

WORTHINGTON INDUSTRIES INC
Form DEF 14A
August 16, 2016

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:

August 16, 2016

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 2016 Annual Meeting of Shareholders (the “Annual Meeting”) of the Company to be held on Thursday, September 29, 2016, beginning at 2:00 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/WOR16. **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 participate in the Annual Meeting via the live webcast at www.virtualshareholdermeeting.com/WOR16, 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 2, 2016. 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 attend. 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,

/s/ John P. McConnell

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

200 Old Wilson Bridge Rd. | Columbus, Ohio 43085

WorthingtonIndustries.com

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD SEPTEMBER 29, 2016

Notice is hereby given that the 2016 Annual Meeting of Shareholders (the “Annual Meeting”) of Worthington Industries, Inc. (the “Company”) will be held at 2:00 p.m., Eastern Daylight Time, on Thursday, September 29, 2016. 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/WOR16. **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 2019 Annual Meeting of Shareholders;
- (2) To approve the advisory resolution on executive compensation;
- (3) To approve the Second Amendment to the Worthington Industries, Inc. Amended and Restated 2006 Equity Incentive Plan for Non-Employee Directors; and
- (4) To ratify the selection of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2017.

Only shareholders of record at the close of business on the record date, August 2, 2016, are entitled to notice of, and to vote at, the Annual Meeting.

We will begin mailing a Notice of Internet Availability of Proxy Materials (the “Notice”) on or about August 16, 2016 to shareholders of record at the close of business on August 2, 2016. The Notice contains instructions on how to access our Proxy Statement, our 2016 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,

/s/ Dale T. Brinkman
Dale T. Brinkman
Secretary

Columbus, Ohio

August 16, 2016

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 that is printed in the box marked by the arrow XXXX XXXX XXXX XXXX provided in your Notice and visit: www.proxyvote.com. You may visit www.proxyvote.com 24 hours a day, seven days a week, prior to 11:59 p.m., Eastern Daylight Time, on September 28, 2016.

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
- (2) **By Telephone:** 1-800-579-1639
- (3) **By E-Mail*:** 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 XXXX XXXX XXXX XXXX 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 15, 2016 to facilitate timely delivery of the proxy materials.**

200 Old Wilson Bridge Rd. | Columbus, Ohio 43085

WorthingtonIndustries.com

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

To Be Held On Thursday, September 29, 2016

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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 Thursday, September 29, 2016, beginning at 2:00 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, 2016 (“Fiscal 2016”), please review the Company’s Annual Report on Form 10-K for Fiscal 2016.

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/WOR16. 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 28, 2016. You can vote in one of the following ways prior to the date of the Annual Meeting:

Internet	Telephone	Mail
Go to www.proxyvote.com	Call 1-800-690-6903	If you received a
You can use the Internet 24 hours a day to transmit your voting instructions.	You can use any touch-tone telephone. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you access the web site	printed copy of the proxy materials, you may submit your vote by completing, signing and dating your proxy card

and follow the instructions.

follow the instructions.

and
returning it
in the
prepaid
envelope to
Vote
Processing,
c/o
Broadridge,
51
Mercedes
Way,
Edgewood,
New York
11717.

VOTING MATTERS AND BOARD RECOMMENDATIONS

Management Proposals	Board Vote Recommendation	Page Reference (for more detail)
Proposal 1: Election of three directors each to serve for a term of three years to expire at the 2019 Annual Meeting of Shareholders	FOR each nominee	19
Proposal 2: Approval of advisory resolution on executive compensation	FOR	66
Proposal 3: Approval of the Second Amendment to the Worthington Industries, Inc. Amended and Restated 2006 Equity Incentive Plan for Non-Employee Directors	FOR	68
Proposal 4: Ratification of selection of KPMG LLP as the independent registered public accounting firm	FOR	78

of the Company
for the fiscal
year ending
May 31, 2017

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DIRECTOR NOMINEES AND CONTINUING DIRECTORS

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)
Nominees Standing for Re-Election to the Board at the 2016 Annual Meeting of Shareholders				
Kerrii B. Anderson	59	2010	Private Investor and Board Advisor; Former CEO & CFO, Wendy's International, Inc.	Audit; Comp
John P. McConnell	62	1990	Chairman of the Board and Chief Executive Officer, Worthington Industries, Inc.	Executive*
Mary Schiavo	60	1998	Member, Motley Rice LLC	Audit; N&G
Directors Whose Terms Continue Until the 2017 Annual Meeting of Shareholders				
Michael J. Endres	68	1999	Special Limited Partner, Stonehenge Partners, Inc.	Executive; Comp
Ozey K. Horton, Jr.	65	2011	Independent Advisor and Director Emeritus, McKinsey & Company	Comp; N&G
Peter Karmanos, Jr.	73	1997	Retired Executive Chairman of the Board and Founder, Compuware	Executive; N&G*
Carl A. Nelson, Jr.	71	2004	Independent Business Consultant	Executive; Audit*
Directors Whose Terms Continue Until the 2018 Annual Meeting of Shareholders				
John B. Blystone	63	1997	Retired Chairman of the Board, President and Chief Executive Officer, SPX Corporation	Lead Independent Director; Executive; Comp*
Mark C. Davis	56	2011	Private Investor and Chief Executive Officer, Lank Acquisition Corp.	Audit
Sidney A. Ribeau	68	2000	Professor of Communications and former President, Howard University	N&G

Comp: Compensation

(1)N&G: Nominating and Governance

*Denotes Committee Chair

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.

- Culture based on long-standing corporate Philosophy rooted in the golden rule

Strong Corporate Culture

- First corporate goal is to earn money for shareholders and increase the value of their investment
- Comprehensive Corporate Governance Guidelines and Code of Conduct
- Dividends paid every year since going public in 1968

Returns to Shareholders

- Stock buy-back program
- 9 out of 10 directors are independent - our CEO is the only management director

Board Independence

- Audit, Compensation, and Nominating and Governance Committees are composed exclusively of independent directors under NYSE corporate governance standards
- John B. Blystone serves as Lead Independent Director

Lead Independent Director

- 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
- The independent directors regularly meet in private without management

Executive Sessions

- The Lead Independent Director presides at these executive sessions

- The Board monitors Worthington’s systematic approach to identifying and assessing enterprise risks faced by Worthington and our business units

Board Oversight of Risk Management

- 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

Executive Compensation

- The Compensation Committee oversees compensation risk management
- Strong pay-for-performance philosophy

- Executive compensation is more highly leveraged than market median – base salaries generally below market median and higher percentage of pay tied to at-risk incentive compensation

- Goals and targets for annual and long-term incentive plans annually reviewed and set by Compensation Committee

- Compensation Committee advised by independent compensation consultant

- Annual “say-on-pay” advisory vote

- Limited perquisites and benefits

- No defined benefit pension or SERP benefits

- Change of control equity vesting requires “double trigger” – must also have termination of employment
- No employment contracts or change in control arrangements outside shareholder-approved incentive plans
- Have never repriced or offered cash buy-outs of underwater options
- Non-management directors to hold Worthington common shares valued at five times annual cash retainer
- CEO to hold Worthington common shares valued at five times annual base salary

Stock Ownership Requirements

- Members of executive management to hold Worthington common shares valued at a multiple of base salary, depending on position
- No speculative trading or hedging permitted by directors, officers or other key employees of the Company

FISCAL 2016

BUSINESS PERFORMANCE AND

EXECUTIVE COMPENSATION PROGRAM HIGHLIGHTS

The Company's financial performance in Fiscal 2016 rebounded nicely from the fiscal year ended May 31, 2015 ("Fiscal 2015"), as the Company achieved record earnings per diluted common share.

Steel Processing posted a strong year despite the lower steel price environment, as the steep decline in steel prices through January resulted in inventory holding losses (where the Company is forced to sell higher priced raw material to fill orders in a declining steel price environment) until late in Fiscal 2016. The Company's legacy Pressure Cylinder businesses, Industrial and Retail, had a good year, which offset the difficult conditions in Oil & Gas Equipment and Cryogenics, and our joint ventures, particularly WAVE, posted good results.

Although the Company continued to face challenging conditions in certain markets, it has taken action to meet or reduce these challenges. In Steel Processing, the Company's inventory and price risk management practices significantly reduced the amount of inventory holding losses which could have otherwise been incurred, and with improving steel prices, the Company saw inventory holding gains in the last two months of Fiscal 2016. As low oil and gas prices have crippled demand for the Company's Oil & Gas Equipment, the Company continued to reduce the workforce and variable costs throughout that business. In response to the weakness in the Engineered Cabs market, that business completed the closure of its Florence, South Carolina facility and moved much of its profitable business into its other two facilities.

Consistent with the Company's compensation philosophy, the annual incentive compensation earned by participants continued to track the Company's performance. As the annual results improved in Fiscal 2016, so did the Company's annual incentive bonuses, which paid out for corporate employees at slightly in excess of 100% of target. In Fiscal 2015, lower results had caused the corporate annual incentive bonus awards to be paid out at only 70% of target.

Despite the improved results for Fiscal 2016, the corporate long-term cash performance awards earned for the three-year period ended Fiscal 2016 were paid out at only 70% of target and were down from the awards earned for the three-year performance period ended Fiscal 2015. The weaker results in Fiscal 2015 negatively impacted both three-year periods, but targets for the three-year period ended Fiscal 2016 had been set at higher levels. Although the Company's stock price was \$42.30 on June 30, 2016 versus \$28.22 on June 24, 2015, the value of the performance

shares earned for the three-year period ended May 31, 2016 was down even more than the cash award, as the targeted award was for fewer common shares since the stock price was higher when the awards were granted in June 2013 versus June 2012.

The Company rolled out Transformation 2.0 which is a relaunch of its first Transformation that has been so successful in the Steel Processing operating segment. The goal is to drive it throughout the Pressure Cylinders operating segment and other parts of the Company. Transformation 2.0 takes the best from the first Transformation and provides an acceleration of the playbook by using rapid Kaizen events, lean principles and value-based pricing analysis and strategies.

FISCAL 2016**EARNED INCENTIVE COMPENSATION**

The following table lists, for each of Fiscal 2016, Fiscal 2015 and Fiscal 2014, the incentive compensation earned by the Company's CEO, Chief Financial Officer ("CFO"), and the three other most highly compensated executive officers serving at the end of Fiscal 2016 (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 2016 Summary Compensation Table" beginning on page 51 of this Proxy Statement for additional information on compensation of the NEOs.

Name and Principal Position During Fiscal 2016	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	2016	893,772	N97,500	11,858	M01,593
	2015	N16,517	883,000	26,490	O47,548
	2014	838,070	I,664,875	43,813	I,855,481
B. Andrew Rose, Executive Vice President and Chief Financial Officer	2016	M08,203	L18,500	4,883	J06,551
	2015	K50,554	M29,800	10,596	J99,019
	2014	L76,531	N13,375	12,268	M19,550
Mark A. Russell, President and Chief Operating Officer	2016	N42,269	L18,500	4,883	J06,551
	2015	L43,032	M29,800	10,596	J99,019
	2014	N02,241	853,046	17,060	O22,491
Geoffrey G. Gilmore, President, The Worthington Steel Company (2)	2016	L51,350	(4)J33,925	2,339	98,940
	2015	K04,883	J67,750	4,463	I25,946
	2014	L63,500	K27,292	5,309	J24,836
Virgil L. Winland, Senior Vice President – Manufacturing (3)	2016	407,089	(4)I60,425	1,395	M9,009

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

(2) Mr. Gilmore was named President of Worthington Cylinder Corporation as of June 1, 2016.

(3) Fiscal 2016 is the only year that Mr. Winland was as an NEO under the applicable SEC rules.

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

OVERVIEW OF EXECUTIVE COMPENSATION PROGRAM

PAY ELEMENT	SHORT-TERM CASH		LONG-TERM INCENTIVE		RESTRICTED COMMON SHARES	STOCK OPTIONS
	BASE SALARY	ANNUAL INCENTIVE BONUS	CASH PERFORMANCE	PERFORMANCE SHARES		
WHO RECEIVES	NEOs and other Senior Executives					
AT RISK	No	Yes				
FORM OF PAYMENT	Cash			Equity		
TYPE OF PERFORMANCE	Short-term emphasis		Long-term emphasis			
PERFORMANCE PERIOD / VESTING PERIOD	Ongoing	1 year	3-year performance period		3-year cliff vesting	3-year incremental vesting (33% a year)
HOW PAY-OUT DETERMINED	Set or approved by Comp. Committee	Comp. Committee sets targets based on metrics (below) and potential awards. Performance determines amount earned			Comp. Committee determines size of award. Value depends on price of common shares on exercise / vesting date	
MOST RECENT PERFORMANCE METRICS	n/a	EVA (BU or Corp.) EOI (BU) EPS (Corp.)	EVA (Corp.) EOI (BU) EPS (Corp.)		Stock Price	Stock Price Appreciation
VALUE OF AWARD EARNED	n/a	Formulaic - Performance v Targets		Formulaic -Performance v Targets / Market Price of Common Shares		(Market Price – Exercise Price) x Common Shares

WORTHINGTON INDUSTRIES, INC.

200 Old Wilson Bridge Road

Columbus, Ohio 43085

(614) 438-3210

www.worthingtonindustries.com

PROXY STATEMENT

Dated: August 16, 2016

FOR THE ANNUAL MEETING OF SHAREHOLDERS

To Be Held On September 29, 2016

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 2016 Annual Meeting of Shareholders to be held at 2:00 p.m., Eastern Daylight Time, on September 29, 2016 (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/WOR16. On or about August 16, 2016, we will begin mailing to our shareholders of record at the close of business on August 2, 2016, 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 2016 Annual Report to Shareholders (for the fiscal year ended May 31, 2016 (“Fiscal 2016”)).

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 2019 Annual Meeting of Shareholders; (2) approve the advisory resolution on executive compensation; (3) approve the Second Amendment to the Worthington Industries, Inc. Amended and Restated 2006 Equity Incentive Plan for Non-Employee Directors; and (4) ratify the selection of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2017. 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 its 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 ON EXECUTIVE COMPENSATION”);

“FOR” the approval of the Second Amendment to the Worthington Industries, Inc. Amended and Restated 2006 Equity Incentive Plan for Non-Employee Directors (see “PROPOSAL 3: APPROVAL OF THE SECOND AMENDMENT TO THE WORTHINGTON INDUSTRIES, INC. AMENDED AND RESTATED 2006 EQUITY INCENTIVE PLAN FOR NON-EMPLOYEE DIRECTORS”); and

“FOR” the ratification of the selection of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2017 (see “PROPOSAL 4: RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM”).

Shareholder Voting Rights

Only shareholders of record at the close of business on August 2, 2016 (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 63,115,254 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, WellsFargo 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 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; (ii) for the proposal to approve the advisory resolution on executive compensation; and (iii) for the proposal to approve the Second Amendment to the Worthington Industries, Inc. Amended and Restated 2006 Equity Incentive Plan for Non-Employee Directors.

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/WOR16. The webcast will start at 2:00 p.m., Eastern Daylight Time, on September 29, 2016. 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/WOR16. **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.**

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

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 28, 2016. Have your proxy card or Notice of Internet Availability of Proxy Materials in hand when you access the web site and follow the instructions to obtain your records and create an electronic voting instruction form.

During the Annual Meeting: Go to www.virtualshareholdermeeting.com/WOR16

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 28, 2016. 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 28, 2016 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 28, 2016, 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 28, 2016, 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 28, 2016.

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 2016 Annual

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 will be 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 web site 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 shareholders 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 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 2016 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 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	I7,692,072	(3)J7.7%
BlackRock, Inc. 55 East 52 nd Street, New York, NY 10055	L,419,850	(4)O.0%
The Vanguard Group, Inc. 100 Vanguard Blvd., Malvern, PA 19355	K,281,336	(5)M.2%

(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 63,115,254 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 6,332 common shares held by Mr. McConnell as custodian for the benefit of his son. Includes 5,518 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 685,001 common shares subject to Currently Exercisable Options and 74,500 restricted common shares which are subject to forfeiture restrictions. See footnote (21) to the following table for more information on the restricted common shares. As of August 2, 2016, an aggregate of 11,527,208 common shares held by JMAC, by Mr. McConnell and by the Margaret R. McConnell Trust had been pledged as security to various financial institutions, in connection with both investment and personal loans.

Information is based on Amendment No. 6 to Schedule 13G, dated January 22, 2016 and filed with the SEC on January 27, 2016, by BlackRock, Inc. (“BlackRock”). BlackRock reported sole voting power as to 4,287,124 of the common shares and sole dispositive power as to 4,419,850 of the common shares reported to be beneficially owned by BlackRock, through its subsidiaries, at December 31, 2015.

Information is based on Schedule 13G dated February 10, 2016 and filed with the SEC on February 11, 2016 by The Vanguard Group, Inc. (“Vanguard”). Vanguard reported sole voting power as to 70,654 of the common shares, shared voting power as to 1,900 of the common shares, and sole dispositive power as to 3,211,782 of the common shares and shared dispositive power as to 69,554 of the common shares reported to be beneficially owned by Vanguard, through its subsidiaries, at December 31, 2015.

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 2016 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	56,393	(4) (5) *		3,218
John B. Blystone	148,823	(5) (6) *		—
Mark C. Davis	44,065	(5) (7) *		—
Michael J. Endres	200,040	(5) (8) *		58,421
Geoffrey G. Gilmore (9)	108,882	(10) *		5,220
Ozey K. Horton, Jr.	37,003	(5) (11) *		—
Peter Karmanos, Jr.	147,940	(5) (12) *		79,102
John P. McConnell (9)	17,692,072	(13)	27.7%	—
Carl A. Nelson, Jr.	88,678	(5) (14) *		—
Sidney A. Ribeau	81,809	*		16,028

		(5)		
		(15)		
B. Andrew Rose (9)	651,869	(16)	1.0%	—
Mark A. Russell (9)	727,960	(17)	1.2%	219,786
Mary Schiavo	66,356	(5)	*	5,036
		(18)		
Virgil L. Winland (9)	240,680	(19)	*	—
All Current Directors and				
Executive Officers as a Group	20,830,038	(20)	32.0%	393,082
(20 people)		(21)		

* 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) 63,115,254 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.

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 (3) 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 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 47 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” on page 63 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 4,000 restricted common shares and for Mr. Blystone 6,000 restricted common shares, which will vest on September 24, 2016. For further information concerning the terms of the restricted common shares granted to non-employee directors, see footnote (21) below.

(6) Includes 53,250 common shares subject to Currently Exercisable Options.

(7) Includes 20,875 common shares subject to Currently Exercisable Options.

(8) Includes 200,040 common shares held by Mr. Endres as trustee for a living trust.

(9) Named Executive Officer listed in the “Fiscal 2016 Summary Compensation Table” beginning on page 51 of this Proxy Statement.

(10) Includes 45,334 common shares subject to Currently Exercisable Options. Also includes (i) 23,000 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 (21) below for more information on the restricted common shares.

(11) Includes 18,438 common shares subject to Currently Exercisable Options.

(12) Includes 147,940 common shares held by Mr. Karmanos as trustee for a living trust.

(13) See footnote (3) to preceding table.

(14) Includes 39,978 common shares held by Mr. Nelson as trustee for a living trust. Includes 48,700 common shares subject to Currently Exercisable Options.

(15) Includes 48,700 common shares subject to Currently Exercisable Options.

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. Includes 21,330 common shares held by Mr. Rose as custodian for his two children. Also includes 195,667 common shares subject to Currently Exercisable Options. Also includes: (i) 39,000 restricted common shares (16) which will vest over time based on continued employment with the Company, and (ii) 180,000 restricted common shares which vest only if and when the closing price of the Company's common shares equals or exceeds \$50 per share for 30 consecutive days during the five-year period ending June 28, 2018, and Mr. Rose has been continuously employed by the Company until the market price vesting condition occurs. See footnote (21) below for more information on the restricted common shares.

Includes 336,667 common shares subject to Currently Exercisable Options. Also includes: (i) 39,000 restricted common shares which will vest over time based on continued employment with the Company; and (ii) 180,000 (17) restricted common shares which vest only if and when the closing price of the Company's common shares equals or exceeds \$50 per share for 30 consecutive days during the five-year period ending June 28, 2018, and Mr. Russell has been continuously employed by the Company until the market price vesting condition occurs. See footnote (21) below for more information on the restricted common shares.

(18) Includes 21,000 common shares subject to Currently Exercisable Options.

Includes 76,667 common shares subject to Currently Exercisable Options. Also includes (i) 12,800 restricted (19) common shares which will vest over time based on continued employment with the Company. See footnote (21) below for more information on the restricted common shares.

(20) The number of common shares shown as beneficially owned by the Company's current directors and executive officers as a group includes 1,888,553 common shares subject to Currently Exercisable Options and 685,700 restricted common shares. See footnote (21) 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 has not ended and the applicable vesting dates have not yet occurred. The number of common shares shown for all current officers and executive officers as a group includes the common shares beneficially owned by six executive officers not individually identified.

(21) 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" 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 Awards", "EXECUTIVE COMPENSATION — Grants of Plan-Based Awards", "EXECUTIVE COMPENSATION — Outstanding Equity Awards at Fiscal 2016 Year-End" and "EXECUTIVE COMPENSATION — Long-Term Performance Awards, Option Awards and Restricted Common Share Awards Granted in Fiscal 2017" beginning on page 44, page 45, page 54, page 56 and page 61, 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 2016, 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, except Kerri Anderson, Ozey Horton and Mark Russell each filed one Form 4 reporting one transaction late as the result of administrative error.

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 web site located at 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 web site located at www.worthingtonindustries.com.

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 (including its subsidiaries) 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 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; 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, and a director is to submit his or her resignation to be effective at the conclusion of his or her term 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, integrity, experience with businesses and 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 experience, 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 for election 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 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 2016 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 by telephone through the Worthington Industries EthicsLine by calling 877-263-9893 inside the United States and Canada, and 770-613-6395 outside the United States.

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 2019; four in the class whose terms expire at the Annual Meeting of Shareholders in 2017; and three in the class whose terms expire at the Annual Meeting of Shareholders in 2018.

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 this Annual Meeting of Shareholders. 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 2019, and until his or her successor is duly elected and qualified, or until his or her 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.

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 2, 2016. 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 2016 Annual Meeting

Kerri B. Anderson

Kerri B. Anderson, age 59, 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., 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. 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, Inc. and Chief Financial Officer of M/I Schottenstein Homes, Inc. 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 particularly well suited to continue to serve on the Board.

John P. McConnell

John P. McConnell, age 62, 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 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 suited to continue to serve on the Board.

Mary Schiavo

Mary Schiavo, age 60, 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 18 years of service as a director. Ms. Schiavo received a B.A. from Harvard University, a Master 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 President's Council on Integrity and Efficiency in the federal government. 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 continue to serve on the Board.

Directors Whose Terms Continue Until the 2017 Annual Meeting of Shareholders

Michael J. Endres

Michael J. Endres, age 68, 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 special limited partner in Stonehenge Partners, Inc., a private equity investment firm he co-founded in August 1999. His duties include, among other things, the examination of 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 has served as a director of Huntington Bancshares Incorporated since April 2003 and is a member of its Technology Committee and of its Executive Committee. Mr. Endres has also served as a director of W.W. Williams Company, a privately-held company, since October 2011, 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 a valuable asset to the Board and its various committees, and well qualified to serve on the Board.

Ozey K. Horton, Jr.

Ozey K. Horton, Jr., age 65, 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 serves as director on the Metso Corporation Board and the Dabbagh Group Holding Co. Ltd. Board. He also serves as a member of the Gaillard Performance Hall Foundation Capital Campaign Cabinet, the MUSC Hollings Cancer Center Advisory Board, and the Liberty Fellows Senior Advisor Group. 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, and makes him well qualified to serve on the Board.

Peter Karmanos, Jr.

Peter Karmanos, Jr., age 73, 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 and Chief Executive Officer of an S&P 500 corporation. Mr. Karmanos has also served as a director for Taubman Centers, Inc. since 2000 and is a member of its Compensation Committee. He serves as a director for the Barbara Ann Karmanos Cancer Institute, Detroit Renaissance, New Detroit Coalition and MadDog Technology, 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 71, 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 Star Leasing Company, a \$115 million ESOP-owned company that leases semi-trailers through ten facilities across six states since 2013, where he is a member of the Compensation Committee. Mr. Nelson is a Certified Public Accountant 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 him well qualified to serve on the Board.

Directors Whose Terms Continue Until the 2018 Annual Meeting of Shareholders

John B. Blystone

John B. Blystone, age 63, 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 serve on the Board.

Mark C. Davis

Mark C. Davis, age 56, 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 Master's in Business Administration from the Tuck School of Business and a B.A. from Dartmouth College. Mr. Davis' financial knowledge and depth of experience in equity investing, strategic matters, acquisitions, financial analysis and investment banking make him well qualified 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 68, 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 served as President of Howard University from August 2008 to October 2013. He 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 Chair of the TIAA Human Resources Committee, and a member of TIAA's 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 Anderson, Inc. from 1997 through 2008. Dr. Ribeau received his B.A. degree from Wayne State University and his Master's 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 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 five meetings during Fiscal 2016, including regularly scheduled and special meetings. During Fiscal 2016, each incumbent director attended at least 75% of the aggregate of (a) the total number of meetings held by the Board during such director’s period of service, and (b) the total number of meetings held during such director’s period of service 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 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 two of the four regularly scheduled Board meetings held in Fiscal 2016.

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. Seven of the ten then-incumbent directors attended the Company's 2015 Annual Meeting of Shareholders: Ms. Anderson, Mr. Blystone, Mr. Davis, Mr. Endres, 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 by 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 B. 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 web site located at 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;

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 web site located at www.worthingtonindustries.com.

Committees of the Board

Chairperson Member Audit Committee Financial Expert

**Nominating and
Executive Audit Compensation
Governance**

Kerrii 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 20, 23 and 22, respectively, of this Proxy Statement. No member of the Audit Committee serves on the audit committee of more than two other public companies.

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 attestation/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 or its subsidiaries 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.

The Audit Committee met five times during Fiscal 2016. The Audit Committee's report relating to Fiscal 2016 begins on page 78 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, including the review and consideration of 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 — 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 two times during Fiscal 2016. 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 2016 is on page 50 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 it deems 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 an annual 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.

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 2016.

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.

All related person transactions are to be brought to the attention of the Company's management who will then refer each matter to the Company's General Counsel and the Audit Committee. Each director, director nominee or executive officer of the Company must notify the Company's General Counsel in writing of any interest that such individual or an immediate family member of such individual has, had or may have, in a related person transaction. In addition, any related person transaction proposed to be entered into by the Company must be reported to the Company's General Counsel by the employee of the Company who has authority over the transaction. On an annual basis, each director, director nominee and executive officer of the Company must complete a questionnaire designed to elicit information about existing and potential related person transactions. Any potential related person transaction that is raised will be analyzed by the Company's General Counsel, in consultation with management and with outside counsel, as appropriate, to determine whether the transaction, arrangement or relationship does, in fact, qualify as a related person transaction requiring review by the Audit Committee under the Policy.

Under the Policy, all related person transactions (other than those deemed to be pre-approved or ratified under the terms of the Policy) will be referred to the Audit Committee for approval (or disapproval), ratification, revision or termination. Whenever practicable, a related person transaction is to be reviewed and approved or disapproved by the Audit Committee prior to the effectiveness or consummation of the transaction. If the Company's General Counsel determines that advance consideration of a related person transaction is not practicable, the Audit Committee will review and, in its discretion, may ratify the transaction at the Audit Committee's next meeting. However, the Company's General Counsel may present a related person transaction arising between meetings of the Audit Committee to the Chair of the Audit Committee who may review and approve (or disapprove) the transaction, subject to ratification by the Audit Committee at its next meeting if appropriate. If the Company becomes aware of a related person transaction not previously approved under the Policy, the Audit Committee will review the transaction, including the relevant facts and circumstances, at its next meeting and evaluate all options available to the Company, including ratification, revision, termination or rescission of the transaction, and take the course of action the Audit Committee deems appropriate under the circumstances.

No director may participate in any approval or ratification of a related person transaction in which the director or an immediate family member of the director is involved. The Audit Committee may only approve or ratify those

transactions the Committee determines to be in the Company's best interest. In making this determination, the Audit Committee will review and consider all relevant information available to it, including:

the terms (including the amount involved) of the transaction and the related person's interest in the transaction and the amount of that interest;

the business reasons for the transaction and its potential benefits to the Company, and whether the transaction was undertaken in the ordinary course of the Company's business;

whether the terms of the transaction are fair to the Company and no less favorable to the Company than terms that could be reached with an unrelated third party;

the impact of the transaction on the related person's independence; and

whether the transaction would present an improper conflict of interest for any director, director nominee or executive officer of the Company, taking into account the size of the transaction, the overall financial position of the related person, the direct or indirect nature of the related person's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee deems relevant.

Any related person transaction previously approved or ratified by the Audit Committee or otherwise already existing that is ongoing in nature is to be reviewed by the Audit Committee annually.

Under the terms of the Policy, the following related person transactions are deemed to be pre-approved or ratified (as appropriate) by the Audit Committee even if the aggregate amount involved would exceed \$120,000:

interests arising solely from ownership of the Company's common shares if all shareholders receive the same benefit on a pro rata basis (*i.e.*, dividends);

compensation to an executive officer of the Company, as long as the executive officer is not an immediate family member of another executive officer or a director of the Company and the compensation has been approved by the Compensation Committee or is generally available to the Company's employees;

compensation to a director for services as a director if the compensation is required to be reported in the Company's proxy statements;

interests deriving solely from a related person's position as a director of another entity that is a party to the transaction;

interests deriving solely from the related person's direct or indirect ownership of less than 10% of the equity interest (other than a general partnership interest) in another person which is a party to the transaction; and

transactions involving competitive bids.

In addition, the Audit Committee will presume that the following transactions do not involve a material interest:

transactions in the ordinary course of business with an entity for which a related person serves as an executive officer, provided (i) the affected related person did not participate in the decision of the Company to enter into the transaction, and (ii) the aggregate amount involved in any related category of transactions in a 12-month period is not greater than the lesser of (a) \$1,000,000, or (b) 2% of the other entity's gross revenues for its most recently completed fiscal year, or (c) 2% of the Company's consolidated gross revenues for the Company's most recently completed fiscal year;

donations, grants or membership payments to nonprofit organizations, provided (a) the affected related person did not participate in the decision of the Company to make such payments, and (b) the aggregate amount in a 12-month

period does not exceed the lesser of \$1,000,000 or 2% of the non-profit organization's gross revenues for its most recently completed fiscal year; and

Company use of facilities (such as dining facilities and clubs) if the charges for such use are consistent with charges paid by unrelated third parties and are fair, reasonable and consistent with similar services available for similar facilities.

Transactions with Related Persons

The Company is a party to certain agreements relating to the rental of aircraft to and from JMAC, Inc., a private investment company ("JMAC"), which is owned by John P. McConnell, Chairman of the Board and Chief Executive Officer of the Company, and members of his family. JMAC Air, LLC ("JMAC Air") is owned by JMAC. Under the agreement with JMAC Air, the Company may lease aircraft owned by JMAC as needed for a rental fee per flight; and under the agreement with the Company, JMAC is allowed to lease aircraft operated by the Company, on a per-flight basis, when the Company is not using the aircraft. The Company also makes its pilots available for a per-day charge, to JMAC Air and Blue Jackets Air, LLC which primarily provides air transportation services for the Columbus Blue Jackets, a professional hockey team of which John P. McConnell is the majority owner. The rental fees paid to the Company under the per-flight rental agreements are set based on Federal Aviation Administration ("FAA") regulations. The Company believes the rental fees set in accordance with such FAA regulations for Fiscal 2016 exceeded the direct operating costs of the aircraft for such flights. Also, based on quotes for similar services provided by unrelated third parties, the Company believes that the rental rates paid to JMAC are no less favorable to the Company than those that could be obtained from unrelated third parties.

For Fiscal 2016: (a) the Company paid an aggregate amount of \$121,402 under the JMAC Air lease agreement and received \$36,019 for airplane rental and pilot services; and (b) the Company received an aggregate amount of \$11,500 from Blue Jackets Air for pilot services.

During Fiscal 2016, the Company, either directly or through business expense reimbursement, paid approximately \$193,518 to Double Eagle Club, a private golf club owned by the McConnell family (the “Club”). The Company uses the Club’s facilities for Company functions and meetings, and for meetings, entertainment and overnight lodging for customers, suppliers and other business associates. Amounts charged by the Club to the Company are no less favorable than those that are charged to unrelated members of the Club for the same type of use.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role of the Compensation Committee

The Compensation Committee reviews and administers the compensation for the Chief Executive Officer (the “CEO”) and other members of executive management of the Company, including the named executive officers (the “NEOs”) identified in the “Fiscal 2016 Summary Compensation Table” beginning on page 51 of this Proxy Statement. The Compensation Committee also oversees the Company’s annual incentive plan for executives, long-term incentive program, restricted common share awards, stock option plans, and non-qualified deferred compensation plans. A more detailed discussion of the duties of the Compensation Committee is set forth in the section captioned “PROPOSAL 1: ELECTION OF DIRECTORS – Committees of the Board – Compensation Committee” starting on page 27.

The Compensation Committee is comprised of four directors, each of whom qualifies as an Independent Director under the applicable NYSE Rules, and is free from any relationship (including disallowed consulting, advisory or other compensatory arrangements) prohibited by applicable laws, rules or regulations or that, in the opinion of the Board, is material to his or her ability to be independent from management of the Company in connection with the duties of a member of the Compensation Committee or to make independent judgments about the Company’s executive compensation. Each member also qualifies as an “outside director” for purposes of Section 162(m) of the Internal Revenue Code and as a “non-employee director” for purposes of Rule 16b-3 under the Exchange Act.

The Compensation Committee has sole authority to retain and terminate such compensation consultants, legal counsel and other advisors, as the Compensation Committee deems appropriate to fulfill its responsibilities, including sole

authority to approve the fees and other terms of retention. The Compensation Committee has retained an independent compensation consultant, Willis Towers Watson, for the purpose of assisting the Compensation Committee in fulfilling its responsibilities, including providing advice on the amount and form of executive and director compensation. Management also periodically retains Willis Towers Watson to provide additional services to the Company with respect to advising on compensation matters. Fees for these additional services were less than \$70,000 in Fiscal 2016. The Compensation Committee has conducted an assessment, which included the consideration of the six factors specified in the NYSE Corporate Governance Standards and SEC Rule 10C-1(b)(4), to evaluate whether the services performed by Willis Towers Watson raise a conflict of interest or compromise the independence of Willis Towers Watson. Based upon this assessment, the Compensation Committee determined that Willis Towers Watson qualifies as an independent compensation consultant and its work does not raise any conflict of interest.

While the Compensation Committee retains Willis Towers Watson, in carrying out assignments for the Compensation Committee, Willis Towers Watson may interact with the Company's management including the Vice President-Human Resources, the Vice President-Administration, General Counsel and the Executive Vice President and Chief Financial Officer and their respective staffs in order to obtain information. In addition, Willis Towers Watson may, in its discretion, seek input and feedback from management regarding its work product prior to presentation to the Compensation Committee in order to confirm information is accurate or address certain issues.

The agendas for the Compensation Committee's meetings are determined by the Compensation Committee's Chair with assistance from the CEO, the Vice President-Human Resources and the Vice President-Administration, General Counsel. These individuals, with input from the Compensation Committee's compensation consultant, make compensation recommendations for the NEOs and other executive officers. However, decisions regarding the compensation of the NEOs are made solely by the Compensation Committee.

After each regularly scheduled meeting, the Compensation Committee may meet in executive session. When meeting in executive session, the Compensation Committee may have a session with the CEO only, a session with the compensation consultant only, and a session with Compensation Committee members only. The Compensation Committee Chair reports on Compensation Committee actions to the full Board at the following Board meeting.

Stock Ownership Guidelines

In order to further emphasize the stake that the Company’s directors and senior executives have in fulfilling the goal of building and increasing shareholder value, and to deepen the resolve of executive leadership to fulfill that goal, the Company has established stock ownership guidelines for directors and senior executives.

Stock Ownership Guidelines

Covered Person(s)	Multiple of base salary or annual cash retainer, as applicable
Chief Executive Officer	M times
Directors	M times
Chief Financial Officer	K.5 times
Chief Operating Officer	K.5 times
Senior Vice Presidents and Business Unit Presidents	J.5 times
Other Senior Executives	I.25 times

For purposes of these guidelines, stock ownership includes common shares held directly or indirectly, common shares held in an executive’s 401(k) plan account(s) and theoretical common shares credited to the bookkeeping account of an executive or a director in one of the Company’s non-qualified deferred compensation plans. Each covered executive or director is expected to attain the target level of stock ownership within five years from the date he or she is appointed or elected to the position.

According to the stock ownership guidelines, once an executive or a director reaches the target ownership level, and so long as those common shares are retained and the individual remains subject to the same guideline level, there is no obligation to purchase additional common shares as a result of fluctuations in the price of the Company’s common shares.

All directors and executive officers who have been in their current positions at least five years have met their target ownership levels.

Anti-Hedging Policy

The Company prohibits directors, officers (including the NEOs) and other key employees of the Company from engaging in hedging transactions with respect to common shares of the Company.

Company Compensation Philosophy

A basic philosophy of the Company has long been that employees should have a meaningful portion of their total compensation tied to performance and that the Company should use incentives which are intended to drive and reward performance. In furtherance of this philosophy, there is broad-based participation among full-time, non-union employees of the Company in some form of incentive compensation program. These programs include cash profit-sharing programs, which compute payouts based on a fixed percentage of profits, and annual incentive bonus programs that primarily tie bonuses to the operating results of the Company or the applicable business unit.

The Company has also made broad-based grants of equity awards periodically to a number of salaried employees below the executive level.

Executive Compensation Philosophy and Objectives

The Company's objectives with respect to executive compensation are to attract and retain highly-qualified executives, to align the interests of management with the interests of shareholders and to provide incentives, based primarily on Company performance, for reaching established Company goals and objectives. To achieve these objectives, the Compensation Committee has determined that total compensation for executives will exhibit the following characteristics:

· It will be competitive in the aggregate, using broad-based business comparators to gauge the competitive market;

· It will be performance-oriented and highly leveraged, with a substantial portion of the total compensation tied to performance, primarily that of the Company and/or that of the applicable business unit;

· It will align the interests of management and the interests of shareholders; and

· It will promote long-term careers at the Company.

The Company's practice has long been that executive compensation be highly leveraged. The Company's compensation program emphasizes performance-based compensation (pay-at-risk) that promotes the achievement of short-term and long-term Company objectives. The Company believes it is appropriate to provide a balance between incentives for short-term performance and incentives for long-term profitability of the Company. The Company's executive compensation program, therefore, includes both an annual cash incentive bonus program and a long-term incentive compensation program. The Company also believes it is appropriate for long-term incentives to have a cash compensation component and an equity-based compensation component, which incentivize executives to drive Company performance and align their interests with those of the Company's shareholders. The individual components of executive compensation are discussed below.

In fulfilling its responsibilities, the Compensation Committee annually reviews certain market compensation information with the assistance of its independent compensation consultant, Willis Towers Watson, who is directly engaged by the Compensation Committee to prepare the information. This includes information regarding compensation paid to officers with similar responsibilities from a broad-based group of more than 400 companies (the "comparator group"). A list of the entities in the comparator group is set forth on Appendix I to this Proxy Statement.

The comparator group is comprised predominantly of manufacturing companies, maintained in the executive compensation data base of Willis Towers Watson at the time the study is conducted, with median revenues of \$5.7 billion. Changes in the comparator group occur as companies begin or cease participation in the data base, due to a sale, merger or acquisition of the companies included or for other reasons. The Compensation Committee neither selects nor specifically considers the individual companies which are in the comparator group. For comparison purposes, due to variances in the size of the companies in the comparator group, regression analysis, which is an objective analytical tool used to determine the relationship between data, is used to adjust data. The Compensation Committee believes that using this broad-based comparator group minimizes the effects of changes to the group due to changes in data base participation, lessens the impact a single entity can have on the overall data, provides more consistent results and better reflects the market in which the Company competes for executive talent.

During its review process, the Compensation Committee meets directly with its compensation consultant and reviews comparator group information with respect to base salaries, annual cash incentive bonuses and long-term incentive

compensation programs. The Compensation Committee considers comparator group information provided by the compensation consultant as an important factor in determining the appropriate levels and mix of executive compensation.

For its June 2015 meeting, the Compensation Committee had Willis Towers Watson prepare and review information on a more focused group of companies to assure that compensation information from this group was not significantly different than the information obtained from the broad-based comparator group discussed above. After reviewing this information, the Compensation Committee determined that the results of the two groups were not significantly different. The Compensation Committee continues to believe that the use of a broad-based comparator group provides more consistent information and is preferable for the reasons set forth above.

Base salaries of the NEOs and other executives generally fall below market median comparables developed from the comparator group, although the actual base salaries of the NEOs and other executives vary from individual to individual and from position to position due to factors such as time in the position, performance, experience, internal equity and other factors the Compensation Committee deems appropriate. Annual cash incentive bonus opportunities to be paid to the NEOs and other executives for achieving targeted levels of performance are generally above what the compensation consultant considers market median for annual bonuses because base salaries are intentionally set below market median comparables. In setting normal annual long-term incentive compensation opportunities of the NEOs and other executives, the Compensation Committee generally starts with the market

median developed by the compensation consultant, and then makes adjustments the Compensation Committee deems appropriate.

While comparator group information is a factor considered in setting compensation, where a specific NEO's or other executive's annual cash incentive bonus and long-term incentive compensation fall relative to the market median developed from the comparator group will vary based upon internal equity and other factors listed above. Annual cash incentive bonuses and long-term incentive compensation actually paid may vary significantly depending on Company and/or business unit performance during the applicable year(s).

The Compensation Committee uses tally sheets as a tool to assist in its review of executive compensation. These tally sheets contain the components of the CEO's and other NEOs' current and historical compensation, including base salary, annual cash incentive bonuses and long-term incentive compensation. These tally sheets and other information provided to the Compensation Committee also show the estimated compensation that would be received by the CEO and other NEOs under certain scenarios, including in connection with a change in control of the Company.

While prior compensation or amounts realized or realizable from prior awards are given some consideration, the Compensation Committee believes that the current and future performance of the Company, its business units and the individual executive officers should be the most significant factors in setting the compensation for the Company's executive officers.

The CEO's performance is annually evaluated by the Compensation Committee and/or the full Board. The criteria considered include: overall Company performance; overall leadership; the CEO's performance in light of, and his development and stewardship of, the Company's philosophy and its current and long-term strategic plans, goals and objectives; development of an effective senior management team; appropriate positioning of the Company for future success; and effective communications with the Board and stakeholders. At the request of Mr. McConnell, his base salary and overall compensation have been well below market median levels. The Compensation Committee also evaluates the performance of the other NEOs when annually reviewing and setting executive compensation levels. The criteria considered for the other NEOs are similar to those for the CEO, adjusted to reflect each NEO's position, with a focus on the applicable business unit for any NEO who is a business unit President.

Compensation Risk Analysis

The Company's executive compensation programs are designed to be balanced, with a focus on both achieving consistent, solid year-over-year financial results and growing shareholder value over the long term. The highest amount of compensation can be attained under these programs, taken as a whole, through consistently strong performance over sustained periods of time. This provides strong incentives for achieving success over the long term

and avoiding excessive risk-taking in the short term.

The Company has long believed that compensation incentives, based primarily upon Company earnings or similar performance measures, have played a vital role in the success of the Company. Making profit-sharing, bonuses and/or other incentive payments broadly available to all levels of non-union employees has fostered an ownership mentality throughout the workforce which has resulted in long-term employment and a desire to drive consistent financial performance. The Company's culture, aided by this ownership mentality, is focused on striving to continually improve performance and achieve long-term success without engaging in excessive risk-taking.

We do not believe that our compensation incentives encourage excessive risk-taking for the following reasons:

- Base salaries are a sufficient component of total compensation, minimizing the need for excessive risk-taking.

The performance goals under the annual cash incentive bonus plan are based upon realistic earnings per share ("EPS"), business unit operating income ("EOI") and economic value added ("EVA") levels, reviewed and approved by the Board, that the Compensation Committee believes can be attained without taking inappropriate risks or materially deviating from normal operations, expected continuous improvement or approved strategy.

The long-term cash performance awards and performance share awards are based upon performance over three-year periods which mitigates the taking of short-term risk.

In setting targets for annual cash incentive bonuses and long-term incentive compensation, restructuring charges and non-recurring items are eliminated and results are adjusted to eliminate inventory holding gains or losses (where appropriate for the Company or the business unit under consideration), which limit rewards for risky behavior outside the ordinary course of business.

Stock options generally contain a three-year incremental vesting schedule and provide rewards based on the long-term performance of our common shares.

Restricted common share awards generally have a cliff vesting period of three years and further link executive compensation to the long-term value of Worthington's common shares.

The Company's stock ownership guidelines and anti-hedging policy also drive stock ownership among executives, again aligning their interests with the interests of Worthington's shareholders and the long-term growth in the value of the Company's common shares. This is most evident in the shareholdings of CEO John P. McConnell, who is by far the Company's largest shareholder. His potential financial reward for long-term growth in the value of the Company's common shares far outweighs any short-term compensation he may receive as a result of any excessive short-term risk-taking.

The Compensation Committee has granted special performance-based/time-vested restricted common share awards to select NEOs in recent years. These awards are viewed as particularly appropriate as they are earned by top management only when the Worthington stock price increases significantly and, thus, the Company's shareholders are also significantly benefited. The target price was set at more than 44% above the then all-time high average closing price of the Company's common shares for any consecutive thirty-day period prior to the applicable grant date. While these awards do require a significant increase in the price of Worthington's common shares to vest, the Compensation Committee believes that the stock price targets for these awards are reasonable targets which can be met with steady consistent growth in the Company's performance without the need for any undue risk-taking. The time-based vesting and holding period requirements mitigate the incentive for risky behavior intended to drive only a short-term stock price increase, and instead encourage activity that would lead to steady increases in financial results and a stock price which can be maintained.

Cash Compensation Earned in Fiscal 2016 and Company Performance

Short-term cash compensation includes the base salary and the annual cash incentive bonus paid to the Company's executives, including the CEO and the other NEOs. Effective September 2015, base salaries for most executives increased 3%, with larger increases being given to certain executives, such as those promoted to new positions or given broader responsibilities. Messrs. McConnell, Russell and Rose all requested that they not receive base salary increases for Fiscal 2016. Base salaries paid in Fiscal 2016 were generally below median levels of the comparator group.

Consistent with the philosophy of our executive compensation program, annual cash incentive bonuses for the NEOs for Fiscal 2016 were up from Fiscal 2015, reflecting the better financial results. Fiscal 2016 Corporate and Steel Processing annual cash incentive bonuses were earned at 101% and 99% of target, respectively, after being paid at only 70% of target levels for Corporate and 77% for Steel Processing for Fiscal 2015.

Amounts paid for long-term cash and equity awards for the three-year period ended Fiscal 2016 were down, despite the improved results in Fiscal 2016. The Company's weaker performance in Fiscal 2015 negatively impacted both periods, but targets were higher for the three-year period ended with Fiscal 2016. Thus, despite the stronger performance by the Company in Fiscal 2016 long-term incentive compensation payouts for the three-year period then ended were earned at 70% of target levels at Corporate and 78% at Steel Processing, versus 88% and 89%, respectively, for the three-year period ended with Fiscal 2015.

The Compensation Committee believes that the Company performed well in Fiscal 2016, led by solid results in Steel Processing, the legacy Pressure Cylinder businesses, Industrial and Retail, and the Company's joint ventures, particularly WAVE. The Company attained record earnings per diluted common share in Fiscal 2016, despite headwinds from adverse conditions in certain markets which included: a significant decline in steel prices through January which resulted in inventory holding losses throughout much of the year; low prices for oil and gas, which severely reduced demand in that industry for our equipment; soft demand in agricultural markets; and weak conditions in the Engineered Cabs market. As reflected by the better results in Fiscal 2016, management's efforts to respond to these challenging conditions helped mitigate their negative impacts. The Company's price risk and inventory management practices helped control inventories and steel costs, which reduced the size of inventory

holding losses which could have otherwise been incurred. The Company cut the workforce and other variable costs and generally right-sized its operations throughout its Oil & Gas Equipment business. Engineered Cabs closed the Florence, South Carolina facility, but moved as much of its profitable business as possible to its other facilities.

The Company is also seeing continued success from its Transformation efforts, which began in Fiscal 2008 and which have proven successful in the Steel Processing operations. The program has recently been enhanced and relaunched as what is called Transformation 2.0. It takes the best from the original Transformation and provides an enhancement to the playbook by using rapid Kaizen events, lean principles and value based pricing analysis and strategies. The goal is to drive Transformation 2.0 throughout the Pressure Cylinder operations and the other parts of our businesses.

The direct relationship of incentive compensation earned by the Company's NEOs to Company performance is exemplified by the amount of compensation earned by the NEOs not only in Fiscal 2016 but also in past years as follows:

Fiscal

Year Performance

		Annual Incentive Bonuses Earned
2009	Difficult year due to recession	No bonus payouts
2010	Performance improved and exceeded expected levels, aided by the Transformation and other actions taken by management in response to the depressed market conditions	Annual incentive bonuses earned
2011	Strong growth in earnings	Annual incentive bonuses were paid at close to maximum levels
2012	EPS continued to grow, but targets were higher	Annual incentive bonuses earned at 110% of target levels, but down 20% - 40% from Fiscal 2011 amounts
2013	Diluted EPS, as reported, was up 15% (21% excluding the effect of inventory holding gains or losses and restructuring charges), but targets were higher	Annual incentive bonuses for Corporate executives were down 15%-30% from Fiscal 2012 amounts
2014	Both diluted EPS and adjusted EPS were up approximately 10%	Annual incentive bonuses for Corporate executives were up between 13% and 17% from the lower levels in Fiscal 2013
2015	Weaker performance caused largely by challenging conditions in certain key markets	Annual incentive bonuses of the NEOs were earned at 63% - 77% of target levels and were down on average 29% from Fiscal 2014
2016	Improved results, with record EPS, despite continued challenges in certain markets	Annual incentive bonuses of the NEOs were earned at approximately 100% of target levels and were up from Fiscal 2015

The relationship of incentive compensation earned to Company results is also reflected in payments which have been earned under the long-term performance-based cash and share awards.

Performance Period	Performance	Results
2007-2009	Performance impacted by recession	No long-term performance-based incentive compensation was paid
2008-2010	Performance impacted by recession	No long-term performance-based incentive compensation was paid
2009-2011	Strong performance in Fiscal 2011 could not overcome the drag early in the performance period caused by the recession	No long-term performance-based incentive compensation was paid
2010-2012	Strong performance in Fiscal 2011 and 2012	Long-term cash and long-term performance share incentive compensation was earned at somewhat above threshold levels (Corporate payout at 61% of target)
2011-2013	Continued improvement of results	Long-term cash and long-term performance share incentive compensation was earned between target and maximum levels
2012-2014	Continued improvement of results	Long-term cash and long-term performance share incentive compensation was earned between target and maximum levels
2013-2015	Weaker results in Fiscal 2015	Corporate and Steel Processing payouts fell below target levels. Payouts at 88% and 89%, respectively
2014-2016	Record EPS for Fiscal 2016, but Fiscal 2015 performance hurt results for the 3-year period	Corporate and Steel Processing payouts fell between target and threshold, paying out at 70% and 78% of target levels, as performance targets were higher

The Company's financial position continues to strengthen and management has put the Company's balance sheet on a very sound footing. The Company now has in place \$580,000,000 of long-term debt, issued on favorable terms maturing in tranches between 2020 and 2026. The Company also has in place a revolving credit facility with total commitments of \$500,000,000 and a maturity of April 2020.

The Company has also been able to reward its shareholders by steadily increasing its quarterly dividend from \$0.12 per share for Fiscal 2012, to \$0.13 per share for Fiscal 2013, to \$0.15 per share for Fiscal 2014, to \$0.18 per share for Fiscal 2015, to \$0.19 per share for Fiscal 2016, and to \$0.20 per share for the first quarter of Fiscal 2017. The Company has also continued its stock buy-back program, repurchasing a total of 3,500,000 common shares during Fiscal 2016.

Say-on-Pay Consideration

At the Company's 2015 Annual Meeting of Shareholders, the Company's shareholders approved the executive compensation as disclosed in the proxy statement for that Annual Meeting, with more than 84% of the common shares represented by those shareholders present in person or represented by proxy at the 2015 Annual Meeting voting for approval. The vote for approval was 96% excluding broker non-votes. The Compensation Committee evaluated the results of this strongly supportive advisory vote, together with the other factors and data discussed in this Compensation Discussion and Analysis, in determining executive compensation policies and making executive compensation decisions.

Compensation Components

Base Salaries

Base salaries for the NEOs and other executive officers are set to reflect the duties and responsibilities inherent in each position, individual levels of experience, performance, market compensation information, internal equity among positions in the Company, and the Compensation Committee's judgment. The Compensation Committee annually reviews information regarding compensation paid by the comparator group to executive officers with similar responsibilities. It is the Compensation Committee's intent, in general, to set base salaries below market median levels, with consideration given to the factors listed above, and have total annual cash compensation driven by bonuses.

Effective June 28, 2016, the Compensation Committee approved base salary increases for the following NEOs. Geoffrey Gilmore's new base salary of \$480,000, became effective June 1, 2016 to align with his position change. The other new base salaries will become effective September 1, 2016, as follows: Mark Russell - \$541,100; Andy Rose - \$489,100; and Virgil Winland - \$364,971. These increases were 2% for Mr. Russell and Mr. Rose, 3% for Mr. Winland and 13% for Mr. Gilmore to reflect his promotion into a new position. The Company's CEO, John P. McConnell, turned down the base salary increase recommended for him by the Compensation Committee.

Annual Incentive Compensation

The NEOs and certain other key employees of the Company participate in the Company's annual cash incentive bonus program under which annual bonus awards are tied to attainment of target results. These awards are generally tied to achieving specified levels (threshold, target and maximum) of corporate and/or business unit performance for the applicable 12-month performance period. The type of performance measured and the weighting of those

measurements is shown below. Restructuring charges and non-recurring gains and losses are excluded from all calculations, and the impact of inventory holding gains or losses are factored out in calculating corporate EPS and Steel Processing business unit EOI.

For corporate executives, the goals are tied to corporate performance.

Payouts are generally tied to achieving specified levels (threshold, target and maximum) of corporate EVA and corporate EPS (adjusted as noted above), with each performance measure carrying a 50% weighting.

For business unit executives, the goals are tied to both corporate performance and the performance of their respective business units.

Payouts are generally tied to achieving specified levels (threshold, target and maximum) of adjusted corporate EPS, 20% weighting; business unit EOI (adjusted as noted above), 30% weighting; and business unit EVA, 50% weighting.

For performance falling between threshold and target or between target and maximum, the award is linearly prorated. If threshold levels are not reached for any performance measure, no bonus will be paid under that performance metric.

Annual incentive bonuses are paid within a reasonable time following the end of the performance period in cash, unless the Board specifically provides for a different form of payment. In the event of a change in control of the Company, followed by the actual or constructive termination of a participant's employment during the relevant

performance period, the annual incentive bonus award of the participant would be considered to be earned at the target level and payable as of the date of actual or constructive termination of employment.

Annual incentive bonuses for the NEOs for Fiscal 2016 were up approximately 45% for Fiscal 2016 as results reached 101% of target levels for Corporate and 99% for Steel Processing executives.

Annual incentive bonuses earned by the NEOs for Fiscal 2016, Fiscal 2015 and Fiscal 2014, are shown in the “Fiscal 2016 Summary Compensation Table” beginning on page 51 of this Proxy Statement in the “Annual Incentive Bonus Award” column within “Non-Equity Incentive Plan Compensation”.

On June 28, 2016, the Compensation Committee granted annual incentive bonus awards to the NEOs for Fiscal 2016. These annual cash incentive bonus awards are shown in the “Annual Cash Incentive Bonus Awards Granted for Fiscal 2017” table beginning on page 60 of this Proxy Statement.

The Committee made discretionary cash bonus awards of \$6,750 to Mr. Gilmore and \$19,586 to Mr. Winland to recognize their service in Fiscal 2016.

Long-Term Incentive Compensation

The Compensation Committee has implemented a long-term incentive compensation program for the NEOs and other executives, which consists of:

Annual option grants

- Long-term performance share awards based on achieving measurable financial results over a three-fiscal-year period
- Long-term cash performance awards based on achieving measurable financial results over a three- fiscal-year period

Restricted common share awards

Long-term performance share awards, long-term cash performance awards, and restricted common share awards are made under the Worthington Industries, Inc. Amended and Restated 1997 Long-Term Incentive Plan (the “1997 LTIP”). Options are generally granted out of one of the Company’s stock option plans or under the 1997 LTIP. All of these plans have been approved by the Company’s shareholders.

The Compensation Committee added awards of restricted common shares to the long-term incentive program beginning in Fiscal 2012, and somewhat reduced the size of the other long-term incentive awards. Beginning with awards for Fiscal 2014, the Compensation Committee increased the portion of long-term incentive awards made in the form of restricted common shares and correspondingly reduced the portion provided through options.

In setting the size of the overall normal long-term incentive compensation awards, the Compensation Committee generally begins by looking at market median values for the comparator group, and then making adjustments for the individual for items such as the executive officer's time in the position, internal equity, performance and such other factors as the Compensation Committee deems appropriate. The percentage of the long-term compensation provided by each type of award (long-term cash performance awards, performance share awards, options and restricted common shares) is determined by the Compensation Committee. The value given to options for purposes of these awards is determined by the Compensation Committee based on input from its compensation consultant taking into account the anticipated grant date fair value calculated under applicable accounting rules and the option values used for recent annual grants. The same is true for restricted common shares, the value of which is generally based on a recent market price of the common shares. Likewise, the value of the performance share awards is generally based upon the number of common shares that can be earned at target, multiplied by a recent share price. The value used for long-term cash performance awards is generally the amount that can be earned at target. The amount of each type of award granted to an executive officer is determined consistent with the above factors, with the specific amount determined by the Compensation Committee on a subjective basis combining all of the factors considered.

The Compensation Committee believes that using a blend of restricted common share awards, option awards, long-term performance share awards and long-term cash performance awards represents a particularly appropriate and balanced method of motivating and rewarding senior executives. Restricted common share awards

and option awards align the interests of employee recipients with those of shareholders by providing value tied to appreciation in the Company's common share price. Long-term cash performance awards motivate long-term results because their value is tied to sustained financial achievement over a multiple-year period. Performance share awards blend both of these features because the number of performance shares received is tied to sustained financial achievement over a multiple-year period, and the value of those performance shares is tied to the price of the Company's common shares. The Compensation Committee believes the combination of these forms of incentive compensation is superior to reliance upon only one form and is consistent with the Company's compensation philosophy and objectives.

The Compensation Committee generally approves annual restricted common share awards, annual option awards and long-term performance share and long-term cash performance awards at its June meeting. The option grants and restricted common share awards are generally made effective following the meeting and after the Company has reported its earnings for the just-completed fiscal year. Long-term performance share awards and long-term cash performance awards have been based on performance over a three-year period beginning with the first day of the first fiscal year in that period. An explanation of the calculation of the compensation expense relative to the equity-based long-term incentive compensation is set forth in the section captioned "Equity-Based Long-Term Incentive Compensation Accounting" beginning on page 46 of this Proxy Statement.

Neither the Company nor the Compensation Committee has backdated option grants to provide for lower exercise prices, nor have they repriced or offered buy-outs of underwater options. Current plan provisions prohibit such repricing without shareholder consent.

Options

Options are generally awarded annually to the NEOs and a select group of executive officers. In practice, the number of common shares covered by an option award generally depends upon the employee's position and external market data. It had also been the practice of the Company to award options to a broader group of key employees every two or three years, and to grant options at other times to selected key employees such as when their employment began or they received a promotion. Options provide employees with the opportunity to participate in increases in shareholder value as a result of stock price appreciation, and further the Company's objective of aligning the interests of management with the interests of shareholders.

As noted above, starting in Fiscal 2014, the Compensation Committee decreased the portion of long-term incentive awards made to the executive group in the form of options and increased the portion provided through awards of restricted common shares. The Compensation Committee also authorized the grants of restricted common shares to a broader group of key employees, rather than providing options. The Compensation Committee made this change to restricted common shares in lieu of options based on a number of factors, including that restricted common share awards are less dilutive than options having the same grant date fair value and are generally better understood and

appreciated by the employees.

The following describes the Compensation Committee's general practice in granting options, excluding specific grants tailored to meet specific circumstances.

Nearly all options granted to employees since June 1, 2011 have been non-qualified stock options which vest at a rate of 33% per year and fully vest at the end of three years.

In the event an optionee's employment terminates as a result of retirement, death or total disability, any unexercised options outstanding and exercisable on that date will remain exercisable by the optionee or, in the event of death, by the optionee's beneficiary, until the earlier of either the fixed expiration date, as stated in the applicable option award agreement, or 36 months after the last day of employment due to retirement, death or disability. Should termination occur for any reason other than retirement, death or disability, unexercised options are generally forfeited.

In the event of a change in control of the Company (as defined in the respective option plans or award agreements), followed by an actual or constructive termination of employment, options then outstanding will become fully vested and exercisable.

The Compensation Committee may allow an optionee to elect, during the 60-day period following a change in control, to surrender an option or a portion thereof in exchange for a cash payment equal to the excess of the change in control price per share over the exercise price per share.

Effective June 26, 2015, the Company made awards of non-qualified stock options to 36 employees to purchase an aggregate of 153,500 common shares, with an exercise price equal to \$30.92, the fair market value of the common shares on the grant date. Of those options, an aggregate of 82,500 common shares were covered by options awarded to the current NEOs.

The option grants to the NEOs in Fiscal 2016 are detailed in the “Grants of Plan-Based Awards for Fiscal 2016” table on page 54 of this Proxy Statement. For purposes of the “Grants of Plan-Based Awards for Fiscal 2016” table, options are valued based on a grant date fair value and calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (“ASC 718”). This value for options is also reported in the “Option Awards” column of the “Fiscal 2016 Summary Compensation Table” beginning on page 51 of this Proxy Statement.

Information on options granted, effective June 30, 2016, to NEOs for the fiscal year ending May 31, 2017 (“Fiscal 2017”), is set forth in the section captioned “Long-Term Performance Awards, Option Awards and Restricted Common Share Awards Granted in Fiscal 2017”, beginning on page 61.

Long-Term Performance Awards – General

Since Fiscal 2006, the Company has awarded a select group of key executives, including the NEOs, long-term cash performance awards and long-term performance share awards which are earned based upon results over a prospective three-year performance period.

These long-term performance awards are intended to reward executives for achieving pre-established financial goals over a three-year period. Restructuring charges and non-recurring items are excluded from all calculations and corporate EPS and Steel Processing business unit EOI results are adjusted for inventory holding gains or losses.

For corporate executives, the goals are tied to corporate performance.

Payouts are generally tied to achieving specified levels (threshold, target and maximum) of cumulative corporate EVA and growth in corporate EPS (adjusted as noted above) over the performance period, with each performance measure carrying a 50% weighting.

For business unit executives, the goals are tied to both corporate performance and the performance of their respective business units.

Cumulative corporate EVA and adjusted corporate EPS growth measures together carry a 50% weighting, and business unit adjusted EOI targets are weighted 50%.

If the performance level falls between threshold and target or between target and maximum, the award is linearly prorated. Payouts, if any, would generally be made in the quarter following the end of the applicable performance period. Calculation of Company results and attainment of performance measures are made solely by the Compensation Committee based upon the Company’s consolidated financial statements.

The Compensation Committee determines the appropriate changes and adjustments and may make adjustments for other unusual or non-recurring events, including, without limitation, changes in tax and accounting rules and regulations, extraordinary gains and losses, mergers and acquisitions, and purchases or sales of substantial assets, provided that, if Section 162(m) of the Internal Revenue Code would be applicable to the payout of the award, any such change or adjustment, if not provided for when the targets are set, must be permissible under Section 162(m).

These performance measurements have been chosen because the Compensation Committee believes that:

- The corporate EPS growth metric strongly correlates with the Company's growth in equity value;
 - EOI at a business unit ties directly into Company EPS growth; and
 - The cumulative corporate EVA target, which is driven by net operating profit in excess of the cost of capital employed, keeps management focused on the most effective use of existing assets and pursuing only those growth opportunities which provide returns in excess of the cost of capital.
- The Company has used these, or similar performance measures, since long-term cash performance awards were first granted for the performance period ended May 31, 1998.

The Compensation Committee periodically considers whether to change the performance measures used under the incentive awards and reviews the types of measures used by other companies and other relevant information provided by its compensation consultant. After reviewing this matter in detail at its June 2016 meeting, the Compensation Committee determined to continue to use the performance measures set forth above, for the reasons discussed.

Payouts have been made based on the achievement of corporate and business unit three-year performance targets in each of the last five years. No payments of these awards for corporate performance were made in the three-year periods ending with Fiscal 2009, Fiscal 2010 or Fiscal 2011, as targets for those years were set prior to the recession which adversely affected results in those three-year periods.

The Company posted solid results in Fiscal 2016, after being down in Fiscal 2015 and posting solid results in Fiscal 2014. However, the challenging conditions in Fiscal 2015 depressed results for the three-year period and performance results for the three-year period ended May 31, 2016 fell between threshold and target levels. As a result, payouts were made to executive officers with respect to both long-term cash performance awards and performance share awards at 70% of target levels for Corporate executives, and 78% of target levels for Steel Processing executives. Based on the Company's performance for Fiscal 2015, Fiscal 2016 and Fiscal 2017 (through the date of this Proxy Statement), it appears that the Company is positioned to attain results between threshold and target performance measure levels applicable to the NEOs for the three-year period ending May 31, 2017.

Long-Term Cash Performance Awards

Long-term cash performance awards have been part of the long-term performance awards granted to key members of management since they were first awarded in 1998. They are intended to reward executives for achieving pre-established financial goals over a three-fiscal-year period. These long-term cash performance awards may be paid in cash, common shares or any combination thereof, as determined by the Compensation Committee at the time of payment. To date, earned long-term cash performance awards have been paid in cash. If the performance criteria are met, payouts are generally made in the quarter following the end of the performance period. Nothing is paid under the long-term cash performance awards if none of the three-year financial thresholds are met.

Treatment of awards on a change in control or a termination of employment, including termination due to death, disability or retirement, is discussed below in the section captioned "Long-Term Performance Awards – Impact of Termination/Change in Control". The performance measures for the long-term cash performance awards are discussed above in the section captioned "Long-Term Performance Awards – General".

Long-term cash performance awards earned for the three-year performance period ended May 31, 2016 are described above in the section captioned "Long-Term Performance Awards – General". The amount of the awards earned by the NEOs for this period is shown in the "Fiscal 2016 Summary Compensation Table" beginning on page 51 of the Proxy Statement under the "3-year Cash Performance Award" column within "Non-Equity Incentive Plan Compensation". The long-term cash performance awards earned were paid in cash.

Long-term cash performance awards granted in Fiscal 2016 for the three-year performance period ending May 31, 2018 are reported in the “Grants of Plan-Based Awards for Fiscal 2016” table on page 54 of this Proxy Statement.

Information on long-term cash performance awards granted in Fiscal 2017 for the three-year performance period ending May 31, 2019 is shown in the “Long-Term Performance Awards, Option Awards and Restricted Common Share Awards Granted in Fiscal 2017” table beginning on page 61 of this Proxy Statement.

Long-Term Performance Share Awards

Performance share awards have constituted a portion of the long-term performance awards granted to key members of management since June 2006. They are intended to reward executives for both achieving pre-established financial goals over the three-fiscal-year period and increasing the common share price. The long-term performance share awards are paid in common shares and the value is determined not only by the number of common shares earned, but also by the value of the common shares at the time the awards are earned and the common shares are paid out. If the performance criteria are met, payouts are generally made the quarter following the end of the performance period. Nothing is paid under the performance share awards if none of the three-year financial threshold measures are met.

Treatment of awards on a change in control or a termination of employment, including termination due to death, disability or retirement, is discussed below in the section captioned “Long-Term Performance Awards – Impact of Termination/Change in Control”. The performance measures for the long-term performance share awards are discussed above in the section captioned “Long-Term Performance Awards – General”. Long-term performance share awards earned for the three-year performance period ended May 31, 2016, are described above in the section captioned “Long-Term Performance Awards – General”. The long-term performance share awards earned were paid in common shares.

Long-term performance share awards granted in Fiscal 2016 for the three-year performance period ending May 31, 2018 are reported in the “Grants of Plan-Based Awards for Fiscal 2016” table on page 54 of this Proxy Statement. An explanation of the calculation of the compensation expense relative to those awards is set forth in the section captioned “Equity-Based Long-Term Incentive Compensation Accounting” beginning on page 46 of this Proxy Statement. If the performance criteria are met, the performance shares earned would generally be issued in the quarter following the end of the performance period.

Information on long-term performance share awards granted in Fiscal 2017 for the three-year performance period ending May 31, 2019 is shown in the “Long-Term Performance Awards, Option Awards and Restricted Common Share Awards Granted in Fiscal 2017” table beginning on page 61 of this Proxy Statement.

Long-Term Performance Awards – Impact of Termination/Change in Control

In general, termination of employment results in termination of long-term cash performance awards and long-term performance share awards. However, if termination is due to death, disability or retirement, a pro rata payout will be made for performance periods ending 24 months or less after termination of employment based on the number of months of employment completed by the participant during the performance period before the effective date of termination, provided that the applicable performance goals are achieved. No payout will be made for performance periods ending more than 24 months after termination of employment. Unless the Compensation Committee specifically provides otherwise at the time of grant, in the event of a change in control of the Company followed by an actual or constructive termination of employment, all long-term cash performance awards and long-term performance share awards would be considered to be earned and payable in full at the maximum level, and immediately settled or distributed.

Annual Restricted Common Share Awards to Executives

Effective June 26, 2015, the Compensation Committee granted annual restricted common share awards to 36 employees covering an aggregate of 146,200 restricted common shares, which will cliff vest on the third anniversary of the grant date. Of those awards, an aggregate of 75,500 restricted common shares were awarded to the NEOs. Restricted common share awards are intended to reward and incent executives by directly aligning the interests of management with the interests of shareholders. The vesting provision of the restricted common shares also serves as a management retention incentive. For further details with respect to the restricted common share awards granted to the NEOs effective June 26, 2015, see the “Stock Awards” column of the “Fiscal 2016 Summary Compensation Table” beginning on page 51 of this Proxy Statement.

Effective June 30, 2016, the Compensation Committee granted restricted common share awards to 33 executives covering an aggregate of 105,625 restricted common shares (of which 58,300 restricted common shares were awarded to the NEOs) which will generally cliff vest on the third anniversary of the grant date. For further details with respect to the restricted common share awards granted to the NEOs effective June 30, 2016, see the “Long-Term Performance Awards, Option Awards and Restricted Common Share Awards Granted in Fiscal 2017” table beginning on page 61 of this Proxy Statement.

Other Restricted Common Share Awards

Between July 30, 2015 and May 27, 2016, the Company made awards to 35 employees covering an aggregate of 27,650 restricted common shares, which will cliff vest on the third anniversary of the grant date. The Compensation Committee granted one executive officer a restricted stock award on September 22, 2015 for 5,000 restricted common shares which will cliff vest on the third anniversary of the grant date.

Special Performance-Based/Time-Vested Restricted Common Share Awards

The Compensation Committee has at times made special “one off” performance-based/time-vested long-term incentive awards to certain key employees with vesting tied to the price of the Company’s common shares attaining certain levels. The Compensation Committee made a special award, effective June 24, 2014, of 25,000 performance-based/time-vested restricted common shares to Mr. Gilmore. The term of this restricted common share award is five years and the restricted common shares will vest if both: (a) the closing price of the Company’s common shares equals or exceeds \$60.00 per share for 30 consecutive days during the five-year term ending June 24, 2019; and (b) Mr. Gilmore has remained continuously employed by the Company for five years (i.e., through June 24, 2019). If Mr. Gilmore’s employment is terminated by the Company without “cause” or if Mr. Gilmore dies or becomes permanently disabled after the performance condition has been met but before the time-based vesting condition has been met, the restricted common shares will be fully vested as of the date of termination. In the case of death or disability, the Compensation Committee may elect, in its sole discretion, to accelerate the vesting of all or a portion of these restricted common shares. In the event of a change in control followed by an actual or constructive termination of employment (as defined by the Compensation Committee), these restricted common shares will vest, subject to any Internal Revenue Code Section 280G limitation imposed by the Compensation Committee. These awards are shown in the “Stock Awards” column for 2015 in the “Fiscal 2016 Summary Compensation Table”.

As a leader of one of the Company’s key business units, Mr. Gilmore is a key player in driving the Company’s Transformation efforts and financial results. The CEO and the Board have identified Mr. Gilmore as a key executive who has an important role and responsibility in leading the Company forward in his capacity as a business unit President. The Compensation Committee believes this special restricted common share award serves as a strong retention mechanism that provides a unique incentive to Mr. Gilmore to further enhance the Company’s success, and directly ties his compensation to the Company’s first corporate goal of increasing the value of our shareholders’ investment.

The Compensation Committee believes the \$60.00 per share closing price for 30 consecutive days to be an appropriate performance target, as its achievement will not only reward Mr. Gilmore, but also the shareholders in general, as the \$60.00 stock price would be more than 44% above the all-time high average closing price of the Company’s common shares for any consecutive 30-day period prior to the June 24, 2014 grant date. The Compensation Committee believes this to be reasonable target which can be reached by steady, consistent growth in the Company’s performance, without the need for any undue risk-taking. Further, the Compensation Committee believes that the five-year time-based vesting (coupled with his other stock holdings and equity awards), reduces the incentive for risky behavior intended to drive only a short-term increase in the price of the common shares, and instead encourages activity which would lead to steady increases in financial results and the stock price which can be maintained.

The Compensation Committee special awards, effective June 28, 2013, of 180,000 performance-based/time-vested restricted common shares to each of Mr. Rose and Mr. Russell. The term of these restricted common share awards is five years and the restricted common shares will vest if and when both of the following conditions are met: (a) the closing price of the Company’s common shares equals or exceeds \$50.00 per share for 30 consecutive days during the five-year term; and (b) the NEO has remained continuously employed by the Company until the share price condition is met. The NEO must hold any vested restricted common shares until two years after vesting. The restricted common shares will be forfeited five years from the effective date of the award (i.e., June 28, 2018) if the performance-based vesting condition is not met by that date. If the NEO’s employment is terminated by the Company without “cause” or if the NEO dies or becomes permanently disabled after the performance condition has been met but before the time-based vesting condition has been met, the restricted common shares will be fully vested as of the date of

termination. In the case of death or disability, the Compensation Committee may elect, in its sole discretion, to accelerate the vesting of all or a portion of these restricted common shares. In the event of a change in control followed by an actual or constructive termination of employment (as defined by the Compensation Committee), these restricted common shares will vest, subject to any Internal Revenue Code Section 280G limitation imposed by the Compensation Committee.

Each of Mr. Rose and Mr. Russell has been a key player in driving the Company's Transformation efforts and financial results, as well as in other strategic actions taken by the Company in recent years. The CEO and the Board have identified Mr. Rose and Mr. Russell as key executives who have key roles and responsibilities in leading the Company forward. The Compensation Committee believes these special restricted common share awards serve

as a strong retention mechanism that provides a unique incentive to these identified leaders to further enhance the Company's success, and directly ties their compensation to the Company's first corporate goal of increasing the value of our shareholders' investment.

The Compensation Committee believes the \$50.00 per share closing price for 30 consecutive days condition to be an appropriate performance target, as its achievement will not only reward Messrs. Rose and Russell, but also the shareholders in general, as the \$50.00 stock price would be more than 44% above the all-time high average closing price of the Company's common shares for any consecutive 30-day period prior to June 28, 2013. The Compensation Committee believes this to be a reasonable target which can be reached by steady, consistent growth in the Company's performance, without the need for any undue risk-taking. Further, the Compensation Committee believes that requiring the executive officers to continue to hold the common shares for at least two years after vesting (coupled with their other stock holdings and equity awards), reduces the incentive for risky behavior intended to drive only a short-term increase in the price of the common shares, and instead encourages activity which would lead to steady increases in financial results and the stock price which can be maintained and increased beyond the vesting period of the restricted common shares.

Clawback Policy

The Company does not have a specific clawback policy. If the Company is required to restate its earnings as a result of material non-compliance with a financial reporting requirement due to misconduct, under Section 304 of the Sarbanes-Oxley Act of 2002 ("SOX"), the CEO and the Chief Financial Officer would be required to reimburse the Company for any bonus or other incentive-based or equity-based compensation received by them from the Company during the 12-month period following the first filing with the SEC of the financial document that embodied the financial reporting requirement, and any profits realized from the sale of common shares of the Company during that 12-month period, to the extent required by SOX.

On July 1, 2015, the SEC issued proposed rules relating to clawback policies which the Company is in the process of reviewing. Once the proposed SEC rules have been adopted and NYSE has, in turn, adopted new listing standards addressing the clawback policy requirements, the Company will adopt a clawback policy which satisfies the final rules.

Equity-Based Long-Term Incentive Compensation Accounting

The accounting treatment for equity-based long-term incentive compensation is governed by ASC 718. Options are valued using the Black-Scholes pricing model based upon the grant date closing price per common share underlying the option award, the expected life of the option, the risk-free interest rate, the dividend yield, and the expected volatility. Further information concerning the valuation of options and the assumptions used in that valuation is contained in "Note A – Summary of Significant Accounting Policies – Stock-Based Compensation" and "Note J – Stock-Based Compensation" of the Notes to Consolidated Financial Statements in "Item 8. – Financial Statements and Supplementary Data" of the Company's Annual Report on Form 10-K for Fiscal 2016 filed on August 1, 2016 (the "2016 Form 10-K").

Long-term performance share awards payable in common shares are initially valued using the grant date closing price per common share based on the target award, and compensation expense is recorded prospectively over the performance period on a straight-line basis. This amount is then adjusted on a quarterly basis based upon an estimate of the performance level anticipated to be achieved for the performance period in light of actual and forecasted results.

Long-term cash performance awards are initially valued at the target level, and compensation expense is recorded prospectively over the performance period on a straight-line basis. This amount is then adjusted on a quarterly basis based on an estimate of the performance level anticipated to be achieved for the performance period in light of actual and forecasted results.

Restricted common shares are valued at fair value as of the date of grant and the calculated compensation expense is recognized on a straight-line basis over their respective vesting periods. For restricted common shares with only time-based vesting, fair value is generally equal to the closing price of the common shares at the respective grant date. If the vesting is subject to other conditions, such as the special performance-based/time-vested restricted common share awards, the value is generally calculated under a Monte Carlo simulation model. Further information concerning the valuation of restricted common shares and the assumptions used in that valuation

is contained in “Note A – Summary of Significant Accounting Policies – Stock-Based Compensation” and “Note J – Stock-Based Compensation” of the Notes to Consolidated Financial Statements in “Item 8. – Financial Statements and Supplementary Data” of the Company’s 2016 Form 10-K.

Deferred Profit Sharing Plan

The NEOs participate in the Worthington Industries, Inc. Deferred Profit Sharing Plan (the “DPSP”), together with most other full-time, non-union employees of the Company. The DPSP is a 401(k) plan and is the Company’s primary retirement plan. Contributions made by the Company to participants’ accounts under the DPSP are generally based on 3% of eligible compensation which includes base salary, profit-sharing, bonus and annual cash incentive bonus payments, overtime and commissions, up to the maximum limit set by the Internal Revenue Service (“IRS”) from year to year (\$265,000 for calendar 2016). In addition, the NEOs and other participants in the DPSP may elect to make voluntary contributions up to prescribed IRS limits. These voluntary contributions are generally matched by Company contributions of 50% of the first 4% of eligible compensation contributed by the participant. Distributions under the DPSP are generally deferred until retirement, death or total and permanent disability.

Non-Qualified Deferred Compensation

The NEOs and other highly-compensated employees are eligible to participate in the Worthington Industries, Inc. Amended and Restated 2005 Non-Qualified Deferred Compensation Plan (as amended, the “2005 NQ Plan”). The 2005 NQ Plan is a voluntary, non-tax qualified, unfunded deferred compensation plan available only to select highly-compensated employees for the purpose of providing deferred compensation, and thus potential tax benefits, to these employees.

Under the 2005 NQ Plan, executive officers of the Company may defer the payment of up to 50% of their base salary and up to 100% of their bonus and/or annual cash incentive bonus awards. Amounts deferred are credited to the participants’ bookkeeping accounts under the 2005 NQ Plan at the time the base salary and/or bonus/annual cash incentive bonus awards would have otherwise been paid. In addition, the Company may make discretionary employer contributions to the participants’ bookkeeping accounts in the 2005 NQ Plan. In recent years, the Company has made employer contributions in order to provide the same percentage of retirement-related deferred compensation to executive officers compared to other employees that would have been made but for the IRS limits on annual compensation that may be considered under the DPSP. For the 2016, 2015 and 2014 calendar years, the Company made contributions to the 2005 NQ Plan for participants equal to (i) 3% of an executive’s annual compensation (base salary plus bonus/annual cash incentive bonus award) in excess of the IRS maximum; and (ii) a matching contribution of 50% of the first 4% of annual compensation contributed by the executive to the DPSP to the extent not matched by the Company under the DPSP. Participants in the 2005 NQ Plan may elect to have their bookkeeping accounts treated as invested (a) with a rate of return reflecting: (i) the returns on those investment options available under the DPSP; or (ii) a fixed interest rate set annually by the Compensation Committee (1.78% for Fiscal 2016), or (b) in theoretical common shares reflecting increases or decreases in the fair market value of the Company’s common shares with dividends deemed reinvested. Any portion of a participant’s bookkeeping account credited to theoretical common shares must remain credited to theoretical common shares until distributed. Otherwise, participants in the 2005 NQ Plan may change the investment options for their bookkeeping accounts as of the time permitted under the DPSP for the same or a similar investment option.

Employees' bookkeeping accounts in the 2005 NQ Plan are fully vested. Payouts of amounts credited to theoretical common shares are made in whole common shares and cash in lieu of fractional shares. Payouts of amounts credited to all other investment options are made in cash. Payments will be made as of a specified date selected by the participant or, subject to the timing requirements of Section 409A of the Internal Revenue Code, when the participant is no longer employed by the Company. Payments are made either in a lump sum or in installment payments, all as chosen by the participant at the time the deferral is elected. The Compensation Committee may permit hardship withdrawals from a participant's account under defined guidelines.

Contributions or deferrals for the period before January 1, 2005, are maintained under the Worthington Industries, Inc. Non-Qualified Deferred Compensation Plan, effective March 1, 2000 (as amended, the "2000 NQ Plan"). Contributions and deferrals for periods on or after January 1, 2005 are maintained under the 2005 NQ Plan, which was adopted to replace the 2000 NQ Plan in order to comply with the provisions of the then newly-adopted Section 409A of the Internal Revenue Code applicable to non-qualified deferred compensation plans. Among other things, the provisions of Section 409A generally are more restrictive with respect to the timing of deferral elections

and the ability of participants to change the time and manner in which accounts will be paid. The 2005 NQ Plan and the 2000 NQ Plan are collectively referred to as the “Employee Deferral Plans”.

Perquisites

The Company makes club memberships available to NEOs and certain other executives because it believes that such memberships can be useful for business entertainment purposes. In 2007, the Company elected to no longer provide executives with leased Company vehicles and generally eliminated leased Company vehicles for all employees unless a substantial portion of their business time involves travel, as is the case with those individuals in outside sales.

For security reasons, the NEOs occasionally use Company airplanes for personal travel. In such cases, the NEOs who use Company airplanes for personal use are charged an amount equal to the SIFL rate set forth in the regulations promulgated by the United States Department of the Treasury (“Treasury Regulations”), which is generally less than the Company’s incremental costs.

Other Company Benefits

The Company provides employees, including the NEOs, a variety of other employee welfare benefits including medical benefits, disability benefits, life insurance, and accidental death and dismemberment insurance, which are generally provided to employees on a Company-wide basis.

Change in Control

The Company has no formal employment contracts or other stand-alone change in control provisions relative to the NEOs or other top executives. It does have certain change in control provisions in its various compensation plans, as described below.

The Company’s stock option plans generally provide that, unless the Board or the Compensation Committee provides otherwise, upon a change in control of the Company, all options then outstanding will become fully vested and exercisable as of the date of the change in control, followed by an actual or constructive termination of employment. In addition, the Compensation Committee may allow the optionee to elect, during the 60-day period from and after the change in control, to surrender the options or a portion thereof in exchange for a cash payment equal to the excess of the change in control price per share over the exercise price per share.

For purposes of the Company’s stock option plans (the 1997 LTIP, the Amended and Restated 2003 Stock Option Plan (the “2003 Stock Option Plan”) and the 2010 Stock Option Plan), a change in control will be deemed to have occurred when any person, alone or together with its affiliates or associates, has acquired or obtained the right to acquire the beneficial ownership of 25% or more of the Company’s outstanding common shares, unless such person is: (a) the Company; (b) any employee benefit plan of the Company or a trustee of or fiduciary with respect to any such plan when acting in that capacity; or (c) any person who, on the date the applicable plan became effective, was an affiliate

of the Company owning in excess of 10% of the Company's outstanding common shares and the respective successors, executors, legal representatives, heirs and legal assigns of such person (an "Acquiring Person Event"). In addition, in the case of options granted under the 2003 Stock Option Plan and the 2010 Stock Option Plan, a change in control will also be deemed to have occurred if there is a change in the composition of the Board with the effect that a majority of the directors are not "continuing directors" (as defined in each plan).

If a change in control followed by an actual or constructive termination of employment had occurred as of May 31, 2016, the value of the unvested options which would have vested upon the change in control (based upon (a) the difference, if any, between (i) the closing market price of the Company's common shares on May 31, 2016 (\$37.36), and (ii) the per share exercise price of each such option, multiplied by (b) the number of common shares subject to the unvested portion of each such option), for each of the NEOs would have totaled:

NEO	Value of Unvested Options If Vesting Accelerated
John P. McConnell	\$257,413
B. Andrew Rose	\$126,430
Mark A. Russell	\$126,430
Geoffrey G. Gilmore	\$ 66,040
Virgil L. Winland	\$ 37,850

Long-term cash performance awards and long-term performance share awards generally provide that, unless the Board or the Compensation Committee provides otherwise, upon a change in control of the Company followed by an actual or constructive termination of employment, all such awards would be considered earned and payable in full at the maximum amounts and would be immediately settled or distributed. For purposes of the 1997 LTIP (under which the long-term cash performance awards and long-term performance share awards have been granted), a change in control will be deemed to have occurred when there is an Acquiring Person Event as defined above.

If a change in control followed by an actual or constructive termination of employment had occurred as of May 31, 2016, the aggregate value of the long-term cash performance awards and the number of common shares underlying long-term performance share awards, which would have been distributed to each of the NEOs would have totaled:

Long-Term Cash
NEO Performance Awards