

RETURN TO WORK AGREEMENT

This Return to Work Agreement ("Agreement") is made this ____ day of _____, 2007 by and among AK Steel Corporation ("AK Steel" or "the Company"), and International Association of Machinists, AFL-CIO, and IAM Local Lodge 1943 (hereafter collectively referred to as the "Union"). To provide for the safety and well being of the returning locked out employees represented by the International Association of Machinists, AFL-CIO and IAM Local 1943 (the "Employees" or "Employee"), Temporary Replacement Workers, Contractor Employees and Company Supervisors, to maintain safety, quality, and productivity at the Middletown Works, and to provide for the orderly transfer of work, the Company and Union agree as follows:

A. Transition Period: The parties agree the period (Contract Effective Date) through (six (6) months after Contract Effective Date), shall be deemed the "Transition Period."

B. Cooperation and Good Will: It is imperative that all aspects of returning the Employees to work will be conducted in a positive, constructive, and respectful atmosphere without hostility, violence, threats, or intimidation. The Union and the Company commit themselves to govern their relationship on the basis of mutual respect, and to comply with all Company policies, including the Company policy against Harassment and Workplace Violence.

C. Recall List: The Company will prepare a list of names and badge numbers of active Employees ("Recall List"). The Recall List will exclude Employees that were discharged, retired, or resigned during the lock out. The Recall List will be submitted to the Union as soon as practicable, but no later than three (3) days after the

Ratification Date of the Labor Agreement. The Union will review the list for accuracy based on its records and will promptly report any discrepancy to the Company for immediate resolution. The Company will issue notices to each Employee on the Recall List advising them when and where to report for processing and a return-to-work-physical, including an Alcohol and Substance Abuse Test.

D. Return to Work Physicals; Alcohol and Substance Abuse Testing:

1. Each Employee on the Recall List will be scheduled for a physical exam performed on behalf of the Company to confirm the Employee's fitness for duty. The exams will be conducted at the Company Medical Facility or at some other facility as determined by the Company. The physical exam will be the same exam given to new hires with the exception of Employees who are in the Coke Making Department who will undergo the Coke Oven Emission Control physical exam.

2. Each Employee will be required to pass an Alcohol and Substance Abuse Test that includes hair and urine testing. Employees who do not pass the Alcohol and Substance Abuse Test will not be returned to work and shall be given an option of resigning. If the Employee does not resign, he will be classified as discharged.

3. Employees who do not pass the physical exam for reasons other than a failed Substance Abuse Test will not be returned to work until their return is approved by the Company Medical Director or until returned in accordance with Paragraph L, Section 1(b) of this Return to Work Agreement.

E. Employees Eligible for Recall: Employees who report as directed for a return-to-work-physical and alcohol and substance abuse testing, and who pass such

exams, will be Employees Eligible For Recall. Employees who do not report as directed will be classified by the Company as resigned and will not be eligible for recall or rehire.

F. Safety Training: Employees Eligible For Recall must complete Safety Awareness and site specific safety training classes as determined by the Company. They will be provided a copy of the AK Steel Safety and Health Rules and Instructions, receipt of which will become part of such Employee's department training record.

G. Personal Protective Equipment ("PPE"): As part of the safety training class, Employees Eligible For Recall will be required to confirm the extent to which they have maintained all required PPE issued to them prior to the work stoppage. To the extent an Employee Eligible For Recall does not have his/her required PPE, arrangements will be made to re-issue missing items, with the exception of safety shoes which will be addressed in accordance with Article XXIV of the 2007 Labor Agreement.

H. Benefits Administration: Employees Eligible For Recall will be required to complete a new set of benefit enrollment forms.

I. Lockers: Employees Eligible For Recall will be assigned lockers by the Company, as they become available.

J. Transition Period; Recall to Active Employment; Work Assignments: During the Transition Period (Contract Effective Date) through (six (6) months after Contract Effective Date) the parties recognize and agree to the following:

1. The recall to work of Employees Eligible For Recall will be accomplished in stages over a period of several weeks as determined by the Company. The Company will provide a minimum of five (5) days notice of recall to Employees Eligible for Recall. Notice can be provided by phone or mail. The

Union agrees to exercise its best efforts in assisting with the recall process. The goal of the Company is to complete the recall of all Employees Eligible for Recall as expeditiously as practicable, but the Company must complete the recall of all Employees Eligible For Recall no later than ~~(six (6) months~~ **ninety (90) days** after Contract Effective Date);

2. Once recalled to work, Recalled Employees will be scheduled to work no less than forty (40) hours per week, excluding the first week of recall to work which will be less than forty (40) hours;

3. Once recalled to work, Recalled Employees may be required to work varying schedules, hours, and crews. Schedules may include 10 or 12 hour shifts;

4. Until manpower requirements can be stabilized and Recalled Employees have satisfactorily completed training or refresher training, as determined by the Company, Recalled Employees may be assigned or reassigned to work or train in departments throughout the plant;

5. If the Company determines there is an insufficient number of qualified Recalled Employees to satisfy the Company's needs, the Company has the right during the Transition Period, to have bargaining unit work performed by non-bargaining unit employees, notwithstanding any provisions of the 2007 Labor Agreement to the contrary;

6. All employees are subject to random Alcohol and Substance Abuse Testing during the Transition Period.

K. Miscellaneous Matters:

1. Employees will be compensated at Pay Grade 1 with no incentive for time spent in safety related training, processing of documentation in Human Resources and Benefits, return-to-work-physical exams, and/or Alcohol and Substance Testing;

2. The Hourly Wage Incentive Plans will be not be applicable until the first payroll week commencing (four (4) weeks after Contract Effective Date);

3. The terms and conditions of this Agreement take precedence over the 2007 Labor Agreement during the Transition Period. For example, the forty (40) hour work opportunity of the Employment Security Plan is not applicable during the Transition Period;

4. **The parties agree that to assist in return-to-work issues and to facilitate the retraining and restructuring of the workforce, employees will only be entitled to vacation allowance/pay/benefits for Vacation Year 2007 under the following conditions:**

a. **An employee must be recalled to work and thereafter meet the eligibility requirements of Article XVII, Section C(4);**

b. **Once an employee meets the eligibility requirements of Article XVII, Section C(4), the below formula will be applied to determine the number of paid vacation days.**

**Number of Days remaining in calendar year
on date employee becomes eligible**

365

X

**Number of
days of
vacation
allowance**

c. The employee will receive pay only. No time off will be granted.

d. Vacation pay for the amount determined in b. above will be calculated as follows: 8 multiplied by the Employee's 2006 Vacation Hourly Rate.

L. Grievance and Arbitration: All matters covered by this Agreement or other matters that occur during the Transition Period shall not be subject to challenge under the grievance and arbitration procedure, or otherwise, except for the following specifically identified issues:

1. Arbitration: Pre-Return to Work:

a. Employees who are discharged from employment for failure of Alcohol and Substance Abuse Testing as set forth in paragraph D or for Work Stoppage Misconduct may grieve the discharge under the grievance and arbitration procedure of the 2007 Labor Agreement; however, the sole question to be presented to the arbitrator is whether the Employee tested positive or committed the act(s) of misconduct as charged. If the arbitrator finds the employee tested positive or committed the act(s) as charged, the discharge shall be upheld. The arbitrator has no authority to modify the penalty of discharge.

b. Employees who are not returned to work by the Company Medical Director following the examination referenced in paragraph D may utilize the Third Party Procedure, set forth in Article X, Section B of the 2007 Labor Agreement. Return to work is defined as a return to any

bargaining unit work, regardless of Job Classification or Pay Grade level, with or without restrictions.

2. Arbitration: Post-Return to Work:

a. whether the disciplinary suspension or disciplinary discharge of an employee following return to work was with just cause and due consideration;

b. whether the employee was paid the correct standard hourly wage;

c. whether the employee was properly determined ineligible for healthcare coverage;

M. Coordination of Work with Others: Recalled Employees will be assigned to work with Temporary Replacement Workers, Contractors, and/or Supervisors. To ensure a safe working environment, the parties agree that all individuals will cooperate with one another to ensure a safe, orderly and efficient transfer of duties and work assignments. In the event of any conduct or threatened conduct in the workplace that is determined by the Company to be harassing, threatening or intimidating toward any person or group, the Company will take immediate steps to remedy the situation. Hats, t-shirts, bumper stickers, signs, window signs, or similar displays that refer or relate to Temporary Replacement Workers or to locked out employees are prohibited. Company action may include prompt removal of any person or group determined by the Company to have caused such activity and/or disciplinary action, up to and including discharge.

N. New Hires: In the event the Company hires as regular full, part time, or temporary Employees some of the individuals who have been working as Temporary Replacement Workers, the Union affirms that it will treat all such individuals with respect and will take no action which discriminates against them in any way. Moreover, the Union will take affirmative steps to be certain that no bargaining unit Employee engages in any detrimental, offensive or harassing conduct toward such persons. In the event of any conduct or threatened conduct in the workplace that is determined by the Company to be harassing, threatening or intimidating toward any person or group, the Company will take immediate steps to remedy the situation. Company action may include prompt removal of any person or group determined by the Company to have caused such activity and/or disciplinary action, up to and including discharge.

For AK Steel Corporation

For the International Association
of Machinists, AFL-CIO and Local
Lodge 1943

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____