than September 25, 2018 to be voted at the Annual Meeting.

If you vote via the Internet or by telephone, your electronic vote authorizes the named proxy holders in the same manner as if you signed, dated and returned your proxy card. **If you vote via the Internet or by telephone, do not return your proxy card.**

If you are a beneficial owner of our common shares, you should have received a notice that directs you to the website where you can access our proxy materials as well as voting instructions from the broker or other nominee holding your common shares. You should follow the voting instructions provided by your broker or nominee in order to instruct your broker or nominee on how to vote your common shares. The availability of telephone and Internet voting will depend on the voting process of the broker or nominee. Common shares held beneficially may not be voted by the beneficial owner during our Annual Meeting.

### **How to Revoke or Change Your Vote after Submitting Your Proxy**

If you are a registered shareholder, you may revoke or change your vote at any time before the final vote at the Annual Meeting by:

- signing and returning a new proxy card with a later date – only your latest completed, signed and dated proxy card received by September 25, 2018, will be counted;
- submitting a later-dated vote by telephone or via the Internet – only your latest telephone or Internet voting instructions received by 11:59 p.m., Eastern Daylight Time, on September 25, 2018, will be counted;
- participating in the Annual Meeting live via the Internet and voting again; or
- delivering a written revocation to our Secretary at 200 Old Wilson Bridge Road, Columbus, Ohio 43085, to be received no later than September 25, 2018.

If you are a beneficial owner of our common shares, you must contact the broker or other nominee holding your common shares and follow the instructions of the broker or other nominee for revoking or changing your vote.

**Notice of Internet Availability of Proxy Materials**

In accordance with rules adopted by the Securities and Exchange Commission (the SEC), instead of mailing a printed copy of our proxy materials to each shareholder of record, we are permitted to furnish our proxy materials, including the Notice of Annual Meeting of Shareholders, this Proxy Statement and our 2018 Annual

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Report to Shareholders, by providing access to such documents on the Internet. Generally, shareholders will not receive printed copies of the proxy materials unless they request them.

A Notice of Internet Availability of Proxy Materials that provides instructions for accessing our proxy materials on the Internet has been mailed directly to registered shareholders. The Notice of Internet Availability of Proxy Materials also provides instructions regarding how registered shareholders may vote their common shares on the Internet. Registered shareholders who prefer to receive a paper or e-mail copy of our proxy materials must follow the instructions provided in the Notice of Internet Availability of Proxy Materials for requesting such materials.

**The Notice of Internet Availability of Proxy Materials only identifies the items to be voted on at the Annual Meeting. You cannot vote by marking the Notice of Internet Availability of Proxy Materials and returning it. The Notice of Internet Availability of Proxy Materials provides instructions on how to cast your vote.**

A notice that directs beneficial owners of our common shares to the website where they can access our proxy materials should be forwarded to each beneficial shareowner by the broker, bank or other holder of record who is considered the registered shareowner with respect to the common shares of the beneficial shareowner. Such broker, bank or other holder of record should also provide each beneficial owner of our common shares with instructions on how the beneficial shareowner may request a paper or e-mail copy of our proxy materials. Beneficial shareowners have the right to direct their broker, bank or other holder of record on how to vote their common shares by following the voting instructions they receive from their broker, bank or other holder of record.

To enroll in the electronic delivery service for future shareholder meetings, use your Notice of Internet Availability of Proxy Materials (or proxy card, if you received printed copies of the proxy materials) to register online at [www.proxyvote.com](http://www.proxyvote.com) and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

### **Quorum and Tabulation of Voting Results**

Tabulation of the votes cast at the Annual Meeting will be performed by Broadridge Financial Services, and such tabulation will be inspected by the inspector of election appointed by the Board for the Annual Meeting. The presence, in person or by proxy, of the holders of one-third of the outstanding common shares entitled to vote at the Annual Meeting will constitute a quorum, permitting us to conduct our business at the Annual Meeting. If you are a registered shareholder and submit a proxy, your common shares will be counted to determine whether we have a quorum even if you abstain or fail to provide voting instructions on any of the proposals described in this Proxy Statement and listed on the form of proxy. If your common shares are held in the name of your broker or other nominee, and you do not instruct your broker or other nominee how to vote your common shares, these common shares will still be counted for purposes of determining the presence or absence of a quorum for the transaction of business if your broker or other nominee submits a proxy.

### **Proxy Solicitation Costs**

This solicitation of proxies is made by and on behalf of the Board. In addition to mailing the Notice of Internet Availability of Proxy Materials (or, if applicable, paper copies of this Proxy Statement, the Notice of Annual Meeting of Shareholders, the proxy card and our 2018 Annual Report to Shareholders) to registered shareholders as of the close of business on the Record Date, the brokers, banks and other nominees holding our common shares for beneficial owners must provide a notice as to where they can access our proxy materials to persons for whom they hold our common shares in order that such common shares may be voted. Solicitation may also be made by our directors, officers and select other Company employees telephonically, electronically or by other means of communication. Directors, officers and employees who help us in the solicitation will not be specially compensated

for those services, but they may be reimbursed for their out-of-pocket expenses incurred in connection with the solicitation. In addition, the Company has retained Broadridge Financial Solutions to aid in the solicitation of proxies with respect to common shares held by broker/dealers, financial institutions and other custodians, fiduciaries and nominees, for a fee of approximately \$17,000, plus out-of-pocket expenses.

The Company will reimburse Broadridge Financial Solutions, as well as broker/dealers, financial institutions and other custodians, fiduciaries and nominees, who are record holders of common shares not beneficially owned by them, for their reasonable costs in sending proxy materials to the beneficial owners of the

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common shares entitled to vote at the Annual Meeting. The Company will bear the costs incurred in connection with the solicitation of proxies on behalf of the Board, other than the Internet access or telephone usage fees which may be charged to shareholders.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table furnishes as of the Record Date (unless otherwise noted below), with respect to each person known to the Company to be the beneficial owner of more than 5% of the outstanding common shares of the Company, the name and address of such owner and the number and percentage of outstanding common shares beneficially owned (as determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act)).

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Outstanding Common Shares (2)
John P. McConnell 200 Old Wilson Bridge Road, Columbus, OH 43085	17,603,688 (3)	29.4 %
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street, New York, NY 10055	5,258,554 (4)	8.9 %
The Vanguard Group, Inc. 100 Vanguard Blvd., Malvern, PA 19355	3,833,312 (5)	6.5 %

(1) Except as otherwise indicated by footnote, each named beneficial owner has sole voting power and sole dispositive power over the listed common shares.

(2) The Percent of Outstanding Common Shares is based on the sum of 59,409,192 common shares outstanding on the Record Date and the number of common shares, if any, as to which the named beneficial owner has the right to acquire beneficial ownership upon the exercise of options which are currently exercisable or which will first become exercisable within 60 days after the Record Date (collectively, Currently Exercisable Options).

(3) Includes 12,415,982 common shares held of record by JMAC, Inc. ( JMAC ), a private investment company substantially owned, directly or indirectly, by Mr. McConnell and members of his family. The directors of JMAC have granted Mr. McConnell sole voting and dispositive power with respect to these 12,415,982 common shares. JMAC has the right to receive the dividends from and the proceeds from the sale of such 12,415,982 common shares. Includes 2,428,312 common shares held of record by an independent corporate trustee in trust for the benefit of Mr. McConnell and his sister. The trustee has voting and dispositive power; however, the trustee's investment decisions are subject to the prior approval or disapproval of Mr. McConnell and, accordingly, Mr. McConnell may be deemed to share dispositive power with the trustee. Mr. McConnell has the right to change the trustee; however, any successor trustee appointed by Mr. McConnell must be an independent corporate trustee. Includes 6,948 common shares held by Mr. McConnell as custodian for the benefit of his son. Includes 6,118 common shares held by Mr. McConnell's wife as custodian for the benefit of her son. Includes 123,000 common shares held by The McConnell Educational Foundation for the benefit of third parties, of which Mr. McConnell is one of three trustees and shares voting and dispositive power. Mr. McConnell disclaims beneficial ownership of these 123,000 common shares. Includes 118,000 common shares held by The McConnell Family Trust of which Mr. McConnell is co-trustee and has sole voting and dispositive power. Includes 255,875 common shares held by the Margaret R. McConnell Trust, f/b/o Margaret Kollis of which Mr. McConnell is trustee and has sole voting and dispositive power. Also includes 539,001 common shares subject to Currently Exercisable Options and 62,500 restricted common shares which are subject to forfeiture restrictions. See footnote (20) to the following table for more information on the restricted common shares. As of August 1, 2018, an aggregate of 10,353,272 common



shares held by JMAC and by Mr. McConnell had been pledged as security to various financial institutions, in connection with both investment and personal loans.

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Information is based on Amendment No. 8 to Schedule 13G, dated January 23, 2018, and filed with the SEC on January 23, 2018, by BlackRock, Inc. ( BlackRock ). BlackRock reported sole voting power as to 5,110,186 of the common shares and sole dispositive power as to 5,258,554 of the common shares reported to be beneficially owned by BlackRock, through its subsidiaries, at December 31, 2017.

Information is based on Amendment No. 2 to Schedule 13G, dated February 7, 2018 and filed with the SEC on February 9, 2018, by The Vanguard Group, Inc. ( Vanguard ). Vanguard reported sole voting power as to 83,602 of the common shares, shared voting power as to 4,790 of the common shares, sole dispositive power as to 3,748,955 of the common shares and shared dispositive power as to 84,357 of the common shares reported to be beneficially owned by Vanguard, through its subsidiaries, at December 31, 2017.

The following table furnishes the number and percentage of outstanding common shares beneficially owned (as determined under Rule 13d-3 under the Exchange Act) by: (a) each current director of the Company; (b) each of the Company's director nominees; (c) each individual named in the Fiscal 2018 Summary Compensation Table ; and (d) all current directors and executive officers of the Company as a group, in each case as of the Record Date. The address of each of the individuals identified in this table is c/o Worthington Industries, Inc., 200 Old Wilson Bridge Road, Columbus, Ohio 43085.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)			Percent of Outstanding Common Shares (2)	Theoretical Common Shares Credited to Bookkeeping Accounts in the Company's Deferred Compensation Plans (3)
	Number of Common Shares Presently Held and Which Can Be Acquired Upon Exercise of Currently Exercisable Options				
Kerrii B. Anderson	60,793	(4)(5)	*		4,252
John B. Blystone	135,320	(5)	*		—
Mark C. Davis	48,465	(5)(6)	*		—
Michael J. Endres	187,440	(5)(7)	*		64,209
Geoffrey G. Gilmore (8)	87,951	(9)	*		6,504
Ozey K. Horton, Jr.	41,403	(5) (10)	*		—
Peter Karmanos, Jr.	65,840	(5) (11)	*		86,018
John P. McConnell (8)	17,603,688	(12)	29.4%		—
Carl A. Nelson, Jr.	87,264	(5)(13)	*		—
Sidney A. Ribeau	75,419	(5)(14)	*		16,611
B. Andrew Rose (8)	542,938	(15)	*		—
Mark A. Russell (8)	574,175	(16)	*		240,732
Mary Schiavo	68,472	(5)(17)	*		5,220
Virgil L. Winland (8)	188,805	(18)	*		—
All Current Directors and Executive Officers as a Group (20 people)	20,187,956	(19)(20)	33.2%		423,546

\* Denotes ownership of less than 1% of the outstanding common shares.

(1) Except as otherwise indicated by footnote, each named beneficial owner has sole voting power and sole dispositive power over the listed common shares or shares such power with his or her spouse.

The Percent of Outstanding Common Shares is based on the sum of (a) 59,409,192 common shares outstanding on (2) the Record Date, and (b) the number of common shares, if any, as to which the named person or group has the right to acquire beneficial ownership upon the exercise of Currently Exercisable Options.

(3) This column lists the theoretical common shares credited to the bookkeeping accounts of the directors or executive officers participating in the Company's deferred compensation plans. These theoretical common shares are not included in the beneficial ownership totals. While the participants have an economic interest in these theoretical common shares, these are not actual common shares which can be voted or disposed of. Each participant's only right with respect to the theoretical common shares is to receive a distribution, at the time provided by the applicable plan, of common shares equal to the number of

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theoretical common shares credited to his or her bookkeeping account(s). For further information concerning the Employee Deferral Plans, please see the discussion in the section captioned EXECUTIVE COMPENSATION—Compensation Discussion and Analysis—Compensation Components—Non-Qualified Deferred Compensation beginning on page 46 of this Proxy Statement and for further information concerning the Director Deferral Plans, please see the discussion in the section captioned COMPENSATION OF DIRECTORS—Director Deferral Plans beginning on page 62 of this Proxy Statement.

- (4) Includes 436 common shares held by Ms. Anderson’s spouse, who has sole voting power and sole dispositive power as to the 436 common shares. Beneficial ownership of these 436 common shares is disclaimed by Ms. Anderson.
- (5) Includes for each of Ms. Anderson, Mr. Davis, Mr. Endres, Mr. Horton, Mr. Karmanos, Mr. Nelson, Dr. Ribeau, and Ms. Schiavo 2,400 restricted common shares, and for Mr. Blystone 3,600 restricted common shares, which will vest on September 26, 2018. For further information concerning the terms of the restricted common shares granted to non-employee directors, see footnote (20) below.
- (6) Includes 20,875 common shares subject to Currently Exercisable Options.
- (7) Includes 170,040 common shares held by Mr. Endres as trustee for a living trust.
- (8) Named Executive Officer listed in the Fiscal 2018 Summary Compensation Table beginning on page 50 of this Proxy Statement.
  - (9) Includes 27,634 common shares subject to Currently Exercisable Options. Also includes (i) 21,000 restricted common shares which will vest over time based on continued employment with the Company; and (ii) 25,000 restricted common shares which will vest only if and when both (a) the closing price of the Company’s common shares equals or exceeds \$60 per share for 30 consecutive days during the five-year period ending on June 24, 2019, and (b) Mr. Gilmore has continuously remained an employee of the Company through June 24, 2019. See footnote (20) below for more information on the restricted common shares.
- (10) Includes 18,438 common shares subject to Currently Exercisable Options.
- (11) Includes 63,440 common shares held by Mr. Karmanos as trustee for a living trust.
- (12) See footnote (3) to preceding table.
- (13) Includes 49,364 common shares held by Mr. Nelson as trustee for a living trust. Includes 35,500 common shares subject to Currently Exercisable Options.
- (14) Includes 35,500 common shares subject to Currently Exercisable Options.
  - (15) Includes 1,187 common shares held by Mr. Rose’s wife, who has sole voting power and sole dispositive power as to the 1,187 common shares. Beneficial ownership of these 1,187 common shares is disclaimed by Mr. Rose.
- (16) Includes 21,330 common shares held by Mr. Rose as custodian for his two children. Also includes 127,834 common shares subject to Currently Exercisable Options. Also includes 32,000 restricted common shares which will vest over time based on continued employment with the Company. See footnote (20) below for more information on the restricted common shares.
  - (17) Includes 203,834 common shares subject to Currently Exercisable Options. Also includes 32,000 restricted common shares which will vest over time based on continued employment with the Company. See footnote (20) below for more information on the restricted common shares.
- (18) Includes 16,000 common shares subject to Currently Exercisable Options.
  - (19) Includes 69,667 common shares subject to Currently Exercisable Options. Also includes 10,400 restricted common shares which will vest over time based on continued employment with the Company. See footnote (20) below for more information on the restricted common shares.
- (19) The number of common shares shown as beneficially owned by the Company’s current directors and executive officers as a group includes 1,340,318 common shares subject to Currently Exercisable Options and 265,900 restricted common shares. See footnote (20) below for more information on the restricted common shares. The number shown does not include any common shares issuable in connection with the performance shares awarded to NEOs and other executive officers, as to which the performance period

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has not ended and the applicable vesting dates have not yet occurred. The number of common shares shown for all current directors and executive officers as a group includes the common shares beneficially owned by five executive officers not individually identified.

(20) The restricted common shares granted to executive officers and non-employee directors of the Company are held in escrow by the Company and may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the restrictions thereon have lapsed. Each holder of restricted common shares may exercise any voting rights associated with the restricted common shares during the restriction period. In addition, any dividends or distributions paid with respect to the common shares underlying the restricted common shares will be held by the Company in escrow during the restriction period and, at the end of the restriction period, will be distributed or forfeited in the same manner as the restricted common shares with respect to which they were paid. For further information concerning the terms of the restricted common shares granted to non-employee directors, please see the discussion in the section captioned **COMPENSATION OF DIRECTORS—Equity Grants** beginning on page 63 of this Proxy Statement. For further information concerning the terms of the restricted common shares granted to executive officers, please see the discussion in the sections captioned **EXECUTIVE COMPENSATION — Compensation Discussion and Analysis — Compensation Components — Long-Term Incentive Compensation — Annual Restricted Common Share Awards to Executives** , **EXECUTIVE COMPENSATION — Compensation Discussion and Analysis — Compensation Components — Long-Term Incentive Compensation — Special Performance-Based/Time-Vested Restricted Common Share Award** , **EXECUTIVE COMPENSATION — Grants of Plan-Based Awards** , **EXECUTIVE COMPENSATION — Outstanding Equity Awards at Fiscal 2018 Year-End** and **EXECUTIVE COMPENSATION — Long-Term Performance Awards, Option Awards and Restricted Common Share Awards Granted in Fiscal 2018** beginning on page 44, page 45, page 53, page 55 and page 60, respectively, of this Proxy Statement. Restricted common shares held by executive officers not named in this table are not listed individually.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires that the Company's directors and executive officers and greater-than-10% beneficial owners of the Company's outstanding common shares file reports with the SEC reporting their initial beneficial ownership of common shares and any subsequent changes in their beneficial ownership. Specific due dates for such reports have been established by the SEC and the Company is required to disclose in this Proxy Statement any late report or known failure to file a required report. To the Company's knowledge, based solely on a review of the copies of the reports furnished to the Company and written representations that no other reports were required, the Company believes that during Fiscal 2018, all Section 16(a) filing requirements applicable to the Company's directors and executive officers and greater-than-10% beneficial owners of the Company's outstanding common shares were complied with, with the exception of one Form 4 reporting base pay contributions to the 2005 NQ Plan for Mark A. Russell, which was two days late due to the information not being received until two days after the Form 4 was due.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Guidelines**

Upon the recommendation of the Nominating and Governance Committee, in accordance with applicable NYSE Rules, the Board has adopted the Corporate Governance Guidelines to promote the effective functioning of the Board and its committees and to reflect the Company's commitment to high standards of corporate governance. The Board, with the assistance of the Nominating and Governance Committee, periodically reviews the Corporate Governance Guidelines to ensure they comply with all applicable requirements.

The Corporate Governance Guidelines are available on the **Corporate Governance** page of the **Investor Center** section of the Company's website located at [www.worthingtonindustries.com](http://www.worthingtonindustries.com).

## **Code of Conduct**

In accordance with applicable NYSE Rules and the applicable rules and regulations of the SEC (the "SEC Rules"), the Board adopted the Worthington Industries, Inc. Code of Conduct (the "Code of Conduct"). The Code of Conduct is available on the Corporate Governance page of the Investor Center section of the Company's website located at [www.worthingtonindustries.com](http://www.worthingtonindustries.com).

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### **Director Independence**

Pursuant to the Corporate Governance Guidelines, a director is determined to be an independent director if he or she is independent of management and has no material relationship with the Company, either directly or indirectly as a partner, shareholder or officer of an entity that has such a relationship with the Company, as affirmatively determined by the Board. The Board observes all additional criteria for independence established by NYSE or required under SEC Rules or other applicable laws and regulations.

The Board has been advised of the nature and extent of any direct or indirect personal and business relationships between the Company and Kerri Anderson, John Blystone, Mark Davis, Michael Endres, Ozey Horton, Jr., Peter Karmanos, Jr., Carl Nelson, Jr., Sidney Ribeau or Mary Schiavo, individually (each, an Independent Director and collectively, the Independent Directors), or any entities for which any Independent Director is a partner, officer, employee or shareholder. The Board has reviewed, considered and discussed such relationships, and the compensation which each Independent Director has received, directly or indirectly, from the Company, in order to determine whether each Independent Director meets the independence requirements of the Corporate Governance Guidelines, the applicable NYSE Rules and the applicable SEC Rules. The Board has affirmatively determined that (a) none of the Independent Directors has any relationship with the Company, either directly or indirectly, including, without limitation, any commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship, which: (i) interfered, interferes, or may interfere, with his or her independence from management and the Company or the exercise of his or her independent judgment, (ii) would be inconsistent with a determination of independence under applicable NYSE Rules and SEC Rules, or (iii) would impair his or her independence under the Corporate Governance Guidelines; and (b) each of the Independent Directors qualifies as an Independent Director under the Corporate Governance Guidelines. As required by applicable NYSE Rules, the Independent Directors represent a majority of the Company's directors. John P. McConnell does not qualify as independent under applicable NYSE Rules or SEC Rules or the Corporate Governance Guidelines because he is an executive officer of the Company.

Barring any unusual circumstances, the Board has determined that a director's independence would not be impaired if: (a) the director is an executive officer or an employee (or his or her immediate family member is an executive officer or employee) of a company that makes payments to, or receives payments from, the Company for property or services performed in the ordinary course of business in an amount which, in any single fiscal year, does not exceed the greater of \$1,000,000 or 2% of such other company's consolidated gross revenues; (b) the Company makes contributions to a scholastic or charitable tax-exempt organization for which the director (or his or her immediate family member) serves as either a member of the board of directors (or similar governing body) or an officer if the contributions, in any single fiscal year, do not exceed the greater of \$500,000 or 1% of the total contributions received by that tax-exempt organization during such fiscal year; or (c) the Company uses facilities (dining facilities, clubs, etc.) in which the director is a greater than 5% owner if charges to the Company are consistent with charges paid by unrelated third parties and are fair, reasonable and consistent with those for similar services available at similar facilities, as long as the charges do not reach other thresholds under the NYSE Rules which would disqualify a director from being independent.

The Board specifically considered a number of circumstances in the course of reaching the conclusion that the current Independent Directors qualify as independent under the Corporate Governance Guidelines as well as applicable NYSE Rules and SEC Rules, including the relevant relationships described below in the section captioned **TRANSACTIONS WITH CERTAIN RELATED PERSONS** beginning on page 29 of this Proxy Statement.

### **Nominating Procedures**

The Board's Nominating and Governance Committee has responsibility for providing oversight on a broad range of issues surrounding the composition and operation of the Board, including identifying candidates qualified to become

directors and recommending director nominees to the Board.

When considering candidates for the Board, the Nominating and Governance Committee evaluates the entirety of each candidate's credentials but does not have specific eligibility requirements or minimum qualifications which must be met by a Nominating and Governance Committee-recommended nominee and has not adopted a formal policy with regard to the consideration of diversity in identifying director nominees. However, the Corporate Governance Guidelines provide that the retirement age for directors is 75 (unless the Board otherwise determines), and a director is to submit his or her resignation to be effective at the conclusion of his or her term

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ending immediately after attaining age 75. The Nominating and Governance Committee considers those factors it deems appropriate, including, but not limited to, independence, judgment, skill, diversity, strength of character, ethics and integrity, experience with businesses or organizations of comparable size or scope, experience as an executive of or adviser to public and private companies, experience and skill relative to other Board members, specialized knowledge or expertise, and the desirability of the candidate's membership on the Board and any committees of the Board. Depending on the current needs of the Board, the Nominating and Governance Committee may weigh certain factors more or less heavily. The Nominating and Governance Committee does, however, believe that all members of the Board should have strong character and integrity, a reputation for working constructively with others, sufficient time to devote to Board matters, and no conflict of interest that would interfere with his or her performance as a director.

While the Board and the Nominating and Governance Committee do not have specific eligibility requirements and do not, as a matter of course, weigh any of the factors they deem appropriate more heavily than others, both the Board and the Nominating and Governance Committee believe that, as a group, the directors should have diverse backgrounds and qualifications. The Company believes that the members of the Board, as a group, have such backgrounds and qualifications.

The Nominating and Governance Committee considers candidates for the Board from any reasonable source, including shareholder recommendations, but does not evaluate candidates differently based on the source of the recommendation. The process for seeking and vetting additional director candidates is ongoing and is not dependent upon the existence of a vacancy on the Board. Accordingly, the Board believes that this ongoing identification of qualified candidates functions as an appropriate director succession plan. Pursuant to its charter, the Nominating and Governance Committee has the authority to retain consultants and search firms to assist with the process of identifying and evaluating director candidates and to approve the fees and other retention terms for any such consultant or search firm. The Nominating and Governance Committee has never used a consultant or search firm for such purpose, and, accordingly, the Company has paid no such fees.

Shareholders may recommend director candidates for consideration by the Nominating and Governance Committee by sending the recommendation to the Chair of the Nominating and Governance Committee, in care of the Company, to the Company's executive offices at 200 Old Wilson Bridge Road, Columbus, Ohio 43085. The recommendation must include the candidate's name, age, business address, residence address and principal occupation. The recommendation must also describe the qualifications, attributes, skills or other qualities possessed by the recommended director candidate. A written statement from the candidate consenting to serve as a director, if elected, and a commitment by the candidate to meet personally with Nominating and Governance Committee members must accompany any such recommendation.

The Board, taking into account the recommendations of the Nominating and Governance Committee, selects nominees for election as directors at each Annual Meeting. In addition, shareholders wishing to nominate directors may do so, provided they comply with the nomination procedures set forth in the Company's Code of Regulations and applicable SEC Rules. In order to nominate an individual for election as a director at a meeting, a shareholder must give written notice of the shareholder's intention to make such nomination. The notice must be sent to the Company's Secretary, either delivered in person to, or mailed to and received at, the Company's principal executive offices at 200 Old Wilson Bridge Road, Columbus, Ohio 43085 not less than 14 days or more than 50 days prior to any meeting called for the election of directors. However, if notice or public disclosure of the date of the meeting is given or made less than 21 days prior to the meeting, the shareholder notice must be received by the Company's Secretary not later than the close of business on the seventh day following the day on which notice of the date of the meeting was mailed or publicly disclosed. The Company's Secretary will deliver any shareholder notice received in a timely manner to the Nominating and Governance Committee for review. Each shareholder notice must include the following information as to each individual the shareholder proposes to nominate for election or re-election as a director: (a) the name, age,

business address and, if known, residence address of the proposed nominee; (b) the principal occupation or employment of the proposed nominee; (c) the number of common shares of the Company beneficially owned by the proposed nominee; and (d) any other information relating to the proposed nominee that is required to be disclosed concerning nominees in proxy solicitations under applicable SEC Rules, including the individual's written consent to be named in the proxy statement as a nominee and to serve as a director, if elected. The nominating shareholder must also provide (i) the name and address of the nominating shareholder; and (ii) the number of common shares of the Company

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beneficially owned by the nominating shareholder. No individual may be elected as a director unless he or she has been nominated by a shareholder in the manner described above or by the Board or the Nominating and Governance Committee.

### **Compensation Committee Interlocks and Insider Participation**

The Compensation Committee of the Board (the Compensation Committee) is currently comprised of John Blystone (Chair), Kerrii Anderson, Michael Endres and Ozey Horton, Jr. No member of the Compensation Committee is a present or past employee or officer of the Company. During Fiscal 2018 and through the date of this Proxy Statement, none of the Company's executive officers has served on the board of directors or compensation committee (or other committee performing equivalent functions) of any other entity, one of whose executive officers served on the Company's Board or Compensation Committee.

### **Communications with the Board**

The Board believes it is important for shareholders and other interested persons to have a process by which to send communications to the Board and its individual members, including the Lead Independent Director. Accordingly, shareholders and other interested persons who wish to communicate with the Board, the non-management directors as a group (who are also all Independent Directors, as defined by the Corporate Governance Guidelines and applicable NYSE Rules), the Lead Independent Director or any other individual director may do so by addressing such correspondence to the name(s) of the specific director(s), to the Non-Management Directors as a whole or to the Board of Directors as a whole, and sending it in care of the Company, to the Company's executive offices at 200 Old Wilson Bridge Road, Columbus, Ohio 43085. The mailing envelope must contain a clear notation indicating that the enclosed correspondence is a Shareholder/Interested Person – Non-Management Director Communication, Shareholder/Interested Person – Board Communication, Shareholder/Interested Person – Lead Independent Director Communication, or Shareholder/Interested Person – Director Communication, as appropriate. All such correspondence must identify the author as a shareholder or other interested person (identifying such interest) and clearly indicate whether the communication is directed to all members of the Board, to the non-management directors as a whole or to a certain specified individual director(s). Copies of all such correspondence will be circulated to the appropriate director(s). Correspondence marked personal and confidential will be delivered to the intended recipient(s) without opening. There is no screening process in respect of communications from shareholders or other interested persons. The process for forwarding communications to the appropriate Board member(s) has been approved by the Company's Independent Directors.

Questions, complaints and concerns may also be submitted to Company directors through our Worthington Industries EthicsLine Reporting website at [www.Worthington.EthicsPoint.com](http://www.Worthington.EthicsPoint.com) or by calling 877-263-9893 inside the United States and Canada.

### **PROPOSAL 1: ELECTION OF DIRECTORS**

There are currently ten directors – three in the class whose terms expire at the Annual Meeting and who are proposed to be re-elected for terms expiring at the Annual Meeting of Shareholders in 2021; three in the class whose terms expire at the Annual Meeting of Shareholders in 2019; and four in the class whose terms expire at the Annual Meeting of Shareholders in 2020.

The Board proposes that the three director nominees named in the summary below, each of whom was unanimously recommended by the Nominating and Governance Committee, be re-elected as directors at the Annual Meeting. Each individual elected as a director at the Annual Meeting will hold office for a three-year term, expiring at the Annual Meeting of Shareholders in 2021, and until his successor is duly elected and qualified, or until his earlier death,

resignation or removal from office. The individuals named as proxy holders in the form of proxy solicited by the Board intend to vote the common shares represented by the proxies received under this solicitation for the Board's nominees, unless otherwise instructed on the form of proxy. If any nominee becomes unable to serve or for good cause will not serve as a candidate for election as a director, the individuals designated to vote the proxies will have full discretion to vote the common shares represented by the proxies they hold for the election of the remaining nominees and for the election of any substitute nominee designated by the Board. The Board has no reason to believe that any of the Board's nominees will be unable to serve or for good cause will not serve as a director of the Company if elected.

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### **Information Concerning Nominees and Directors**

The information set forth below, concerning the age, principal occupation, other affiliations and business experience of each director has been furnished to the Company by such director as of August 1, 2018. Except where otherwise indicated, each director has had the same principal occupation for the last five years. There are no family relationships among any of the current directors, director nominees and executive officers of the Company.

### **Nominees Standing for Re-Election to the Board at the 2018 Annual Meeting**

#### ***John B. Blystone***

John B. Blystone, age 65, has served continuously as a director of the Company since 1997 and as the Lead Independent Director of the Company since January 2007. He is the Chair of the Compensation Committee and a member of the Executive Committee. Mr. Blystone served as Chairman of the Board, President and Chief Executive Officer of SPX Corporation, a global provider of technical products and systems, industrial products and services, flow technology, cooling technologies and services and service solutions, from December 1995 to December 2004, when he retired. From 1991 to 1995, Mr. Blystone served in various managerial and operating roles with General Electric Company. Mr. Blystone served as Chairman of the Board of Freedom Group, Inc., which manufactures and markets firearms, ammunition and related products, from August 2010 to March 2012. Mr. Blystone serves as a director for Blystone Consulting, LLC and as General Partner of Blystone Capital Partners. Mr. Blystone graduated from the University of Pittsburgh. Mr. Blystone has extensive business experience in managing and operating both domestic and international operations, including as a chief executive officer of a large public company. He has expertise in acquisitions, financial and business analysis, and in generally managing issues that face a large public company. Mr. Blystone's business acumen, his long service on our Board, and his collegial style and leadership resulted in his election as the Lead Independent Director of the Company and make him well qualified to continue to serve on the Board.

#### ***Mark C. Davis***

Mark C. Davis, age 58, has served continuously as a director of the Company since March 2011 and is a member of the Audit Committee. Mr. Davis is a private investor and Chief Executive Officer of Lank Acquisition Corp. which invests in minority and majority positions in public and private companies. Prior to forming Lank Acquisition Corp. in 2007, Mr. Davis spent 20 years in a variety of senior investment banking positions. From 1996 to 2003, Mr. Davis was a senior executive at JPMorgan Chase where he began as Head of the Merger and Acquisition Group. He became Head of General Industry Investment Banking in 2000 and was also Co-Head of Investment Banking Coverage which comprised all of JPMorgan Chase's corporate clients, and was named Vice Chairman of Investment Banking in 2002. Mr. Davis holds a Masters in Business Administration from the Tuck School of Business and a B.A. from Dartmouth College. Mr. Davis's financial knowledge and depth of experience in equity investing, strategic matters, acquisitions, financial analysis and investment banking make him well qualified to continue to serve on the Board, and qualify him as an audit committee financial expert, as defined by applicable SEC Rules.

#### ***Sidney A. Ribeau***

Sidney A. Ribeau, age 70, has served continuously as a director of the Company since 2000 and is a member of the Nominating and Governance Committee. Since October 2013, Dr. Ribeau has served as Professor of Communications for Howard University, and he also served as President of Howard University from August 2008 to October 2013. Dr. Ribeau served as President of Bowling Green State University for more than 13 years prior to that time. Dr. Ribeau serves on the Board of Trustees of Teachers Insurance and Annuity Association (TIAA). He is a member of TIAA's Human Resources Committee, Nominating and Governance Committee and Corporate Governance and Social

Responsibility Committee. Dr. Ribeau has previously served on the Boards of Directors of Convergys Corporation from 2001 through 2008 and The Andersons, Inc. from 1997 through 2008. Dr. Ribeau received his B.A. degree from Wayne State University and his Masters and Doctorate from the University of Illinois. Dr. Ribeau brings extensive experience in managing the issues that face large public institutions. His background as the leader of a billion dollar public institution and as an educator and administrator enables him to provide insight relative to management, educational, financial, human resources and public policy matters and make him well qualified to continue to serve on the Board.

TABLE OF CONTENTS**Directors Whose Terms Continue Until the 2019 Annual Meeting of Shareholders*****Kerri B. Anderson***

Kerri B. Anderson, age 61, has served continuously as a director of the Company since September 2010 and is a member of the Audit Committee and the Compensation Committee. Ms. Anderson has been a private investor and board advisor since September 2008. Prior to that time, she served as Chief Executive Officer and President of Wendy's International, Inc. (now known as The Wendy's Company) a restaurant operating and franchising company, from November 2006 until September 2008 when that company merged with a subsidiary of Triarc Companies, Inc. to form Wendy's/Arby's Group, Inc. She served as a director of Wendy's International, Inc. from 2001 until September 2008, and as Wendy's Interim Chief Executive Officer and President from April to November 2006 and as its Executive Vice President and Chief Financial Officer from 2000 to April 2006. Previously, Ms. Anderson served as Senior Vice President and Chief Financial Officer of M/I Schottenstein Homes, Inc. (now known as M/I Homes, Inc.), a builder of single-family homes, from 1987 to 2000. Ms. Anderson has served as a member of the Board of Directors of Laboratory Corporation of America Holdings since May 2006, where she is Chair of its Audit Committee and a member of its Nominating and Governance Committee. She joined the Board of Abercrombie & Fitch Co. in February 2018 and serves on its Audit and Finance Committee. Previously, she served as a member of the Board of Directors of Chiquita Brands International, Inc. from 2009 to January 2015, including service as Chairwoman of the Board from October 2012 to January 2015, as Chair of its Nominating and Governance Committee and as member of its Audit Committee until January 2015 when Chiquita was acquired by Cavendish Global Limited and became a private company; and as a member of the Board of Directors of P. F. Chang's China Bistro, Inc. from 2009 until July 2012 when P.F. Chang's was acquired by Wok Acquisition Corp. Ms. Anderson serves on the Finance Committee of The Columbus Foundation and as a member of the Board of Directors of OhioHealth Corporation, where she is Chair of its Finance Committee. Ms. Anderson has a strong record of leadership in operations and strategy. She is a Certified Public Accountant and qualifies as an audit committee financial expert, as defined by applicable SEC Rules, given her experience as Chief Executive Officer and Chief Financial Officer of Wendy's International and Chief Financial Officer of M/I Schottenstein Homes. Ms. Anderson received a B.A. from Elon University and a Masters of Business Administration from the Duke University Fuqua School of Business. She has extensive corporate governance experience through her service on other public company boards. Her extensive experience in accounting and financial reporting and analysis and prior experience as a chief executive officer of a public company and chief financial officer of several public companies, in addition to other public company board service, make Ms. Anderson a valuable asset to the Board and its various committees, and well qualified to serve on the Board.

***John P. McConnell***

John P. McConnell, age 64, has served as the Company's Chief Executive Officer since June 1993, as a director of the Company continuously since 1990, and as Chairman of the Board of the Company since September 1996. He served in various positions with Worthington Industries from 1975 to June 1993. Mr. McConnell also serves as the Chair of the Executive Committee. He currently serves as Vice Chairman and has been a director of OhioHealth since 2014. Mr. McConnell brings solid public company and overall management and operations experience as Chief Executive Officer and Chairman of the Board. In addition, in his more than 40 years of service to the Company, Mr. McConnell has served in various roles with the Company spanning not only executive management, but prior to that, time in production, sales, human resources and management at plant, business unit and corporate levels, making him well qualified to serve on the Board.

***Mary Schiavo***

Mary Schiavo, age 62 has served continuously as a director of the Company since 1998 and is a member of the Audit Committee and the Nominating and Governance Committee. Ms. Schiavo has been a member of the law firm of

Motley Rice LLC, since October 2003. Ms. Schiavo has been employed by CNN as an analyst and on air commentator since calendar year 2014. Ms. Schiavo was an attorney with a law firm in Los Angeles, California, from 2001 to October 2003. Ms. Schiavo served as a professor at The Ohio State University, College of Engineering, Department of Aerospace Engineering and Aviation and School of Public Policy and Management and also as a Consultant for NBC News from 1997 to 2002. Ms. Schiavo served as Inspector General for the U.S. Department of Transportation for six years, where she had auditing and oversight responsibility over a multi-billion dollar government agency; Assistant Secretary of Labor of the U.S. for one year; a White House Fellow for one year; and was an attorney with the U.S. Department of Justice for seven years. Ms. Schiavo has gained in-depth knowledge of the Company's business and structure from her more than 19 years of service as a director.



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Ms. Schiavo received a B.A. from Harvard University, a Masters of Arts degree from The Ohio State University, and a Juris Doctorate degree from New York University. She was previously an elected director of the Harvard University Alumni Association and a member of the Presidents Council on Integrity and Efficiency and the Presidents Commission on White House Fellowships. Ms. Schiavo's legal and governmental experience enable her to bring a unique and valuable perspective to the Board, and make her well qualified to serve on the Board.

**Directors Whose Terms Continue Until the 2020 Annual Meeting of Shareholders**

***Michael J. Endres***

Michael J. Endres, age 70, has served continuously as a director of the Company since 1999 and is a member of the Executive Committee and the Compensation Committee. Mr. Endres serves as a Senior Advisor to Stonehenge Partners, Inc., a private equity investment firm he co-founded in August 1999. His duties include, among other things, advice related to specific company financial characteristics, balance sheet and income statement analysis, as well as industry growth rates and trends, and managing the acquisition and disposition of the firm's investments. Mr. Endres served as a director of Huntington Bancshares Incorporated from April 2003 to April 2018. Mr. Endres served as a director of W.W. Williams Company, a privately-held company, from October 2011 to 2016, and currently serves as a director of TRI-W Group (successor to W.W. Williams Company). He has been a director and Chairman of Conterra AG, a privately-held company, since 2014; and Calibre Group LLC, a privately-held company, since 2015. Mr. Endres served as a director of Tim Hortons Inc. from 2006 until December 2014 when it was acquired by Restaurant Brands International, where he was Chair of its Audit Committee and a member of its Executive Committee. Mr. Endres received a B.S. from Miami University. Mr. Endres has a depth of experience in equity investing, business development, strategic initiatives and acquisitions, financial analysis, leadership and management, and is a director of various companies. This experience, along with his financial expertise and his history as a director with the Company, make him well suited to serve on the Board.

***Ozey K. Horton, Jr.***

Ozey K. Horton, Jr., age 67, has served continuously as a director of the Company since 2011 and is a member of the Compensation Committee and the Nominating and Governance Committee. He is an independent advisor and serves as Director Emeritus of McKinsey & Company, a management consulting firm, from which he retired in February 2011. Prior to that time, Mr. Horton served as a Director in the Atlanta office of McKinsey & Company from 1981 through February 2011. Over the years, Mr. Horton led numerous corporate growth, strategic, mergers and acquisitions, and performance improvement initiatives at global clients across a range of industries — especially in the basic industrials space (such as metals and mining; pulp, paper and packaging; chemicals; and energy). He has also led several practices within McKinsey & Company: as founder of the global pulp, paper, and packaging practice; co-leader of the global basic materials practice; and leader of the global operations practice within the energy and materials sector. Prior to his service with McKinsey & Company, Mr. Horton had early career experiences in manufacturing, corporate development and project engineering. Mr. Horton has served as a director of Louisiana-Pacific Corporation, a global leader in engineered wood products, since September 2016 where he is a member of the Finance & Audit Committee and Nominating and Corporate Governance Committee from September 2016 to May 2017. In 2018, he became a director of Rubicon Limited, which produces genetic tree seedling products. Mr. Horton serves on the Metso Corporation Board and the Dabbagh Group Holding Co. Ltd. Board. He also serves as a member of the Spoleto Festival, U.S.A. Board of Directors, the MUSC Hollings Cancer Center Advisory Board, and the Liberty Fellows Senior Advisor Group. He formerly served as a member of The Board of Visitors of the Pratt School of Engineering/Duke University and of the Gaillard Performance Hall Capital Campaign Cabinet. Mr. Horton has extensive experience working in Europe, South America, India and Asia. Mr. Horton has a BSE in civil and environmental engineering from Duke University and a Masters of Business Administration from the Harvard Business School. Mr. Horton's wide-ranging experience working with manufacturing and other companies, both

domestically and globally, provides unique expertise to the Board, all of these attributes make him well suited to serve on the Board.

***Peter Karmanos, Jr.***

Peter Karmanos, Jr., age 75, has served continuously as a director of the Company since 1997, is Chair of the Nominating and Governance Committee and is a member of the Executive Committee. Mr. Karmanos founded Compuware, a software development company, in 1973. He served as Chairman of the Board, Chief Executive Officer and a director of Compuware from its founding until June 2011. He continued to serve as Executive Chairman of the Board and a director until March 2013, when he resigned from that board. Mr. Karmanos has the entrepreneurial spirit that built a billion dollar company from a start-up and the business acumen of the Chairman

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and Chief Executive Officer of an S&P 500 corporation. Mr. Karmanos is a Partner in MadDog Technology, LLC, a company that specializes in advanced technology and mobile device development. Mr. Karmanos also served as a director for Taubman Centers, Inc. from 2000 and was a member of its Compensation Committee until January 2018 when he resigned from the board. He serves as a director for the Barbara Ann Karmanos Cancer Institute, Detroit Renaissance, and New Detroit Coalition, and on the Board of Governors for the National Hockey League. Mr. Karmanos has a wealth of public company management and information technology experience. This includes extensive skill and background dealing with the growth, operation and management of a large public company as its co-founder and Chairman. In addition, his skills and expertise in information technology bring valuable insight to the Board. All of these attributes make him well qualified to serve on the Board.

### *Carl A. Nelson, Jr.*

Carl A. Nelson, Jr., age 73, has served continuously as a director of the Company since 2004, is the Chair of the Audit Committee and is a member of the Executive Committee. Mr. Nelson was a partner with Arthur Andersen, LLP and retired in February 2002 after 31 years of service. Mr. Nelson had served as Managing Partner of the Arthur Andersen Columbus, Ohio office, and was the leader of the firm's consulting services for the products industry in the United States. Currently, Mr. Nelson serves on the Board of Advance Drainage Systems, a \$1 billion public company, where he is chairman of the Compensation Committee. Mr. Nelson is a Certified Public Accountant (retired) and a member of The Ohio Society of Certified Public Accountants and the American Institute of Certified Public Accountants. Mr. Nelson received his B.S. in Accounting from The Ohio State University and a Masters of Business Administration from the University of Wisconsin. Mr. Nelson has taught in the MBA and executive education programs at The Ohio State University and is a member of the Dean's Advisory Council for the Fisher College of Business at The Ohio State University. Mr. Nelson has significant public company accounting and financial expertise. Mr. Nelson has vast experience as a business consultant on a variety of projects involving areas such as large scale technology implementation, defining strategic initiatives, strategic planning and projects with significant change requirements. As an audit committee financial expert, as defined by applicable SEC Rules, Mr. Nelson has served the Board well as the Chair of the Audit Committee since 2004. All of these attributes make Mr. Nelson well suited to serve on the Board.

### **Required Vote and Board's Recommendation**

Under Ohio law and the Company's Code of Regulations, the three nominees for election to the Board receiving the greatest number of votes **FOR** their election will be elected as directors of the Company.

Except in the case of broker non-votes, common shares represented by properly completed and timely received forms of proxy will be voted **FOR** the election of the Board's nominees, unless authority to vote for one or more of the nominees is withheld. Common shares as to which the authority to vote is withheld will not be counted toward the election of directors or the election of the individual nominees specified on the form of proxy. Proxies may not be voted for more than three nominees.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS OF THE COMPANY VOTE *FOR* THE ELECTION OF EACH OF THE DIRECTOR NOMINEES NAMED ABOVE.**

### **Meetings of the Board**

The Board held four meetings during Fiscal 2018, all of which were regularly scheduled meetings. During Fiscal 2018, each incumbent director attended at least 75% of the aggregate of (a) the total number of meetings held by the Board, and (b) the total number of meetings held by all committees of the Board on which such director served.

The Board and management of the Company are committed to effective corporate governance practices. The Corporate Governance Guidelines describe the governance principles and procedures by which the Board functions. The Board annually reviews and updates, as appropriate, the Corporate Governance Guidelines and the charters of the various committees of the Board in response to corporate governance developments, including changes in the applicable NYSE Rules and SEC Rules, and recommendations by directors in connection with Board and Board committee evaluations. In accordance with the Corporate Governance Guidelines and applicable NYSE Rules, non-management directors of the Company, who are also all Independent Directors, as defined by the Corporate Governance Guidelines and applicable NYSE Rules, meet (without management present) at regularly scheduled executive sessions at least twice per year and at such other times as the directors deem necessary or appropriate. These executive sessions are typically held in conjunction with regularly scheduled Board meetings

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and are led by the Lead Independent Director, and appropriate feedback from these sessions is given to the Chief Executive Officer. The non-management directors met in executive session after three of the four regularly scheduled Board meetings held in Fiscal 2018.

### **Board Member Attendance at Annual Meetings of the Shareholders**

The Company does not have a formal policy with respect to attendance by our directors at the annual meetings of the shareholders. The Board generally schedules its quarterly meetings to fall in March, June, September and December. Five of the ten then-incumbent directors attended the Company's 2017 Annual Meeting of Shareholders: Ms. Anderson, Mr. Blystone, Mr. McConnell, Mr. Nelson and Ms. Schiavo.

### **Board Leadership Structure**

The Company is led by John P. McConnell, who has served as Chief Executive Officer since June 1993, as a director of the Company since 1990, and as Chairman of the Board of the Company since September 1996. The Company's Board is currently comprised of Mr. McConnell and nine non-management directors. John Blystone is the Company's Lead Independent Director.

The Board has four standing committees: Audit, Compensation, Executive, and Nominating and Governance. Each of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee is chaired by a separate Independent Director and is comprised solely of Independent Directors. Detailed information on each Board committee is contained in the section captioned PROPOSAL 1: ELECTION OF DIRECTORS — Committees of the Board beginning on page 25 of this Proxy Statement.

The Company does not have a fixed policy regarding whether the offices of Chairman of the Board and Chief Executive Officer should be vested in the same person or two different people. The Board has determined that the most effective leadership structure at the present time is for the Chief Executive Officer to also serve as the Chairman of the Board, coupled with a Lead Independent Director, independent chairs for our Audit Committee, our Compensation Committee, and our Nominating and Governance Committee, and regularly scheduled executive sessions of the non-management directors.

The Board believes that the currently combined role of Chairman of the Board and Chief Executive Officer promotes the development and execution of our business strategy and facilitates information flow between management and the Board, which are essential to effective governance. The Board believes that its strong governance practices, including its supermajority of Independent Directors, the combination of the Chairman of the Board and Chief Executive Officer roles, and its clearly-defined Lead Independent Director responsibilities, provide an appropriate balance among strategy development, operational execution and independent oversight of the Company.

The Board periodically reviews our leadership structure and retains the authority to modify the structure, as and when appropriate, to address our then current circumstances.

### **Lead Independent Director**

In January 2007, the Company established a Lead Independent Director position and appointed John Blystone as the Lead Independent Director.

A copy of the Company's Lead Independent Director Charter is available on the Corporate Governance page of the Investor Center section of the Company's website located at [www.worthingtonindustries.com](http://www.worthingtonindustries.com). In addition to the other duties more fully described in the Company's Lead Independent Director Charter, the Lead Independent Director is

responsible for:

• advising the Chairman of the Board and Chief Executive Officer regarding the information, agenda and meeting schedules for the Board and Board committees, and as to the quality, quantity and timeliness of the information submitted to the Board by the Company's management that is necessary or appropriate for the non-employee directors to effectively and responsibly perform their duties;

• recommending to the Chairman of the Board and Chief Executive Officer the retention of advisers and consultants who report directly to the Board;

• assisting the Board, the Nominating and Governance Committee and the officers of the Company in ensuring compliance with and implementation of the Corporate Governance Guidelines;

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calling meetings of the non-employee directors, developing the agenda for and serving as chairman of the executive sessions of the non-employee directors, and serving as principal liaison between the non-employee directors and the Chairman of the Board and Chief Executive Officer on sensitive issues;  
 working with the Nominating and Governance Committee and the Chairman of the Board and Chief Executive Officer to recommend the membership of the various Board committees, as well as the selection of committee chairs;  
 serving as chair of meetings of the Board when the Chairman of the Board is not present;  
 being available for consultation and direct communications with the Company’s shareholders, if requested and appropriate; and  
 performing such other duties as the Board may determine.

**Committees of the Board**

The Board has four standing committees: the Executive Committee, the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. The charter for each committee has been reviewed and approved by the Board and is available on the Corporate Governance page of the Investor Center section of the Company’s website located at [www.worthingtonindustries.com](http://www.worthingtonindustries.com).

**Committees of the Board**

Chairperson    Member    Audit Committee Financial Expert

**Executive    Nominating and  
 Audit    Compensation    Governance**

Kerri B. Anderson\*  
 John B. Blystone\*  
 Mark C. Davis\*  
 Michael J. Endres\*  
 Ozey K. Horton, Jr.\*  
 Peter Karmanos, Jr.\*  
 John P. McConnell  
 Carl A. Nelson, Jr.\*  
 Sidney A. Ribeau\*  
 Mary Schiavo\*

\*Independent director under NYSE Rules

***Executive Committee***

The Executive Committee acts in place of, and on behalf of, the Board in the intervals between meetings of the Board. The Executive Committee has all of the authority of the Board, other than the authority (a) to fill vacancies on the Board or on any committee of the Board, (b) to amend the Company’s Code of Regulations, (c) that has been delegated by the Board exclusively to other committees of the Board, and (d) that applicable law or the Company’s governing documents do not permit to be delegated to a committee of the Board.

***Audit Committee***

The Board has determined that each member of the Audit Committee qualifies as an Independent Director under the applicable NYSE Rules and under SEC Rule 10A-3. The Board believes each member of the Audit Committee is qualified to discharge his or her duties on behalf of the Company and satisfies the financial literacy requirement of the NYSE Rules. The Board has also determined that each of Ms. Anderson, Mr. Davis and Mr. Nelson qualifies as an

audit committee financial expert as that term is defined in Item 407(d)(5) of SEC Regulation S-K by virtue of their respective experience, including that described on pages 21, 20 and 23, respectively, of this Proxy Statement. No member of the Audit Committee serves on the audit committee of more than two other public companies.



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At least annually, the Audit Committee evaluates its performance, reviewing and assessing the adequacy of its charter and recommending any proposed changes to the full Board, as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee is organized and conducts its business pursuant to a written charter. The primary responsibility of the Audit Committee is to assist the Board in the oversight of the financial and accounting functions, controls, reporting processes and audits of the Company. Specifically, the Audit Committee appoints and evaluates the Company's independent registered public accounting firm and approves the audit engagement, including fees and terms, and non-audit engagements, if any, of such firm. The Audit Committee, on behalf of the Board, reviews, monitors and evaluates: (a) the Company's consolidated financial statements and the related disclosures, including the integrity and quality of the consolidated financial statements; (b) the Company's compliance with legal and regulatory requirements, including the financial reporting process; (c) the Company's systems of disclosure controls and procedures and internal control over financial reporting and its accounting and financial controls; (d) the performance, qualifications and independence of the Company's independent registered public accounting firm, including the performance and rotation of the lead and concurring partners of that firm; (e) the performance of the Company's internal audit function; (f) the annual independent audit of the Company's consolidated financial statements; and (g) financial, reporting and compliance risk management. The Audit Committee also prepares the report that the SEC Rules require be included in the Company's annual proxy statement.

Additional duties and responsibilities set forth in the Audit Committee's charter include:

reviewing, with the Company's financial management, internal auditors and independent registered public accounting firm, the Company's accounting procedures and policies and audit plans, including staffing, professional services to be provided, audit procedures to be used, and fees to be charged by the Company's independent registered public accounting firm and reviewing the activities of and the results of audits conducted by the Company's internal auditors and independent registered public accounting firm;

reviewing with the Company's independent registered public accounting firm the audit report of the Company's independent registered public accounting firm on the effectiveness of the Company's internal control over financial reporting filed with the Company's Annual Report on Form 10-K;

establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, as well as the confidential, anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters;

setting and maintaining hiring policies for employees or former employees of the Company's independent registered public accounting firm;

- receiving reports concerning any non-compliance with the Company's Code of Conduct by any officers or directors of the Company and approving, if appropriate, any waivers therefrom;

administering the Company's Related Person Transaction Policy and approving, if appropriate, any related person transactions with respect to the Company's directors or executive officers;

reviewing with senior management the Company's major financial risk exposures and the steps being taken to monitor and control them as well as the Company's guidelines and policies with respect to risk assessment and risk management and overall antifraud programs and controls;

directing and supervising any special investigations into matters which may come within the scope of the Audit Committee's duties; and

other matters required by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the Public Company Accounting Oversight Board, the SEC, NYSE and other similar bodies or agencies which could have an effect on the Company's consolidated financial statements.

Pursuant to its charter, the Audit Committee has the authority to engage and terminate such legal counsel and other consultants and advisors as it deems appropriate to carry out its functions, including the sole authority to approve the

fees and other terms of retention of such legal counsel and other consultants and advisors.

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The Audit Committee met four times during Fiscal 2018. The Audit Committee's report relating to Fiscal 2018 begins on page 69 of this Proxy Statement.

### *Compensation Committee*

The Board has determined that each member of the Compensation Committee qualifies as an Independent Director under the applicable NYSE Rules. The Board has also determined that each member of the Compensation Committee satisfies the additional independence standards for members of a compensation committee under the applicable NYSE Rules. All members of the Compensation Committee also qualify as outside directors for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), and as non-employee directors for purposes of Rule 16b-3 under the Exchange Act.

The Compensation Committee periodically reviews and reassesses the adequacy of its charter and recommends any proposed changes to the full Board, as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices. The Compensation Committee evaluates its performance at least annually.

The Compensation Committee's charter sets forth the duties and responsibilities of the Compensation Committee, which include:

- discharging the Board's responsibilities relating to compensation of the Company's Chief Executive Officer and executive management, including reviewing and approving the compensation philosophy, policies, objectives and guidelines for the Company's executive management;
- reviewing and approving, if it has been deemed appropriate, the Company's peer group companies and data sources for purposes of evaluating the Company's compensation competitiveness and establishing the appropriate competitive positioning of the levels and mix of compensation elements;
- reviewing and approving corporate goals and objectives, including performance goals, relevant to Chief Executive Officer and executive management compensation and evaluating the performance of the Chief Executive Officer and executive management in light of the approved corporate goals and objectives;
- reviewing and approving the metrics to be used for the determination of payouts under cash-based and equity-based incentive programs;
- setting the compensation of the Chief Executive Officer and other executive officers, including the amount and types of compensation;
- preparing, producing, reviewing and/or discussing with the Company's management, as appropriate, such reports and other information required by applicable laws, rules, regulations or other standards with respect to executive and director compensation, including those required for inclusion in the Company's proxy statement and/or Annual Report on Form 10-K;
- providing recommendations to the Board on Company-sponsored compensation-related proposals to be considered at the Company's annual shareholder meetings, including Say-on-Pay and Say-on-Frequency proposals, and reviewing and considering the results of such votes;
- reviewing, and advising the Board with respect to, Board compensation;
- administering the Company's equity-based incentive compensation plans, our other executive incentive compensation programs, and any other plans and programs which the Board designates;
- reviewing and discussing with the Company's management, the Company's compensation risk management disclosures required by SEC Rules relating thereto;
- in consultation with the Nominating and Governance Committee, reviewing, evaluating and making recommendations to the Board concerning shareholder proposals relating to executive and/or director compensation issues and the Company's responses thereto; and
- carrying out such other roles and responsibilities as the Board may designate or delegate to the Compensation Committee.

The Compensation Committee's processes and procedures to determine executive compensation, including the use of compensation consultants and the role of executive officers in the executive compensation decision-making process, are described in the sections captioned EXECUTIVE COMPENSATION —

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Compensation Discussion and Analysis — Role of the Compensation Committee and — Executive Compensation Philosophy and Objectives beginning on page 32 and page 33 respectively, of this Proxy Statement.

Pursuant to its charter, the Compensation Committee has sole authority to retain and terminate any compensation consultant, legal counsel or other advisor, as the Compensation Committee deems appropriate to assist the Committee in the performance of its duties, including the sole authority to approve the fees and other terms and conditions of retention. Prior to any such retention, the Compensation Committee assesses any factors relevant to such consultant's, legal counsel's or advisor's independence from management, including the factors specified in NYSE's Corporate Governance Standards or other listing rules, to evaluate whether the services to be performed will raise any conflict of interest or compromise the independence of such consultant, legal counsel or advisor.

The Compensation Committee met three times during Fiscal 2018. The Compensation Discussion and Analysis regarding executive compensation for our NEOs begins on page 32 of this Proxy Statement, and the Compensation Committee Report for Fiscal 2018 is on page 49 of this Proxy Statement.

### *Nominating and Governance Committee*

The Board has determined that each member of the Nominating and Governance Committee qualifies as an Independent Director under the applicable NYSE Rules. The Nominating and Governance Committee periodically reviews and assesses the adequacy of its charter and recommends any proposed changes to the full Board, as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices. The Nominating and Governance Committee evaluates its performance at least annually.

Under the terms of its charter, the Nominating and Governance Committee is to:

- develop and periodically review principles of corporate governance and recommend them to the Board for its approval;
- review the Articles of Incorporation, the Code of Regulations and the Corporate Governance Guidelines of the Company and recommend to the Board any changes deemed appropriate;
- review the procedures and communication plans for shareholder meetings and ensure that required information regarding the Company is adequately presented;
- review and make recommendations to the Board regarding (a) the composition and size of the Board in order to ensure that the Board has the proper expertise and its membership consists of persons with sufficiently diverse backgrounds, (b) the criteria for the selection of Board members and Board committee members, and (c) Board policies on age and term limits for Board members;
- plan for continuity on the Board as existing Board members leave the Board;
- with the participation of the Chairman of the Board, identify and recruit candidates for Board membership, evaluate Board candidates recommended by shareholders and arrange for appropriate interviews and inquiries into the qualifications of the candidates;
- identify and recommend individuals to be nominated for election as directors by the shareholders and to fill vacancies on the Board;
- with the Compensation Committee, provide for a review of succession plans for the Chairman of the Board and Chief Executive Officer in the case of his resignation, retirement or death;
- evaluate the performance of current Board members proposed for re-election, and recommend to the Board whether such members of the Board should stand for re-election; oversee an annual evaluation of the Board as a whole;
- conduct an annual evaluation of the Nominating and Governance Committee; and oversee the evaluation of the other Board committees and of management; and
- with the Chairman of the Board, periodically review the charter and composition of each Board committee and make recommendations to the Board as to changes in charters, the creation of additional committees or, with the Chairman

of the Board, recommend to the Board individuals to be chairs and members of Board committees; so that each Board committee is comprised of members with the appropriate qualities, skills and experience for the tasks of the committee.

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To the extent not otherwise delegated to the Audit Committee, the Nominating and Governance Committee is also to:

review the relationships between the Company and each director, whether direct or as a partner, officer or equity owner of an organization that has a relationship with the Company, for conflicts of interest (all members of the Board are required to report any such relationships to the Company's General Counsel); address actual and potential conflicts of interest a Board member may have and issue to the Board member having an actual or potential conflict of interest instructions on how to conduct himself/herself in matters before the Board which may pertain to such an actual or potential conflict of interest; and make appropriate recommendations to the Board concerning determinations necessary to find a director to be an Independent Director.

The Nominating and Governance Committee met one time during Fiscal 2018.

### **Board's Role in Risk Oversight**

Our management is principally responsible for defining, identifying and assessing the various risks facing our Company, formulating enterprise risk management policies and procedures and managing our risk exposures on a day-to-day basis. A risk committee, comprised of senior executives, directs this process. Management provides an annual risk assessment to the Board, with quarterly updates. The Board's responsibility is to oversee our risk management processes by understanding and evaluating management's identification, assessment and management of the Company's critical risks.

The Board as a whole has responsibility for this risk oversight, assisted by the Audit Committee and the Compensation Committee. Areas of focus include strategic, operational, liquidity, market, financial, reporting, succession, compensation, compliance and other risks. The Audit Committee is tasked with oversight of financial, reporting and compliance risk management, the Compensation Committee is tasked with oversight of compensation risk management, and the Board as a whole oversees all other risk management.

## **TRANSACTIONS WITH CERTAIN RELATED PERSONS**

### **Review, Approval or Ratification of Transactions with Related Persons**

The Company's policy with respect to related person transactions is addressed in the Company's written Related Person Transaction Policy (the Policy), which supplements the Company's written Code of Conduct provisions addressing conflicts of interest. As described in the Code of Conduct, conflicts of interest can arise when an employee's or a director's personal or family relationships, financial affairs or an outside business involvement may adversely influence the judgment or loyalty required for performance of his or her duties to the Company. In cases where there is an actual or even the appearance of a conflict of interest, the individual involved is required to notify his or her supervisor or the Company's Ethics Officer. The supervisor will then consult with management and the Ethics Officer, as appropriate. The Code of Conduct provides that any action or transaction in which the personal interest of an executive officer or a director may be in conflict with those of the Company is to be reported to the Audit Committee. The Audit Committee must investigate and, if it is determined that such action or transaction would constitute a violation of the Code of Conduct, the Audit Committee is authorized to take any action it deems appropriate.

The Policy was adopted by the Board and is administered by the Audit Committee and the Company's General Counsel. The Policy applies to any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which: the Company participates, directly or indirectly; the amount involved exceeds or is expected to exceed \$120,000; and a related person has, had or will have a direct or indirect material interest. Under the Policy, a related person is any person:

• who is or was an executive officer, a director or a director nominee of the Company, or an immediate family member  
• of any such individual; or  
• who is or was the beneficial owner of more than 5% of the Company's outstanding common shares, or an immediate  
• family member of any such individual.

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