



AK Steel Corporation
Noncontributory Pension Plan

IAM Local 1943
Hourly Employees

Summary Plan Description

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INTRODUCTION

This summary describes the provisions of the AK Steel Corporation Noncontributory Pension Plan. The official AK Steel Corporation Noncontributory Pension Plan document governs all of your rights under the Plan, including your right to pension benefits. To the extent any information in this summary conflicts with the official plan document, as interpreted by the AK Steel Corporation Benefit Plans Administrative Committee, the official plan document, as interpreted, shall govern.

If you would like to review the official plan document, contact your local benefits administrator or the AK Steel Corporation Benefit Plans Administrative Committee at 9227 Centre Pointe Drive, West Chester, Ohio 45069. You may review this document at your local benefit administrator's office free of charge or obtain a copy of the official Plan document for a small fee.

In accordance with the agreement between AK Steel Corporation and the International Association of Machinists, AFL-CIO, IAM Local Lodge 1943 dated March 15, 2007, the benefit formula under this plan was frozen effective May 26, 2007. This Plan applies only to IAM employees hired prior to March 1, 2007.

The monthly accrued benefit under this plan shall be frozen effective May 26, 2007 for benefit calculation purposes. Effective May 27, 2007, continuous service will be recognized for eligibility purposes only.

Effective May 27, 2007, AK Steel Corporation will participate in the International Association of Machinists Pension Trust, providing a contribution to the International Association of Machinists Pension Trust in accordance with any agreement between AK Steel Corporation and the International Association of Machinists.

WHO IS ELIGIBLE

This Summary Plan Description describes the details of the AK Steel Corporation Noncontributory Pension Plan as it affects eligible employees of AK Steel Corporation. This Plan covers those employed by or paid through the payroll of AK Steel Corporation (or another employer designated by the AK Steel Corporation Benefit Plans Administrative Committee) who were participants in the plan as of May 26, 2007, and whose principal duties are in the United States, or who are United States citizens employed abroad, provided that such employees are in a unit of employees who are eligible for participation under the Plan in accordance with a collective bargaining agreement.

This Plan does not apply to certain employees at locations which have not been designated by the AK Steel Corporation Benefit Plans Administrative Committee, nor does it apply to employees (i) who are properly covered by a separate noncontributory pension plan sponsored by AK Steel Corporation, (ii) whose collective bargaining agreements do not provide for participation under this Plan or (iii) who are foreign nationals working in the United States, or (iv) who are leased employees. If you have any questions about your eligibility to participate in this Plan, you should contact your

local benefits administrator or the AK Steel Corporation Benefit Plans Administrative Committee at 9227 Centre Pointe Drive, West Chester, Ohio 45069.

OTHER RETIREMENT INCOME SOURCES

Your AK Steel Corporation pension is a source of monthly income in addition to any other pension you may accumulate, your savings and Social Security. It is a noncontributory plan which means AK Steel Corporation pays the full cost.

For most of us, retirement income will come from various sources including:

- The AK Steel Corporation Noncontributory Pension Plan,
- Your personal savings, insurance, investments, etc.,
- Social Security income,
- The AK Steel Corporation Thrift Plan for those eligible to participate,
- The AK Steel Corporation Retirement Savings Plan (401(k) Plan) - This plan is available to all hourly employees and offers an excellent opportunity to save on a tax-deferred basis.

AK Steel Corporation contributions for pensions go into a trust fund and are invested under the direction of a company-appointed trustee. The amount of funds that AK Steel Corporation sets aside to provide your retirement income is determined by an annual analysis performed by an independent actuary. Once money is put into the trust fund, it must be used exclusively for the benefit of active Plan members and their beneficiaries.

PARTICIPATION IN THE PENSION PLAN

You are eligible for participation in the Plan if you were an eligible Participant as of March 1, 2007, and are accruing continuous service.

The Plan recognizes all of your continuous service from your date of hire unless you have incurred a break in service during your AK career. You actually started to earn pension benefits on the day you were hired.

"Continuous service" is an important term in our Plan. For most of us, continuous service is an accumulation of all our years of service from the time we were hired. Continuous service, however, is broken by the following events:

- Retirement
- Death
- Discharge

- Quit
- Layoff or disability that continues for more than two years

Continuous service is not broken if you are rehired after an absence due to military service, in accordance with the Uniformed Services Employment and Reemployment Act of 1994. Your service is not broken by short-term disabilities or vacation time.

Even if you're absent due to layoff or disability for more than two years, your continuous service may be restored.

Continuous service is a very important element in your pension. If you believe a break in your service is likely to occur, you should talk to your local benefits administrator about the effect on your pension.

You should also be aware that the Pension Plan's definition of "continuous service" is not the same as the one used in determining seniority under bargaining agreements. If your continuous service broke prior to 1976, you may be eligible for "allowed service".

SPECIAL PENSION PAYMENT

This amount is equal to 13 (or 14, if you meet the requirements explained below) weeks of vacation pay reduced by any vacation taken as time off or paid in the year you retire. No other pension will be paid from the Plan until the fourth month following retirement on other than a Permanent Incapacity Pension, Deferred Vested Pension or upon a retirement following a rehire (see below).

During the first three months of retirement, most retirees will receive a "transitional" payment (Special Pension Payment) from the Plan that is similar in amount to the monthly income you received just before you retired. This is possible because during these initial three months our Plan provides a special payment that is equal to 13 weeks of your regular vacation pay if you were entitled to less than five weeks of regular vacation as an active employee.

If you were entitled to five or more weeks of regular vacation as an active employee, your Special Pension Payment will be equal to 14 weeks of your regular vacation pay. This Special Pension Payment, however, does not apply if you:

- Receive the Permanent Incapacity Pension,
- Leave AK Steel Corporation after becoming entitled to a Deferred Vested Pension, or
- Have previously retired from AK Steel Corporation and received a Special Pension Payment for your retirement, then were rehired.

The Special Pension Payment is reduced by any vacation taken as time off or paid during the year you were last entitled to regular vacation. In other words, you can't take your vacation and receive a full Special Pension Payment.

The vacation pay used to figure this special payment is usually your full vacation rate, as adjusted according to the collective bargaining agreement. Your local benefits administrator will review the calculation with you if you have any questions.

The Special Pension Payment is paid in a lump sum as soon as possible after the first day of the month following your official retirement date and is your pension for the first three months of your retirement.

PLAN FORMULA

To compute your retirement benefit, we used a mathematical formula that was frozen effective May 26, 2007. This calculation determined your monthly benefit amount based on years of continuous service through May 26, 2007, and a benefit multiplier.

Under this formula, you will receive a monthly amount equal to:

- \$56.26 for each of the first 30 years of your continuous service, plus
- \$75.00 for each year of continuous service in excess of 30 years.

**TABLE OF MONTHLY PENSION AMOUNTS
BASED ON YEARS OF SERVICE**

<i>Total Years of Service</i>	<i>Monthly Pension</i>
5	\$ 281.25
10	562.50
15	843.75
20	1,125.00
25	1,406.25
30	1,687.50
35	2,062.50
40	2,437.50

Service is adjusted for fractions of years calculated to the nearest month.

Note: This plan formula was frozen effective May 26, 2007. If you were an eligible participant on that date, you received a Frozen Benefit Statement at that time.

OTHER PENSION PLAN PROVISIONS

Your Pension Has a Maximum Limit

The amount of your pension will be limited by the rules and regulations of the Internal Revenue Service in determining the maximum allowable pension. In most cases, these IRS maximums do not affect the amount of pension. If you are affected, your local benefits administrator will advise you at the time of your retirement.

Pension Supplement

If you qualify for a pension under the Permanent Incapacity, the Rule of 65 or the Immediate Severance (70/80) retirement, you can receive this supplement. The supplement is a \$400 per month addition and will continue until the date you are eligible for Social Security. It may also be available to an employee who retires due to a permanent shutdown.

This Plan offers a supplemental payment to employees who leave the company under certain conditions. This supplement is in addition to other regular pension benefits.

The supplement will be paid to those who retire because of a verified disability under certain conditions. Keep in mind that at AK Steel Corporation, you can qualify for disability retirement under the Rule of 70 and Rule of 80, the Rule of 65, or the Permanent Incapacity Pension. To qualify for any of these forms of disability retirement, you must meet the continuous service requirement and, in the opinion of our company doctor, be totally and permanently disabled. This monthly supplement may continue to be paid as long as you remain disabled and are not receiving Social Security disability benefits up to age 62.

This supplement is also available to employees who retire because of layoffs or plant closings due to a permanent shutdown. In this case, the supplement will continue to be paid until age 62, when Social Security retirement benefits are available or until Social Security disability is granted should you become disabled after retiring.

The pension supplement is \$400 per month. Its function is to increase your income until Social Security benefits are available. When you begin to receive Social Security, the supplemental payment stops. Your regular pension payments will continue, of course, along with income from Social Security.

If you are receiving this pension supplement, it is important to tell the company immediately when you become eligible for disability benefits from Social Security. Otherwise, your regular pension could be subject to retroactive adjustments or suspension.

Note: If you are receiving the supplement under the Rule of 65 type of pension, the \$400 will be reduced by \$1 for every \$2 you earn over \$14,160 (2009 limit) in any calendar year. This \$14,160 limit is prorated in the year of retirement and the year you

reach age 62. This limit changes each year based on new limits established by the Social Security Administration.

This pension supplement does not change the benefit amount payable under our survivor benefit provisions.

Supplement

The \$300 supplement is available only on a 30-year or a 62/15 type retirement and is payable to the later of age 62 or 12 months of payments.

If you are eligible for a 30-year or 62/15 pension, you will be eligible for a supplement in the amount of \$300, payable until you first become eligible for Social Security benefits (normally age 62). This supplement is guaranteed for a minimum of 12 months, so if you are over age 62 at retirement (but under age 65), or if you become eligible for Social Security benefits during the first 12 months of retirement, this supplement will be paid for up to 12 months.

SOCIAL SECURITY NORMAL RETIREMENT AGE

The Social Security Normal Retirement Age (SSNRA) for persons born before 1938 is age 65. For persons born in or after 1938, the Social Security Normal Retirement Age gradually increases from age 65, eventually reaching age 67. The following table shows your SSNRA based on your year of birth.

<u>Year of Birth</u>	<u>Social Security Normal Retirement Age</u>
Before 1938	65 and 0 months
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943 - 1954	66 and 0 months
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 & After	67 and 0 months

You may apply for Social Security Benefits as early as the first full month after you attain age 62, if you are eligible for Social Security Benefits. The Social Security Benefit you can receive at age 62 is reduced as you will receive it for a longer period of time. The following table shows the percentage of the full Social Security Benefit you would receive at **age 62** based on the Social Security Normal Retirement Ages shown.

<u>Social Security Normal Retirement Age</u>	<u>Percentage of Full Social Security Benefit</u>
65	80%
66	75%
67	70%

TYPES OF PENSIONS

Normal Retirement

A Normal Retirement is available when you reach age 65 and have five years of continuous service. You must terminate employment to be eligible for retirement. After the Special Pension Payment is paid for the first three months, a regular pension is paid monthly for your lifetime.

Eligibility

Normal retirement is available to you when you reach age 65 and have attained at least five years of continuous service under our Plan. You should make application for retirement within the 90-day period prior to your retirement date. Your continuous service ends on the date of your retirement.

Income Sources

Your income will come from these sources:

- *During your first three months of retirement, you will receive the Special Pension Payment.*
- *Starting with the fourth month of your retirement (after the special three-month period ends), you will receive your regular pension. Your pension will continue for your lifetime.*
- *You will receive the full Social Security benefits to which you are entitled once you are eligible and have applied for them. If your spouse is dependent upon your earnings, he or she may also receive Social Security benefits.*
- *You can receive the full value of your account in the AK Steel Corporation Thrift Plan and/or the AK Steel Corporation Retirement Savings Plan (401(k)).*

Other Benefits

You will be eligible for any other life and health benefits that are provided by AK Steel Corporation at the time of your retirement. Consult the applicable booklets given to you when you retire.

62/15 Retirement

A 62/15 retirement is available when you retire between the ages of 62 and 65 and have at least 15 years of continuous service. You must terminate employment to be eligible for retirement. After receiving the Special Pension Payment for the first three months of retirement, a regular pension is paid for your lifetime.

Eligibility

This provision entitles you to a full pension if you retire after age 62, but before you reach age 65, and have at least 15 years of continuous service. You should make application for retirement within the 90-day period prior to your retirement date. Your continuous service ends on the date of your retirement.

Income Sources

Your income will come from these sources:

- *During your first three months of retirement, you will receive the Special Pension Payment.*
- *Starting with the fourth month of your retirement (after the special three-month period ends), you will receive your regular pension. Your pension will continue for your lifetime.*
- *You may receive the full Social Security benefits to which you are entitled once you are eligible and have applied for them. By taking Social Security benefits at age 62, you will receive a reduction of the Social Security benefits you would be eligible to receive at your Social Security Normal Retirement Age. If your spouse is dependent upon your earnings, he or she may also receive Social Security benefits.*
- *You can receive the full value of your account in the AK Steel Corporation Thrift Plan and/or the AK Steel Corporation Retirement Savings Plan (401(k)).*
- *You will be eligible for the \$300 pension supplement for one year.*

Other Benefits

You will be eligible for any other life and health benefits that are provided by AK Steel Corporation at the time of your retirement. Consult the applicable booklets given to you when you retire.

30-Year Retirement

A 30-year retirement is available before age 62 if you have 30 years of continuous service. You must terminate employment to be eligible for retirement. After receiving the Special Pension Payment for the first three months of retirement, a regular pension is paid for your lifetime.

Eligibility

You may take your retirement at any age prior to age 62 if you have attained 30 or more years of continuous service. You should make application for retirement within the 90 day period prior to your retirement date. Your continuous service ends on the date of your retirement.

Income Sources

Your retirement income will come from these sources:

- *During your first three months of retirement, you will receive the Special Pension Payment.*
- *Starting with the fourth month of your retirement (after the special three-month period ends), you will receive your regular pension. Your pension will continue for your lifetime.*
- *You may receive the full Social Security benefits to which you are entitled. By taking Social Security benefits at age 62, you will receive a reduction of the benefits you would be eligible to receive at your Social Security Normal Retirement Age. If your spouse is dependent upon your earnings, he or she may receive Social Security benefits.*
- *You will be eligible for the \$300 pension supplement for one year or until age 62, whichever occurs later. However, should you receive Social Security benefits prior to age 62, your supplement would only be payable to the later of one year or the date Social Security benefits are effective.*
- *You can receive the full value of your account in the AK Steel Corporation Thrift Plan and/or the AK Steel Corporation Retirement Savings Plan (401(k)).*

Other Benefits

You will be eligible for any other life and health benefits that are provided by AK Steel Corporation at the time of your retirement. Consult the applicable booklets given to you when you retire.

Early Retirement

An early retirement is available between the ages of 55 and 62 with 15 years of continuous service. You must terminate employment to be eligible for retirement. You receive the Special Pension Payment to cover the first three months of retirement. In the fourth month after retirement, you can elect to receive a reduced pension immediately, or you can defer it until age 62 and get the full amount.

Eligibility

You may take early retirement any time between ages 55 and 62 if you have attained 15 or more years of continuous service. You should apply for retirement within the 90 day period prior to a) your retirement date, or b) the date you want to start your pension. Your continuous service ends on the date of your retirement.

Income Sources

Your early retirement income will come from these sources:

- *You will be eligible to receive the Special Pension Payment. You can receive this three-month payment at the time you leave AK Steel Corporation. However, if you elect to wait to receive your regular pension (as described next), you may choose to delay receipt of this Special Pension Payment as well.*
- *You can receive the full value of your account in the AK Steel Corporation Thrift Plan and/or the AK Steel Corporation Retirement Savings Plan (401(k)).*
- *Once you reach age 62, you will be eligible for reduced Social Security benefits. If you wait until your Social Security Normal Retirement Age to start receiving your Social Security benefit, you will receive full Social Security. If your spouse is dependent upon your earnings, when eligible, he or she may also receive Social Security benefits.*
- *Next, you have a choice regarding when your regular pension benefits will start:*
 1. **You can elect to receive a full pension** that will be paid beginning the fourth month after reaching age 62. In this case, the basic calculation will be the same as for other types of regular retirement. You will receive your regular pension. Your pension will continue for your lifetime.
 2. **You can take a reduced pension** beginning the fourth month after you retire. The reduced pension will first be determined the same way as the full pension described in number 1 above. Then it is reduced because it will be paid for a longer period of time than if payments began at age 62.

The following chart shows the percentage of your regular pension you will receive for your lifetime if you retire early and take a reduced pension. Keep in mind that months (not just years) of age are also counted.

<u>Pension Begins At Age</u>	<u>% of Regular Pension You Will Get</u>
55	55.85
56	60.35
57	65.33
58	70.84
59	76.96
60	83.82
61	91.45
62	100.00

Note: A reduction chart by months of age may be obtained from your local benefits administrator.

Other Benefits

You will be eligible for any other life and health benefits that are provided by AK Steel Corporation at the time of your retirement. Consult the applicable booklets given to you when you retire.

Rule of 70/Rule of 80 Pension Benefits in Event of Disability or Other Specified Conditions

*A Rule of 70/Rule of 80 pension is available before age 62 with 15 years of continuous service. To collect, you must be age 55 and your combined age and continuous service must equal at least 70 (Rule of 70), **or** your combined age and continuous service must equal at least 80 (Rule of 80). Benefits include Special Pension Payment and regular pension **plus** \$400 pension supplement until Social Security is available.*

Eligibility

This pension is designed to provide benefits to you in one of these situations:

- *Your continuous service is broken because of a medically verified permanent disability, a layoff, or a declared permanent shutdown approved in advance by the AK Steel Corporation Benefit Plans Administrative Committee.*
- *If you are eligible for layoff and you elect to take a layoff when a major AK Steel Corporation operation is declared a shutdown by the AK Steel Corporation Benefit Plans Administrative Committee (BPAC) and the company advises you that no suitable long-term employment is available. In brief, "suitable employment" means work (other than temporary work) you are physically able to perform, using skills you have or can acquire through training.*
- *The AK Steel Corporation Benefit Plans Administrative Committee (BPAC) declares it is unlikely you will return to work after a permanent disability which has lasted at*

least five months (for a permanent disability, you must be declared totally and permanently disabled by the company physician).

- *BPAC declares it is unlikely you will return from layoff.*

Permanent Shutdown

A "Permanent Shutdown" means the total and permanent closing of a major steelmaking, manufacturing or fabricating facility or a significant department of such a facility which involves the layoff or termination of employment of a significant number of employees. The shutdown is declared by the AK Steel Corporation Board of Directors and may sometimes be agreed to in a collective bargaining agreement.

If these situations occur, you will qualify for a pension if you meet these conditions:

- *You have at least 15 years of continuous service,*
- *You terminate employment, and*
- *You are between the ages of 55 and 62, and the combined total of your age and your continuous service equals 70 or more (**Rule of 70**), or*
- *You terminate employment, and*
- *The combined total of your age and continuous service equals 80 or more (**Rule of 80**).*

Note: Job elimination, force reductions, individual and voluntary terminations or refusal of a transfer of employment will not qualify you for a Rule of 70/Rule of 80 pension.

Income Sources

Under this form of retirement, your income will come from these sources:

- *During your first three months of retirement, you will receive the Special Pension Payment.*
- *Starting the fourth month of your retirement (after the special three-month period ends) you will receive your regular pension. Your pension will continue for your lifetime.*
- *You may also receive the \$400 pension supplement. This supplement will continue to be paid until the effective date that either Social Security Retirement Benefits or Social Security disability benefits are granted to you. This supplement will, in any case, stop being paid at age 62.*

- *Once you attain age 62, you will be eligible for reduced Social Security benefits. If you wait until your Social Security Normal Retirement Age to start receiving your Social Security benefit, you will receive full Social Security. If your spouse is dependent upon your earnings, when eligible, he or she may also receive Social Security benefits.*
- *You can receive the full value of your account in the AK Steel Corporation Thrift Plan and/or the AK Steel Corporation Retirement Savings Plan (401(k)).*

Other Benefits

You will be eligible for any other life and health benefits that are provided by AK Steel Corporation at the time of your retirement. Consult the applicable booklets given to you when you retire.

Long-Term Disability

If you were absent due to disability for five consecutive months prior to retiring on a Rule of 70/Rule of 80 pension and you are eligible for Social Security disability benefits on or before your date of retirement, you may also be eligible for Long-Term Disability Benefits. You must also meet the eligibility requirements set forth under your Long-Term Disability Plan. Please refer to that plan for further information.

Rule of 65 Pension Benefits

*A Rule of 65 pension is available in event of permanent and total disability or other specified conditions. You must terminate employment. To collect, you must have at least 20 years of continuous service on your last day of active employment **and** your combined age and continuous service must equal at least 65 (Rule of 65).*

Eligibility

This pension extends the benefits available under the Rule of 70 and the Rule of 80 to employees who are not yet age 55, but who have 20 years or more of continuous service. As such, it will be applied in one of the following situations:

- *Your continuous service is broken because of a medically verified permanent disability or because of a layoff.*
- *If you are eligible for layoff and you elect to take a layoff when a major operation of AK Steel Corporation is declared a shutdown by the AK Steel Corporation Benefit Plans Administrative Committee (BPAC) and the company advises you that no suitable long-term employment is available. In brief, "suitable employment" means work (other than temporary work) you are physically able to perform, using skills you have or can acquire through training.*
- *If you are not eligible for layoff and your continuous service breaks due to involuntary termination of employment by the company after the AK Steel*

Corporation Board of Directors authorized the Permanent Shutdown of the unit you were employed at and if the involuntary termination is directly a result of the Permanent Shutdown and not a termination for good cause.

- *If BPAC determines it is unlikely you will return to work after a disability which has extended for five months and you are declared totally and permanently disabled by the company physician.*

Permanent Shutdown

A "Permanent Shutdown" means the total and permanent closing of a major steelmaking, manufacturing or fabricating facility or a significant department of such a facility which involves the layoff or termination of employment of a significant number of employees. The shutdown is declared by the AK Steel Corporation Board of Directors and may sometimes be agreed to in a collective bargaining agreement.

If these situations occur, you will qualify for a Rule of 65 pension if you meet these conditions:

- *You have at least 20 years of continuous service,*
- *You terminate employment,*
- *You are under age 55, and*
- *The combined total of your age and your continuous service equals at least 65 but less than 80.*

Note: Job elimination, force reductions, individual voluntary terminations or refusal of a transfer of employment will not qualify you for a Rule of 65 pension.

Income Sources

Under this form of retirement, your income will come from these sources:

- *During your first three months of retirement, you will receive the Special Pension Payment.*
- *Starting the fourth month of your retirement (after the special three-month period ends) you will receive your regular pension. Your pension will continue for your lifetime.*
- *You may receive the \$400 pension supplement. This supplement will continue to be paid until the effective date that either Social Security retirement benefits or Social Security disability benefits are granted to you. This supplement will, in any case, stop being paid at age 62. This \$400 supplement will be reduced by \$1 for every \$2 you earn over \$14,160 (2009 limit) in any calendar year. This limit changes each*

year based on the limit established by the Social Security Administration. In the year you retire, this amount will be prorated based on your months of retirement that year. It will also be prorated in the year in which you reach age 62. You will be required to submit certain information so the company can verify your earnings. Failure to submit this information may result in suspension of this supplement. If an overpayment of the supplement should occur, your pension payments may be suspended until the overpayment is recovered.

- *Once you reach age 62, you will be eligible for reduced Social Security benefits. If you wait until your Social Security Normal Retirement Age to start receiving your Social Security benefit, you will receive full Social Security. If your spouse is dependent upon your earnings, when eligible, he or she may also receive Social Security benefits.*
- *You can receive the full value of your account in the AK Steel Corporation Thrift Plan and/or the AK Steel Corporation Retirement Savings Plan (401(k)).*

Other Benefits

You will be eligible for any other life and health benefits that are provided by AK Steel Corporation at the time of your retirement. Consult the applicable booklets given to you when you retire.

Long-Term Disability

If you were absent due to disability for five consecutive months prior to retiring on a Rule of 65 pension and you are eligible for Social Security Disability Benefits on or before your retirement date, you may also be eligible for Long-Term Disability Benefits. You must also meet the eligibility requirements set forth under your Long-Term Disability Plan. Please refer to that plan for further information.

Permanent Incapacity Pension

A Permanent Incapacity pension is available if you have 15 years of continuous service and are totally and permanently incapacitated. You must terminate employment. A \$400 monthly pension supplement is paid for any month in which you are not eligible for Social Security benefits.

Eligibility

This form of disability pension extends coverage beyond those available under the Rule of 70/Rule of 80, and Rule of 65. It is available to you if you have 15 years of continuous service and have been totally and permanently disabled for at least five months from your last day worked. Your total and permanent disability must be medically verified by a doctor approved by the AK Steel Corporation Benefit Plans Administrative Committee.

Income Sources

Your disability income will come from these sources:

- *Regular pension payments begin the first month after you are granted disability retirement by the AK Steel Corporation Benefit Plans Administrative Committee. (The Special Pension Payment is **not** available with this disability pension.)*
- *You will receive your regular pension. Your pension will continue for your lifetime.*
- *You may receive the \$400 pension supplement. This supplement will continue to be paid until the effective date that either Social Security retirement benefits or Social Security disability benefits are granted to you. This supplement will, in any case, stop being paid at age 62.*
- *You can receive the full value of your account in the AK Steel Corporation Thrift Plan and/or the AK Steel Corporation Retirement Savings Plan (401(k)).*

Other Benefits

You will be eligible for any other life and health benefits that are provided by the AK Steel Corporation at the time of your retirement. Consult the applicable booklets given to you when you retire.

Long-Term Disability

If you are absent due to disability for five consecutive months prior to retiring on a Permanent Incapacity pension and you are eligible for Social Security Disability benefits on or before your date of retirement, you may also be eligible for Long-Term Disability benefits. You must also meet the eligibility requirements set forth under your Long-Term Disability Plan. Please refer to that plan for further information.

Deferred Vested Pension

A Deferred Vested pension is available if you leave AK Steel Corporation after you have five years of continuous service. Reduced benefits can be paid as early as age 55.

Eligibility

You become eligible for a Deferred Vested pension if you leave AK Steel Corporation at any age and have at least 5 years of continuous service. "Deferred Vested" means you have full rights to your pension (it is "vested") but payments are postponed (they are "deferred").

Payment Choices

If you are age 40 or older and have 15 years of continuous service, you have a choice as to when you receive your deferred pension. You can elect to receive a full regular pension the first of the month following your 62nd birthday or, you can elect to take a reduced pension any time between the ages of 55 and 62. If you elect early payment at a reduced rate, the reduction will be made exactly as it is in Early Retirement, based on the percentage table shown below.

<u>Pension Begins At Age</u>	<u>% of Regular Pension You Will Get</u>
55	55.85
56	60.35
57	65.33
58	70.84
59	76.96
60	83.82
61	91.45
62	100.00

If you are not yet age 40 when you leave (or if you are 40 but have less than 15 years of continuous service), your deferred pension will be paid to you the first of the month following your 65th birthday. If you prefer, you can elect to take a reduced pension any time between the ages of 55 and 65.

The chart below shows the percentage of your regular pension you will receive for your lifetime. Your age in years and months is considered for the percentage reduction.

<u>Pension Begins At Age</u>	<u>% of Regular Pension You Will Get</u>
55	42.04
56	45.42
57	49.16
58	53.30
59	57.91
60	63.10
61	68.85
62	75.28
63	82.53
64	90.72
65	100.00

No Special Pension Payment is paid if you receive a Deferred Vested pension.

At the time you leave AK Steel Corporation, you will be given information about your eligibility for a Deferred Vested Pension. It will be up to you to contact AK Steel Corporation through the AK Steel Corporation Benefit Plans Administrative Committee and apply for this pension 90 days before you want to receive it. In any event, any

pension payable to you must start no later than April 1 of the calendar year following the calendar year in which you attain age 70½.

Income Sources

- *You will receive the full value of your account in the AK Steel Corporation Thrift Plan and/or the AK Steel Corporation Retirement Savings Plan (401(k)).*
- *You will be paid for any unused vacation.*

Other Benefits

- *You will be given the opportunity to continue group health insurance under provisions of COBRA Continuation Coverage. You will also have the opportunity to convert life insurance in the amount provided by AK Steel Corporation at the time of termination to private coverage without a medical exam.*
- *Pre-Retirement Survivor Annuity Coverage is automatically in effect for your spouse unless you revoke such coverage with your spouse's consent.*

PRE-RETIREMENT SURVIVOR BENEFITS

If you have been married for at least one year and have 5 or more years of continuous service, you are covered by an Automatic Pre-Retirement Survivor Annuity Coverage which provides your spouse with a monthly pension benefit for life if you die before you begin receiving pension benefits. This coverage has no cost associated with it.

If you die after 15 years of continuous service while actively employed, your spouse will receive one-half of your monthly pension under the company-provided Surviving Spouse's Benefit. The cost of this coverage is paid by AK Steel Corporation.

Even if you should die before you were able to receive your pension, your surviving spouse will be able to receive a substantial portion of the benefit accumulated for you.

There are three types of Pre-Retirement Survivor Benefits available to you.

Automatic Pre-Retirement Survivor Annuity Coverage

Eligibility - As mandated by the Retirement Equity Act of 1984, this coverage is automatic if:

- You are an active employee of AK Steel Corporation,
- You've been married for at least one year,
- You have 5 or more years of continuous service, and

- You were actively working for AK Steel Corporation on or after August 23, 1984.

The company covers the cost of this benefit at no extra charge to you.

Benefits - This Automatic Pre-Retirement Survivor Annuity Coverage provides your spouse with a monthly pension benefit for his or her lifetime if you die before you begin receiving your pension benefits. The amount is difficult to calculate because the amounts are based on your age and your spouse's age on the date of your death. The amount is similar to the Post-Retirement Benefit, but it is reduced by the company-paid Surviving Spouse's Benefit.

Company-Paid Surviving Spouse Benefit

Eligibility - Once you have 15 years of continuous service, your spouse will receive the financial protection offered by this feature if you die either while actively employed or after retirement (other than a Deferred Vested pension).

Cost - AK Steel Corporation pays the full cost for this survivor coverage.

Benefits - If you die before you are able to collect the pension built up for you under our Plan, your spouse will receive a monthly income until he or she attains age 60 which amounts to approximately 50% of the regular pension you would have received had you retired on the date of your death and been age 62. The minimum monthly benefit he or she will receive is \$190.

Once your surviving spouse attains age 60 and becomes eligible for Social Security widower or widow benefits, the benefit calculation changes. From age 60 on, your survivor will receive a monthly income which amounts to 50% of your regular pension **minus** one-half of the Social Security widower/widow benefits he/she is eligible to receive. The minimum monthly benefit from age 60 on is \$140.

The Surviving Spouse benefit is not payable for any month for which a Special Pension Payment is payable, nor is it payable to a deferred vested participant.

To be eligible for this benefit, your spouse must be recognized as a widow/widower under Social Security rules and must be married to you at the time of your death, at the time of your retirement or, if retired, before you reach your Social Security Normal Retirement Age.

Pre-Pension Spouse Coverage

Eligibility - Two years before you reach age 55 with five or more years of continuous service, you can elect to have your spouse receive the financial protection of this additional coverage. It becomes effective two years after your election.

Cost - If you elect this additional survivor protection, a cost will be assessed to you. In effect you "pay" your share of this cost by having your future pension income reduced by 0.7% for each year this coverage is in effect.

Accident Provision - If you elect this additional survivor protection, and your death occurs as a result of an accident after you've attained age and service requirements but before the two-year waiting period is up, your spouse will still receive this additional benefit.

Benefits - If you die before you are able to retire under our Plan, your spouse will receive regular monthly income in addition to the company-paid Surviving Spouse Benefit Coverage. This income will amount to approximately 50% of the remaining regular pension you would have received if you had lived to retire at age 62, reduced by 0.7% for each year this protection was in effect, and further reduced by the reduction applied in the post-retirement benefit.

The exact amount of your survivor's monthly income will vary depending on the difference in age between you and your survivor and your age at the time of your death. As with other forms of pension benefits, reductions are made for pensions that are paid over a longer period of time.

In the event of your death prior to retirement, your survivor will begin to receive pension benefits the month following your death. These survivor benefits will continue to be paid throughout your spouse's lifetime.

Your spouse may not receive this benefit in addition to the Pre-Retirement Annuity benefit. If this benefit is elected, your Pre-Retirement Annuity benefit is offset by this benefit.

Income Your Survivor Can Receive

- *That portion of your pension payable under the Automatic Pre-Retirement Survivor Annuity Coverage, the company-paid Surviving Spouse Benefit or the Pre-Pension Spouse Coverage described above. The Automatic Pre-Retirement Survivor Annuity Coverage and the Pre-Pension Spouse Coverage **cannot** be in effect at the same time.*
- *The full value of your account in the AK Steel Corporation Thrift Plan and/or the AK Steel Corporation Retirement Savings Plan (401(k)).*
- *A small death benefit from Social Security, plus monthly payments to your surviving dependents.*

Other Benefits

If your spouse is eligible for a company-provided Surviving Spouse Benefit, then your spouse will be eligible for any other health benefits that are provided by AK Steel Corporation at the time of your death.

PENSION PAYMENT METHODS

If you are single, you can choose from two monthly payment methods. If you are married, your spouse continues to be eligible for the company-paid survivor protection you had before you retired and you may choose one of four monthly payment methods available to you.

When you retire and are eligible to receive your pension, there are several ways it can be paid to you. Under all methods of payment, you receive a monthly income for your lifetime. To provide financial protection for other survivors, our Plan offers other payment methods that continue monthly income to a beneficiary after your death. By sharing your future pension with others, it will be actuarially reduced (before your beneficiary's benefit is determined) to account for the fact that a portion of it will be paid for two lifetimes. This actuarial reduction is determined by a table of rates based on your age and the age of your beneficiary when you retire. If your named beneficiary dies before you do, but after your payments start, your pension will not revert to its unreduced single life form (described next).

If You Are Single:

1. You will receive a full pension paid for your lifetime only.

Under this automatic method, your pension is paid to you each month for your lifetime. There are no continued payments after your death.

Of all the payment methods described on these pages, this method provides you with the largest possible monthly pension.

2. You can elect a 50% or 100% Co-Pensioner Option.

If you reject the single life payment method (above), you may elect to have 50% or 100% of your actuarially reduced pension payments continued to any beneficiary you name after your death.

You will be given an opportunity to consider this option as you approach retirement and ask questions about how it would affect your pension.

Under our Plan, you are free to change or revoke your election of this Co-Pensioner Option anytime before pension payments start.

If You Are Married:

The AK Steel Corporation Noncontributory Pension Plan has been designed to offer some unusual dimensions of financial security for you and your spouse once you retire.

1. The company-paid Surviving Spouse Benefit coverage provided **before** your retirement is automatically continued **after** you retire unless you received a Deferred Vested pension.

Under this feature, your full pension is paid to you for your lifetime. At your death, 50% of the monthly pension you were receiving from AK Steel Corporation continues to be paid to your spouse until she or he reaches age 60.

Though actual pension payments may be much higher, this survivor benefit will not be less than \$190 a month. In order for your spouse to collect this benefit, you must have been married to that person at the time of your retirement; or if married after retirement, before you reach your Social Security Normal Retirement Age.

Once your spouse reaches age 60 (or is 60 or over at the time of your death), he or she is eligible for widow/widower benefits from Social Security. At that point, the benefit from the company-paid Surviving Spouse Benefit feature will be 50% of your regular pension **minus** 50% of the Social Security benefit your survivor is eligible to receive. But it will never be less than \$140 a month.

This benefit is paid for and is voluntarily provided by AK Steel Corporation. In effect, this feature insures that at least 50% of your pension will be guaranteed for your survivor until widow/widowers benefits are available. To insure that **more** than 50% of your pension will continue to be paid to your spouse, AK Steel Corporation offers the following payment methods.

2. Unless you elect otherwise with written spousal consent, the remaining 50% of your pension will be covered under our Automatic Post-Retirement Survivor Coverage.

This protection will be **in addition** to the company-paid Surviving Spouse Benefit Coverage.

Under this method, if your death occurs after your pension payments begin, your surviving spouse will receive **additional** monthly income equal to approximately 50% of your actuarially reduced pension.

Taken together, the company-paid Survivor Coverage and this Automatic Post-Retirement Survivor Coverage guarantee that almost the entire amount of your actuarially reduced pension will be continued to your surviving spouse.

If you retire and elect this option and your spouse dies before you, your pension will be increased to the amount that would have been paid if you had not elected the Automatic Post-Retirement Survivor Coverage.

3. You can elect a 50% or 100% Co-Pensioner Option.

If you reject the Automatic Post-Retirement Survivor Coverage for married employees with your spouse's consent, you may elect to have 50% or 100% of the remainder of your pension payments continued to your spouse or any beneficiary previously named, after your death. Election of this option reduces your pension payments for your lifetime.

Taken together with the company-paid Surviving Spouse Benefit, your election of a 50% Co-Pensioner Option would guarantee that almost 75% of your actuarially reduced pension will be continued to your spouse. Election of a 100% Co-Pensioner Option would guarantee that your reduced pension would be continued to your spouse. If your spouse consents, you may designate a beneficiary other than your spouse for this Co-Pensioner Option. If this is the case, your beneficiary would receive 25% of your reduced pension if you elect the 50% Co-Pensioner Option or 50% of your reduced pension if you elect the 100% Co-Pensioner Option.

4. You can elect a Joint & 75% Annuity Option.

If you reject the Automatic Post-Retirement Survivor Coverage for married employees with your spouse's consent, you may elect to have 75% of the remainder of your pension payments continued to your spouse previously named, after your death. Election of this option reduces your pension payments for your lifetime.

Under this method, if your death occurs after your pension payments begin, your surviving spouse will receive ADDITIONAL monthly income equal to approximately 75% of your actuarially reduced pension. Taken together with the company-paid Surviving Spouse Benefit would guarantee that almost the entire amount of your actuarially reduced pension will be continued to your surviving spouse.

5. You can reject the Automatic Post-Retirement Survivor Coverage for married employees and elect to have the remainder of your pension paid to you only, with no continued payments to anyone else after your death. This method provides you with the largest possible monthly pension. But that half of your pension not covered by the company-paid Surviving Spouse Benefit Coverage stops altogether when you die.

Each of these options for married employees have distinct advantages. These important options will be explained in more detail as you approach retirement age, and you will have a chance to ask questions about how each option would affect your pension and protect your survivors and beneficiaries.

5-YEAR GUARANTEED BENEFIT

Whether you are married or not, your pension benefit will be guaranteed for the first five years of your retirement to your designated beneficiary based on the following provisions:

- The 5-Year Guaranteed Benefit is payable, in the event of the death of the retiree, to the beneficiary from the date pension payments are first payable to you.
- The 5-Year Guaranteed Benefit is equal to the Benefit payable to you (reduced by all pre and post retirement options and annuities) and reduced by early retirement benefits (excluding any supplement).

- The company-paid Surviving Spouses Benefit, Automatic Post-Retirement Survivor Annuity, the 50% Co-Pensioner Option and the 100% Co-Pensioner Option are suspended during the 5-Year Certain period.
- The 5-Year Guaranteed Benefit is payable to the beneficiary if you have made application for retirement and die during the month of retirement.
- You may name anyone as beneficiary. However, your spouse must consent if your beneficiary is other than your spouse.
- If the beneficiary dies during the 5-Year Guaranteed Benefit period or prior to the designation of another beneficiary, the 5-Year Guaranteed Benefit ceases to be payable.
- The Designation of Beneficiary form must be submitted to your local benefits administrator prior to your death in order to be valid.
- If you are not married at the time of retirement and later remarry, a new Designation of Beneficiary form must be signed if the beneficiary is other than the spouse, with the new spouse's consent. Otherwise, your new spouse automatically becomes your beneficiary.

The 5-Year Guaranteed Benefit also applies if you die while actively employed and are eligible for retirement under a Normal Retirement, 62/15 Retirement, 30-Year Retirement, or an Early Retirement at the time of your death.

WHAT HAPPENS IF CONTINUOUS SERVICE IS BROKEN

If you leave AK Steel Corporation before you are eligible for a pension and don't return, you lose your continuous service credit. If you return to work at a later date, you generally begin building service "from your rehire date" in the same way as a new employee unless you return within five years. Also, once you start to receive a pension, your continuous service is broken. However, continuous service is not broken by short-term disability unless you're absent for more than two years.

But even if you're on layoff for more than two years, your continuous service can be restored. If you return to work within a period of at least five years, the break is removed, and the first two years of your absence will be considered in your continuous service. In determining your pension, this "restored service" will be considered in addition to the years you accumulated before the break and the years you accumulate after you return to work. If continuous service broke prior to the effective date of this Plan, the rules in effect on the date of that break in service will apply.

In addition, a break in continuous service for any reason is removed if:

- *You have a break but are not eligible for an immediate or deferred vested pension,*

- *You are subsequently re-employed by AK Steel Corporation for a period of one or more years, and*
- *The period of time between the break and re-employment is less than five years. In no case is continuous service credited for pension purposes for the period between the break and re-employment except in the case of discharge and you are rehired within six months.*

If a break occurs after you are eligible for an immediate or deferred vested pension, the break is removed immediately upon return to active employment with AK Steel Corporation, excluding the period between the break and re-employment.

WHAT HAPPENS IF YOU ARE RE-EMPLOYED

If you are re-employed after you've been retired for more than three years, or had a break in continuous service lasting more than three years as a deferred vested participant, you must accrue at least five years of continuous service following re-employment to be eligible to have all of your accrued service calculated under the provisions of the pension plan in effect at the time of your last break in service.

Our Plan has special rules that may restore even longer periods of broken service because of a job-related disability. Other special rules apply to employees who begin to receive a pension, are rehired, and later retire again.

These special rules will be explained in detail to employees affected by these conditions. If you need more information, please consult your local benefits administrator.

Anyone who is receiving a pension, and is re-employed by the company will have his/her pension and other benefits discontinued immediately.

ALLOWED SERVICE

Under certain circumstances, you may be eligible for continuous service that was not granted under previous plan provisions because your service broke prior to the Employee Retirement Income Security Act. Any participant covered by the Plan as of March 1, 1994 and who retires after March 1, 1994, and who incurred one or more breaks in continuous service prior to March 1, 1994 may be credited with service for a period of employment with the company prior to the break for pension purposes only. Following are the conditions which will grant allowed service for pension purposes:

- A) Allowed service will be credited in accordance with B, C, D or E below only upon retirement or death. Allowed service will be credited:
- 1) To determine the amount of (as distinct from eligibility for) any benefit provided under the Noncontributory Pension Plan, and
 - 2) To determine eligibility for:

- a) The calculation of all type of pension benefits,
 - b) 62/15 Retirement,
 - c) Permanent Incapacity Retirement,
 - d) Deferred Vested pension provided that you have attained age 40 and the sum of allowed service and continuous service is 15 or more years if the final break in continuous service occurred for reasons other than quit or discharge, or
 - e) Surviving spouse's benefits.
- B) Allowed service will be credited for a period of employment prior to a break in continuous service, excluding any period between the last date worked and the date such break occurs, if you either:
- 1) Had one or more years of continuous service prior to such break and either:
 - a) Incurred such break for any reason and have 30 or more years of continuous service since your last hiring date; or
 - b) Incurred such break by reason of a quit and have 15 or more years of continuous service since your last hiring date, and the length of continuous service prior to such break was at least two times the length of the period between such break and your last hiring date; or
 - 2) Incurred such break in continuous service by reason of absence due to layoff or disability, and:
 - a) had two or more years of continuous service prior to the commencement of the absence that resulted in such break, and
 - b) the length of continuous service prior to such break was at least two times the length of the period between such break and your last hiring date, and
 - c) had 15 or more years of continuous service since your last hiring date; or
 - 3) Incurred a break in continuous service by reason of payment of severance allowance and the length of continuous service on which such severance allowance was computed was at least two times the length of the period between such break and your last hiring date.
- C) Allowed service will be credited for continuous service accrued prior to a break in such service by reason of absence due to layoff or disability if you incurred such break prior to January 1, 1976 and the period of service prior to such absence was

at least two times the length of the period between such break and your next hiring date, but in no case more than five years.

- D) If you worked at least one day in 1994 prior to March 1, 1994, and had a break in your continuous service due to layoff which continued in excess of two years, but such break was removed due to your recall to work within the period during which you retain your continuous service in accordance with the seniority provisions of the Basic Agreement, the period from the break until the earlier of i) the date you return to work or ii) five years from the date last worked will be credited as allowed service.
- E) If you had two or more breaks in continuous service, only the longest single period which meets the criteria for allowed service above will be credited as allowed service.

CONDITIONS UNDER WHICH YOUR PENSION COULD BE LOST OR REDUCED

At various points throughout this section, we have mentioned ways you or your beneficiary could lose or delay benefits. These paragraphs are a summary of some of those situations.

- *If you are no longer an AK Steel Corporation employee, you are no longer eligible for active participation in this Plan.*
- *If you leave AK Steel Corporation with fewer than 5 years of continuous service, you will not be eligible for a Pension.*
- *If you leave AK Steel Corporation with a Deferred Vested Pension but die before payments begin, no benefits will be paid to your spouse or beneficiary unless the Automatic Pre-Retirement Survivor Annuity Coverage is in effect on the date of your death.*
- *If you're eligible for a pension or similar payment from another plan sponsored by AK Steel Corporation, your pension from this Plan may be reduced by the amount of the benefits payable under the other plan. (You can, of course, receive the full value of your AK Steel Corporation Thrift Plan and AK Steel Corporation Retirement Savings Plan (401(k)) when you retire.)*
- *Once you recover from a disability that entitled you to a Permanent Incapacity Pension, your pension payments may stop.*
- *If you refuse to have a medical examination when it is required by the AK Steel Corporation Benefit Plans Administrative Committee to verify a disability, you may lose your eligibility for any disability retirement benefits.*
- *If you're eligible for a Public Pension to which AK Steel Corporation contributed which is unrelated to the Social Security Act, it may be deducted from your AK Steel*

Corporation pension. The deduction will be based on the amount of Public Pension paid or payable to you.

- *If the Plan receives a Qualified Domestic Relations Order for child support, alimony, or division of marital property in divorce proceedings, your benefit will be reduced in accordance with the Order. In addition, the Plan is required to withhold funds for up to 18 months pending resolution as to a Qualified Domestic Relations Order.*
- *If you fail to make proper application for a pension, or to furnish necessary information regarding a payment method, you could delay the receipt of your benefits.*
- *You must keep your address and the address of your spouse updated with the AK Steel Corporation Benefit Plans Administrative Committee. Information about our Plan and all benefit payments are sent to the last known address of a participant or beneficiary. Wrong addresses can delay payment.*
- *No benefits will be paid if you or your survivor do not meet the eligibility rules as described in the official Plan document.*
- *If you are re-hired by AK Steel Corporation but were receiving a pension due to an earlier retirement, those pension payments may be discontinued.*
- *If the Plan is terminated, your benefits may be affected.*
- *If you have received greater benefits than you were entitled to receive, your pension payments may be suspended or reduced until the error is corrected. For example, suppose you received Social Security disability benefits but did not notify the AK Steel Corporation Benefit Plans Administrative Committee so that the supplemental payment could be stopped. In this case, your pension payments will be suspended or reduced until the error is corrected. Your pension payments may also be suspended or reduced if you have been overpaid for other benefits such as sickness and accident pay, Medicare or long-term disability.*
- *Failure to notify your plan administrator of a change in marital status could result in an automatic reduction of your pension payments permanently.*

LEGAL AND ADMINISTRATIVE INFORMATION

The following provides important information about the administration of the AK Steel Noncontributory Pension Plan ("Plan") and your rights under the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is intended to qualify as a defined benefit pension plan under the Internal Revenue Code.

Plan Administrator

The AK Steel Corporation Benefit Plans Administrative Committee (BPAC) is the Plan Administrator and has the authority to interpret all plan provisions in administration of the Plan.

Your local plan administrator is your primary source of information regarding this plan. However, if the administrator cannot satisfactorily respond to your question or request for information within a reasonable time, you may write or contact BPAC at this address:

Benefit Plans Administrative Committee
AK Steel Corporation
9227 Centre Pointe Drive
West Chester, OH 45069

The Plan Administrator exercises its power solely in the interest of plan members and their beneficiaries.

Plan Trustee

Assets of the Plan are held in the AK Steel Master Pension Trust ("Trust"). The Trustee is:

U. S. Bank
425 Walnut Street, ML 5145
P.O. Box 1118
Cincinnati, OH 45201-1118

The AK Steel Corporation Benefit Plans Asset Review Committee (BPARC) selects the Trustee and investment managers.

All Plan records are maintained on a calendar-year basis beginning on January 1 and ending December 31.

Cost of Administering the Plan

Certain expenses of administering the Plan will be paid from the Trust. To the extent that the administrative costs are not paid by the Trust, they will be paid by AK Steel.

Contributions to the Plan

All contributions to the Plan are made by AK Steel. The amount of the contribution is actuarially determined in accordance with ERISA requirements.

Limitations on Rights

Participation in the Plan does not give you the right to remain employed by AK Steel.

Non-Alienation of Benefits

Except as may otherwise be required by law or pursuant to the terms of a Qualified Domestic Relations Order, your Plan benefit is not subject to any voluntary or involuntary alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution or encumbrance of any kind.

Qualified Domestic Relations Orders

The Plan will comply with any Qualified Domestic Relations Order as such term is defined in the Retirement Equity Act of 1984 by deducting amounts from a participant's accrued benefit and paying the same over to the alternate payee as required by such order. Procedures regarding Qualified Domestic Relations Orders are available free of charge from your local plan administrator. If you are in the process of a divorce or separation that may involve an allocation of some of your benefits to your spouse or qualified dependent, you should contact your local plan administrator to obtain information and procedures.

Discretionary Authority of Plan Administrator and Other Plan Fiduciaries

In carryout out their respective responsibilities under the Plan, the Plan Administrator and other Plan fiduciaries shall have discretionary authority to interpret the terms of the Plan and to determine eligibility for and entitlement to benefits in accordance with the terms of the Plan. Any interpretation or determination made pursuant to such discretionary authority shall be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious.

Amendment, Modification or Termination

Subject to the terms of an applicable Collective Bargaining Agreement, the Board of Directors of AK Steel or its delegate reserves the right to terminate, suspend, modify or amend the Plan from time to time if AK Steel deems it to be necessary or appropriate. If the Plan is amended, benefits you have earned prior to the amendment will be protected. If the Plan is terminated, you will immediately become fully vested in your accrued benefit, to the extent it is funded or insured by the Pension Benefit Guaranty Corporation (PBGC). Pension fund assets will be used to provide accrued benefits to retirees, beneficiaries and active participants, up to the total amount of assets in the fund. Any excess assets will be returned to AK Steel.

Plan Insurance

Benefits under the Plan are insured by the Pension Benefit Guarantee Corporation (PBGC) to protect you if the Plan terminates. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection may be limited. The PBGC only guarantees pension benefits, such as normal retirement benefits, early retirement benefits (up to the amount earned for normal retirement) and certain survivors' pensions.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan which has been in effect less than five years should terminate, or if benefits have been increased within the five years before plan termination, the whole amount of the plan's vested benefits or the benefit increases may not be guaranteed. No benefit or benefit increase that has been in effect for less than 12 full months before a plan terminates is guaranteed. In addition, there is a statutory ceiling on the amount of an individual's monthly benefit that PBGC guarantees; this ceiling is periodically adjusted. The maximum PBGC guarantee is lower if benefits begin before age 65, or if benefits are paid in a form other than a life annuity.

For more information on PBGC insurance protection and its limitations, ask your local plan administrator or the PBGC. Inquiries to the PBGC should be addressed to:

Administrative Review and Technical Assistance Division
Case Operations and Compliance Department
PBGC
2020 K Street, N.W.
Washington, DC 20005

"Top-heavy" Rules

The IRS has certain rules intended to ensure that tax-qualified retirement plans such as this Plan do not discriminate. A plan that primarily favors "key employees" — that is, owners, officers and highly compensated employees — is considered by the IRS to be a "top-heavy" plan. When a plan becomes top-heavy, special minimum benefit rules and accelerated vesting rules automatically become applicable. In the unlikely event that the Plan becomes top-heavy, you will be notified.

Application for Pension

You should apply for your pension within 90 days prior to the date you want payments to begin. Once you let the company know of your plans and the date you want your pension payments to begin, you will be given information about the exact procedure to follow in making an application. Your local benefits administrator has the necessary forms.

If you die either before or after retiring, claim assistance (if it is needed) will be given to your surviving spouse.

Appeal Procedures for Denied Applications for Benefits (other than Disability)

If you apply for benefits under this Plan and you believe that the Plan provisions have not been applied correctly or have any other claim regarding the Plan, you should submit your written claim to the Employee Benefits Office where you work.

All claims shall be resolved in accordance with the grievance procedure set forth in the collective bargaining agreement in which you are eligible to participate. If no grievance procedure specifically applies to the resolution of claims, the claim shall be resolved under the following procedures:

- You or your Beneficiary should notify AK Steel Corporation Benefits Plans Administrative Committee (BPAC) in writing of a claim for benefits under the Plan. Your request should explain the basis of your claim and should authorize BPAC to conduct an examination necessary to determine the validity of your claim and to take the necessary steps required to facilitate the payment of any benefits to which you may be entitled under the terms of the Plan.
- If your claim is wholly or partially denied by BPAC, written notification of such denial will be sent to you in no later than 90 days, excluding extensions for special circumstances, after the initial claim is received by BPAC. If such an extension is required, you will be sent written notice of the extension prior to the termination of the initial 90-day period. In no case shall such an extension exceed a period of 180 days after the initial claim is received by BPAC. The notification of denial shall provide the following information to you: (i) the specific reason or reasons for the denial, with specific references to the pertinent Plan provisions on which the denial is based, (ii) a request for any additional material or information necessary for you to correct the claim and an explanation of why such material or information is needed, (iii) appropriate information regarding the procedure to be followed if you wish to appeal your claim denial, including: (a) a statement informing you that a failure to appeal the denial of your claim within 60 days after you receive notification of denial shall make BPAC's denial decision conclusive; and (b) a statement informing you that you or your personal representative may, upon written request, require BPAC to furnish all pertinent Plan information to you.
- If your appeal request is filed timely, BPAC will review it no later than 60 days after receipt unless special circumstances require an extension of time for processing. If such an extension is required, you will be sent written notice of the extension prior to the termination of the 60-day period. In no case, however, shall BPAC's decision on such appeal request be delivered later than 120 days following the receipt of the appeal request.
- Any claim questioning the amount of a benefit filed more than 90 days following the date of the first payment which would be adjusted if such claim were granted may be rejected as untimely except upon a showing satisfactory to BPAC of extenuating circumstances accounting for the delay in filing the claim; provided, however, that the Plan expressly reserves to BPAC the right and the power to review any claim made at any time, whether within the time for filing such claim or not, or to provide an interpretive opinion relating to any provision of the Plan or Trust or with reference to any factual situation. A claimant who does not submit a written claim or request for review within the time limitations specified above shall be deemed to have waived and abandoned any such claim or right of review except with the express approval of and in the discretion of BPAC.

Appeal Procedures for Denied Applications for Disability Benefits

In making application for disability retirement, the Participant should contact the local Plan Administrator for the proper forms. The local Plan Administrator will advise the Participant of the requirements and provide an outline of the claims procedures at the time of application.

- The participant shall file a request for a disability pension with the local plan administrator who is the designee of the Benefit Plans Administrative Committee for purposes of the initial review of the claim.
- The participant shall be examined by a physician appointed for the purpose of the company and by a physician appointed for the purpose by a duly authorized representative of the IAM. The reports of those physicians are provided to the local Plan Administrator.
- If the report of the physician appointed by BPAC indicates that the employee is not disabled, the employee may, within 7 days from the date of the disagreement between the physicians, make a written request to Industrial Relations for an examination by a third physician. Within 10 days after filing the request for a third physician examination, the employee must select the third physician of the appropriate medical specialty from a pre-approved list. The examination by the third physician should be scheduled within 30 days of the disagreement of the first two physicians.
- The Company will pay the cost of the Third Physician and the employee's transportation to and from the scheduled appointment.
- The decision of the third party physician will be binding on all parties.
- If the employee fails to make a timely written request in accordance with the above procedures to obtain the opinion of the Third Party Physician or the employee fails to attend the Third Physician examination as scheduled without reasonable and documented justification or the employee takes any action that would impede resolving the disagreement of the physicians, the decision of the Company physician will be binding.
- If the employee does not request a third physician examination, or if the report of the third physician indicates that the employee is not totally and permanently disabled, the claim will be denied by the local plan administrator and written notification of the denial will be sent to the employee no later than 45 days after the filing of the claim (subject to extension for no more than 2 additional 30-day periods.)
- If the disability claim is denied, the employee may invoke the grievance and arbitration procedure under Article VII of the Collective Bargaining agreement within 180 days from receipt of notification of denial.

Agent for Legal Process

If you wish to bring legal action against AK Steel or the Plan, you must first go through the appeal procedures described above. Any legal process against the Plan in the event of an unresolved dispute over benefit plan provisions should be served to AK Steel's agent for service of legal process:

Corporate Secretary
AK Steel Corporation
9227 Centre Pointe Drive
West Chester, OH 45069

Service of legal process may also be made upon BPAC and the Plan Trustee.

Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

You have the right to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all plan documents, including copies of all documents filed with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain copies of all plan documents and other plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Receive copies of Forms 5500 from the Pension and Welfare Benefits Administration section of the U.S. Department of Labor.
- Obtain a statement telling you whether or not you have a right to receive a pension at normal retirement age and, if so, what your benefits would be at normal retirement age if you stop working under the plan. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve months. The plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plans. The people who operate the plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise

discriminate against you in any way in order to prevent you from obtaining a benefit to which you are entitled, or from exercising your rights under ERISA.

If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial, and you have the right to have the plan review and reconsider your claim (see "Appeals Process").

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive them, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the plan, you should contact the Plan Administrator. If you have any questions about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration section, U.S. Department of Labor listed in your telephone directory.

Under ERISA, each employee is to be provided with certain details about benefit plans. This information is listed below. If you need additional information, please contact the Plan Administrator.

IMPORTANT PLAN INFORMATION	
Plan Sponsor	AK Steel Corporation
Plan Administrator	Benefit Plans Administrative Committee
Name of Plan	AK Steel Noncontributory Pension Plan
Plan Type	Defined Benefit
Plan Year	January 1 through December 31
Plan Trustee	U. S. Bank
Employer Identification Number	31-1267098
Plan Identification Number	003

PENSION MILESTONES

When You Reach This Age:	And Your Continuous Service Is:	This is What Is Available
Any Age	5 Years	<i>If you leave AK Steel Corporation, you have earned a right to a future Deferred Vested Pension.</i>
Under 62	15 Years	<i>If you are totally and permanently disabled, you can receive a Permanent Incapacity Pension.</i> <i>You qualify for a Rule of 80 Pension, if your age plus service equals 80 or more and you suffer a total disability or meet other specified conditions.</i>
Any Age	15 Years	<i>If you die, your surviving spouse will receive approximately 50% of your monthly pension for the remainder of his or her life. (Does not apply if you retired on a Deferred Vested Pension.)</i>
Any Age	20 Years	<i>You qualify for a Rule of 65 Pension, if your age plus service equals 65 or more and you suffer a total disability or meet other specified conditions.</i>
55 to 62	15 Years	<i>You qualify for a Rule of 70 Pension, if your age plus service equals 70 or more and you suffer a total disability or meet other specified conditions.</i> <i>You qualify for Early Retirement.</i>
Any Age	30 Years	<i>You qualify for 30 Year Retirement.</i>
62	15 Years	<i>You qualify for 62/15 Retirement.</i>
65	5 Years	<i>You qualify for Normal Retirement.</i>