

COMMERCIAL METALS CO
Form DEF 14A
December 01, 2014
Table of Contents

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

(Amendment No.)

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 §240.14a-12

COMMERCIAL METALS COMPANY

(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):

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

- 4) Proposed maximum aggregate value of transaction:

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- 1) Amount Previously Paid:

- 2) Form, Schedule or Registration Statement No.:

- 3) Filing Party:

- 4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On January 14, 2015

The annual meeting of stockholders (the Annual Meeting) of Commercial Metals Company, a Delaware corporation (the Company), will be held in CMC Hall at the Company's corporate headquarters at 6565 North MacArthur Boulevard, 9th Floor, Irving, Texas 75039 on Wednesday, January 14, 2015, at 10:00 a.m., Central Standard Time. If you are planning to attend the Annual Meeting in person, you are required to bring proof of ownership of Commercial Metals Company common stock, as well as a form of government-issued photo identification, in order to be admitted to the meeting. Directions to the Annual Meeting are included at the end of the accompanying proxy statement.

In accordance with rules and regulations adopted by the Securities and Exchange Commission, instead of mailing a printed copy of our proxy materials to each stockholder of record, we are furnishing proxy materials to our stockholders on the Internet. You will not receive a printed copy of the proxy materials, unless you specifically request by following the instructions on the Notice Regarding the Availability of Proxy Materials you received. The Notice Regarding the Availability of Proxy Materials includes instructions as to how you may access and review all of the important information contained in the proxy materials. The Notice Regarding the Availability of Proxy Materials also instructs you as to how you may submit your proxy on the Internet. We believe that by furnishing our proxy materials on the Internet, we provide our stockholders with the information you need while lowering the cost to the Company of delivering the proxy materials.

The Annual Meeting will be held to consider the following matters:

- (1) the election of the three persons named in the accompanying proxy statement to serve as Class II directors until the 2018 annual meeting of stockholders and until their successors are elected;
- (2) the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending August 31, 2015;
- (3) an advisory vote on executive compensation;
- (4) if presented at the annual meeting, to vote on a stockholder proposal on sustainability reporting; and
- (5) the transaction of such other business as may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

You are invited to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please vote your shares either by telephone, Internet or mail as described in the Notice Regarding the Availability of Proxy Materials you previously received. Proxies forwarded by or for banks, brokers or other fiduciaries should be returned as requested by them. The prompt return of proxies will save the expense involved in further communication.

By Order of the Board of Directors,

PAUL K. KIRKPATRICK
Corporate Secretary

Irving, Texas

December 1, 2014

Table of Contents

TABLE OF CONTENTS

	Page
<u>Proxy Statement for Annual Meeting of Stockholders</u>	1
<u>Proxy Statement Summary</u>	3
<u>Information About the Meeting and Voting</u>	6
<u>Security Ownership of Certain Beneficial Owners and Management</u>	10
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	12
<u>Proposal 1: Election of Directors</u>	12
<u>Corporate Governance: Board and Committee Matters</u>	20
<u>Compensation Committee Report</u>	23
<u>Compensation Discussion and Analysis</u>	24
<u>Executive Compensation</u>	41
<u>Non-Employee Director Compensation</u>	55
<u>Compensation Committee Interlocks and Insider Participation</u>	57
<u>Certain Relationships and Related Person Transactions</u>	57
<u>Audit Committee Report</u>	58
<u>Proposal 2: Ratification of Appointment of Independent Registered Public Accounting Firm</u>	59
<u>Proposal 3: Advisory Vote on Executive Compensation</u>	60
<u>Equity Compensation Plans</u>	61
<u>Proposal 4: Stockholder Proposal on Sustainability Reporting</u>	61
<u>General</u>	64
<u>Stockholder Proposals for 2016 Annual Meeting</u>	64
<u>Other Business</u>	64

Table of Contents

COMMERCIAL METALS COMPANY

6565 North MacArthur Boulevard, Suite 800

Irving, Texas 75039

Telephone (214) 689-4300

PROXY STATEMENT

FOR

ANNUAL MEETING OF STOCKHOLDERS

To Be Held On January 14, 2015

This proxy statement is furnished in connection with the solicitation of proxies by our Board of Directors (our Board) of Commercial Metals Company (we or the Company) for use at the annual meeting of our stockholders to be held on Wednesday, January 14, 2015 at 10:00 a.m., Central Standard Time, in CMC Hall at the Company's corporate headquarters at 6565 North MacArthur Boulevard, 9th Floor, Irving, Texas 75039 (the Annual Meeting), and at any and all postponements or adjournments of the Annual Meeting. The approximate date on which this proxy statement and accompanying proxy card are first being made available to stockholders is December 1, 2014.

In accordance with rules and regulations adopted by the Securities and Exchange Commission, instead of mailing a printed copy of our proxy materials to each stockholder of record, we are furnishing proxy materials to our stockholders on the Internet. You will not receive a printed copy of the proxy materials, unless you specifically request a printed copy. Instead, on or about December 1, 2014, we mailed to our stockholders a Notice Regarding the Availability of Proxy Materials containing instructions on how to access our proxy materials and annual report on the Internet. The Notice Regarding the Availability of Proxy Materials will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice Regarding the Availability of Proxy Materials also instructs you as to how you may submit your proxy on the Internet.

Shares represented by each proxy, if properly executed and returned to us prior to the Annual Meeting in accordance with the instructions in the accompanying proxy card and the Notice Regarding the Availability of Proxy Materials, will be voted as directed, but if not otherwise specified, will be voted (i) FOR the election of the three directors nominated by our Board and named in this proxy statement, (ii) FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm, (iii) FOR the approval of the advisory resolution on executive compensation and (iv) AGAINST the stockholder proposal on sustainability reporting. A stockholder executing a proxy may revoke it at any time before it is voted by giving written notice to the Corporate Secretary of Commercial Metals Company, by subsequently executing and delivering a new proxy or by voting in person at the Annual Meeting.

Stockholders of record can simplify their voting and reduce our cost by voting their shares via telephone or the Internet. The telephone and Internet voting procedures are designed to authenticate stockholders' identities, to allow stockholders to vote their shares and to confirm that their instructions have been properly recorded. If a stockholder's shares are held in the name of a bank or broker, the availability of telephone and Internet voting will depend upon the voting processes of the bank or broker. Accordingly, stockholders should follow the voting instructions on the form they receive from their bank or broker.

Stockholders who elect to vote via telephone or the Internet may incur telecommunications and Internet access charges and other costs for which they are solely responsible. The telephone and Internet voting facilities for stockholders of record will close at 11:59 p.m., Eastern Standard Time, on the evening before the Annual Meeting. Instructions for voting via telephone or the Internet are contained in the Notice Regarding the Availability of Proxy Materials you received.

Only stockholders of record on November 24, 2014 are entitled to notice of and to attend and/or vote at the Annual Meeting or any adjournments of the Annual Meeting. A complete list of stockholders entitled to vote at the Annual Meeting will be available for examination at our principal executive offices located at 6565 North MacArthur Boulevard, Suite 800, Irving, Texas 75039 for a period of ten days prior to the Annual Meeting. The

Table of Contents

list of stockholders will also be available for inspection at the Annual Meeting and may be inspected by any stockholder for any purpose germane to the Annual Meeting. Proof of ownership of Commercial Metals Company common stock, as well as a form of government-issued photo identification, must be presented in order to be admitted to the Annual Meeting. If your shares are held in the name of a broker, trust, bank or other nominee, you must bring proof of ownership with you to the meeting. A recent account statement, letter or proxy from your broker, trust, bank or other nominee will suffice.

Table of Contents**PROXY STATEMENT SUMMARY**

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Stockholders

Time and Date	10:00 a.m., January 14, 2015
Place	Commercial Metals Company
	CMC Hall
	6565 North MacArthur Boulevard, 9 th Floor
	Irving, Texas 75039
Record date	November 24, 2014
Voting	Stockholders as of the record date are entitled to vote. Each share of common stock entitles the holder thereof to one vote for each director to be elected and one vote for each of the other matters to be voted on.
Admission	Proof of ownership of our common stock and a form of government-issued photo identification must be presented in order to be admitted to the Annual Meeting.

Voting Matters

	Board Vote Recommendation	Page Reference (for more detail)
1. Election of three directors	FOR EACH OF OUR BOARD'S DIRECTOR NOMINEES	12
2. Ratification of Deloitte & Touche LLP as independent registered public accounting firm	FOR	59
3. Advisory vote on executive compensation	FOR	60
4. Stockholder proposal on sustainability reporting	AGAINST	61

Election of Directors

Our Board has nominated three candidates for election to our Board as Class II directors, with a term expiring at the 2018 annual meeting of stockholders. A brief description of the director nominees follows. Additional detail on the director nominees can be found beginning on page 14 of this proxy statement. In addition, the name, age, years of service, biographical description and qualifications of each of the Class I and Class III directors continuing in office are provided beginning on page 16 of this proxy statement.

Joseph Alvarado, age 62, has served on our Board since 2011, and has served as Chairman since 2013. Mr. Alvarado currently serves as the Company's President and Chief Executive Officer. Please see page 14 of this proxy statement for a complete description of Mr. Alvarado's business experience and qualifications.

Anthony A. Massaro, age 70, has served on our Board since 1999. Mr. Massaro, now retired, is the former Chairman, President and Chief Executive Officer of Lincoln Electric Holdings, Inc. Please see page 14 of this proxy statement for a complete description of Mr. Massaro's business experience and qualifications.

Joseph Winkler, age 63, has served on our Board since 2012. Mr. Winkler, now retired, is the former Chairman and Chief Executive Officer of Complete Production Services, Inc. Please see page 15 of this proxy statement for a complete description of Mr. Winkler's business experience and qualifications.

Table of Contents**Independent Registered Public Accounting Firm**

As a matter of good corporate governance, we are asking our stockholders to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending August 31, 2015. Set forth below is summary information with respect to Deloitte & Touche LLP's fees for services provided in fiscal years 2014 and 2013.

Type of Fees	Fiscal Year 2014	Fiscal Year 2013
Audit Fees	\$ 4,335,579	\$ 4,109,415
Audit-Related Fees	\$ 70,500	\$
Tax Fees	\$	\$
All Other Fees	\$ 4,264	\$ 4,264
Total	\$ 4,410,343	\$ 4,113,679

Executive Compensation Advisory Vote

We are asking stockholders to approve, on a non-binding advisory basis, our named executive officer compensation as described in this proxy statement. Our Board recommends a FOR vote because it believes that our compensation policies and practices are reasonable, competitive and highly-focused on pay-for-performance principles, as described in more detail in Proposal 3 on page 60.

Stockholder Proposal

A stockholder has notified us that it intends to present a proposal requesting the Company to issue a sustainability report describing the Company's environmental, social and governance risks and opportunities including greenhouse gas emissions reduction targets and goals. Our Board recommends a vote AGAINST the proposal because it feels strongly that preparing a sustainability report would be an unnecessary and imprudent use of our human and financial resources and that such expenditures are contrary to the interests of our stockholders.

Our Company

The Company manufactures, recycles and markets steel and metal products, related materials and services through a network including steel mills commonly referred to as minimills, steel fabrication and processing facilities, construction-related product warehouses, metal recycling facilities and marketing and distribution offices in the United States and in strategic international markets. The CMC Americas Division includes three segments: Americas Recycling, Americas Mills and Americas Fabrication. The CMC International Division includes two segments: International Mill and International Marketing and Distribution. You can view additional information about our Company on our website at www.cmc.com. The information contained on or connected to our website is not part of this proxy statement.

Our Fiscal Year 2014 Performance and Executive Compensation

In fiscal year 2014, the Company significantly improved its financial results despite a challenging environment for the metals industry as a whole. For the year ended August 31, 2014, net earnings attributable to the Company were \$115.6 million, or \$0.97 per diluted share, on net sales of \$7.0 billion. This compares to net earnings attributable to the Company of \$77.3 million, or \$0.66 per diluted share, on net sales of \$6.9 billion for the year ended August 31, 2013.

In accordance with our overall compensation philosophy and program, executives are provided with a mix of base salary, short-term incentives, long-term incentives and employee benefits. Our compensation philosophy places a significant portion of the potential compensation for each NEO (as defined under "Executive Compensation Participants" on page 25) at risk, which is described in more detail beginning on page 29.

Table of Contents

Given the significant improvement in financial results, the fiscal year 2014 Annual Cash Incentive Bonuses were paid on average above target, as discussed in further detail below.

Compensation Decisions and Changes During Fiscal Year 2014

In fiscal year 2014, the following compensation actions were taken:

Annual Cash Incentive Bonus (as defined in the Compensation Discussion and Analysis) was paid on average at 178% of target for NEOs holding Company-wide positions and on average at 170% of target for the other NEOs.

There was no payout under the NEO long-term incentive awards for the three-year performance period ending in fiscal year 2014.

Two of the NEOs received additional cash bonuses, representing 0.1% and 3% of their respective total compensation, in recognition of their significant efforts and contributions to the Company in fiscal year 2014.

All of the NEOs were granted a combination of performance-based and time-vested restricted stock units, with the vesting of 75% of the performance-based stock unit award being determined based on cumulative three-year EBITDA and ROIC targets (each as defined on page 34) and the vesting of 25% of the performance-based restricted stock unit award being determined based on TSR ranking.

Ms. Smith received an additional equity award of 21,448 time-vested restricted stock units in connection with her significant contributions and service to the Company, as well as to bring her long-term award value closer in line with Peer Data.

Mr. Hatten received a new hire cash bonus equal to \$200,000, equity awards as part of the Company's fiscal year 2014 equity program and new hire equity awards of 5,000 performance-based stock units and 15,000 time-vested restricted stock units.

All of the NEOs (with the exception of Mr. Elmore, who joined the Company in July 2012, and Mr. Hatten, who joined the Company in December 2013) received salary increases to further align the base salary levels with the 50th percentile of Peer Data (as defined on page 28).

The long-term incentive award opportunity for Messrs. Porter and Elmore and Ms. Smith was increased from 150% of base salary to 175% of base salary based on the advice of the Compensation Committee's independent compensation consultant and to bring their long-term award opportunities closer in line with Peer Data.

The Company entered into a transition and separation agreement with Ann J. Bruder in connection with Ms. Bruder's separation from the Company, which included, among other benefits, a lump sum severance payment of \$830,000 (two times her then current annual base salary) and the accelerated vesting of certain outstanding equity awards held by Ms. Bruder.

Table of Contents

INFORMATION ABOUT THE MEETING AND VOTING

Q: Why did I receive a notice in the mail regarding Internet availability of proxy materials instead of a full set of proxy materials?

A: Pursuant to rules adopted by the Securities and Exchange Commission (SEC), we have elected to provide access to our proxy materials over the Internet. Accordingly, on December 1, 2014 we mailed a Notice Regarding the Availability of Proxy Materials to our stockholders of record and beneficial owners. The Notice explains how you may access the proxy materials on the Internet and how you may vote your proxy. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting printed materials included in the Notice. Our Board encourages you to take advantage of the availability of the proxy materials on the Internet.

Q: Why did I receive these materials?

A: These materials were provided to you because our Board is soliciting your proxy to vote at our Annual Meeting, and at any postponements or adjournments of the Annual Meeting. This proxy statement describes the matters on which you, as a stockholder, are entitled to vote. It also provides information that is intended to assist you in making an informed vote on the proposals described in this proxy statement.

Q: Why did my household receive only one copy of the Notice Regarding the Availability of Proxy Materials or proxy materials?

A: In addition to furnishing proxy materials electronically, we take advantage of the SEC's householding rules to reduce the delivery cost of materials. Under such rules, only one Notice Regarding the Availability of Proxy Materials or, if you have requested paper copies, only one set of proxy materials is delivered to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders. If you are a stockholder sharing an address and wish to receive a separate Notice Regarding the Availability of Proxy Materials or copy of our proxy materials, you may so request by contacting the Corporate Secretary of Commercial Metals Company at (214) 689-4300 or by mail to 6565 North MacArthur Blvd., Suite 800, Irving, Texas 75039. A separate copy will be promptly provided following receipt of your request, and you will receive separate materials in the future. If you currently share an address with another stockholder but are nonetheless receiving separate copies of the materials, you may request delivery of a single copy in the future by contacting the Corporate Secretary at the contact information shown above.

Q: Who is entitled to vote at the Annual Meeting?

A: Only stockholders of record on November 24, 2014 are entitled to notice of and to attend and/or vote at the Annual Meeting or any postponements or adjournments of the Annual Meeting. Each share of our common stock is entitled to one vote for each director to be elected and one vote for each of the other matters to be voted on.

Q: How can I vote my shares?

A: You can vote your shares in one of two ways: either by proxy or in person at the Annual Meeting by written ballot. If you choose to vote by proxy, you may vote your shares by telephone or the Internet by following the instructions on the Notice Regarding the Availability of Proxy Materials. You may also vote your shares by requesting a printed copy of our proxy materials and by signing, dating and returning the proxy card that you will then receive. Each of these procedures is explained below. Even if you plan to attend the Annual Meeting, our Board recommends that you submit a proxy card in advance by telephone, Internet or mail. In this way, your shares of common stock will be voted as directed by you even if you are unable to attend the Annual Meeting.

Q: May I change my vote?

A: Yes. You may change your vote or revoke your proxy at any time before it is exercised at the Annual Meeting by taking any of the following actions:

by giving written notice to the Corporate Secretary of Commercial Metals Company at 6565 North MacArthur Boulevard, Suite 800, Irving, Texas 75039;

Table of Contents

by subsequently executing and delivering a new proxy; or

by voting in person at the Annual Meeting.

Q: How many shares must be present to conduct the Annual Meeting?

A: We must have a quorum to conduct the Annual Meeting. A quorum is a majority of the outstanding shares of common stock entitled to vote at the meeting, present in person or by proxy. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present. On November 24, 2014, the record date for determining stockholders entitled to vote at the Annual Meeting, there were 117,665,968 shares of our common stock, par value \$.01 per share, outstanding, not including approximately 11,394,696 treasury shares. There were no shares of our preferred stock outstanding on November 24, 2014.

Q: How do I vote if I cannot attend the Annual Meeting in person?

A: By voting your shares by telephone or via the Internet by following the instructions on the Notice Regarding the Availability of Proxy Materials or, if you requested a printed copy of our proxy materials, by signing, dating and returning the proxy card you received, you will enable Joseph Alvarado, Barbara R. Smith and Paul K. Kirkpatrick, each of whom is named on the proxy card as a Proxy Holder, to vote your shares at the Annual Meeting in the manner you indicate. When you vote your shares by proxy, you can specify whether your shares should be voted for each of the nominees for director identified in Proposal 1, or you can withhold your vote with respect to any or all of the director nominees. You can also specify how you want your shares voted with respect to Proposals 2, 3 and 4, which are described elsewhere in this proxy statement.

Management of the Company is not aware of any matters other than those described in this proxy statement that may be presented for action at the Annual Meeting. If you vote by proxy and any other matters are properly presented at the Annual Meeting for consideration, the proxy holders will have discretion to vote for you on those matters.

Voting by Mail. You can vote by mail by requesting a printed copy of our proxy materials and by signing, dating and returning the proxy card you will then receive in the postage-paid envelope provided.

Voting via the Internet. You can vote your shares via the Internet by following the instructions provided on the Notice Regarding the Availability of Proxy Materials. The Internet voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm that your voting instructions have been properly recorded. Voting by Internet authorizes the named proxies to vote your shares in the same manner as if you had submitted a validly executed proxy card.

Voting by Telephone. You can vote your shares by telephone by following the instructions provided on the Notice Regarding the Availability of Proxy Materials. The telephone voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm that your voting instructions have been properly recorded. Voting by telephone authorizes the named proxies to vote your shares in the same manner as if you had submitted a validly executed proxy card.

Q: May I vote in person at the Annual Meeting?

A: Yes, you may vote your shares at the Annual Meeting if you attend in person and use a written ballot. However, if your shares are held in the name of a broker, trust, bank or other nominee, you must bring a legal proxy or other proof from that broker, trust, bank or nominee granting you authority to vote your shares directly at the Annual Meeting. If you vote by proxy and also attend the Annual Meeting, you do not need to vote again at the Annual Meeting unless you wish to change your vote. Even if you plan to attend the Annual Meeting, we strongly urge you to vote in advance by proxy by telephone, Internet or mail as described in the Notice Regarding the Availability of Proxy Materials you previously received.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: If your shares are registered in your name with our transfer agent, Broadridge Corporate Issuer Solutions, Inc., you are the stockholder of record of those shares, and this proxy statement and any accompanying documents have been provided directly to you by the Company.

Table of Contents

In contrast, if you purchased your shares through a broker or other financial intermediary, the broker or other financial intermediary will be the stockholder of record of those shares. Generally, when this occurs, the broker or other financial intermediary will automatically put your shares into street name, which means that the broker or other financial intermediary will hold your shares in its name or another nominee's name and not in your name, but will keep records showing you as the real or beneficial owner. If you hold shares beneficially in street name, this proxy statement and any accompanying documents have been forwarded to you by your broker, bank or other holder of record.

Q: What are broker non-votes?

A: A broker non-vote occurs when a bank, broker or other fiduciary does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares. Broker non-votes are not counted as votes against a proposal or as abstentions, and will not be counted for purposes of determining the number of votes present in person or represented by proxy and entitled to vote with respect to a particular proposal or the number of votes cast on a particular proposal. As described below, brokers will not have discretion to vote on the election of directors or the advisory vote on executive compensation.

Q: Will my shares be voted if I do not provide instructions to my broker?

A: If you are the beneficial owner of shares held in street name by a broker, the broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions. Under applicable New York Stock Exchange (NYSE) rules, if you hold your shares through a bank or broker, and your bank or broker delivers this proxy statement to you, but you do not give instructions to the bank or broker, the bank or broker does not have the discretion to vote on the election of directors, the advisory vote on executive compensation or the stockholder proposal regarding sustainability reporting. **THEREFORE, UNLESS YOU PROVIDE VOTING INSTRUCTIONS TO THE BANK OR BROKER HOLDING SHARES ON YOUR BEHALF, THE BANK OR BROKER WILL NOT HAVE DISCRETIONARY AUTHORITY TO VOTE YOUR SHARES ON THESE PROPOSALS.** We strongly encourage you to vote your proxy or provide voting instructions to the bank or broker so that your vote on these matters will be counted.

Under NYSE rules, if you hold your shares through a bank or broker and your broker delivers this proxy statement to you, but you do not give instructions to the bank or broker, the bank or broker will have the discretion to vote on the ratification of the appointment of Deloitte & Touche LLP.

Q: What are the proposals and what is the required vote for each?

A: *Proposal 1:* Election of Directors. The Company's second amended and restated bylaws provide for plurality voting for directors. This means that the three candidates receiving the highest number of FOR votes will be elected. A properly executed proxy card marked WITHHOLD with respect to the election of a director nominee will be counted for purposes of determining if there is a quorum at the Annual Meeting, but will not be considered to have been voted for or against the director nominee. An abstention or a broker non-vote on Proposal 1 will not have any effect on the election of directors and will not be counted in determining the number of votes cast.

Proposal 2: Ratification of Appointment of Independent Registered Public Accounting Firm. The affirmative vote of the holders of a majority of the shares having voting power represented in person or by proxy at the Annual Meeting is required to adopt Proposal 2. An abstention on Proposal 2 will have the same effect as a vote against Proposal 2. A broker non-vote will not have any effect on Proposal 2 and will not be counted.

Proposal 3: Advisory Vote on Executive Compensation. Proposal 3 is being submitted to enable stockholders to approve, on an advisory basis, the compensation of the Company's named executive officers. The affirmative vote of the holders of a majority of the shares having voting power represented in person or by proxy at the Annual Meeting is required to adopt

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Proposal 3. An abstention on Proposal 3 will have the same effect as a vote against Proposal 3. A broker non-vote will not have any effect on Proposal 3 and will not be counted. Proposal 3 is an advisory vote only, and therefore it will not bind the Company or our Board. However, our Board and the Compensation Committee will consider the voting results, as appropriate, when making future decisions regarding executive compensation.

Table of Contents

Proposal 4: Stockholder Proposal Regarding Sustainability Reporting. The affirmative vote of the holders of a majority of the shares having voting power represented in person or by proxy at the Annual Meeting is required to adopt Proposal 4. An abstention on Proposal 4 will have the same effect as a vote against Proposal 4. A broker non-vote will not have any effect on Proposal 4 and will not be counted.

Q: What are the recommendations of our Board?

A: Our Board recommends that you vote:

FOR Proposal 1 the election of the three nominees for director nominated by our Board and named in this proxy statement;

FOR Proposal 2 the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending August 31, 2015;

FOR Proposal 3 the proposal to approve (on an advisory basis) the compensation of the Company's named executive officers; and

AGAINST Proposal 4 the stockholder proposal on sustainability reporting.

Q: Who will count the votes?

A: Votes will be counted by one or more independent inspectors of election appointed by the Company for the Annual Meeting.

Q: What happens if the Annual Meeting is adjourned?

A: If we adjourn the Annual Meeting, we will conduct the same business at the adjourned meeting, and our Board can decide to set a new record date for determining stockholders entitled to vote at the adjourned meeting, or decide to only allow the stockholders entitled to vote at the original meeting to vote at the adjourned meeting. According to the Company's second amended and restated bylaws, when a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. However, if the date of any adjourned meeting is more than 30 days after the date for which the meeting was originally scheduled to take place, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting must be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, our Board will fix a new record date for notice of such adjourned meeting and will give notice of the adjourned meeting to each stockholder entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Q: Whom can I contact if I have questions?

A: If you have any questions about the Annual Meeting or how to vote your shares, please call the office of our General Counsel at (214) 689-4300.

Q: Where can I find the voting results?

A: We will report the voting results in a current report on Form 8-K filed with the SEC.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS
AND MANAGEMENT**

On the basis of filings with the SEC and other information, we believe that based on 117,665,968 shares of our common stock issued and outstanding as of November 24, 2014, the following persons beneficially owned more than five percent (5%) of our outstanding common stock:

Name and Address	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc.(1) 40 East 52nd Street New York, NY 10022	12,178,060	10.3%
The Vanguard Group(2) 100 Vanguard Blvd. Malvern, PA 19355	6,677,143	5.7%
Allianz Global Investors U.S. Holdings LLC(3) 680 Newport Center Drive, Suite 250 Newport Beach, CA 92660	6,208,801	5.3%
Dimensional Fund Advisors LP(4) Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	6,179,368	5.3%

- (1) Based on the information provided pursuant to Amendment No. 5 to Schedule 13G filed by BlackRock, Inc. (BlackRock) with the SEC on January 10, 2014 (the Blackrock Schedule 13G). BlackRock reported that it has sole voting power with respect to 11,778,545 shares of common stock and sole dispositive power with respect to 12,178,060 shares of common stock. The BlackRock Schedule 13G states that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the common stock and that no one person s interest in the common stock is more than five percent of the total outstanding common shares.
- (2) Based on the information provided pursuant to Amendment No. 1 to Schedule 13G filed by The Vanguard Group with the SEC on February 12, 2014 (the Vanguard Schedule 13G). The Vanguard Group reported that it has sole voting power with respect to 175,289 shares of common stock, sole dispositive power with respect to 6,509,754 shares of common stock, and shared dispositive power with respect to 167,389 shares of common stock. The Vanguard Schedule 13G states that no one person s interest in the common stock is more than five percent of the total outstanding common shares.
- (3) Based on the information provided pursuant to the Schedule 13G filed by Allianz Global Investors U.S. Holdings LLC (Allianz) and its wholly-owned subsidiary, NFJ Investment Group LLC (NFJ), with the SEC on February 12, 2014 (the Allianz NFJ Schedule 13G). Allianz reported that it has no voting or dispositive power with respect to shares of common stock. NFJ reported that it has sole voting power with respect to 6,148,100 shares of common stock and sole dispositive power with respect to 6,204,700 shares of common stock. The Allianz NFJ Schedule 13G states that Allianz Global Investors Europe GmbH has sole dispositive power with respect to 4,101 shares of common stock. The Allianz NFJ Schedule 13G also states that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the common stock and that no one person s interest in the common stock is more than five percent of the total outstanding common shares.

(4)

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Based on the information provided pursuant to the Schedule 13G filed by Dimensional Fund Advisors LP (DFA) with the SEC on February 10, 2014 (the DFA Schedule 13G). DFA reported that it has sole voting power with respect to 6,047,930 shares of common stock and sole dispositive power with respect to 6,179,368 shares of common stock. The DFA Schedule 13G states that various funds have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the common stock and that no one fund s interest in the common stock is more than five percent of the total outstanding common shares.

Table of Contents

The following table sets forth information known to us about the beneficial ownership of our common stock as of November 24, 2014 by each director and nominee for director, our Chief Executive Officer (the CEO), our Chief Financial Officer (the CFO), the other executive officers included in the Summary Compensation Table, and all current directors and executive officers as a group based on 117,665,968 shares of our common stock issued and outstanding as of November 24, 2014. Unless stated otherwise in the notes to the table, each person named below has sole authority to vote and dispose of the shares listed.

Name	Owned Shares of Common Stock	Option Shares of Common Stock(1)	Total Shares of Common Stock Beneficially Owned	Percentage of Common Stock Beneficially Owned
Directors and Dire				