

RELIANCE STEEL & ALUMINUM CO
Form DEF 14A
April 07, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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

Reliance Steel & Aluminum Co.
(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:
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(3) Filing Party:

(4) Date Filed:

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350 South Grand Avenue, Suite 5100

Los Angeles, California 90071

(213) 687-7700

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 17, 2017

To the Stockholders of Reliance Steel & Aluminum Co.:

The 2017 Annual Meeting of the Stockholders of Reliance Steel & Aluminum Co. (“Reliance” or “Company”) will be held on Wednesday, May 17, 2017, at 10:00 a.m., California time, at the Omni Los Angeles Hotel at California Plaza, 251 South Olive Street, Los Angeles, California 90012, for the following purposes:

- 1.To elect the eleven directors nominated by our Board of Directors. The nominees for election to the Board are Sarah J. Anderson, Karen W. Colonias, John G. Figueroa, Thomas W. Gimbel, David H. Hannah, Douglas M. Hayes, Mark V. Kaminski, Robert A. McEvoy, Gregg J. Mollins, Andrew G. Sharkey, III, and Douglas W. Stotlar. The Board of Directors recommends that stockholders vote FOR the election of each nominee as a director.
- 2.To consider a non-binding, advisory vote to approve the compensation of the Company’s named executive officers. The Board of Directors recommends that stockholders vote FOR the approval of the compensation of the Company’s named executive officers.
- 3.To consider the frequency of the stockholders’ non-binding, advisory vote on the compensation of our named executive officers. The Board of Directors recommends that stockholders vote for a non-binding, advisory vote to be held EVERY YEAR.
- 4.To ratify the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2017. The Board of Directors recommends that stockholders vote FOR the ratification of KPMG LLP as the Company’s independent registered public accounting firm.
- 5.To transact such other business, if any, as properly comes before the meeting or any adjournment thereof.

These items of business are more fully described in the proxy statement accompanying this Notice.

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You are invited to attend the Annual Meeting. If you plan to attend the meeting, please see the instructions contained in the accompanying proxy statement.

Your vote is important. Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented, and we hope you will vote as soon as possible.

Only stockholders of record at the close of business on March 31, 2017 are entitled to notice of, and to vote at, the Annual Meeting or any adjournments thereof. A list of these stockholders is available at the offices of the Company in Los Angeles, California.

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To make it easier, you may vote on the Internet or by telephone. The instructions attached to this Notice describe how to use these convenient services. Even if you give your proxy, you have the right to vote in person if you attend the Annual Meeting.

By Order of the Board of Directors,

William A. Smith II
Senior Vice President, General Counsel

and Corporate Secretary

Los Angeles, California
April 7, 2017

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

This Notice presents only an overview of the more complete proxy materials that are available to you on the Internet, if you have not received them by mail. We encourage you to access and review all of the important information contained in the proxy materials before voting. This proxy statement, an Annual Report to Stockholders, an Annual Report on Form 10-K and a proxy form for voting are available online at www.proxyvote.com by using the 12-digit control number provided to you. If you want to receive a paper or e-mail copy of these documents, you must request one. There is no charge to provide you a copy. Please request a copy (1) by Internet at www.proxyvote.com; (2) by telephone at 1-800-579-1639; or (3) by email to sendmaterial@proxyvote.com, on or before May 3, 2017 to facilitate timely delivery.

Except as stated otherwise, information on our website is not a part of this proxy statement.

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PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement and in our Annual Report on Form 10-K for the year ended December 31, 2016. 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

TIME AND DATE: 10:00 a.m., California time, May 17, 2017

PLACE: Omni Los Angeles Hotel at California Plaza

251 South Olive Street

Los Angeles, California 90012

RECORD DATE: March 31, 2017

- ITEMS OF BUSINESS:
1. To elect eleven directors nominated by the Board of Directors to serve until the 2018 Annual Meeting and until their successors have been duly elected and qualified.
 2. To consider a non-binding, advisory vote to approve the compensation of the Company's named executive officers.
 3. To consider the frequency of the stockholders' non-binding, advisory vote on the compensation of the Company's named executive officers.
 4. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017.
 5. To transact such other business, if any, as properly comes before the meeting or any adjournment thereof.

VOTING AND ATTENDANCE AT THE MEETING: Stockholders of record as of the close of business on the record date are entitled to vote. Each share of common stock is entitled to one vote on each matter to be voted on. Voting may be done over the Internet, by telephone, by completing and mailing the proxy card, or in person at the Annual Meeting. Additional information including information about voting by beneficial holders who hold shares through a bank, broker or financial institution is provided under "Voting Information" on page 6 and "Information Concerning Our Common Stock" on page 8.

We hope you will attend the meeting in person. If you do, please bring with you a valid form of government-issued photo identification, such as a valid driver's license or passport, and proof of ownership of our common stock as of the record

date. If you are a beneficial holder, you may also vote in person at the meeting but only if you have obtained a legal proxy from your bank, broker or financial institution.

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PROXY STATEMENT

Your vote is very important. The Board of Directors of Reliance Steel & Aluminum Co. is requesting that you allow your common stock to be represented at the Annual Meeting by the Company officers (proxies) named on the proxy card. The proxy statement is first being sent and made available to our stockholders on or about April 7, 2017.

Business Highlights

- Our 2016 gross profit margin of 30.1% was the highest in our history, which allowed us to generate higher levels of gross profit dollars to offset the decline in revenue caused primarily by metal pricing volatility.
- Our 2016 earnings per diluted share were \$4.16, the same as in 2015, despite the decline in revenue caused primarily by lower metal prices.
- We generated \$626.5 million of cash flow from operating activities, which allowed us to fund (i) \$154.9 million of capital expenditures, (ii) \$348.7 million for three acquisitions, and (iii) \$120.4 million in dividends.
- We increased our cash dividends per share paid in 2016 to \$1.65 from \$1.60 in 2015.
- We have increased our dividend 24 times since our initial public offering in 1994, including an increase in the first quarter of 2017. We have paid regular quarterly dividends to our stockholders for 57 consecutive years.

Corporate Governance Highlights (see page 53)

- ü All directors are elected annually by majority of votes cast.
- ü Appointed an independent, non-executive Chairman of the Board in 2016.
- ü Election of two new independent directors in 2016, reflecting diversity of skills, experience, and background.
- ü Nine of our eleven directors are independent.
- ü All of our standing Board committees consist solely of independent directors.
- ü Non-management directors meet regularly in executive sessions without management.
- ü Director retirement policy (age 75).
- ü 95% Board and committee meeting attendance in 2016. Stock ownership and retention requirements applicable to all directors and officers.
- ü Our stockholders have the right to request a special meeting of stockholders and act by written consent. Special meetings may be called by stockholders holding shares entitled to cast not less than 10% in voting power of our outstanding stock.
- ü Our Bylaws provide our stockholders with a proxy access right.
- ü No super majority voting requirements to approve mergers or other business combinations.
- ü No stockholder rights plan or poison pill.
- ü Reliance has adopted a Code of Conduct that applies to all directors, executive officers and senior management.
- ü Annual Board and committee self-evaluations.

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Key Executive Compensation Practices

What We Do:

- ü Strong pay-for-performance with approximately 75% of our CEO's and 60% of our other named executive officers' (other than Mr. Hannah) target level total direct compensation tied to performance metrics (see discussion beginning on page 21).
- ü Target total direct compensation for our named executive officers to approximate the market median for our peer group when targeted performance levels are achieved (see page 36).
- ü Clawback policy for cash and equity compensation (see page 42).
- ü Stock ownership and retention requirements applicable to all officers, including our named executive officers, and our directors (see pages 42 and 59).
- ü Double trigger provisions for accelerated vesting of restricted stock units upon a change in control (see page 42).
- ü All named executive officer performance-based equity awards granted in 2016 are tied to three-year performance targets (see page 38).
- ü Broad and deep distribution of equity awards throughout management while managing the dilutive impact and expense associated with those awards below the norms of our peers (see page 56).
- ü Limited perquisites (see page 40).
- ü Annual stockholder advisory vote to approve named executive officer compensation (see pages 10 and 11).
- ü Independent compensation committee (see page 34).
- ü Utilization of an independent compensation consultant (see page 34).

- ü Independent, non-executive Chairman of the Board enhances the effectiveness of the Board's oversight and governance and compensation practices (see page 57).

What We Don't Do:

- r No employment agreements, severance agreements, change in control/golden parachute agreements or other similar agreements with any executive officer.

- r No repricing or replacement of stock options.

- r No tax gross-ups for perquisites, change in control excise taxes or otherwise.

- r No dividends on unvested performance-based restricted stock units. Dividends accrue and are only paid upon the achievement of the applicable performance criteria.

- r No hedging of Reliance common stock by directors, officers and employees subject to the quarterly trading blackout under our insider trading policy.

- r No pledging of shares of Reliance common stock by directors, officers and employees subject to the quarterly trading blackout under our insider trading policy except for a grandfathered pledging arrangement by one director.

- r No incentive plan design or feature which would encourage excessive risk-taking.

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Board Nominees (see page 9)

Name	Occupation	Independent	Committee Memberships			Other Public Company Boards
			AC	CC	NGC	
Sarah J. Anderson	Retired Partner, Ernst & Young LLP	X	C		X	American States Water Company
Karen W. Colonias	President and Chief Executive Officer, Simpson Manufacturing Co., Inc.	X	X	X		Simpson Manufacturing Co., Inc.
John G. Figueroa	Chief Executive Officer, Genoa Healthcare	X		C	X	
Thomas W. Gimbel	Former Trustee, Florence Neilan Trust	X			X	
David H. Hannah	Retired Chairman and Chief Executive Officer, Reliance Steel & Aluminum Co.					Boise Cascade Company
Douglas M. Hayes	President, Hayes Capital Corporation	X	X	X	X	Circor International, Inc.
Mark V. Kaminski*	Executive Chairman, Graniterock	X	X	X	X	
Robert A. McEvoy	Investment Advisor, Brasil Warrant LLC; Retired Managing Director, Goldman Sachs	X		X	X	
Gregg J. Mollins	President and Chief Executive Officer, Reliance Steel & Aluminum Co.					
Andrew G. Sharkey, III	Former President and Chief Executive Officer, American Iron and Steel Institute	X	X	X	C	
Douglas W. Stotlar	Director, Detroit Branch of the Federal Reserve Bank of Chicago; former President and Chief Executive Officer, Con-way Inc.	X	X	X		LSC Communications Inc. and AECOM

AC Audit Committee

CC Compensation Committee

NGC Nominating and Governance Committee

C Chair

* Non-executive Chairman of the Board of Directors

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Voting Matters and Recommendations

Proposal	Board Recommendation
<p>1. Election of Directors: The Board and the Nominating and Governance Committee believe that the combination of the various qualifications, skills and experiences of the director nominees will contribute to an effective and well-functioning Board and that, individually and as a whole, the director nominees possess the necessary qualifications to provide effective oversight of and quality advice and counsel to the Company’s management. See page 9.</p>	<p>FOR the election of all named nominees</p>
<p>2. Advisory Vote on the Approval of the Compensation of our Named Executive Officers: We manage our business with the long-term objective of creating and maximizing value for our stockholders. Our pay-for-performance philosophy is aligned with and supports this objective. We are asking our stockholders to approve, on an advisory, non-binding basis, the compensation of our named executive officers as disclosed in this proxy statement. See page 10.</p>	<p>FOR</p>
<p>3. Advisory Vote on the Frequency for Stockholders’ Non-Binding, Advisory Vote on the Compensation of our Named Executive Officers. We continue to believe that our advisory vote on the approval of the compensation of our named executive officers should be conducted every year so that our stockholders may annually express their views on our executive compensation program. See page 11.</p>	<p>EVERY YEAR</p>
<p>4. Ratification of Independent Registered Public Accounting Firm: The Audit Committee selected KPMG LLP as the independent registered public accounting firm for Reliance for 2017. KPMG LLP has served in this role since 2008. At the Annual Meeting, stockholders will be asked to ratify and approve this selection. See page 12.</p>	<p>FOR</p>

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VOTING INFORMATION

We are furnishing this proxy statement to the holders of our common stock in connection with the solicitation of proxies on behalf of our Board of Directors for use at the Annual Meeting to be held on Wednesday, May 17, 2017 at the Omni Los Angeles Hotel at California Plaza, 251 South Olive Street, Los Angeles, California 90012.

The Board of Directors selected Karla R. Lewis, our Senior Executive Vice President and Chief Financial Officer, and William A. Smith II, our Senior Vice President, General Counsel and Corporate Secretary, to be named as proxyholders to vote the shares of common stock represented by the proxies at the Annual Meeting. Reliance will pay the cost to solicit the proxies. The Board of Directors will solicit proxies by mail, by telephone, and electronically via the Internet. In addition, certain of our officers and agents may solicit proxies by telephone and personal interview (the cost of which will be nominal). We expect that banks, brokerage houses and other custodians, nominees and fiduciaries will forward soliciting material to beneficial owners and obtain authorizations to execute proxies. We will reimburse the reasonable out-of-pocket expenses they incur to forward the proxy materials. We have retained D.F. King & Co., Inc. ("D.F. King") to assist in the distribution and solicitation of proxies. Based on our agreement with D.F. King, we anticipate paying fees of approximately \$10,000, plus-out-of-pocket expenses, for these services. Your bank, broker or financial institution is not able to vote on your behalf for the election of directors or on any compensation issue, unless you provide specific instructions by completing and returning a proxy or voting instruction form or by following instructions provided to you by your bank, broker or financial institution to vote your shares which often include instructions on how to vote your shares via telephone or the Internet. Voting your shares is important to ensure that you have a say in the governance of our Company.

We intend only the four matters described in this proxy statement to be presented at the Annual Meeting. We will also transact any other business as may properly come before the meeting or any adjournments thereof.

Unless you instruct us otherwise on the proxy, each proxy will be voted FOR the election of all of the nominees named herein as directors, FOR the approval of the compensation of the Company's named executive officers, for the adoption of EVERY YEAR as the frequency with which stockholders will provide an advisory vote on the compensation of our named executive officers, and FOR the ratification of KPMG LLP as our independent registered public accounting firm for 2017.

We intend to make this proxy statement and accompanying material available to each stockholder on the Internet beginning on or about April 7, 2017. An Annual Report, including a letter to the stockholders from the President and Chief Executive Officer, the Senior Executive Vice President and Chief Financial Officer, and the Executive Vice President and Chief Operating Officer, and an Annual Report on Form 10-K, also will be available electronically. Some stockholders will receive these materials by mail and other stockholders may request copies of these materials at no cost. The Annual Report and stockholder letter are not incorporated in, and are not a part of, this proxy statement and do not constitute proxy-soliciting material.

If you are a stockholder of record and execute a proxy or submit a proxy via the Internet or telephone, the proxy may be revoked at any time before it is voted:

- by filing with our Corporate Secretary either an instrument revoking the proxy or a proxy bearing a later date, duly executed in either case; or
- by voting in person at the meeting. Any written instrument or later dated proxy should be sent or delivered to the Corporate Secretary at the address shown on the first page above and must be received prior to the Annual Meeting.

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In addition, prior to the deadline for Internet or telephone voting, you may change your vote using the Internet or telephone method, in which case only your latest Internet or telephone proxy submitted before the deadline will be counted.

If you hold your shares through a broker, bank, financial institution, or other nominee, you are a beneficial holder, and you may change your vote by complying with the procedures contained in the voting instructions provided to you by your broker, bank, financial institution or other nominee.

The presence in person or by proxy of the holders of a majority of the shares entitled to vote at the meeting shall constitute a quorum for the transaction of business. Broker non-votes and abstentions are counted for purposes of determining whether a quorum is present. A broker non-vote occurs when a nominee holding shares for a beneficial owner (i.e., in “street name”) does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. We believe that nominees only have discretionary voting power with respect to the ballot item on the ratification of our independent registered public accounting firm.

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INFORMATION CONCERNING OUR COMMON STOCK

Our only voting securities are shares of common stock, par value \$0.001 per share. As of the record date of March 31, 2017, we had a total of 72,879,606 shares of common stock issued and outstanding, all of which may be voted at the Annual Meeting. Only holders of shares of record on our books at the close of business on the record date will be entitled to vote at the Annual Meeting.

The election of directors at the Annual Meeting will be uncontested. As a result, each nominee for election as a director at the Annual Meeting will only be elected if the votes cast “FOR” such nominee exceed the number of votes cast “AGAINST” such nominee, with abstentions and broker non-votes not counted as either votes “FOR” or “AGAINST” that nominee’s election. As required by the Company’s Bylaws, in the event that an incumbent director fails to receive a majority of votes cast in an uncontested election, such incumbent director is required to submit his or her resignation to the Board of Directors within ten calendar days of the date of the certification of the election results. Pursuant to the procedures set forth in the Bylaws, the Nominating and Corporate Governance Committee will make a recommendation to the Board of Directors within ten calendar days as to whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors will then act on the resignation, taking into account the Nominating and Corporate Governance Committee’s recommendation, and the Company will publicly disclose such decision by the Board of Directors with respect to the director nominee. The Nominating and Corporate Governance Committee, in making its recommendation, and the Board of Directors, in making its decision, each may consider any factors and other information that they consider appropriate and relevant. A director who tenders his or her resignation is not permitted to participate in the recommendation of the committee or the decision of the Board of Directors with respect to his or her resignation.

The affirmative vote of a majority of votes present in person or by proxy and entitled to vote on the matter is required to (i) approve on a non-binding advisory basis, the compensation of the named executive officers, and (ii) ratify the engagement of KPMG LLP as our independent registered public accounting firm for 2017. Accordingly, abstentions will count as votes “AGAINST” such proposals. A plurality of the votes cast for Proposal No. 3 will be considered the stockholders’ preferred frequency for holding an advisory vote on executive compensation. Accordingly, abstentions will have no effect on such proposal. Broker non-votes will have no effect on Proposal Numbers 1, 2 and 3 to be considered at the Annual Meeting. Because the ratification of the appointment of KPMG LLP (Proposal No. 4) is considered a “routine” proposal, a broker holding shares as the nominee for a beneficial owner may vote for the proposal without voting instructions and, accordingly, we do not expect there to be any broker non-votes on Proposal No. 4.

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PROPOSAL NO. 1 - ELECTION OF DIRECTORS

It is proposed that eleven directors, nine of whom are independent directors, be elected to hold office until the 2018 annual meeting of stockholders and until their successors have been elected and qualified, subject to their earlier death, resignation or removal. Mr. Mollins and Mr. Hannah are not considered independent directors because Mr. Mollins is currently our Chief Executive Officer and Mr. Hannah was our Chief Executive Officer until May 2015, our Executive Chairman until July 2016 and an executive officer until August 2016.

The Nominating and Corporate Governance Committee has recommended to the Board of Directors, and the Board of Directors has approved, and recommends to the stockholders, the individuals named below as nominees for election to the Board:

Sarah J. Anderson	Mark V. Kaminski
Karen W. Colonias	Robert A. McEvoy
John G. Figueroa	Gregg J. Mollins
Thomas W. Gimbel	Andrew G. Sharkey,
	III
David H. Hannah	Douglas W. Stotlar
Douglas M. Hayes	

A majority of the votes cast is required for the election of directors in an uncontested election (which is the case for the election of directors at the 2017 Annual Meeting). Your broker is not able to vote on your behalf for the election of directors unless you provide specific instructions by completing and returning a proxy or voting instruction form or you follow instructions provided to you by your broker, which often include instructions on how to vote your shares via telephone or the Internet.

We expect each nominee for election as a director will serve if elected. If any nominee is not able to serve, proxies may be voted by the proxyholders for substitute nominees, unless the Board of Directors chooses to reduce the number of directors serving on the Board of Directors.

Certain information with respect to each nominee is set forth in "Management" below. See page 14.

The Board of Directors recommends that stockholders vote FOR the election of each nominee as a director. Unless otherwise indicated on your proxy, the proxyholders will vote your proxy FOR the election of all named nominees.

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PROPOSAL NO. 2 - ADVISORY VOTE ON THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), we are asking our stockholders to approve, on an advisory, non-binding basis, the compensation of our named executive officers as disclosed in this proxy statement. Our current policy is to provide our stockholders with an opportunity to approve the compensation of our named executive officers each year at the Annual Meeting. Accordingly, subject to our stockholders’ vote on Proposal Number 3, we anticipate that the next such vote will occur at the 2018 Annual Meeting of Stockholders.

In voting on this proposal, the Board of Directors encourages you to consider the detailed discussion of compensation matters in the Compensation Discussion and Analysis section, or CD&A, beginning on page 21.

The Board of Directors recommends that stockholders vote FOR the following resolution:

“RESOLVED, that the stockholders of Reliance Steel & Aluminum Co. approve, on an advisory basis, the compensation paid to Reliance Steel & Aluminum Co.’s named executive officers, as disclosed in the 2017 Proxy Statement pursuant to the Securities and Exchange Commission’s compensation disclosure rules, including the CD&A, the Summary Compensation Table and other compensation tables and the accompanying footnotes and narratives and any related material.”

Because your vote is advisory, it will not be binding upon the Board. However, the Board values our stockholders’ opinions and the Compensation Committee will take into account the outcome of the vote when considering future executive compensation decisions. The affirmative vote of a majority of votes present in person or by proxy and entitled to vote is required to approve this proposal.

Your bank, broker or financial institution is not able to vote on your behalf to support the Company’s executive compensation unless you provide specific instructions by completing and returning a proxy or voting instruction form or you follow instructions provided to you by your broker, which often include instructions on how to vote your shares via telephone or the Internet.

The Board of Directors recommends a vote FOR the compensation of the Company’s named executive officers. Unless otherwise indicated on your proxy, the proxyholders will vote your proxy FOR the above resolution approving the compensation of our named executive officers.

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PROPOSAL NO. 3 - ADVISORY VOTE ON THE FREQUENCY OF STOCKHOLDER APPROVAL
OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Under the Dodd-Frank Act, stockholders also are entitled to vote on a non-binding, advisory basis to determine the frequency of the advisory vote on the compensation of our named executive officers. Accordingly, the Company is asking stockholders whether the advisory vote on the compensation of our named executive officers should occur every year, every other year or every three years. Stockholders also have the option to abstain from voting on this matter. The Company currently holds advisory votes on the compensation of our named executive officers every year.

Our stockholders voted on a similar proposal in 2011 with a majority voting to hold the advisory vote on the compensation of our named executive officers vote every year. We continue to believe that the advisory vote on the compensation of our named executive officers should be conducted every year so that our stockholders may annually express their views on our executive compensation program.

Stockholders should be aware that they are not voting “FOR” or “AGAINST” the Board’s recommendation to vote for a frequency of every year for future advisory votes on the compensation of our named executive officers. Rather, stockholders will be casting votes to recommend that an advisory vote on the compensation of our named executive officers be held every year, every other year or every three years, or they may abstain entirely from voting on the matter.

The outcome of this advisory vote is not binding on the Company or on the Board. However, the Board will review and consider the outcome of this vote when making a decision as to the policy to be adopted by the Board on the frequency of future advisory votes on the compensation of our named executive officers. It is possible that none of the frequency vote choices will receive a majority of the votes cast. The option that receives the most votes from stockholders will be considered by the Board to be the stockholders’ recommendation as to the frequency of future advisory votes on the compensation of our named executive officers.

Your bank, broker or financial institution is not able to vote on your behalf to select the frequency of the advisory vote on the compensation of our named executive officers unless you provide specific instructions by completing and returning a proxy or voting instruction form or you follow instructions provided to you by your broker, which often include instructions on how to vote your shares via telephone or the Internet.

The Board of Directors recommends that stockholders vote for the option of EVERY YEAR as the frequency with which stockholders will be provided an advisory vote on the compensation of our named executive officers. Unless otherwise indicated on your proxy, the proxyholders will vote your proxy for the option of EVERY YEAR as the frequency with which stockholders will be provided an advisory vote on the compensation of our named executive officers.

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PROPOSAL NO. 4 – RATIFICATION OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

We incurred the fees set forth in the table below for services provided in the last two years by KPMG LLP, our independent registered public accounting firm. Audit fees are the aggregate fees for services of the independent registered public accounting firm for audits of our annual financial statements, and the independent registered public accounting firm's audit of our internal control over financial reporting, including testing and compliance with Section 404 of the Sarbanes-Oxley Act, and review of our quarterly financial statements included in our Forms 10-Q, and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for those years, such as any filings related to acquisitions or our publicly traded debt securities. This category also includes advice on accounting matters that arose during, or as a result of, the audit or review of interim financial statements and statutory audits required by non-U.S. jurisdictions. Audit-related fees are those fees for services provided by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and not included as audit fees.

Audit Fees	
2016	\$ 3,780,000
2015	\$ 3,550,000
Audit-Related Fees	
2016	\$ 2,000
2015	\$ 12,000
Tax Fees (1)	
2016	\$ 11,000
2015	\$ 39,000
All Other Fees	
2016	\$ -
2015	\$ -

(1) Fees and expenses for professional services rendered by KPMG LLP in connection with U.S. and foreign tax compliance and planning, and consultation and advice on tax examinations.

The Audit Committee approved all of these services in advance. The Audit Committee has adopted a Pre-Approval Policy that requires that the Audit Committee approve in advance the services to be provided, the terms of the engagement letter, and all associated fees set forth in such letter for the independent registered public accounting firm. In addition, the Audit Committee will review proposed audit, audit-related, tax and other services that management desires the independent registered public accounting firm to perform to ensure that such services and the proposed fees related to the services will not impair the independent registered public accounting firm's independence and that such services and fees are consistent with the rules established by the Securities and Exchange Commission ("SEC"). Each quarter, the Chief Financial Officer of the Company reports to the Audit Committee which services, if any, were performed and the amount of any fees that were incurred. The Audit Committee has delegated to the Chair of the Audit Committee the authority to add to, amend or modify the list of services to be provided or the amount of fees to

be paid; provided that the Chair will report any action taken to the Audit Committee at its next scheduled meeting and provided further that the fees involved are reasonably expected to be less than \$100,000.

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The Audit Committee selected KPMG LLP as the Company's independent registered public accounting firm for 2017. KPMG LLP has served as the Company's independent registered public accounting firm since 2008. The Board of Directors ratified this selection. At the Annual Meeting, stockholders will be asked to ratify and approve this selection. We are not required to have the stockholders ratify the selection of KPMG LLP as our independent registered public accounting firm. Nevertheless we are presenting the selection of KPMG to our stockholders because we believe it is a good corporate practice. If the stockholders do not ratify the selection, the Audit Committee will reconsider whether or not to retain KPMG LLP, but may still retain the firm. Even if the selection is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

A representative of KPMG LLP is expected to be present at the Annual Meeting, will have an opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions. The affirmative vote of a majority of shares present in person or by proxy and entitled to vote is required to ratify the selection of KPMG LLP as our independent registered public accounting firm for 2017. Because the ratification of the appointment of KPMG LLP is considered a "routine" proposal, a broker holding shares as the nominee for a beneficial owner may vote for the proposal without voting instructions and, accordingly, we do not expect there to be any broker non-votes on this proposal.

The Board of Directors recommends that stockholders vote FOR the ratification of the selection of KPMG LLP as our independent registered public accounting firm for 2017. Unless otherwise indicated on your proxy, the proxyholders will vote FOR the ratification of KPMG LLP as our independent registered public accounting firm for 2017.

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MANAGEMENT

Directors and Executive Officers

The following table sets forth certain information regarding our directors and executive officers:

Name	Age	Position with Reliance
Gregg J. Mollins	62	President; Chief Executive Officer; Director
Karla R. Lewis	51	Senior Executive Vice President; Chief Financial Officer
James D. Hoffman	58	Executive Vice President; Chief Operating Officer
William K. Sales, Jr.	60	Executive Vice President, Operations
Stephen P. Koch	50	Senior Vice President, Operations
Michael P. Shanley	59	Senior Vice President, Operations
William A. Smith II	49	Senior Vice President, General Counsel and Corporate Secretary
Sarah J. Anderson (1) (3)	66	Director
Karen W. Colonias(1) (2)	59	Director
John G. Figueroa (2) (3)	54	Director
Thomas W. Gimbel (3)	65	Director
David H. Hannah	65	Director
Douglas M. Hayes (1) (2) (3)	73	Director
Mark V. Kaminski (1) (2) (3) (4)	61	Director
Robert A. McEvoy (2) (3)	50	Director
Andrew G. Sharkey, III (1) (2) (3)	70	Director
Douglas W. Stotlar (1) (2)	56	Director

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Nominating and Governance Committee.

(4) Non-executive Chairman of the Board.

Directors

Sarah J. Anderson was appointed a director of Reliance in July 2012. Ms. Anderson retired from Ernst & Young LLP in June 2008 after more than 24 years with the firm, including as an assurance and advisory services partner from 1987 to 2008. Ms. Anderson is a certified public accountant and is a member of the AICPA and the California Society of CPAs. Ms. Anderson was appointed by the Governor of California to the California Board of Accountancy for two four-year terms, which ended in 2015, and had served as president of the board. Ms. Anderson serves on the board of American States Water Company, a NYSE-listed public company, which has three principal business units: water and electric service utility operations and contracted services, for which Ms. Anderson serves as the chair of the audit committee. Ms. Anderson also served on the board and as audit committee chair of Kaiser Ventures LLC (the reorganized successor to Kaiser Steel Corporation that filed for bankruptcy protection in 1987) until May 2013 when the company's assets were transferred to a liquidating trust. Ms. Anderson serves on the audit committee of the Orange County Community Foundation and as an emeritus director of Pacific Symphony, a non-profit 501(c)(3) organization for which she served four years as chair of the board. Ms. Anderson also serves on the Board of Trustees of South Coast Repertory, a non-profit 501(c)(3) organization, where she serves as a member of the finance committee and the chair of the corporate development committee. Ms. Anderson serves as Chair of our Audit Committee and a member of our Nominating and Governance Committee. Ms. Anderson served as a member of our Compensation Committee from January 1, 2016 through December 31, 2016. The Board of Directors has determined that Ms. Anderson is an independent director and that she qualifies as an audit committee financial expert.

Ms. Anderson brings extensive financial and accounting expertise and audit committee experience to our Board of Directors and Audit Committee. Ms. Anderson offers financial experience that enables her to

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understand and analyze accounting matters and to communicate well with both our internal and external auditors. She keeps abreast of current accounting and financial topics and is able to ask appropriate questions of management and auditors alike. Ms. Anderson has an understanding of tax, audit procedures, financial reporting requirements and risk identification and assessment issues and has knowledge of practices at other public companies in other industries through her work as an auditor and board member of two other public companies.

Karen W. Colonias was appointed a director of Reliance in October 2016. Ms. Colonias has been the President and Chief Executive Officer of Simpson Manufacturing Company Inc. (“SSD”), a NYSE-listed public company, since January 2012. Ms. Colonias has also served on SSD’s board of directors since 2013. From May 2009 to January 2012, Ms. Colonias served as SSD’s Chief Financial Officer, Treasurer and Secretary. Prior to that, Ms. Colonias was Vice President of SSD’s global structural product solutions subsidiary, Simpson Strong-Tie Company Inc. and, in that capacity, managed Simpson Strong-Tie’s manufacturing facility in Stockton, California from 2004 to 2009. From 1998 to 2009, as SSD’s Vice President of Engineering, Ms. Colonias was responsible for Simpson Strong-Tie’s research and development efforts. Ms. Colonias joined Simpson Strong-Tie in 1984 as an engineer in the research and development department, where she was responsible for the design and testing of new products and code development.

Ms. Colonias serves as a member of our Audit Committee and our Compensation Committee. The Board of Directors has determined that Ms. Colonias is an independent director.

Ms. Colonias is experienced in strategic planning, mergers and acquisitions, facility and plant operations, international business and global finance. Based on her executive experience, including as the Chief Executive Officer of SSD, Ms. Colonias provides valuable insight on the management of the Company and its operations.

John G. Figueroa was appointed a director of Reliance in October 2010. Since July 2014, Mr. Figueroa has been the chief executive officer of Genoa Healthcare, the leading behavioral health specialty pharmacy in the country.

Mr. Figueroa has served as chairman of the board of directors of Apria Healthcare Group Inc., one of the nation's leading home healthcare companies, since November 2012 and also served as the company’s chief executive officer from November 2012 until January 2014. From January 2011 until June 2012, Mr. Figueroa served as the chief executive officer of Omnicare, Inc., which was a public company during that time and was a leading provider of pharmaceuticals to seniors, and he also served on its board of directors. From 2006 to December 2010, Mr. Figueroa served as president of the U.S. Pharmaceutical Group of McKesson Corporation, the largest pharmaceutical distributor in North America. Mr. Figueroa served in other senior management positions with McKesson Corporation from 1997 to 2006. Mr. Figueroa has served as an officer in the United States Army. Mr. Figueroa serves as Chair of our Compensation Committee and as a member of our Nominating and Governance Committee. The Board of Directors has determined that Mr. Figueroa is an independent director.

Mr. Figueroa has developed an expertise in distribution and supply chain management and operations. In August 2010, when he was president of the U.S. Pharmaceutical Group of McKesson, Mr. Figueroa was named the Supply Chain Executive of the Decade by the Global Supply Chain Leaders Group for making significant contributions to the advancement of supply chain management and maintaining sustainable, responsible business practices in global operations. Mr. Figueroa’s expertise allows him to assist management in increasing efficiency in and marketing for our distribution operations. Mr. Figueroa’s experience in the healthcare industry and mergers and acquisitions provides a different perspective and increased diversity on the Board of Directors.

Thomas W. Gimbel was appointed a director of Reliance in January 1999. Mr. Gimbel has been retired since 2006, except that until recently he served as Trustee of the Florence Neilan Trust, which for many years was one of Reliance’s largest stockholders. Between 1984 and 2006, Mr. Gimbel was the president of Advanced Systems Group, an independent computer consulting firm servicing database requirements for diverse businesses of various sizes. From 1975 to 1984, Mr. Gimbel was employed by Dun & Bradstreet. Mr. Gimbel

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serves as a member of our Nominating and Governance Committee. The Board of Directors has determined that Mr. Gimbel is an independent director.

Mr. Gimbel is the great nephew of the Company's founder and the son of the Company's former Chairman and Chief Executive Officer, Bill Gimbel. As one of our largest individual stockholders, Mr. Gimbel provides the Board with a stockholder perspective. Mr. Gimbel also knows and understands the history and culture of the Company as it has grown from a privately-held company to a Fortune 500 company. Mr. Gimbel, who has never been an employee of the Company, respects the proven management strategy of our Company and seeks to protect the Company's core values as it grows. Mr. Gimbel's background in information technology also enables him to offer the Board and management guidance regarding the Company's technology systems.

David H. Hannah was appointed a director of Reliance in 1992. Mr. Hannah served as Chief Executive Officer of Reliance from January 1999 to May 2015, Chairman of the Board from October 2007 to May 2015, Executive Chairman of the Board from May 2015 to July 2016, and Chairman Emeritus from July 2016 until his retirement in August 2016. Mr. Hannah served as President of Reliance from November 1995 to January 2002. Prior to that, he was Executive Vice President and Chief Financial Officer from 1992 to 1995, Vice President and Chief Financial Officer from 1990 to 1992 and Vice President and Division Manager of the Company's Los Angeles Reliance Steel Company division from 1989 to 1990. Mr. Hannah served as an officer of the Company from 1981 until his retirement in August 2016. For eight years before joining Reliance in 1981, Mr. Hannah was employed in various professional staff positions by Ernst & Whinney (a predecessor to Ernst & Young LLP, which was our independent registered public accounting firm through 2007).

As the former Chief Executive Officer of the Company, Mr. Hannah has an in-depth knowledge of the Company's operations and its strategic vision. He developed and implemented the Company's merger and acquisition growth strategy that has resulted in over 60 acquisitions since our initial public offering in September 1994. Mr. Hannah's financial background and business management experience enabled him to assess and value potential target companies. Mr. Hannah is well respected within the metals service center industry and by investors, financial institutions and credit rating agencies. He has proven his ability to raise capital for the Company in both debt and equity offerings and effectively led our management team for over 15 years. Mr. Hannah previously served as chairman of the board of directors of the Metals Service Center Institute. Since November 2014, Mr. Hannah has served as a director of Boise Cascade Company, a NYSE-listed public company, and serves on its compensation committee and corporate governance and nominating committee.

Douglas M. Hayes was appointed a director of Reliance in September 1997. Mr. Hayes retired from Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ"), where he was managing director of Investment Banking from 1986 to February 1997. DLJ was the underwriter in our 1994 initial public offering. Thereafter, Mr. Hayes established his own investment firm, Hayes Capital Corporation, in Los Angeles, California, and serves as its President. Mr. Hayes is also a director of Circor International, Inc., a NYSE-listed public company, for which he serves as chairman of the compensation committee and as a member of the nominating and governance committee. Mr. Hayes serves as a member of our Audit Committee, Nominating and Governance Committee and our Compensation Committee, and served as our Lead Director from May 2004 to January 2015. The Board of Directors has determined that Mr. Hayes is an independent director.

Mr. Hayes' investment banking background, including his service to Reliance, enables him to support the Board and the Company with the benefit of his knowledge of our Company, capital markets and financing strategies. Mr. Hayes' experience with analysts and investors provides valuable perspective and, by virtue of his membership on other boards of directors and his investment banking experience, provides insight into how other public companies operate and into various end market industries. He is also able to assist the management team in evaluating and structuring mergers and acquisitions.

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Mark V. Kaminski was appointed a director of Reliance in November 2004. Mr. Kaminski was elected our non-executive Chairman of the Board in July 2016, after having served as our Lead Director since January 2015. Mr. Kaminski serves as a director, executive chairman and a member of the audit, nominating and governance, and compensation committees of Graniterock, a privately-held company that provides products to the construction industry, and during 2012 served as chief executive officer of Graniterock. Mr. Kaminski was president and chief executive officer and a director of Commonwealth Industries Inc. (now Aleris International, Inc.), a manufacturer of aluminum products, from 1991 until his retirement in June 2004. Mr. Kaminski had served in other capacities with Commonwealth Industries Inc. since 1987. Mr. Kaminski also serves as a member of our Compensation Committee, Audit Committee and our Nominating and Governance Committee. From October 2010 to January 2015, Mr. Kaminski was the chairman of the Compensation Committee. From 2006 to 2010 he was Chairman of the Nominating and Governance Committee. The Board of Directors has determined that Mr. Kaminski is an independent director.

Based on his experience as executive chairman of Graniterock and as president and chief executive officer of Commonwealth Industries Inc., where he grew sales from \$240 million to \$2.5 billion, Mr. Kaminski offers valuable insight in the management of the Company and its growth. During his 39-year career in the metals and mining industry and as the former chief executive officer of an aluminum producer, he has developed strong contacts with aluminum suppliers and peer companies that are aluminum distributors. Because of his manufacturing background, Mr. Kaminski is also able to provide guidance on improving and maintaining the Company's excellent operational efficiency and safety performance.

Robert A. McEvoy was appointed to the Board of Directors in October 2015. Mr. McEvoy brings a wealth of experience in the metals industry, mergers and acquisitions, corporate finance, and equity portfolio management. Mr. McEvoy currently serves as an investment advisor to Brasil Warrant LLC, a Brazilian group whose main operating businesses are in asset management, banking, and mining. Mr. McEvoy retired from Goldman Sachs in April 2014 after nine years with the firm. As a managing director at Goldman Sachs, Mr. McEvoy was a portfolio manager focused on the materials and industrials sectors. From 1989 to 2001, Mr. McEvoy held various positions with the investment banking firms of DLJ and Credit Suisse First Boston. The Board of Directors has determined that Mr. McEvoy is an independent director.

Mr. McEvoy's investment banking and equity investment background, including his particular focus on the metals and mining industry and prior investment banking and analyst experience covering Reliance, enables him to assist the Board and the Company with the benefit of his knowledge of our Company, our industry and competitors, capital markets and financing strategies. Mr. McEvoy's experience as an investor provides the Board and management perspective on the landscape in which Reliance competes for capital. Mr. McEvoy's investment banking experience offers insight and experience in evaluating merger and acquisition opportunities. Mr. McEvoy's historical knowledge of Reliance and the metals industry as a former analyst covering Reliance and other metals companies affords him a unique perspective and understanding of our business.

Gregg J. Mollins was appointed a director of Reliance in September 1997 and became Chief Executive Officer in May 2015. Mr. Mollins became President in 2002 and served as Chief Operating Officer from May 1994 to May 2015. Mr. Mollins was Executive Vice President from November 1995 to January 2002. He also served as Vice President and Chief Operating Officer from 1994 to 1995 and as Vice President from 1992 to 1994. Mr. Mollins joined Reliance in 1986 as Division Manager of the former Santa Clara division, following ten years with certain of our competitors in various sales and sales management positions.

Mr. Mollins has spent his entire career in the metals service center industry and has been exposed to every operational area of the business. As our President and Chief Executive Officer, he has extensive industry expertise and has developed extensive contacts in the metals service center industry and with mills and other suppliers. Mr. Mollins

evaluates potential acquisitions and opportunities to expand our business and has the

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skills and experience necessary to supervise the day-to-day operations of the Company and to guide its strategy. Mr. Mollins is actively involved in the integration of new acquisitions into the Company's culture.

Andrew G. Sharkey, III was appointed a director of Reliance in July 2007. Mr. Sharkey served as president and chief executive officer of the American Iron and Steel Institute from 1993 until his retirement in October 2008. From 1978 to 1993, Mr. Sharkey was president, executive vice president and director of education for the Steel Service Center Institute (currently the Metals Service Center Institute), which represents the metals service center industry as well as steel suppliers and mills. Mr. Sharkey serves as the Chair of our Nominating and Governance Committee and as a member of our Compensation Committee and our Audit Committee. From February 2009 through December 2013, Mr. Sharkey also served as a director and a member of the compensation committee and the governance and nominating committee of General Moly, Inc., a publicly traded company with securities listed on the NYSE MKT. The Board of Directors has determined that Mr. Sharkey is an independent director.

Mr. Sharkey has a strong knowledge of the metals industry and, as the former president of the Steel Service Center Institute and as the former president and chief executive officer of the American Iron and Steel Institute has extensive knowledge of steel suppliers and our peer companies and potential acquisition targets that operate in the steel distribution industry, as well as familiarity with the personalities of the management teams and owners of these companies. Mr. Sharkey understands the factors that impact pricing and demand, as well as market factors that impact mills and how they will ultimately impact metals service centers. Mr. Sharkey's experience offers a perspective of the global market and insight into steel trade issues.

Douglas W. Stotlar was appointed a director of Reliance in October 2016. Mr. Stotlar served as President, Chief Executive Officer and Director of Con-way Inc., a transportation and logistics company (previously known as CNF Inc.) from April 2005 until October 2015. He served as President and Chief Executive Officer of Con-way Transportation Services Inc., a regional trucking enterprise ("CTS") and a subsidiary of Con-way Inc., from 2004 until 2005. Mr. Stotlar also served as CTS' Executive Vice President and Chief Operating Officer from 2002 until 2004, and as CTS' Executive Vice President of Operations from 1997 until 2002. He served as Vice President at large and was a member of the executive committee of the American Trucking Association. Mr. Stotlar is currently a director at AECOM, a NYSE-listed public company, a director at LSC Communications, Inc. ("LSC"), a NYSE-listed public company, and a director for the Detroit branch of the Federal Reserve Bank of Chicago. Mr. Stotlar also serves on the audit committee of AECOM and on the audit and compensation committees of LSC. Mr. Stotlar serves as a member of our Audit Committee and our Compensation Committee. The Board of Directors has determined that Mr. Stotlar is an independent director.

Mr. Stotlar brings substantial knowledge of the logistics industry, which is important in our business. In addition, Mr. Stotlar's prior experience as a chief executive officer of a public company provides insight on stockholder relations and management matters.

Executive Officers

In addition to Mr. Mollins, the following are the other executive officers of Reliance:

Karla R. Lewis became Senior Executive Vice President in May 2015, Executive Vice President in January 2002 and was appointed Assistant Corporate Secretary in 2007. Mrs. Lewis continues as our Chief Financial Officer, having served as Senior Vice President and Chief Financial Officer since February 2000. Mrs. Lewis served as Vice President and Chief Financial Officer from 1999 to 2000 and was Vice President and Controller from 1995 to 1999. Mrs. Lewis served as Corporate Controller from 1992 to 1995. For four years prior to joining Reliance, Mrs. Lewis, a certified public accountant (inactive), was employed by Ernst & Young LLP in various professional staff positions. Mrs. Lewis also serves as a member of the board of directors of the Metals Service Center Institute.

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James D. Hoffman became Executive Vice President and Chief Operating Officer in March 2016. Mr. Hoffman served as the Company's Executive Vice President, Operations since May 2015, and as Senior Vice President, Operations since 2008. Mr. Hoffman served as executive vice president and chief operating officer of our subsidiary, Earle M. Jorgensen Company, from April 2006 to September 2008. Mr. Hoffman was appointed executive vice president of Earle M. Jorgensen Company in 2006, having been a vice president of Earle M. Jorgensen Company since 1996. Mr. Hoffman also serves as a member of the board of directors of the Metals Service Center Institute.

William K. Sales, Jr. became Executive Vice President, Operations in May 2015. Mr. Sales served as Senior Vice President, Operations since 2002. Mr. Sales joined Reliance as Vice President, Non-Ferrous Operations in September 1997. From 1981 to 1997, Mr. Sales served in various sales and management positions with Kaiser Aluminum & Chemical Corp. (now DCO Management, LLC, a subsidiary of Kaiser Aluminum Corporation), a producer of aluminum products and a supplier of Reliance. Mr. Sales also served as past chair of the aluminum products division council of the Metals Service Center Institute, is a member of its executive committee and is a current board member.

Stephen P. Koch became Senior Vice President, Operations in April 2010. From July 2007 until he joined Reliance, Mr. Koch was president of Chapel Steel Corp., a subsidiary of Reliance. Prior to that he held the positions of executive vice president of Chapel Steel Corp. from 2005 to June 2007, and vice president of Chapel Steel Corp. from 1995 to 2005 and had previously served as sales manager of Chapel Steel Corp.

Michael P. Shanley was appointed Senior Vice President, Operations in April 2015. Mr. Shanley was president of Liebovich Bros., Inc., a subsidiary of Reliance, since September 2009, having been vice president and general manager of Hagerty Steel and Aluminum, a division of Liebovich Bros., from January 2005 to September 2009. Mr. Shanley joined Liebovich Bros. in 1978 and held various sales and management positions prior to 2005. Mr. Shanley has more than 38 years of metals service center industry experience.

William A. Smith II was appointed Senior Vice President, General Counsel and Corporate Secretary in May 2015, having served as Vice President, General Counsel and Corporate Secretary since May 2013. From August 2009 to May 2013, Mr. Smith served as senior vice president, chief legal officer and secretary of Metals USA Holdings Corp., a publicly traded metals service center business acquired by Reliance in April 2013. From June 2005 to August 2008, Mr. Smith served as senior vice president, general counsel and secretary of Cross Match Technologies, Inc. and also as director of corporate development from September 2006 to August 2008. Prior to that, he was a partner in the corporate and securities practice group of the international law firm DLA Piper, where he practiced corporate law, including mergers and acquisitions.

Other Corporate Officers

In addition, the following Reliance officers are expected to make significant contributions to our operations:

Arthur Ajemyan became Vice President, Corporate Controller in May 2014, having been promoted from Corporate Controller, a position which he had held since August 2012. From 2005 to 2012, Mr. Ajemyan held various positions in the accounting and finance department at Reliance, including Group Controller and Director of Financial Reporting. Prior to joining Reliance, Mr. Ajemyan, a certified public accountant, held various professional staff and manager positions at PricewaterhouseCoopers, LLP from 1998 to 2005.

Susan C. Borchers became Chief Information Officer in March 2012. From December 1997 to February 2012, Mrs. Borchers was the director of information technology at Precision Strip, Inc., a subsidiary of the Company.

Brenda Miyamoto became Vice President, Corporate Initiatives in August 2012, having been promoted from Vice President, Corporate Controller, a position which she had held since May 2007. Prior to that time, Ms. Miyamoto

served as Corporate Controller from January 2004 until August 2012 and Group Controller from December 2001 to January 2004. For six years prior to joining Reliance, Ms. Miyamoto, a certified public

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accountant (inactive), was employed by Ernst & Young LLP in various professional staff and manager positions.

Donna Newton became Vice President, Benefits in May 2011, having served as Vice President, Human Resources since January 2002. Ms. Newton joined Reliance as Director of Employee Benefits and Human Resources in February 1999. Prior to that time, she was director of sales and service for the Los Angeles office of Aetna U.S. Healthcare and also held various management positions at Aetna over a 20-year period.

Donald J. Prebola became Vice President, Health, Safety & Human Resources in June 2015, having served as Vice President, Human Resources since August 2011. Mr. Prebola served as Senior Vice President, Operations of our subsidiary, Infra-Metals Co., from 2008 to July 2011. Prior to that he had served as Co-General Manager of Infra-Metals Co. since 1990.

John Shatkus became Vice President, Internal Audit in August 2012, having been promoted from Director, Internal Audit, a position which he had held since May 2005. Prior to joining Reliance, Mr. Shatkus was Audit Manager at Sempra Energy and held various management positions at Sempra Energy over a 20-year period, including Regulatory Affairs Manager and Accounting Manager. Mr. Shatkus is a certified public accountant.

Silva Yeghyayan became Vice President, Tax in August 2012, having been promoted from Director, Tax, a position which she had held since October 2005. Ms. Yeghyayan is a certified public accountant and was a tax consultant from April 2004 until joining Reliance in 2005. Ms. Yeghyayan was Senior Tax Manager at Grant Thornton LLP from 2000 to 2004, and held various professional staff and manager positions at Arthur Andersen LLP from 1989 to 2000.

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes our executive compensation philosophy and program and how it applies to our executive officers, including our named executive officers identified below (whom we sometimes refer to collectively as our “NEOs”).

Named Executive Officer	Title
Gregg J. Mollins	President and Chief Executive Officer
Karla R. Lewis	Senior Executive Vice President and Chief Financial Officer
James D. Hoffman	Executive Vice President and Chief Operating Officer
William K. Sales, Jr.	Executive Vice President, Operations
Stephen P. Koch	Senior Vice President, Operations
David H. Hannah	Retired Chairman and Chief Executive Officer
Executive Summary	

Our operational execution in 2016 once again produced industry leading results and generated a record gross profit margin despite continuing metal pricing volatility and overall lower demand levels. Our 2016 sales were \$8.61 billion, down 7.9% from our 2015 sales of \$9.35 billion. Although same-store pricing levels improved sequentially during the final three quarters of 2016, our 2016 average selling price remained below our average selling price in 2015. While demand outside the energy and heavy industry end markets was relatively consistent in 2016 compared to 2015, overall demand was lower in 2016 than in 2015 due to continuing lower demand in the energy and heavy industry end markets. Nevertheless, our focus on effective working capital management and our record gross profit margin combined to generate \$626.5 million of cash flow from operations which we used to fund (i) \$154.9 million of capital expenditures, (ii) \$348.7 million for three acquisitions, and (iii) \$120.4 million in dividends. We also increased our market share as our same-store tons sold decreased 2.7% in 2016 compared to 2015, which is significantly less than the industry decline of 6.2% reported by the Metals Service Center Institute. We believe our industry outperformance is attributable to our focus on small orders requiring high levels of quality and service on a just-in-time basis, as well as our significant investments in value-added processing equipment.

We believe the compensation of our NEOs in 2016 was aligned with our performance in 2016. Payments to the NEOs under our 2016 Annual Cash Incentive Plan were at target, consistent with management’s delivery of industry-leading operating results and a record gross profit margin despite metal pricing volatility and lower demand. Target cash payments were offset, however, by the 2014 performance-based equity awards, which vested on December 31, 2016 and paid out significantly below target levels. Despite management’s outperformance of our executive compensation peer group and delivery of industry-leading results in all three years of the performance period including record revenues of \$10.45 billion in 2014, record free cash flow from operations of \$1.03 billion in 2015, and a record gross profit margin in 2016 payouts under the three-year performance awards were significantly below target. These results are discussed in greater detail below.

Key Compensation Decisions

The key compensation decisions supporting our compensation strategy and pay-for-performance philosophy in 2016 included the following:

- Changes to 2016 Annual Cash Incentive Plan. In February 2016, the Compensation Committee, in consultation with its independent compensation consultant, Pay Governance LLC (“Pay Governance”), and with input from management, determined that it would be in the best interests of the Company’s stockholders to replace return on beginning equity (“ROBE”) as the metric for measuring the Company’s financial performance under the annual cash

incentive plan with the Company's annual income before income taxes as a percentage of net sales, rounded to the nearest quarter percentage point (which we refer to as "pre-tax income margin" in this proxy statement). While the ROBE metric used in prior years continues to be an important measure of the Company's

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performance, the Compensation Committee believes that pre-tax income margin is a better metric at this time to align pay opportunities with the Company's financial performance and complements and achieves an appropriate balance with the ROA metric under the long-term equity incentive award program. As in past years, each NEO will continue to have a target award of 150% of base salary. The target award of 150% will be earned if pre-tax income margin is 5.75%, which would place the Company in the 55th percentile of pre-tax income margin performance in its executive compensation peer group. No payment will be made if pre-tax income margin is less than 3%, which would place the Company in the bottom quartile of pre-tax income margin performance in its executive compensation peer group. The maximum award of 300% of base salary will be earned if pre-tax income margin equals or exceeds 8.5%, which would place the Company in the top quartile of pre-tax income margin performance in its executive compensation peer group.

- Changes to 2016 Equity Performance Awards. The Compensation Committee retained the return on assets ("ROA") performance award structure for the 2016 long-term equity incentive awards, but eliminated operating income cumulative growth (CAGR) as a metric for measuring the Company's financial performance under the long-term equity incentive awards. The 2016 performance-based equity awards will vest when the Company achieves a ROA result within a specified range over the three-year performance period, which the Committee believes complements and achieves an appropriate balance with the pre-tax income metric under the annual cash incentive award program.
- Focus on long-term objectives and stockholder value. We manage our business with the long-term objective of creating and maximizing value for our stockholders. Our pay-for-performance philosophy is aligned with and supports this objective. By linking a majority of our executives' compensation to Company performance, our executive compensation program is designed to drive our financial and operating performance and increase stockholder value.
- Continue to be competitive. In order to achieve our long-term objectives, we need to attract, retain, and motivate our talented and skilled executives. In furtherance of that goal and consistent with our past practice, the Compensation Committee has designed our compensation system to deliver total direct compensation at target results which is competitive with the median compensation paid by companies with whom we may compete for executive talent, including those in both our executive compensation peer group and our industry peer group.

Pay-for-Performance Philosophy

Our executive compensation program is designed to reward executive officers for strong operational and financial performance, to attract and retain key executive talent, and to align compensation with the long-term interests of our stockholders. The Compensation Committee evaluates performance by reviewing:

- our operating and financial results, including performance against our executive compensation peer group, our industry peer group, and general economic factors that impact our business and industry;
- economic return to stockholders over time, both on an absolute basis and relative to other companies, including the S&P 500, our executive compensation peer group and our industry peers; and
- the achievement of the Company's goals and objectives (including management development, safety performance, working capital management, and capital allocation).

In furtherance of our pay-for-performance philosophy, the Compensation Committee has linked a majority of our executives' total direct compensation directly to the achievement of specific, pre-established Company performance targets. In 2016, approximately 75% of our CEO's and 60% of our other NEOs' (other than Mr. Hannah) target total direct compensation was tied to performance targets.

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2016 Financial and Operating Highlights

The following table highlights our financial and operating results in 2016 compared to 2015:

	2016		2015		Change	
Sales	\$ 8.61	billion	\$ 9.35	billion	(7.9)	%
Tons sold in '000s	5,832.9		5,918.9		(1.5)	%
Average selling price per ton sold	\$ 1,465		\$ 1,572		(6.8)	%
Gross profit margin	30.1	%	27.2	%	2.9	%
Operating income	\$ 512.6	million	\$ 546.6	million	(6.2)	%
Net income	\$ 304.3	million	\$ 311.5	million	(2.3)	%
Cash flow from operations	\$ 626.5	million	\$ 1.03	billion	(38.9)	%
Earnings per diluted share	\$ 4.16		\$ 4.16		-	%
Closing market price of stock at December 31	\$ 79.54		\$ 57.91		37.4	%
Pre-tax income margin(1)	5.75	%	5.50	%	0.3	%
Return on assets(1)(2)	7.9	%	8.0	%	(0.1)	%
Dividends paid per share	\$ 1.65		\$ 1.60		3.1	%

(1) Calculated in accordance with the applicable award. Excludes various non-recurring charges and credits, including impairment charges incurred in 2015 and 2016.

(2) Operating income for the year divided by the average total assets for the year.

We continued to execute our balanced capital allocation in 2016 using cash flow from operations to fund our growth activities by acquiring three companies, investing in organic growth, and returning value to our stockholders through increased dividend payments. In July 2016, we increased our quarterly dividend by 6.3% to \$0.425 per share from \$0.40 per share. We paid a total of \$120.4 million in dividends to our stockholders in 2016. In February 2017, the Company increased the quarterly dividend by 5.9%. Since 2012, the Company's quarterly dividend has tripled from \$0.15 per share to \$0.45 per share.

We did not repurchase any shares of our common stock in 2016. In 2015, we used our record cash flow from operations of more than \$1 billion to opportunistically repurchase 6.2 million shares, or approximately 8% of our shares outstanding on December 31, 2014, at an average price of \$57.39 per share, for a total of \$355.5 million. As of March 31, 2017, we had authorization under our existing stock repurchase plan to purchase an additional 8.4 million shares, or about 12% of current shares outstanding. The Company expects to continue evaluating opportunistic repurchases of shares of its common stock in the future.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed with the SEC on February 24, 2017 for a more detailed discussion of our results of operations in 2016 compared to 2015 and our financial condition.

Relationship Between Pay and Performance

We believe compensation of our NEOs in 2016 was aligned with our performance in 2016. Payments to the NEOs under our 2016 Annual Cash Incentive Plan were at target, consistent with management's delivery of industry leading operating results and a record gross profit margin despite metal pricing volatility and lower demand. Offsetting the cash payments, however, the 2014 performance-based equity awards which vested on December 31, 2016 paid out significantly below target levels.

A majority of our executive compensation is tied to performance through annual cash incentive awards and long-term equity incentive awards, and we believe compensation of our NEOs in 2016 was aligned with operational performance in 2016. Despite sales declining approximately 8% in 2016 compared to 2015, pre-tax income margin increased from 5.50% to 5.75%, resulting in each NEO receiving a target level payment under the 2016 annual cash incentive plan equal to 150% of his or her base salary. Offsetting the cash payments,

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however, the 2014 performance-based equity awards which vested on December 31, 2016 paid out significantly below target levels. Results for the performance-based equity awards granted in 2014 were determined in the first quarter of 2017 based on the three-year performance period ended December 31, 2016. Performance results for the 2014 ROA awards were significantly below the target level resulting in only 25% of the awards vesting. Performance results for the 2014 operating income CAGR awards were below the threshold, resulting in 0% of the awards vesting. Accordingly, total performance shares earned by our NEOs were 19% of the target award grant.

Annual Cash Incentive Awards (pre-tax income margin). In 2016, our NEOs participated in our annual cash incentive plan which pays out only if the Company achieves certain levels of pre-tax income margin. Pre-tax income margin is calculated based on the Company's annual income before income taxes as a percentage of net sales as adjusted for certain non-recurring items, rounded to the nearest quarter percentage point.

In 2016, the Compensation Committee, in consultation with Pay Governance and with input from management, determined that pre-tax income margin represented a better metric for measuring the Company's financial performance under the annual cash incentive plan as it aligns more closely with how management and the Board measure the Company's performance. Pre-tax income margin is more consistent with how our peers evaluate performance and is typically the most important metric currently used in the Company's corporate and operational decision-making. The Compensation Committee believes that pre-tax income margin is a better metric to align pay opportunities with the Company's financial performance and complements and achieves an appropriate balance with the ROA metric under the long-term equity incentive award program.

As demonstrated in the table below, the pre-tax income margin goals are demanding relative to threshold and target results compared to the Company and its peer group.

Goal	% Time RSA Achieved	Rank vs. Proxy Peers (Percentile)
Max: 8.5%	20%	70th
Target: 5.75%	50%	55th
Min: 3%	100%	38th

For 2016, each NEO had a target cash incentive award of 150% of base salary, which would be earned if the Company achieved pre-tax income margin of 5.75%. However, no NEO would receive a payout under the plan if pre-tax income margin was less than 3%. The maximum payout under the plan of 300% would be triggered if pre-tax income margin equaled or exceeded 8.5%.

For a discussion of the Company's cash incentive compensation achievement versus the minimum, target and maximum, see "Principal Components of Our Executive Compensation Program - Annual Cash Incentive Awards" (see page 37).

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Long-Term Equity Incentive Awards. Beginning in 2012, the Board determined to replace the long-term equity awards of stock options and restricted stock with restricted stock unit awards (“RSUs”). The Board made the change to RSUs because RSUs will result in less dilution because we grant fewer RSUs than the number of options they replace in view of the fact that, when granted, RSUs have more value to the award recipients than stock options. Also, RSUs are effective incentives for our superior performers to remain with the Company during periods of stock market fluctuation as well as challenging business conditions, when stock options may have no realizable value.

From 2012 to 2015, the NEOs’ performance-based equity awards were tied to achieving an ROA target and an operating income CAGR target. In 2016, however, the Compensation Committee determined that operating income CAGR was not an effective metric to measure management’s long-term performance because metal prices are beyond the control of all participants in the long-term incentive program (LTIP), including management. Conversely, ROA, which is directly influenced by management’s decisions, remains a more effective metric to measure management’s long-term performance. ROA also complements and achieves an appropriate balance with the pre-tax income margin metric under the annual cash incentive award program. Accordingly, the Compensation Committee determined that it would be in the best interests of the Company’s stockholders to discontinue using operating income CAGR as a performance metric but continue using ROA as a metric for measuring the Company’s financial performance under long-term equity incentive awards. The 2016 performance-based equity awards will vest when the Company achieves a ROA result within a specified range over the three-year performance period.

The allocation of performance-based and service-based awards is generally intended to balance performance and retention objectives. From the introduction of our three-year performance-based awards granted in 2012 until 2014, 100% of our CEO’s equity awards, and 80% of our other NEOs’ equity awards, were tied to three-year performance targets (the remaining 20% were service-based). In 2015, the Compensation Committee determined to increase the allocation of service-based restricted stock unit awards to enhance the retention objective of the long-term equity incentive awards. The Compensation Committee also considered the difficulty in selecting three-year performance targets given the impact of generally lower metals pricing levels on the Company’s financial results, the impact of which is outside of the control of the NEOs, and further noted that the target levels were not achieved for the performance awards granted in 2013 and 2014. The Compensation Committee also determined that it was in the best interests of the Company’s stockholders to strengthen the retention aspects of the long-term equity awards since the Company does not maintain employment agreements with its executive officers. Accordingly, in 2016, 80% of Mr. Mollins’ equity awards and 60% of our other NEOs’ (other than Mr. Hannah) equity awards were tied to performance targets. The remaining awards are service-based.

Results for the performance-based equity awards granted in 2014 were determined in the first quarter of 2017. Performance results for the 2014 ROA awards resulted in only 25% of the awards vesting. Performance results for the 2014 operating income CAGR awards were below the threshold, resulting in 0% of the awards vesting. Accordingly, total performance shares earned by our NEOs were 19%, significantly below the target.

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Key Executive Compensation Practices

What We Do:

- ü Strong pay-for-performance with approximately 75% of our CEO's and 60% of our other NEOs' (other than Mr. Hannah) target level total direct compensation tied to performance metrics (see discussion beginning on page 21).
- ü Target total direct compensation of our NEOs designed to approximate the market median of our executive compensation peer group when targeted performance levels are achieved (see page 36).
- ü Clawback policy for cash and equity compensation (see page 42).
- ü Stock ownership and retention requirements applicable to all officers, including our NEOs, and our directors (see pages 42 and 59).
- ü Double trigger provisions for accelerated vesting of restricted stock units upon a change in control (see page 42.)
- ü All NEO performance-based equity awards granted in 2016 are tied to three-year performance targets (see page 38).
- ü Broad and deep distribution of equity awards throughout management while managing the dilutive impact and expense associated with those awards below the norms of our peers (see page 56).
- ü Limited perquisites (see page 40).
- ü Annual stockholder advisory vote to approve executive compensation (see pages 10 and 11).
- ü Independent compensation committee (see page 34).
- ü Utilization of an independent compensation consultant (see page 34).

- ü Independent, non-executive Chairman of the Board enhances the effectiveness of the Board's oversight and governance and compensation practices (see page 57).

What We Don't Do:

- r No employment agreements, severance agreements, change in control/golden parachute agreements or other similar agreements with any executive officer.

- r No repricing or replacement of stock options.

- r No tax gross-ups for perquisites, change in control excise taxes or otherwise.

- r No dividends on unvested performance-based restricted stock units. Dividends accrue and are paid only upon vesting subsequent to achievement of the applicable performance criteria.

- r No hedging of Reliance common stock by directors, officers and employees subject to the quarterly trading blackout under our insider trading policy.

- r No pledging of Reliance common stock by directors, officers and employees subject to the quarterly trading blackout under our insider trading policy, except for grandfathered pledging arrangements by one director.

- r No incentive plan design or feature which would encourage excessive risk-taking.

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2016 Say on Pay Vote

In 2016, our stockholders overwhelmingly approved, on a non-binding, advisory basis, the compensation of our NEOs, indicating support for our compensation policies with 99.0% of the votes cast in favor of such compensation. The Compensation Committee considered the favorable advisory vote as support for its belief that the Company's pay-for-performance policy operates as it was designed to do, aligning the interests of our executive officers and stockholders and driving the NEOs' performance to enhance long-term stockholder value and achieve Company objectives.

2016 Additional CEO Cash Opportunity

In February 2016, the Compensation Committee decided to implement an additional annual cash incentive award opportunity for Mr. Mollins (during his first full year as our CEO) which was based on four specific strategic performance achievements. This additional cash award allowed Mr. Mollins to achieve a maximum of \$100,000, or \$25,000 for each individual element, based on the following four criteria: (i) identification and development of key management personnel throughout the Company for succession planning purposes; (ii) improvement in incident-based safety performance metrics; (iii) improvement of our inventory turns to at least 4.75 times based on tons (or 2.5 months on hand); and (iv) identification and execution of internal growth initiatives and acquisitions, with emphasis on growing the Company's automotive and aerospace businesses.

In January 2017, the Compensation Committee awarded Mr. Mollins \$95,000 of the additional annual cash incentive award for 2016.

Overview of Our Executive Compensation Program

Compensation Program Objectives

Our compensation program is designed and managed to align executive compensation with Company performance, to motivate our executives to deliver financial and operating results that create value for our stockholders and to attract and retain key executive talent. We believe it is important that our executive compensation program:

- Aligns the interests of our executives with those of our stockholders. We align the financial interests of our executive officers with the interests of our stockholders by tying a majority of our executives' incentive compensation directly to Company performance. In addition, we have implemented significant stock ownership requirements for our officers to strengthen the alignment of their interests and our investors' interests.
- Promotes and maintains a performance and achievement-oriented culture. The majority of our NEOs' total direct compensation is tied directly to Company performance through our annual cash incentive awards and performance-based equity awards. We establish performance targets that are demanding, support our strategic and financial objectives and promote long-term stockholder value, without encouraging unnecessary or excessive risk taking.
- Is competitive. Our program is designed to attract, retain and motivate talented and skilled executives. As such, we structure total direct compensation at target to be competitive with the median compensation paid by companies with whom we may compete for executive talent, including those in our executive compensation peer group. While individual pay elements may vary from market medians, we aim to approximate total pay at median when performance targets are achieved.

The Company enjoys a team-oriented corporate culture and rewards the entire team of executives and corporate officers for their collaborative effort that is reflected in the Company's industry leading performance. Attracting and

retaining a team of outstanding executive officers with complementary skills and expertise has proven successful for the Company's growth, both organically and through acquisitions, and for maintaining

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the Company's profitable financial performance, each of which enhances stockholder value. In order to promote our team culture, the Compensation Committee considers internal pay equity when setting compensation levels for our executives. This team approach is best illustrated by our annual cash incentive award program in which all NEOs (other than the CEO in 2016) have the same target annual cash incentive award opportunity (150% of their respective base salaries) based on the same performance objectives. Moreover, equity awards for NEOs are also fairly comparable, with the exception of the CEO.

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Elements of Compensation

A summary of the main elements of our executive compensation program is set forth below:

Element	Type	Description
Cash	Base salaries (see page 37)	<p>The only component comprised of fixed cash compensation.</p> <p>Consistent with the design of our total compensation program, base salaries for our NEOs approximate the market median paid to comparable officers in our executive compensation peer group.</p>
	Annual performance-based cash incentive awards (see page 37)	<ul style="list-style-type: none"> •2016 annual cash incentive awards based on pre-tax income margin. •The 2016 annual cash incentive plan opportunity was established on a sliding scale, ranging from zero for results below the 3% pre-tax income margin threshold, 20% of base salary for results at the 3% pre-tax income margin threshold, a target of 150% of base salary at 5.75% pre-tax income margin and up to a maximum of 300% of base salary for pre-tax income margin of 8.5% or higher. •2016 pre-tax income margin was 5.75%, which resulted in each NEO receiving a target level payment under the annual cash incentive plan equal to 150% of his or her base salary. •Consistent with the design of our total compensation program, target annual cash incentive opportunities for our CEO approximate median opportunities available to chief executives in our executive compensation peer group. •Consistent with the design of our compensation program and our emphasis on internal equity as well as a desire to reinforce an executive team concept, target annual cash incentive opportunities for other NEOs are equal to those of the CEO and are 20% above market opportunities available to comparable officers in our executive compensation peer group. •Mr. Mollins earned \$95,000 of the 2016 CEO additional annual cash incentive award based on achievement of four specific strategic performance criteria. The CEO additional annual cash incentive award will not be continued in 2017.

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Element	Type	Description
Long-Term Equity Compensation	Restricted stock unit awards (see page 38)	<p>•In 2016, the Compensation Committee awarded Mr. Mollins a total of 94,000 RSUs.</p> <p>•In 2016, eighty percent (80%) of Mr. Mollins’ restricted stock unit awards were performance-based. They will only vest if the Company achieves specific ROA for the performance period. The remaining twenty percent (20%) of Mr. Mollins’ restricted stock unit awards in 2016 depend only on his continued service during the three-year period.</p> <p style="padding-left: 2em;">In 2016, sixty percent (60%) of the restricted stock unit awards of the other NEOs (other than Mr. Hannah) were performance-based and subject to the same three-year ROA performance objectives. The remaining forty percent (40%) of the restricted stock unit awards depend only on the NEOs’ continued service during the three-year period.</p> <p style="padding-left: 2em;">In 2016, values of restricted stock unit awards for our NEOs approximated the median of the equity awards granted to comparable officers in our executive compensation peer group.</p> <p style="padding-left: 2em;">Results for the three-year performance awards that vested on December 31, 2016 were 25% for ROA and 0% for operating income CAGR, both well below target levels.</p>

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Element	Type	Description
Retirement or Deferred Compensation Benefits	Supplemental Executive Retirement Plan (“SERP”) (see page 39)	<p>Mr. Mollins, Mrs. Lewis and Mr. Sales are the only current NEOs participating in the SERP. Mr. Hoffman and Mr. Koch do not participate in the SERP. In connection with his retirement in 2016, Mr. Hannah’s SERP benefits have been paid out.</p> <p>Provides supplemental retirement benefits to certain key employees.</p> <p>The SERP was frozen to new participants as of January 1, 2009.</p> <p>Benefit amount set to 38% of the average of the participant’s highest five years of the last ten years of total cash compensation.</p> <p>In comparing the values of the SERP against the retirement benefits offered to similar executives at companies in our executive compensation peer group, the Compensation Committee found that the values for NEOs who participate in the SERP approximate the 50th to 75th percentile of retirement benefits compared to what they would receive if they participated in the programs of companies in our executive compensation peer group.</p>
	Deferred Compensation Plan (see page 39)	<p>Because they do not participate in the SERP, Messrs. Hoffman and Koch receive Company contributions under the Deferred Compensation Plan.</p> <p>Provides supplemental retirement benefits to certain key employees through discretionary company contributions.</p> <p>In comparing the values of the Deferred Compensation Plan against the deferred compensation benefits offered to similar executives at companies in our executive compensation peer group, the Compensation Committee found that the values for Messrs. Hoffman and Koch in the Deferred Compensation Plan approximate median retirement benefits compared to what they would receive if they participated in the programs of companies in our executive compensation peer group.</p>
Other Benefits	Standard Benefits Widely Available to Employees (see page 40)	<p>Executive officers, including the NEOs, participate in the same benefit plans broadly available to all full-time employees, including health insurance and 401(k) plans.</p> <p>All non-union Reliance employees, including the NEOs, are eligible to participate in our Employee Stock Ownership Plan (“ESOP”).</p>

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Element	Type	Description
	Limited Perquisites (see page 40)	No perquisites other than certain memberships for the NEOs used primarily for business purposes.
Allocation of Compensation Components		

We compensate our executive officers by using a balanced and strategic combination of the elements described above, which combines elements that vary by:

- type of compensation (fixed, variable and performance-based);
- length of the performance period (annual and long-term);
- form of compensation (cash and equity); and
- with respect to equity, performance-based or service-based.

We believe this balanced mixture supports our compensation objectives, including the retention of our key executives, and emphasizes pay-for-performance. The Compensation Committee has designed the overall program to ensure that a majority of our executive compensation is at risk and weighted towards Company performance, annual and long-term incentives and stock price appreciation. Although a large portion of our NEOs' compensation is tied to Company performance, the Compensation Committee has no pre-determined mix or allocation among the various elements. The following chart illustrates the targeted allocation of the principal compensation components for our NEOs in 2016. The percentages reflect 2016 salaries, target annual cash incentive compensation and the aggregate grant date fair values of restricted stock units granted in 2016.

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Mix of Principal Compensation Components

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How We Make Decisions Regarding Executive Compensation

Compensation Committee and Independent Directors

The Compensation Committee, which is comprised entirely of independent directors, oversees our executive compensation program in concert with all of the Company's independent directors. Compensation for the NEOs is subject to final approval by the independent directors of the Board upon recommendation of the Compensation Committee.

At the request of the independent directors, our CEO annually provides a review and evaluation of each of the executive officers, including the NEOs (other than himself), identifying accomplishments in the past year, achievement of objectives and results, executive development and proposed objectives for the coming year. This information, along with other data including the Company's financial results and achievements, is reviewed and discussed by the Compensation Committee and the independent directors.

The Compensation Committee incorporates the CEO's review into its analysis of the NEOs' total compensation and its consideration of the appropriate mix and structure of the elements of the NEOs' total compensation. The achievement of the Company's goals and objectives (including management development, safety performance, working capital management, and capital allocation) in the past year, as well as the proposed objectives for the coming year, are also considered in the determination of the type, form and total amount of compensation for the CEO. The Compensation Committee also reviews data provided by its independent compensation consultant and discusses that data with senior management. Although the base salaries, annual cash incentive awards and long-term incentive awards are considered at different times during the year, the Compensation Committee analyzes the proposed total compensation package before making any recommendations regarding individual elements of compensation. The Compensation Committee formulates preliminary recommendations on the amount and type of compensation to be paid to the CEO and the other NEOs. The Compensation Committee then discusses with the CEO its preliminary recommendations with respect to the NEOs (other than himself). The Compensation Committee then presents final recommendations to the independent directors in executive session. The independent directors make the final determination of and approve the compensation paid to the CEO and the other NEOs.

To ensure that the NEOs and our other executive officers are compensated in a manner consistent with our strategy, competitive market practices, sound corporate governance principles and stockholder interests, the Compensation Committee regularly evaluates our executive compensation program. When doing so, the Committee considers the needs of the business, peer practices, external trends and the results of our annual say-on-pay vote. The Committee also seeks advice from its independent compensation consultant and senior management.

In 2016, the Committee made two significant changes to our executive compensation program. First, the Committee replaced ROBE with pre-tax income margin as the metric for measuring the Company's financial performance under the annual cash incentive plan. Second, the Committee eliminated operating income CAGR as a metric for measuring the Company's financial performance under the performance-based long-term equity incentive awards, which are now subject to three-year ROA performance objectives.

Independent Compensation Consultant

The Compensation Committee annually engages an independent compensation consultant to assist it in connection with the review and evaluation of the total compensation package provided to the NEOs and the individual elements of the package. In 2016, the Compensation Committee engaged Pay Governance. Pay Governance reports directly to the Compensation Committee and neither it nor any of its affiliates provided any services to the Company, other than the services to the Compensation Committee with respect to executive compensation and the Nominating and

Governance Committee with respect to biennial reviews of our director compensation, which the Board believes is consistent with the independence of the consultant. The

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Compensation Committee conducted an assessment of Pay Governance's independence, taking into account the factors specified in the NYSE listing standards and information provided by Pay Governance, and based on that assessment, determined that Pay Governance is independent.

Compensation Committee Review of Executive Compensation Peer Group and Other Data

When making decisions regarding the compensation of our NEOs, the Compensation Committee considers information from a variety of sources. The Compensation Committee analyzes both the individual elements and the total compensation package for each of the NEOs.

Together with its independent compensation consultant, the Compensation Committee reviews our financial statements and compares our financial results (including stock performance) with those of our executive compensation peer group and our industry peer group, as well as general factors specifically impacting the metals industry, and compares compensation information for our NEOs with that available for comparable executives. In determining each executive's total compensation package, the Compensation Committee considers both qualitative and quantitative criteria, as well as the CEO's recommendations and performance evaluations and historical compensation records of the Company. Although a large portion of compensation is based upon performance, the Compensation Committee has no pre-determined mix or allocation among the various elements.

The Compensation Committee annually reviews and, as appropriate, revises the executive compensation peer group in an effort to assure the group continues to reflect any changes in the Company's business, strategy and size as measured by revenue, market capitalization and other factors. The Compensation Committee also considers additional factors such as the Company's stock performance as compared with standard indices, such as the S&P 500, as well as our industry peer group. The Compensation Committee reviews the amount of equity awards and common stock actually held by each NEO, and recognizes that the NEOs are directly impacted by the Company's stock price and, accordingly, their interest in the Company's performance and the impact it has on the market value of the stock is closely aligned with that of the Company's stockholders.

The combination of these analyses helps the Compensation Committee assess how our NEOs are compensated compared to their peers both in terms of individual components and total compensation, the reasonableness of the Company's incentive plan goals, the alignment of pay and performance, the potential need for recalibration of the Company's pay and incentive goals, and the actual elements of NEO compensation.

Executive Compensation Peer Group

There are no public companies in the metals service center industry that are comparable to the Company in terms of size, stock market capitalization, complexity and performance. Accordingly, in considering executive compensation for 2016, as in prior years, the Compensation Committee and the independent compensation consultant used the executive compensation peer group.

Our executive compensation peer group for 2016 consists of the twenty-five (25) public companies listed below. This executive compensation peer group includes a limited number of companies in the metals processing and distribution industry and also includes industrial and manufacturing companies of comparable size in terms of revenues and/or stock market capitalization and complexity. However, the industrial and

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manufacturing companies in this peer group are not impacted at all, or to a lesser degree, than Reliance by fluctuations in metal pricing.

AGCO Corporation	General Cable Corporation	SPX Corporation
AK Steel Holding Corporation	Genuine Parts Company	Steel Dynamics, Inc.
Alcoa Inc.	Illinois Tool Works Inc.	Terex Corporation
Allegheny Technologies Incorporated	Ingersoll-Rand plc	The Timken Company
Arrow Electronics, Inc.	MRC Global Inc.	United States Steel Corporation
Commercial Metals Company	Navistar International Corporation	W.W. Grainger, Inc.
Cummins Inc.	Nucor Corporation	WESCO International, Inc.
Dover Corporation	PACCAR Inc.	
Eaton Corporation plc	Parker-Hannifin Corporation	
Analysis of 2016 Company and Executive Compensation Peer Group Compensation		

In 2016, the Compensation Committee extensively analyzed the Company's financial statements, and stock market data of the Company and the most current available executive compensation peer group data. Consistent with the Company's philosophy of pay-for-performance, the Compensation Committee also considered the total direct compensation (base salary, annual cash incentive award and equity awards) and retirement plan benefits of the NEOs as compared to comparable officers in the executive compensation peer group.

Compared to the executive compensation peer group:

- the Company ranked at the 49th percentile for revenues in 2016;
- the Company's revenue growth ranked at the 87th and 35th percentiles for the five and one-year periods ended December 31, 2015 (the most recent full year available);
- the Company's pre-tax income margin ranked at the 62nd percentile in 2015 (the most recent full year available); and
- the Company's return on total assets ranked at the 63rd percentile in 2015 and 62nd percentile for the five-year period ended December 31, 2015 (the most recent full year available).

Based on information provided by the independent compensation consultant, the Compensation Committee found in 2016 that the target total direct compensation of our CEO approximated the 58th percentile of the chief executive officers in our executive compensation peer group, and the target total direct compensation of our other NEOs (excluding the CEO) approximated the 53rd percentile of the comparable executive officers in our executive compensation peer group in 2015 (the most recent full year information available).

Internal Pay Equity

The Compensation Committee broadly considers internal pay equity when setting compensation levels for our executives in order to foster a team culture among the executive officers. Our executive compensation program uses the same compensation components for our NEOs, with a few exceptions. From 2012 through 2014, our CEO received 100% of his long-term equity incentive award in performance-based restricted stock units while the other NEOs received 80% of their long-term equity incentive award in performance-based restricted stock units and the remaining 20% in service-based restricted stock units. In 2015, Mr. Hannah and Mr. Mollins received 80% of their long-term equity incentive award in performance-based restricted stock units and the remaining 20% in service-based restricted stock units, while the other NEOs received 60% of their long-term equity incentive award in performance-based restricted stock units and the remaining 40% in service-based restricted stock units. In his 2016 grant, Mr. Mollins received 80% of his long-term equity incentive award in performance-based restricted stock units and the remaining 20% in service-based restricted stock units, while the other NEOs (other than Mr. Hannah) received

60% of their long-term equity incentive award in performance-based restricted stock units and the remaining 40% in service-based restricted stock units. Our

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annual cash incentive award program provides all NEOs with the same target annual cash incentive award opportunity of 150% of their respective base salaries based on identical performance objectives. Also, in 2016, each of our NEOs, other than Mr. Hoffman, received a base salary increase of approximately 5%. Mr. Hoffman received a base salary increase of approximately 16% in connection with his March 2016 promotion to Chief Operating Officer.

Principal Components of Our Executive Compensation Program

Base Salary

The base salary payable to each of our NEOs is the minimum compensation that such executive receives in any year. Base salaries reflect the individual skills, experience and roles and responsibilities of the executive officer within the Company.

In July 2016, after review of base salaries of comparable officers at companies in our executive compensation peer group and consultation with our independent compensation consultant, the Compensation Committee recommended and the independent directors approved base salary increases of approximately 5% for each of the NEOs, other than Mr. Hoffman. Mr. Hoffman received a larger base salary increase consistent with his promotion to Chief Operating Officer in March 2016. Consistent with our historical pay practices, even after the adjustments, base salaries of our NEOs approximate the market median of salaries paid to comparable officers at companies in our executive compensation peer group.

We do not have employment agreements with any of our executive officers. No executive officer has a minimum base salary or guaranteed salary increase.

Annual Cash Incentive Awards

In February 2016, the Compensation Committee determined not to continue with the ROBE sliding scale for the Company's 2016 annual cash incentive plan. Instead, the Compensation Committee determined to use pre-tax income margin as the metric for measuring the Company's financial performance under the annual cash incentive plan in 2016. The Compensation Committee determined that pre-tax income margin represented a better metric for measuring the Company's financial performance under the annual cash incentive plan as it aligns more closely with how management and the Board measure the Company's performance across all operating units and across all levels of annual bonus plan participants. Pre-tax income is typically the most important metric currently used in the Company's corporate and operational decision-making, including capital allocation. The Compensation Committee believes that pre-tax income margin is currently a better metric because it incentivizes our management to increase our long-term profitability and efficiency, after adjusting for external factors that impact the industry as a whole, like metal prices.

In concert with the Company's compensation philosophy of overweighting performance-based pay, our NEOs have annual cash incentive opportunities that may result in higher cash payments than those for comparable officers within our executive compensation peer group, but awards are payable only if the Company meets demanding objectives. This structure has historically resulted in total cash compensation below the median for our CEO compared to the chief executives of companies in our executive compensation peer group and total cash compensation above the median for our other NEOs compared to similar executives of companies in our executive compensation peer group.

As in past years, each NEO has a 2017 target annual cash incentive award of 150% of base salary. The target award of 150% will be earned if 2017 pre-tax income margin is 5.75%, which would place the Company in the 55th percentile of pre-tax income margin performance in its executive compensation peer group. No payment will be made if pre-tax income margin is less than 3%, which would place the Company in the third quartile (between 25th and 50th percentile) of pre-tax income margin performance in its executive compensation peer group. The maximum award of

300% will be earned if pre-tax income margin equals or exceeds 8.5%, which would place the Company in the 70th percentile of pre-tax income margin performance in its executive

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compensation peer group. In the five-year period from January 1, 2012 through December 31, 2016, the Company achieved pre-tax income margin less than the threshold zero times, equal to or above the threshold but less than target three times, equal to or above target but less than the maximum two times, and equal to or exceeding the maximum zero times.

	Pre-Tax Income Margin	Payout as Percentage of Base Salary	
Threshold	3	% 20	%
Target	5.75	% 150	%
Maximum	8.5	% 300	%

Awards are calculated on a sliding scale. If the Company achieves a pre-tax income margin within the range of 3.00% and 8.50%, then the percentage of pre-tax income margin would be rounded to the nearest quarter percentage point and the incentive award would be adjusted accordingly.

When analyzing the actual and potential payouts under the Company's annual cash incentive plan, especially its maximum incentive awards and resulting cash compensation levels, the Committee found the plan supported its pay-for-performance principles in 2016. Maximum bonuses would have produced cash compensation levels equal to the executive compensation peer group's 99th percentile. However, these pay levels are hypothetical and would only have been supported by pre-tax income margin of at least 8.5%, which would have exceeded or approximated the executive compensation peer group's 70th percentile results for the past year as well as the prior three, five, seven and ten years and has not been achieved since 2008. In other words, management could have earned maximum levels of pay only with exceptional results.

Long-Term Equity Incentive Compensation

The Compensation Committee recommends grants of equity awards for NEOs, but the independent directors approve all such grants. The Compensation Committee considers the recommendations of our CEO with respect to any grants of equity awards to the other NEOs and other executive officers, as well as to corporate officers and other key employees.

In making its recommendations to the independent directors, the Compensation Committee considers the position of the NEO, his or her importance to the Company's results and operations, his or her individual performance, the equity awards previously granted to that individual, the terms and market value of the equity grant, the total value of the equity grant and the relative number of such recommended grants among the various individuals then under consideration for grants, as well as the potential dilution and the related expense as a percentage of pre-tax income. The Committee also considers market data for executives in comparable positions within our executive compensation peer group.

In the first quarter of 2016, the Committee determined that CAGR was not an effective metric to measure management's long-term performance because metal prices, which can significantly affect the Company's CAGR, are beyond the control of all participants in the LTIP, including management. Conversely, ROA, which is directly influenced by management's decisions, remains an effective metric to measure management's long-term performance. ROA also complements and achieves an appropriate balance with the pre-tax income margin metric under the annual cash incentive award program. Accordingly, the Compensation Committee determined that it would be in the best interests of the Company's stockholders to discontinue using CAGR as a performance metric but continue using ROA

as a metric for measuring the Company's financial performance under long-term equity incentive awards. The 2016 performance-based equity awards will vest when the Company achieves a ROA result within a specified range over the three-year performance period.

Eighty percent (80%) of our CEO's restricted stock unit awards and sixty percent (60%) of the other NEOs' (other than Mr. Hannah) restricted stock unit awards granted in 2016 will vest if, after a three-year period that expires on December 31, 2018, the Company achieves a ROA result within a specified range. The remaining

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twenty percent (20%) of the CEO's restricted stock unit awards granted in 2016 and forty percent (40%) of the other NEOs' (other than Mr. Hannah) awards depend only on the individuals' continued service over the same three-year period. The Compensation Committee determined to use this allocation of performance-based and service-based awards to enhance the retention objectives due to the executive leadership succession plan. The restricted stock units will be forfeited if the ROA results are not achieved, or the individual voluntarily leaves the Company or is terminated for cause.

Mr. Hannah did not receive a restricted stock unit award in 2016 due to his retirement in 2016.

The 2016 performance-based awards will vest when the Company achieves a ROA result within a specified range over the three-year performance period ending December 31, 2018. ROA for the performance period is calculated as the average of the annual ROA (operating income for the year (as adjusted for certain non-recurring items) divided by the average total assets for the year) for each of the three years in the performance period, rounded to the nearest half percent.

During the 10-year period from January 1, 2007 through December 31, 2016, the Company has achieved the threshold ROA but less than the target ROA five times, the target ROA but less than the maximum ROA three times and an ROA equal to or exceeding the maximum ROA two times, and it has achieved an ROA less than the threshold ROA zero times.

Results for the performance-based equity awards granted in 2014 were determined in the first quarter of 2017. Performance results for 2014 ROA awards and operating income CAGR awards were as follows: 25% of the target number of 2014 RSUs subject to ROA performance vested; and 0% of the target number of shares subject to operating income CAGR performance vested.

At present, we believe the performance-based equity awards granted in 2015 are estimated to payout at approximately the target for the ROA awards and below threshold for the operating income CAGR awards.

SERP and Deferred Compensation Plan

SERP. In 1996, the Company adopted a SERP to provide post-retirement benefits to certain of our executive officers and other key employees to provide for a pre-retirement death benefit. The SERP was amended and restated effective as of January 1, 2009 and it was frozen to new participants. One of the primary objectives of the amendment was to shift the risk of the performance of the individual's retirement plan investments from the Company to the participants. The 2009 amendment and restatement eliminated the offsets to the SERP benefit and reduced the benefit amount to 38% of the average of the participant's highest five years of the last ten years of total cash compensation (from 50% less offsets for the value of the Company contributions to the Reliance Steel & Aluminum Co. Master 401(k) Plan (the "401(k) Plan") and ESOP plan as well as social security benefits). The amendment also brought the SERP into compliance with Rule 409A under the Internal Revenue Code, among other things. The new benefit formula was intended to provide participants with approximately the same benefits that they would have received under the calculation required by the SERP but shifted investment risk from the Company to the participants. Mr. Mollins, Mrs. Lewis and Mr. Sales are the only NEOs that participate in the SERP. Mr. Hoffman and Mr. Koch are not participants in the SERP. In connection with his retirement in 2016, Mr. Hannah's SERP benefit has been paid.

Deferred Compensation Plan. We also adopted a deferred compensation plan effective December 1, 2008 to provide supplemental retirement benefits to certain key employees as well as to combine and replace certain deferred compensation plans and supplemental executive retirement plans that existed at certain companies at the time we acquired them. The Deferred Compensation Plan does not provide for any minimum rate of return.

The Deferred Compensation Plan was amended and restated effective January 1, 2013 to allow all corporate officers and subsidiary officers to participate. Mr. Hoffman and Mr. Koch are the only NEOs receiving Company contributions under the Deferred Compensation Plan at this time. Mr. Hoffman was previously a participant in a subsidiary plan that was replaced by the Reliance Deferred Compensation Plan. Mr. Hoffman

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now participates in the Reliance Deferred Compensation Plan. In addition, as a former employee of Earle M. Jorgensen Company, a wholly-owned subsidiary of Reliance, Mr. Hoffman is entitled to receive 3,480 phantom shares of the Company's common stock under the Earle M. Jorgensen Company Supplemental Stock Bonus Plan. The Compensation Committee considers the SERP benefits and any benefits under the Reliance Deferred Compensation Plan in its analysis of each of the NEOs' total compensation. In comparing the values of the SERP and Deferred Compensation Plan against the retirement benefits offered at companies in the Company's executive compensation peer group, the Compensation Committee found that the values of these benefits are competitive for the NEOs.

Other Benefits

Limited Perquisites. The Company provides no perquisites other than certain memberships for our NEOs used primarily for business purposes.

Other Benefits. Other than the SERP and deferred compensation plans described above, the NEOs participate in the Company's health, welfare, retirement and other plans, such as the ESOP, on the same basis as these benefits are generally available to all eligible employees.

Additional Information

No Employment Agreements; Potential Payments Upon Termination Or Change In Control

We do not have individual employment agreements that provide change in control or severance benefits to any of the NEOs. We have been successful in attracting and retaining an experienced and effective management team without the use of such agreements. Most of our executives have been with Reliance for many years and have built their careers at Reliance. On average, our NEOs have more than 20 years' tenure with Reliance and over 33 years of industry experience. Generally, if an employee ceases to be employed at the Company before his or her RSUs vest, these units will expire on the date the employee is terminated unless the termination is due to death, disability, retirement or a change in control. If employment is terminated due to death, disability, or qualifying retirement (meaning the officer is at least 62 years of age with at least 10 years of consecutive service) during the year, the executive (or beneficiary) remains eligible to receive a pro-rated payout based on the number of days employed during the vesting period.

The following table and discussion set forth the estimated incremental value that would have been transferred to each NEO under various scenarios relating to a termination of employment if such termination had occurred on December 31, 2016. The actual amounts that would be paid to any NEO upon termination of employment can only be determined at the time of an actual termination of employment and would vary from those listed below.

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Estimated Benefits Upon Termination or Change in Control

	Qualified Retirement (\$)	Termination for Cause (\$)	Termination Without Cause (\$)	Termination Without Cause Following Change-in-Control (\$)	Change-in-Control Only (\$)	Death (\$)	Disability (\$)
Gregg J. Mollins							
Cash severance payment	0	0	0	0	0	0	0
Value of accelerating vesting of incentive compensation(1)	8,538,123	0	0	8,538,123	1,670,000	8,538,123	8,538,123
Continuation of benefits(2)	0	0	0	0	0	0	0
Pension and nonqualified compensation benefit(3)	288,783	0	288,783	726,943	726,943	0	288,783
Total	8,826,906	0	288,783	9,265,066	2,396,943	8,538,123	8,826,906
Karla R. Lewis							
Cash severance payment	0	0	0	0	0	0	0
Value of accelerating vesting of incentive compensation(1)	2,585,852	0	0	2,585,852	930,000	2,585,852	2,585,852
Continuation of benefits(2)	0	0	0	0	0	0	0
Pension and nonqualified compensation benefit(3)	0	0	0	1,518,293	1,518,293	1,353,439	436,675
Total	2,585,852	0	0	4,104,145	2,448,293	3,939,291	3,022,527
James D. Hoffman							
Cash severance payment	0	0	0	0	0	0	0
Value of accelerating vesting of incentive compensation(1)	2,440,681	0	0	2,440,681	930,000	2,440,681	2,440,681
	0	0	0	0	0	0	0

Continuation of benefits(2)							
Pension and nonqualified compensation benefit(3)	912,963	0	0	0	0	912,963	912,963
Total	3,353,644	0	0	2,440,681	930,000	3,353,644	3,353,644
William K. Sales, Jr.							
Cash severance payment	0	0	0	0	0	0	0
Value of accelerating vesting of incentive compensation(1)	2,277,472	0	0	2,277,472	847,500	2,277,472	2,277,472
Continuation of benefits(2)	0	0	0	0	0	0	0
Pension and nonqualified compensation benefit(3)	181,662	0	181,662	966,289	966,289	0	181,662
Total	2,459,134	0	181,662	3,243,761	1,813,789	2,277,472	2,459,134
Stephen P. Koch							
Cash severance payment	0	0	0	0	0	0	0
Value of accelerating vesting of incentive compensation(1)	2,029,522	0	0	2,029,522	750,000	2,029,522	2,029,522
Continuation of benefits(2)	0	0	0	0	0	0	0
Pension and nonqualified compensation benefit(3)	444,390	0	0	0	0	444,390	444,390
Total	2,473,912	0	0	2,029,522	750,000	2,473,912	2,473,912
David H. Hannah(4)							
Cash severance payment	0	0	0	0	0	0	0
Value of accelerating vesting of incentive compensation	0	0	0	0	0	0	0
Continuation of benefits	0	0	0	0	0	0	0
Pension and nonqualified	0	0	0	0	0	0	0

compensation
benefit

Total	0	0	0	0	0	0	0
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- (1) Includes the 2016 annual cash incentive and unvested restricted stock units. The value of equity included in this amount is based on a price per share of \$79.54, the closing price of the Company's common stock on December 30, 2016, the last day of the 2016 fiscal year on which the Company's common stock was traded on the New York Stock Exchange. Upon a change in control without termination occurring on December 31, 2016, the NEO would be fully vested in the 2016 annual cash incentive, having been employed the entire performance period.
- (2) Excludes certain benefits generally available to salaried employees, such as certain disability benefits, accrued vacation and distributions under our 401(k) and ESOP plans.

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(3) Represents the amount of benefit in excess of the present value of accumulated benefits payable by the SERP or the amount of unvested company contributions under the deferred compensation plan (see page 48).

(4) Mr. Hannah was not an employee as of December 31, 2016.

The SERP provides that if a change of control occurs or a participant has attained age 55 and completed 10 years of service, any unvested rights of a participant to receive certain retirement benefits under the SERP shall become fully vested. If a participant incurs a separation of service from the Company (other than separations due death or disability) prior (i) to attaining age 55 and completing 10 years of service or (ii) a change of control, then such participant shall not be entitled to any benefits under the SERP. The Deferred Compensation Plan provides that the participants receive their vested account balance upon a change in control.

The restricted stock units provide that upon a change in control if a recipient's employment is terminated or substantially diminished (a.k.a. double trigger):

- the service-based restricted stock units will become vested by prorating the number of such restricted stock units as if the vesting period ended on the date of the termination, and
- the performance-based restricted stock units will become vested only upon the achievement of the relevant performance metric measured during a shortened performance period ending on the most recent fiscal quarter before the date of the termination, with the number of shares prorated based on such shortened performance period.

Stock Ownership Requirements

Our stock ownership policy requires our officers to own shares of our common stock (including unvested restricted stock units) equal in value to a multiple of their respective annual base salaries within five years from the date of appointment. The requirements applicable to our senior officers as well as the value of common stock held by them is set forth below:

Role	Value of Common Stock Required to be Owned	Value of Common Stock Held at 3/31/17 (\$)	Multiple of Base Pay(1)
CEO	5 times annual base salary	35,030,756	33.4x
COO	4 times annual base salary	5,999,820	9.7x
Executive Vice Presidents	3 times annual base salary	19,003,390	16.0x
Senior Vice Presidents	2.25 times annual base salary	11,575,373	8.0x

(1) Grants of performance-based restricted stock units are calculated based on target-level awards for the ownership requirement.

All of the NEOs are either in compliance with these stock ownership requirements or on their way to becoming compliant within five years from the date of appointment. See the "Securities Ownership of Certain Beneficial Owners and Management" table below for the current stock ownership of our directors and the NEOs.

Clawback Policy

To further reduce the possibility of excessive risk taking, the Compensation Committee adopted a clawback policy that requires NEOs to repay to the Company all or a portion of the incentive cash award or restricted stock units awarded to the NEO if the basis for the award adversely changed as a result of a restatement of the Company's financial statements or any other material change in the factors underlying the performance criteria.

Hedging and Pledging Policies

Our insider trading policy contains provisions restricting the hedging and pledging of Company securities by our directors, officers and certain employees.

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Hedging Policy. Directors, officers and employees subject to the quarterly trading blackout under our insider trading policy are prohibited from engaging in hedging or monetization transactions of Company securities, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds.

Pledging Policy. Directors, officers and employees subject to the Company's quarterly trading blackout under our insider trading policy are prohibited from holding securities of the Company in a margin account or pledging such securities as collateral for loans, except for securities pledged as of the effective date of the policy or which have already been pledged at the time an individual becomes a director. One such "grandfathered" arrangement exists pertaining to shares of Reliance common stock pledged by a director as security for a line of credit on which there was no amount outstanding on December 31, 2016.

Tax and Accounting Considerations

From time to time, we review the accounting and tax laws, rules and regulations that may affect our compensation programs. However, tax and accounting considerations have not significantly impacted the compensation programs we offer to our executives. Section 162(m) of the Internal Revenue Code generally limits the deductibility of certain compensation in excess of \$1 million per year paid to a company's chief executive officer and certain other NEOs. The \$1 million deduction limit generally does not apply to certain performance-based compensation that meets certain criteria established by the IRS. While the Compensation Committee believes that the tax deductibility of compensation is a factor to be considered, the Compensation Committee retains the flexibility to grant awards it determines to be in the best interests of the Company and its stockholders even if the award is not deductible for tax purposes. The Compensation Committee believes that its ability to exercise such discretion is in the best interests of the Company and our stockholders.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors is composed entirely of the independent, non-employee directors listed below.

The Compensation Committee has reviewed the Compensation Discussion and Analysis and has discussed it with senior management. Based on the review and discussions, the Compensation Committee unanimously recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and, to the extent appropriate, the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

This report is submitted on behalf of the members of the Compensation Committee.

Date: April 7, 2017

Karen W. Colonias	John G. Figueroa, Chair	Douglas M. Hayes
Mark V. Kaminski	Robert A. McEvoy	Andrew G. Sharkey, III
	Douglas W. Stotlar	

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EXECUTIVE COMPENSATION

The following table summarizes certain information concerning the compensation that our NEOs earned for the years 2016, 2015 and 2014:

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(3)	All Other Compensation (\$)(4)
Gregg J. Mollins President and Chief Executive Officer	2016	1,025,000	-	6,501,040	-	1,670,000	1,033,371	52,000
	2015	865,000	-	5,571,380	-	1,220,000	640,090	61,000
	2014	712,500	-	1,423,000	-	744,600	1,244,528	28,000
Karla R. Lewis Senior Executive Vice President and Chief Financial Officer	2016	604,250	-	1,521,520	-	930,000	299,352	43,000
	2015	569,250	-	1,303,940	-	717,970	167,867	49,000
	2014	532,500	-	1,138,400	-	561,000	694,275	21,000
James D. Hoffman Executive Vice President, Chief Operating Officer	2016	577,500	-	1,521,520	-	930,000	-	332,000
	2015	517,500	-	1,126,130	-	652,700	-	236,000
	2014	482,000	-	711,500	-	510,000	-	218,000
William K. Sales, Jr. Senior Vice President, Operations	2016	550,000	-	1,314,040	-	847,500	449,551	32,000
	2015	517,500	-	1,126,130	-	652,700	377,015	36,000
	2014	482,000	-	711,500	-	510,000	762,826	18,000
Stephen P. Koch Senior Vice President, Operations	2016	486,250	-	1,175,720	-	750,000	-	132,000
	2015	461,250	-	1,007,590	-	576,450	-	132,000
	2014	437,000	-	711,500	-	459,000	-	118,000
David H. Hannah Retired Chairman and Chief Executive Officer	2016	675,000	-	-	-	1,012,500	1,449,855	162,000
	2015	1,080,000	-	2,963,500	-	1,317,600	1,015,793	98,000
	2014	1,055,000	-	3,557,500	-	1,101,600	1,682,960	49,000

(1)

The amounts in this column reflect the grant date fair value of the target number of restricted stock units awarded in 2014, 2015 and 2016. The values are calculated in accordance with the Stock Compensation topic of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (the “Codification”) and pursuant to the Company’s equity compensation plans by multiplying the closing price of the Company’s common stock on the grant date by the number of restricted stock units or the target number of restricted stock units awarded to each officer. Results for the performance based equity awards granted in 2014 were determined in February 2017. Performance results for the 2014 ROA awards and the 2014 operating income CAGR awards were as follows: 25% of the target number of shares subject to ROA performance vested, and 0% of the target number of shares subject to operating income CAGR performance vested. At present, we believe the ROA performance-based equity awards granted in 2015 will produce payouts near target; we also believe the operating income CAGR performance-based equity awards granted in 2015 will produce no payouts.

- (2) The amounts shown represent payments under the Company’s annual cash incentive plan. See “Annual Cash Incentive Awards” on page 37.
- (3) The amounts represent the change in the present value of the accumulated benefits payable on retirement under our SERP for each of the NEOs, with the exception of Mr. Hoffman and Mr. Koch. These amounts are determined using interest rate and mortality assumptions consistent with those included in Note 11 of the Notes to Consolidated Financial Statements in the Annual Report on Form 10-K filed by the Company

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for the year ended December 31, 2016. The following summarizes the total change in pension value in 2016 due to the change in the discount rate, mortality tables, and other factors:

Name	Change in Pension Value Due to Change in Discount Rate (\$)	Change in Pension Value - All Other (\$)	Total Change in Pension Value (\$)
Gregg J. Mollins	24,504	1,008,867	1,033,371
Karla R. Lewis	39,706	259,646	299,352
William K. Sales, Jr.	20,732	428,819	449,551
David H. Hannah	-	1,449,855	1,449,855

(4) The 2016 all other compensation amounts are composed of the following:

Name	401(k) Match Contributions (\$)	ESOP Contributions (\$)	Company Contribution to Deferred Compensation Plan (\$)	Dividend Equivalents on Restricted Stock (\$)(a)	All Other Compensation (\$)
Gregg J. Mollins	7,950	6,330	-	37,894	52,174
Karla R. Lewis	7,950	6,330	-	29,595	43,875
James D. Hoffman	7,950	6,330	300,000	18,547	332,827
William K. Sales, Jr.	7,950	6,330	-	18,547	32,827
Stephen P. Koch	7,950	6,330	100,000	18,547	132,827
David H. Hannah	7,950	6,330	-	148,068	162,348

(a) Includes dividend equivalents paid on vested restricted stock units and unvested restricted stock awards.

Grants of Plan Based Awards

The Company currently has no non-equity or equity incentive plans for its executive officers other than our annual cash incentive plan and the Amended and Restated 2015 Incentive Award Plan. The following table sets forth plan-based awards granted to the NEOs during 2016:

All Other Stock Awards:	All Other Option Awards:	Exercise
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	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Plan Awards(2)			Number of Shares of Stock or Units (#)(3)	Number of Securities Underlying Options (#)	or Base Price of Option Awards (\$/sh)
	Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
2016	210,000	1,575,000	3,150,000	18,800	75,200	188,000	18,800	-	-
2016	124,000	930,000	1,860,000	3,300	13,200	33,000	8,800	-	-
2016	124,000	930,000	1,860,000	3,300	13,200	33,000	8,800	-	-
2016	113,000	847,500	1,695,000	2,850	11,400	28,500	7,600	-	-
2016	100,000	750,000	1,500,000	2,550	10,200	25,500	6,800	-	-
2016	135,000	1,012,500	2,025,000	-	-	-	-	-	-

(1) Reflects the threshold, target and maximum payout amounts of non-equity incentive plan awards that were in effect for 2016 under the annual cash incentive plan. The threshold, target and maximum payout amounts were determined in accordance with the terms of the annual cash incentive plan. The award amount is a percent of the NEO's year-end salary, with the percent based upon the threshold, target and maximum targets. In order to receive any award, the Company's pre-tax income margin must be at least 3%, which

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results in an award of 20% of the NEO's current year base salary. The 2016 target amount is based on a pre-tax income margin of 5.75% and results in an award of 150% of the NEO's base salary. The maximum amount is based on a pre-tax income margin of 8.5% or higher, which results in an award of 300% of the NEO's current year salary. These columns do not reflect the actual amounts paid, but only provide an example of how the awards would be calculated under the plan if the specified levels of pre-tax income margin were achieved. Pre-tax income margin (as calculated per the terms of the plan) for 2016 was 5.75% which was equal to the target and resulted in a payout under the plan equal to 150% of each participant's annual base salary.

(2) Reflects the threshold, target and maximum number of shares of common stock of the Company for the restricted stock units granted in March 2016 which will be paid if the Company achieves certain ROA performance goals. The performance period for all such awards is a three-year performance period consistent with prior years. The 123,200 performance-based awards granted to the NEOs represent the target number of shares and will vest based on the achievement of the ROA performance goals.

(3) Represents the number of shares underlying service-based restricted stock units awarded to each NEO in March 2016, which will vest if the NEO continues to be employed by the Company until December 31, 2018.

Option Exercises and Stock Vested

The following table sets forth information for the NEOs with regard to the aggregate equity awards vested and exercised during 2016:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise \$(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting \$(2)
Gregg J. Mollins	12,500	220,880	10,960	813,210
Karla R. Lewis	80,000	2,123,495	7,868	581,934
James D. Hoffman	12,500	118,777	4,980	368,475
William K. Sales, Jr.	50,000	1,183,639	4,980	368,475
Stephen P. Koch	6,250	97,828	4,980	368,475
David H. Hannah	140,000	2,296,567	62,375	4,645,735

(1) The amounts represent the difference between the exercise price and fair market value at date of exercise of non-qualified stock options.

(2) The amounts are based on the closing price of the Company's common stock on the date that the award vested.

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Outstanding Equity Awards at Fiscal Year-End

The following table sets forth outstanding equity awards held by the NEOs at December 31, 2016:

Option Awards	Stock Awards	Equity Incentive Plan
Equity	Equity Incentive Plan	Awards: Market or
&nb		