



AK Steel Corporation
**Supplemental Unemployment Benefit
Plan**

**IAM Local 1943
Hourly Employees**

Summary Plan Description

Plan B-2

FOREWORD

This booklet contains the AK Steel Corporation Supplemental Unemployment Benefit plan for Middletown Works employees represented by the International Association of Machinists, AFL-CIO, IAM Local Lodge 1943, which is intended to supplement state system unemployment benefits, and not replace or duplicate them, and to provide other benefits related to unemployment,

The Plan was first established in 1956 and has since been revised. The latest revision was effective March 15, 2007.

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DEFINITIONS

When used in this Plan, the following terms, listed in alphabetical order, are intended to have the meanings explained below:

Average Straight-time Hourly Earnings: The hourly earnings which would apply if the first week for which a Weekly Benefit is payable in the benefit year were a week of vacation, such earnings to be adjusted to exclude the effect of overtime and Sunday premiums. Such hourly earnings shall not be changed during a benefit year except to reflect the effect of any intervening general wage change.

Benefit: Unless qualified in the text, any benefit payable under the Plan.

Benefit Year: The period used in the applicable state system in connection with establishing the amount and duration of state unemployment benefits, usually also called a "benefit year" under the state system. If no such period is in effect, another period will be used for purposes of the Plan.

Collateral Liability: The total finances of the Plan minus the market value of the total assets in the Fund reduced by benefits payable.

Company Insurance Benefits Plan: Any plan providing insurance coverage for employees as to which the Company contributes all or some portion of the cost.

Company: AK Steel Corporation, or any subsidiary or associated company having employees covered by the Plan.

Continuous Service: The continuous service of an employee as determined for pension purposes under the Company's pension plan applicable to such employee.

Contributory Hours: All hours actually worked for the Company by employees covered by the Plan.

Dependent: Any person, other than the employee, but including his/her or her spouse, for whom the employee is entitled to claim an exemption under the Federal Internal Revenue Code or similar law, for federal income tax purposes.

Fund: The SUB Plan trust fund.

Labor Dispute: Any strike, slowdown, work stoppage, picketing or concerted action.

Layoff: An employee is on layoff for any week in which, because of lack of work, he/she does not work at all for the Company.

Other Compensation: Any compensation received by the employee as wages or other remuneration from any employer or from self-employment.

Part-time Employee: An employee who regularly, for his/her own convenience, is not available for full-time employment

Plan: The supplemental Unemployment Benefit Plan set forth in this booklet.

Prior Plan: The Supplemental Unemployment Benefit Plan in existence prior to the effective date of this plan.

Short Week Benefit: The amount of benefit payable to an employee for a week during which he/she works some, but less than 40 hours for the Company.

Standard Hourly Wage Rate: For purposes of the **Short Week Benefit**, the average rate in the week for which the **Short Week Benefit** is paid.

State System: Any system or program, now in effect or hereafter established by or pursuant to a federal or state law or laws, for paying benefits to persons on account of their unemployment, under which the eligibility of a person for benefit payments is not determined by application of a means test. It is usually referred to as the state unemployment compensation system, but it may be a federal program such as that established under the Manpower Development and Training Act of 1962.

State Unemployment Benefit: A benefit payable under a state system.

Trustee: The trustee of the Fund.

Week: The period used for determining state unemployment benefits under the applicable state system, or where no such period is established, an equivalent period used to determine eligibility for and the amount of a Weekly Benefit, unless it is clear in this Plan that it is intended to refer to a calendar week. With respect to Short Week Benefits and the determination of Credit Units, "week" means the payroll weeks.

Weekly Benefit: The amount of supplemental unemployment benefit payable under the Plan for a week of layoff,

PART 1- BENEFITS OF THE PLAN

This Supplemental Unemployment Benefit Plan is designed to provide a covered employee who becomes wholly or partially unemployed (a) Weekly Benefits to provide income while he/she is on layoff, (b) Short Week Benefits for any week in which he/she is partially unemployed, that is, he/she works some, but less than 40 hours for the Company, and (c) relocation allowances for certain changes of residence required to enable laid-off employees to accept new employment with the Company.

An employee is covered by the SUB Plan only if he/she is in a group of employees of the Company who are designated for such coverage. An employee cannot receive any Weekly Benefit or relocation allowance unless he/she is covered by the Plan at the time his/her layoff commences and cannot receive a Short Week Benefit unless he/she is covered by the Plan in the week in question.

1. Amount of Weekly Benefits

Calculating the Benefit

- 1.0. The Weekly Benefit provided for a week of layoff is 26 times the employee's average straight-time hourly earnings, plus \$25, plus \$1.50 for each of not more than four dependents, subject to:
 - a. The deductions set forth in Paragraph 1.2 and
 - b. The maximums set forth in Paragraph 1.3
- 1.1 The adjustment for any general wage increase shall, at the option of the Company, be made on the basis of the percentage relationship of the increase for the average job classification to the average straight-time earnings for the employees covered by the Plan or by determining average straight-time earnings on the basis of the hourly earnings which would apply if the first full week to which the general wage increases applied were a week of vacation.

The method selected shall be applied consistently for all general wage increases and shall be applied uniformly to all employees covered by the Plan.

Deductions for State Benefit and Other Income

- 1.2 a. For a week for which the employee receives a state unemployment benefit, there is deducted from the amount determined under 1.0, the maximum amount of state unemployment benefit, including any dependency allowance, to which the employee would be entitled for the week irrespective of any reduction because of receipt of other compensation, recovery of an overpayment or other reason. For purposes of this paragraph, an employee shall be deemed to have received a state unemployment benefit if he/she fails to receive such benefit

solely because the state is withholding the benefit to recoup an overpayment. Likewise, an employee who has exhausted his/her state unemployment benefits shall be deemed to have received a state unemployment benefit for a number of weeks equal to the number of weeks in the same benefit year as to which he/she had earlier received a state unemployment benefit but did not receive a Weekly Benefit solely because he/she did not apply for or confirm an application for such Weekly Benefit

- b. For a week for which the employee has other compensation and fails to receive a state unemployment benefit solely for one or more of the reasons set forth in 3.0 b., there is deducted from the amount determined under 1.0 the amount of such other compensation for the week in excess of the amount which would have been disregarded in determining the amount of state unemployment benefit had the employee been entitled to receive a state unemployment benefit for that week.

Weekly Benefit Payable - Maximums

- 1.3 The Weekly Benefit the employee will receive is the amount determined by the steps described above or one of the following maximums, if lower:
 - a. For any week for which he/she receives a state unemployment benefit (and for certain other weeks, as provided in Paragraph 9.12), the applicable maximum is \$205 (plus \$1.50 for each dependent up to four).
 - b. For all other weeks the maximum is \$260 (plus \$1.50 for each dependent up to four).

2. Duration of Weekly Benefits

Credit Units

- 2.0 The number of weeks for which an employee may receive Weekly Benefits depends on his/her number of credit units.
 - a. An employee will be credited with the balance of his/her credit units under the prior Plan, plus one-half credit unit for each week thereafter in which he/she has any of the following hours (credited hours):
 - 1) Hours worked for the Company
 - 2) Hours not worked but for which he/she is paid, such as vacation or hours or which he/she received jury allowance.
 - 3) Hours not worked and not paid for but which were lost because:

- a) He/she was performing his/her duties as a member of the Grievance Committee, or other accredited representative of a labor organization which is the collective bargaining agent for any employee, or
 - b) He/she was absent because of disability for which benefits are payable under a Workers' Compensation or Occupational Disease law or the Company Program of Insurance Benefits. (except as provided in Section 3.1).
- b. 1) Each employee shall be credited with an additional 52 credit units as of the date he/she attains 20 years of continuous service if he/she is actively at work as of such date, or as of the date he/she returns to work if he/she is not actively at work on the date he/she attains 20 years of continuous service.
- 2) An employee with 20 or more years of continuous service will not receive credit for weeks occurring when he/she has 104 credit units, which is the maximum number he/she may have.
- a) An employee with less than 20 years of continuous service will not receive credit for weeks occurring when he/she has 52 credit units, which is the maximum number he/she may have.

Cancellation of Credit Units

- 2.1 An employee cannot receive any Weekly Benefit unless he/she has one or some fraction of a credit unit. If he/she has less than required to be canceled as described in the next paragraph he/she will receive a reduced benefit in proportion to his/her credit unit balance.
- 2.2 Normally one credit unit is canceled for each Weekly Benefit paid. However, if a Weekly Benefit is reduced because of the receipt of other compensation (other than from the Company) only one-half credit unit will be canceled for that Weekly Benefit.
- 2.3 If an employee willfully falsifies, or willfully withholds, any records or other data on which his/her Weekly Benefit payments are based, the Company may cancel any or all of his/her credit units.
- 2.4 Credit units will be canceled whenever an employee incurs a break in continuous service. He/she will, thereafter, not be entitled to coverage by, or benefits from, the Plan. However, any individual whose break in continuous service is removed shall have restored any credit units canceled as a result of such break.

3. Eligibility for Weekly Benefits

Requirements

3.0 In order to be eligible for a Weekly Benefit, an employee must be on a layoff which occurred in a reduction in force or as a result of the permanent shutdown of a plant, department or subdivision thereof, he/she must have completed two years of continuous service prior to his/her layoff and he/she must:

- a. Report and apply in person in the week for which he/she is claiming a Weekly Benefit at a time and place designated by the Company (except as this requirement is modified to accommodate special circumstances present at a given location). The place at which reporting and applying are required will be at or near the location where the employee was last employed. If such place is an unreasonable distance from the employee's residence, or if he/she leaves the area to seek work, the Company shall, upon request of the employee in person, grant permission to report at another Company location where an adequate office for such reporting is maintained. If no such office is within reasonable distance, the Company shall, upon request of the employee in person, grant permission to report and apply by mail. An employee applying for a Weekly Benefit pursuant to Paragraph 3.1 may report and apply by mail. The necessary forms and instructions for making SUB applications by mail shall be supplied by the Company to the employee at the time his/her request for mail reporting is granted.
- b. Receive a State Unemployment Benefit for the week. However, this requirement will not apply if he/she fails to receive that benefit only for one or more of the following reasons:
 - 1) He/she has exhausted his/her state unemployment benefits.
 - 2) He/she has other compensation in an amount which disqualifies him/her for a state unemployment benefit.
 - 3) He/she has not had sufficient employment to be covered under the state system.
 - 4) He/she is unable to work by reason of disability. (See Paragraph 3.1)
 - 5) He/she is participating in a federal training program. (See Paragraph 3.4)

No employee shall receive a Weekly Benefit until he/she shows that he/she received a state unemployment benefit for the week or failed to receive such benefit for a reason set forth above. This may be done by showing a state check or by some other method, which must reasonably provide for securing such proof. Examples of such methods are described in Paragraph 9.13.

(See Paragraphs 3.7 and 3.8 for information concerning waiting weeks and vacation periods.)

- c. Be available for work, and maintain an active registration with the state unemployment service. These requirements will be considered to have been met for any week for which the employee receives a state unemployment benefit.
- d. Apply for, accept and not voluntarily leave employment with other employers as specified by the Company or otherwise, if the employment is considered suitable under the state system. This requirement will be considered to have been met for any week for which the employee receives a state unemployment benefit.

Disability

- 3.1 a. An employee who fails to receive a state unemployment benefit because he/she is not physically able to work shall receive a Weekly Benefit if he/she is otherwise entitled and if:
 - 1. He/she became disabled while on layoff, and
 - 2. He/she supplies the same certification of disability as would be required for sickness and accident benefits under the Company's Insurance Benefits Plan.
- b. An employee who is not otherwise entitled to a Weekly Benefit shall nevertheless receive a Weekly Benefit, whether or not he/she fails to receive a state unemployment benefit, if:
 - 1. He/she stopped work due to disability, and
 - 2. He/she is no longer eligible for Sickness and Accident Weekly benefits because he/she no longer is totally disabled, and
 - 3. He/she has been released for work with medical restrictions, and
 - (a) There is work that can be performed with those medical restrictions, but his/her length of continuous service prevents his/her being returned to work, or
 - (b) There is no work that can be performed with those medical restrictions and, therefore, he/she is not returned to work.

- 3.2 Any disability benefit paid under or pursuant to state or federal law with respect to the period for which a Weekly Benefit is paid under Paragraph 3.1 above shall, for the purposes of the Plan be considered to be a state unemployment benefit.
- 3.3 An employee will not be disqualified from a Weekly Benefit on the basis that he/she is not "on layoff" if he/she is recalled from layoff and is not physically able to perform the job to which recalled.

Federal Training Programs

- 3.4 If an employee does not receive a state unemployment benefit solely because he/she is participating in a training program established under or pursuant to federal law, he/she shall be entitled to a Weekly Benefit if otherwise eligible. In such case any income received by him/her under that program is a state unemployment benefit.

Disqualification

- 3.5 An employee will be disqualified from receiving a Weekly Benefit if:
- a. He/she quit.
 - b. He/she was suspended or discharged.
 - c. His/her unemployment resulted from a labor dispute involving any individuals covered by the Plan, or the Union which is his/her collective bargaining representative, whether the labor dispute occurred at any operation of the Company or elsewhere; or a labor dispute at any operation of the Company or involving any other employees of the Company which interferes with production or the ingress or egress of material or product at the operation where he/she was employed; or a labor dispute involving transportation or utility company employees which directly interferes with production or the ingress or egress of material or product at the operation where he/she was employed.
 - d. Subparagraph c., shall not disqualify an employee until after the first two weeks (the first three weeks, if the first such week is a waiting week under the state system) of layoff resulting from any labor dispute involving owner-operators who are engaged in the transportation of steel products by motor vehicles, except in the case of any picketing or connected action at the operation where the layoff occurs.
 - e. His/her employment was the result of a refusal by him/her to accept assignment to any work at the operation where he/she was employed or at any other work at the operation of the Company if it is work which he/she

would be required to accept under any applicable collective bargaining agreement.

3.6 An employee who has been credited with the additional 52 credit units provided by 2.0 b. will be disqualified from receiving a Weekly Benefit if:

a. He/she has 52 or fewer credit units remaining at the start of the week in question, and

b. 1) He/she has refused an offer of “adequate long-term employment” (ALTE) as the term is defined by the Company (or he/she has refused an offer of what would have been “adequate long-term employment” had he/she been otherwise eligible for a Rule-of-65 retirement) after the expiration of the period during which he/she would have been permitted to refuse such offer provided, however, than an employee who has 20 or more years of continuous service as of his/her last day worked and who is not otherwise eligible or could not become eligible for a Rule-of-65 retirement under the Company’s pension plan applicable to him/her and who accepts an offer of ALTE, or

2) He/she is eligible for an immediate unreduced pension, other than pension for a 30-year retirement, under the Company’s pension plan applicable to him/her, provided, however, that such disqualification shall apply only to the value of Weekly benefits based on the additional 52 credit units whose sum is less than or equal to:

(a) The present value of any incremental pension benefits applicable to the employee because he/she is affected by a permanent shutdown, or

(b) The present value of the employee’s retiree health care benefits, or

(c) The sum of (a) and (b).

to the extent permitted by the provisions of the Age Discrimination in Employment Act of 1967, as amended. Nothing herein shall adversely affect the right of any employee who is otherwise eligible to receive Weekly Benefits to continue to do so if the employee is eligible for a Rule-of-65 retirement and is not eligible for a 70/80 retirement, but could become eligible for a 70/80 retirement within two years of his/her last day worked.

Waiting Weeks

3.7 Most states impose a “waiting week” for which no state unemployment benefit is paid. No Weekly Benefit will be paid for such a week, since in order to qualify for a Weekly Benefit, an employee must, under 3.0 b., receive a state

unemployment benefit or fail to receive that benefit for one or more of certain specified reasons. Should the parties determine that a second waiting week in a benefit year has been hereafter imposed in any state, an employee will, if otherwise eligible, receive a Weekly Benefit for that week.

Effect of Vacations

- 3.8 An employee may receive a Weekly Benefit only if he/she was not scheduled to be, or was not on, paid vacation; provided that if a layoff coincides in part or in whole with a scheduled vacation period, an employee will be considered to be on layoff only for any part of such period with respect to which he/she is not entitled to receive vacation pay and provided, further, that for the purposes of the Plan an employee who has received pay in lieu of vacation shall be deemed to have a scheduled vacation for the number of weeks of layoff immediately following the time of payment equal to the number of weeks of vacation to which he/she was entitled. If it is determined that an employee is disqualified from unemployment compensation for a week because the state allocates pay-in-lieu to a week other than the week to which it is allocated by the Company in accordance with the first sentence of this paragraph, the parties will develop an arrangement for providing a benefit for such week in that state under the Plan. If an employee is disqualified for a state unemployment benefit because he/she was laid off during a plant vacation shutdown and he/she was not entitled to vacation during the shutdown, he/she will receive a Weekly Benefit if he/she would not be disqualified, under the provision to the first sentence of this paragraph, and if he/she is otherwise eligible.

Ineligibility

- 3.9 a. An employee may not receive a Weekly Benefit for any week:
- 1) For which he/she claims and is eligible for sickness and accident or total disability benefit (except as provided in Paragraph 3.1 above) whether it is publicly or privately financed or a pension or retirement benefit financed in whole or in part by the Company, or
 - 2) When he/she is in the military service, including training encampments.
- b. An employee may not receive a Weekly Benefit for any week when his/her layoff was the result of:
- 1) Any war or hostile action of a foreign power, or
 - 2) Government regulations or controls over amount or kind of material or product which the Company may use or sell, except that this provision shall not disqualify an employee from receiving a Weekly Benefit until after the first four weeks (the second through the fifth week, if the first such

week is a waiting week under the state system) of a layoff resulting from government regulations or controls relating specifically to pollution or the use of energy or fuel, or

- 3) Sabotage or insurrection.
- c. An employee may not receive a Weekly Benefit for any week of layoff which is the result of an Act of God after the first four weeks (the second through fifth weeks, if the first such week is a waiting week under the state system) of layoff resulting from such cause; provided, however, that this provision shall not apply for any week of layoff covered by b. 2) above.

4. Short Week Benefits

Eligibility

- 4.0 An employee having two or more years of continuous service will receive a Short Week Benefit from the Fund for any week in which some, but less than 40, hours are worked for the Company, unless the sum of the hours described in Paragraph 4.3 below equals or exceeds 40.
- 4.1 Each day of jury or witness duty, funeral leave or annual military encampment, for which an allowance is payable by the Company, shall be deemed to be eight hours worked.
- 4.2 If an employee whose regular turn ends at the end of a payroll week is required to work beyond the end of the turn for four hours or less, such hours will be considered as worked in the payroll week in which his/her regular turn falls rather than in the next payroll week. If an employee whose regular turn starts at the beginning of a payroll week is required to report four hours or less before the beginning of the turn, such hours will be considered as worked in the payroll week in which his/her regular turn falls rather than the preceding payroll week.

Benefit Amounts

- 4.3. A Short Week Benefit for a particular week will be calculated by multiplying the employee's standard hourly wage rate by the difference between 40 and the sum of the hours:
 - a. He/she worked in the week, and
 - b. He/she did not work but for which he/she was paid by the Company (excluding the first eight hours for which he/she received pay for unworked-worked Holidays in any week) and
 - c. He/she did not work for reasons other than lack of work, and

d. He/she did not work for reasons specified in 3.5 a., b., c., or d.

provided that hours he/she did not work due to a labor dispute involving owner-operators who are engaged in the transportation of steel products by motor vehicle, within the meaning of Section 3.5 c., or due to government regulations or controls relating to pollution or the use of energy or fuel, within the meaning of Section 3.9 b. (2), will be excluded from such sum.

For those employees with 20 or more years of continuous service prior to the start of the week for which a Short Week Benefit is payable, average straight-time hourly earnings, as defined in 1.1, shall be used in place of standard hourly wage rate.

- 4.4 If the employee applies for a state unemployment benefit for any portion of the week, he/she must notify the Company of such application and of the total amount of any such benefit received. One-seventh of the amount of such state unemployment benefit will be deducted from the amount calculated in accordance with Paragraph 4.3 above for each day of the state benefit week which falls within the payroll week for which the Short Week Benefit is paid.
- 4.5 An employee will be deemed to have received pay for an unworked Holiday if he/she failed to receive such pay and his/her failure to receive it was solely for reasons other than work not having been performed in the appropriate pay period or periods.
- 4.6 For any week (seven consecutive days) of vacation overlapping two payroll weeks, the employee will be deemed to have been paid for hours equal to one-fifth of the hours of vacation pay for that week on each of the first five days of that week.

Part-Time Employee

- 4.7. For a part-time employee:
- a. The calculation provided in 1.0 will be made by use of a number in place of 26 which bears the same relation to 26 as the number of hours in his/her normal work week bears to 40, and
 - b. There shall be substituted for the number 40 wherever it appears in 4.0 and 4.3 a number equal to 80% of the number of regular weekly hours of work of such employee.

Payment of Benefits

- 4.8 A Short Week Benefit will be paid to the employee, without application by him, for any week for which he/she qualifies.

Credit Units

4.9 One-half credit unit will be canceled for each Short Week Benefit.

5. Relocation Allowances

5.0 An employee transferred by the Company to another location because of a shutdown or relocation of a plant, department, or subdivision thereof, or because of a force reduction which in the opinion of the management is likely to continue for 2 or more years and which transfer is to a plant at least 50 miles from the plant from which he/she was transferred and who changes his/her permanent residence as a result thereof will receive a relocation allowance from the Fund promptly after the commencement of his/her employment at the plant to which he/she is relocated, on the following terms:

- a. He/she must make written request for such allowance in accordance with the procedure established by he/she Company.
- b. The amount of the relocation allowance will be determined in accordance with the following:

<u>Miles Between Plant Locations</u>	<u>Allowance for Single Employees</u>	<u>Allowance for Married Employees</u>
50 - 99	\$ 200	\$ 600
100 - 299	250	650
300 - 499	300	750
500 - 999	350	950
1,000 - 1,999	450	1,200
2,000 or more	550	1,450

- c. The amount of any such relocation allowance will be reduced by the amount of any relocation allowance or its equivalent to which the employee may be entitled under any present or future federal or state legislation; and the amount of such allowance shall be deducted from monies owed by the Company in the form of pay, vacation benefits, benefits under the Plan, pensions or other benefits, and restored to the Fund if the employee quits, except as it shall be agreed locally that the employee had proper cause, or is discharged for cause anytime during the 12 months following the start of such new job.
- d. Only one relocation allowance will be paid to the members of a family living in the same residence.

6. Application of Plan

- 6.0 This plan shall apply to groups of employees who by reason of collective bargaining agreements are specified for application and to such other groups of employees as the Company may, from time to time, designate.

7. Disputes

- 7.0 If an employee disagrees with any determination relating to his/her eligibility to a Benefit or the amount thereof, he/she should discuss the matter with a Company representative at the office at which he/she applies for benefits. If the dispute is not resolved by that discussion, he/she must file a grievance (or a written request) within 30 days of the notice of denial or benefit payment to which the disagreement applies. If he/she does not file such a grievance (or request), the original determination will be final and conclusive. Even though the determination with which an employee disagrees may apply to more than one week, he/she should continue to report and apply for each week as to which he/she claims a Weekly Benefit but he/she need not file repetitious grievances (or requests for review).

PART II – FINANCIAL AND ADMINISTRATIVE PROVISIONS

8. Financing

Trust Fund

- 8.0 The Company has established a Fund for the payment of Benefits under this Plan. Cash payments by the Company under the Plan shall be paid into the Fund. The Trustee of the Fund shall be a corporate trustee or nonprofit corporation selected by the Company. The Trustee shall hold, invest and apply the assets of the Fund in accordance with the provisions of the Plan. The assets of the Fund may be held in cash or invested by the Trustee in obligations of the United States Government or other appropriate securities approved by the Company. The reasonable fees and expenses of the Trustee may be paid from the Fund. Benefits shall be payable only from the Fund. No person shall have any interest in, or right to, the Fund or any part thereof, except as expressly provided in the Plan.
- 8.1 The money in the Fund may not be used for any purpose except the payment of Benefits to or in behalf of eligible employees as described in this Plan and for the Trustee's fees and expenses, or as provided in Paragraph 9.10.

Maximum Financing

- 8.2 The maximum financing shall be used (1) with reference to the determination of the Company's financial obligations under the Plan (2) for purposes of determining the financial position of the Plan. The maximum financing for any month shall be the product of 32 cents and the number of Contributory Hours (all hours actually worked for the Company by employees covered by the Plan) in the first 12 of the 14 months next preceding the first day of such month.

Total Finances and Financial Position of the Plan

- 8.3 The total finances of the Plan at the close of business on the last business day of a month are:
- a. The Market Value of the total assets in the Fund, plus
 - b. The balance of Collateral Liability, before the accrual in c., or the contribution in d., plus
 - c. The accruals made within the month for the Company to meet its financial obligation under Paragraph 8.6, plus
 - d. Cash contributions made within the month pursuant to Paragraph 8.7, minus

- e. Benefits and expenses accrued but not paid.
- 8.4 The financial position for accrual purposes for any calendar month (called in this paragraph the Benefit Month) shall be the percentage determined by dividing (1) the sum of total finances of the Plan on the last business day of the second calendar month preceding the Benefit Month by (2) the maximum financing for the Benefit Month as determined in accordance with the provisions of Paragraph 8.2.
- 8.5 Neither the maximum financing nor the financial position will be adjusted retroactively on account of any subsequently discovered error in the computation or the data used in making the computations unless the error is substantial. Any error, when discovered, will be corrected in the next month's computation of the maximum financing or the financial position.

Financial Obligations of the Company

- 8.6 The Company shall make any accruals to the total finances of the Plan as defined in Paragraph 8.3 to maintain the financial position of the Plan as defined in paragraph 8.4 at not less than 100%. If the financial position of the Plan drops below 100%, the Company will promptly and no later than within 30 days make accruals required to return the financial position of the Plan to 100% or greater.
- 8.7 Regardless of the financial position of the Plan, employees' weekly SUB benefits shall be the same as if the funding level was at 100%. When the Company makes a cash contribution, the Collateral Liability will be reduced at an amount equal to the cash contribution.
- 8.8 If the Company at any time shall be required by reason of any federal, state, or municipal law or regulation to withhold any amount of a payment to the Fund, the Company shall have the right to deduct such amount from the payment and pay only the balance to the Fund and any such amount shall be treated as though contributed to the Fund in determining total finances of the Plan.
- 8.9 Notwithstanding any depreciation or loss of assets in the Fund, whether arising from depreciation of the securities held in the Fund or otherwise, the Company shall not be liable for or be obligated to make any payments under or in respect of this Plan other than those provided in Paragraphs 8.6 and 8.7.

Reductions of Collateral Liability

- 8.10 Collateral Liability shall be reduced by the following:
 - a. Cash contributions to the Fund as provided in Paragraphs 8.7 above.
 - b. The cost of all insurance continued during layoff.

- c. Any other amount by which Collateral Liability is to be reduced pursuant to agreement of the Company and the Union.

9. Miscellaneous

Coverage by Another SUB Plan:

- 9.0 An employee is not eligible to receive a Weekly or Short Week Benefit if he/she receives, or is eligible to receive, a similar benefit under an arrangement provided by an employer with whom he/she has more service than with the Company.

Tax Withholding

- 9.1 Any Benefit an employee is entitled to receive will have deducted from it any amount the Company is required to withhold by reason of any law or regulation of any federal, state or municipal government.

Military Service

- 9.2 If an employee enters the armed services directly from the employment of the Company, he/she shall, while in service, be deemed for the purposes of the Plan to be on leave of absence and shall not be entitled to any Benefit. If he/she is reinstated as an employee of the Company with unbroken continuous service, he/she shall be credited with the credit units credited to him/her at the time of his/her entry into such service plus the credit units which he/she would otherwise have accrued but for his/her entry into the armed services.

Non-alienation

- 9.3 No Benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution or encumbrance of any kind, and any attempt to accomplish the same shall be void. If the Company shall find that such an attempt has been made with respect to any Benefit due or to become due to an employee the Company in its sole discretion may terminate his/her interest in such Benefit and apply the amount of such Benefit to or for the benefit of him, his/her spouse, parents, children or other relatives or dependents, as the Company may determine, and any such application shall be a complete discharge of all liability with respect to such Benefit.

Death or Incapacity

- 9.4 Except as provided in Paragraph 9.3 any Benefits to which an employee may become entitled shall be payable only to him/her, except that if after becoming entitled to Benefits, but before they are paid, he/she dies or becomes unable to

manage his/her affairs for any reason, any Benefits then payable to him/her shall be paid to his/her duly appointed legal representative, if there be one, and, if not, to his/her spouse, parents, children, other relatives or dependents, or, if there are none such, to his/her creditors, as the Company in its discretion may determine. Any payment so made shall be a complete discharge of any liability with respect to such Benefit. In the case of any employee's death, no Benefit shall be payable with respect to any period following the last full week of layoff immediately preceding his/her death.

Effect on Other Rights

- 9.5 When an employee receives Benefits under the Plan he/she shall not by reason thereof be deemed to be working for the Company during such period, nor shall he/she by reason thereof received benefits under any other benefits plan to which the Company contributes other than those to which he/she would be entitled if he/she were not receiving Benefits.

An employee's rights and the Company's right to discharge him/her shall not be enlarged or affected by reason of the Plan. Nothing contained in the Plan shall be deemed to enlarge, qualify, limit, or alter in any manner the Company's management responsibilities

Administration of the Plan

- 9.6 The Company shall administer the Plan. The Company's procedures and regulations shall be in accordance with and subject to the terms and provisions of the Plan. The costs of administering the Plan shall be borne by the Company and shall not be paid from the Fund.

Finality of Determination

- 9.7 The company shall have the right to recover overpayments for the Fund and correct underpayments to employees. However, any benefit determination shall become final six months after the date on which it is made if (a) no dispute is then pending, and (b) the company has not theretofore given notice of an error.

Government Rulings

- 9.8 a. The company shall not incur any obligation under the Plan unless it has a currently effective ruling or rulings by the Internal Revenue Service, satisfactory to the Company, that payments to the Fund shall constitute a currently deductible expense under the Internal Revenue Code of 1954, as now in effect or as was hereafter amended, or under any other applicable federal tax law.

- b. The Company shall not incur any obligation under the Plan unless it has a currently effective ruling or rulings by the United States Department of Labor, satisfactory to the Company, that no part of such obligation shall be included in the regular rate of any employee.

States not Permitting Supplementation

- 9.9 An employee in a state in which supplementation is not permitted (that is, the state system regards payment of a Weekly Benefit as payment of earnings, wages, or remuneration which is deductible from any state unemployment benefits otherwise payable) will not receive any Weekly Benefit for any week for which he/she is entitled to receive a state unemployment benefit. An alternate arrangement is utilized in any state in which this applies, and employees in such state will be provided a separate explanation of it.

Termination of the Plan

- 9.10 Upon termination of the Plan, the assets then remaining in the Fund and the Collateral Liability shall be subject to all the applicable provisions of the Plan then in effect and shall be used until exhausted to pay Benefits to employees in the order of their entitlement. If at any time there are assets in the Fund or there is a balance of Collateral Liability and all the operations of the Company in which there are employees covered by the Plan shall be permanently shut down, arrangements for disposition of assets and Collateral Liability in a manner designed to promote the purposes of the Plan shall be made.

Special Rules for Weekly Benefit Calculations

- 9.11 For a part-time employee, the calculation provided in Paragraph 1.0 will be made by use of a number in place of 26 which bears the same relation to 26 as the number of hours in his/her normal work week bears to 40.

Added Weeks to Which Lower Maximum Apply

- 9.12 The maximums specified in Paragraph 1.3 a. shall apply to any week for which the only reason for an employee not receiving a state unemployment benefit is the amount of compensation he/she is receiving or because he/she had earlier receive state unemployment benefits in the same benefit year for weeks as to which he/she was not eligible to receive Weekly or Short Week Benefits.

Receipt of State Unemployment Benefit

- 9.13 Following are examples of methods which may be used by an employee to prove receipt of a state unemployment benefit.

- a. A state unemployment benefit check or a cash payment receipt issued by the state system agency.
- b. A form satisfactory to the Company issued by the state system agency.
- c. In states which do not furnish a form as provided in b. above but which do provide the Company with a current and itemized account of unemployment benefits paid and charged to the Company's experience rating account under the state system, the employee's signed statement under information provided on the application showing:
 - 1) The amount of state unemployment benefit paid.
 - 2) The week ending date or other identification of the week covered by the state unemployment benefit payment.
 - 3) The date of the state unemployment benefit check.
 - 4) The number of the check covering the state unemployment benefit payment.

This can be used only if, under the state system and with respect to the state unemployment benefit in question, the accounting for benefits paid and charged to the Company experience rating account under the state system is provided on a reasonably current basis and shows each benefit payment as a separate item, identifies the employee receiving the payment and shows the amount paid and the week ending date or other identification of the week covered by the payment.

- d. In instances where there is no form as provided in b. above or where there is no current and itemized accounting of benefits paid, as outlined in c. above, or, in the Company's discretion, as an alternate to c. above, the following evidence may be used:
 - 1) A photo copy of the state check; or
 - 2) A certification by a Notary Public, verifying the receipt of a state unemployment benefit.
 - e. The above list is illustrative and is not intended to exclude other local arrangements which reasonably provide for securing proof.
- 9.14 In the event that any state system is modified after June 30, 1962, to eliminate any "availability" requirement the presumption relating to availability arising from receipt of a state unemployment benefit pursuant to Paragraph 3.0 c. shall not

apply and the “availability” test theretofore applied under such state system shall be a condition of eligibility to a Weekly Benefit.

Expiration of Application

9.15 If an employee fails to take all steps necessary to become eligible for a Weekly Benefit within 6 months of the date the application is made, the application shall thereupon become void unless the reason for failure to complete such steps in such time is a pending protest of a state unemployment benefit determination or is the fault of the Company.

Disability on Recall

9.16 An employee will not be disqualified from a Weekly Benefit on the basis that he/she is not on “layoff” if he/she is recalled from layoff and is not physically able to perform the job to which recalled.

State Benefit Dispute

9.17 If an employee’s eligibility to a Weekly Benefit depends on his/her eligibility to a state unemployment benefit and his/her eligibility to a state unemployment benefit is in dispute, the determination of his/her eligibility for the Weekly Benefit will be postponed until the question is resolved under the state system. At that time a retroactive determination will be made to place him/her in the same position as he/she would be in if the determination could have been made promptly under his/her application. Nevertheless, he/she must continue to report and apply each week for which he/she claims a Weekly Benefit. While the dispute is pending, his/her credit unit balance and the Fund Balance will be treated as though the Weekly Benefit had been paid.

10. Procedures for Filing a Claim

Weekly Benefit

In order to receive a **Weekly Benefit**, you must report and apply in person in the week for which you are claiming a benefit at the time and place as designated by the Company. The Company will, under certain conditions, grant permission to report and apply by mail. (Part 1, Section 3 - Eligibility for Weekly Benefits)

The necessary forms and instructions will be supplied by the Company. If you fail to take all steps necessary to become eligible within 6 months from the date of application, the application shall become void unless such delay is a pending protest of a state unemployment determination or is the fault of the Company.

Short Week Benefit

There is no application or other action required on your part to receive a **Short Week Benefit**. The benefit will automatically be paid to you for any week during which you qualify. See Part 1, Section 4.8 - Payment of Benefits.

Relocation Allowance

You must make written application in order to receive the **Relocation Allowance**. The necessary forms and instructions will be supplied by the Company.

11. Procedures for Appealing a Claim

- A. If you believe that the Plan provisions have not been applied correctly, and you are a member of a bargaining unit covered by a collective bargaining agreement, you must file a grievance in accordance with the grievance and arbitration procedure of that collective bargaining agreement within 30 days of the notice of denial of a benefit or the benefit payment to which you disagree.

If the disagreement concerns a claim for **Weekly Benefit**, and the disagreement applies to more than one week, you should continue to report and apply each week you are claiming a benefit but you only have to file one grievance.

- B. If you are a member of a bargaining unit and your agreement does not have a grievance and arbitration procedure then the following procedure shall apply:
- If you apply for benefits under this Plan and you believe that the Plan provisions have not been applied correctly, you should submit a written request for review to the Employee Benefits Office where you work.
 - Within 90 days you will receive written notice of the decision on your claim. (In special circumstances this period may be extended for an additional 90 days by written notice.)
 - If the claim is wholly or partially denied, the written notice will set forth an explanation of the specific findings and conclusions on which the denial is based. If you still believe that the Plan has not been applied correctly in your case, you may file a written request with the AK Steel Corporation Benefit Plans Administrative Committee, 9227 Centre Pointe Drive, West Chester, Ohio 45069. This appeal must be made within 60 days after you receive notice of the denial of your claim and it should state the basis on which you disagree with the determination of your benefits and any additional information which you wish the AK steel Corporation Benefit Plans Administrative Committee to consider.
 - The AK Steel Corporation Benefit Plans Administrative Committee will fully and fairly review the matter, make a final determination within 60 days of the receipt

of your request for review of the disputed claim, and send you a written reply. In special circumstances this period may be extended for an additional 60 days. If the Committee denies your claim, its reply will clearly explain the reasons for the denial.

12. 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.

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. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file

suit in 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.

13. Plan Administrative Facts and References

The AK Steel Corporation Supplemental Unemployment Benefit Plan is administered under a set of procedures designed to safeguard your rights to fair and equitable treatment and preserve the full value of your benefits.

Plan Administrators:

AK Steel Corporation pays all costs for this Plan.

The AK Steel Corporation Benefit Plans Administrative Committee is responsible for the administration of the Plan. The AK Steel Corporation Benefit Plans Assets Review Committee is responsible for the management and control of the assets of the Plan. The address of the Administrators is:

AK Steel Corporation
9227 Centre Pointe Drive
West Chester, Ohio 45069
Phone: (513) 425-2107

Plan Trustee:

The Plan Trustee chosen by AK Steel Corporation is:

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

Agent for Legal Process:

In the event any legal action is necessary, AK Steel Corporation has appointed a special agent for service of legal process:

Secretary of AK Steel Corporation
9227 Centre Pointe Drive
West Chester, Ohio 45069

Service of legal process can be made upon the AK Steel Corporation Benefit Plans Administrative Committee or the Plan Trustee at the above address.

Termination

The Supplemental Unemployment Benefit Plan shall remain in effect until 150 days after September 15, 2011, and thereafter subject to the right of either party to terminate on 120 days' written notice served on or after 30 days after September 15, 2011.

IMPORTANT PLAN INFORMATION	
Plan Sponsor	AK Steel Corporation
Plan Administrator	Benefit Plans Administrative Committee
Name of Plan	AK Steel Corporation Supplemental Unemployment Benefits Plan B-2
Plan Type	Welfare Benefit Plan
Plan Year	January 1 through December 31
Employer Identification Number	31-1267098
Plan Identification Number	512