

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----X	:	
In re	:	Chapter 11
	:	
WP Steel Venture LLC, <u>et al.</u> , ¹	:	Case No. 12-11661 (KJC)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		Re: D.I. 461

**NOTICE OF SUBMISSION OF REVISED MANAGEMENT
INCENTIVE PLAN AND REVISED PROPOSED ORDER IN CONNECTION
WITH DEBTORS' MOTION FOR ORDER AUTHORIZING PAYMENT OF
INCENTIVE PAY TO KEY MEMBERS OF MANAGEMENT PURSUANT TO
SECTIONS 105(a), 363(b)(1) AND 503(c)(3) OF THE BANKRUPTCY CODE**

PLEASE TAKE NOTICE that on June 29, 2012, the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”), filed a Motion for Order Authorizing the Payment of Incentive Pay to Key Members of Management Pursuant to Sections 105(a), 363(b)(1) and 503(c)(3) of the Bankruptcy Code [D.I. 461] (the “**MIP Motion**”).

PLEASE TAKE FURTHER NOTICE that attached as Exhibit A to the MIP Motion was the Management Incentive Plan (the “**MIP**”), and attached as Exhibit B to the MIP Motion was the proposed order granting the MIP Motion (the “**Proposed Order**”).

PLEASE TAKE FURTHER NOTICE that, following consultation with the official committee of unsecured creditors and the Debtors' lenders, the Debtors have revised the MIP, and the revised version of the MIP is annexed hereto as Exhibit A (the “**Revised MIP**”). A blackline comparing the Revised MIP to the MIP is annexed hereto as Exhibit B. Annexed hereto as Exhibit C is a revised proposed order granting the MIP Motion (the “**Revised**”).

¹ If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors' executive headquarters are located at 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.



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Proposed Order”), and a blackline comparing the Revised Proposed Order to the Proposed Order is annexed hereto as Exhibit D.

PLEASE TAKE FURTHER NOTICE that the Debtors intend to seek approval of the MIP Motion and the Revised MIP, and entry of the Revised Proposed Order, at a hearing scheduled for July 18, 2012 at 1:00 p.m. (prevailing Eastern time).

Dated: July 17, 2012
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Erin R. Fay

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Counsel to the Debtors and Debtors in Possession

Exhibit A

Revised MIP

RG STEEL, LLC
INCENTIVE COMPENSATION PLAN

RG Steel, LLC, a limited liability company duly organized under the laws of the State of Delaware (the “Company”), believes that the best interests of the creditors and other parties in interest of the Debtors will be served if certain individuals who are employed by the Company are incentivized to maximize the recovery during the liquidation and sale of assets of the Debtors following which they are all likely to be terminated from their current employment. These individuals have unique and specialized knowledge and experience with respect to the assets and the steel industry and, accordingly, the Debtors hereby establish the Plan for the benefit of such individuals.

SECTION 1. DEFINITIONS

In addition to the terms defined in the preceding paragraph, the following definitions shall apply for purposes of the Plan.

1.1. “Asset Disposition” means, from and after the Petition Date through and including December 31, 2012, each occurrence of (i) any sale outside of the ordinary course of business, approved by the Bankruptcy Court, of the Debtors’ various physical facilities as well as any other physical or non-physical assets or ownership interests owned by one or more Debtors, (ii) any sale of inventory or sale or collection of receivables or the receipt of amounts related to tax refunds, deposits, mineral rights or any other similar rights to payment generated by an asset owned by the Company but excluding any loans, letters of credit or other similar credit accommodations, and (iii) the resolution, whether by settlement or otherwise, including by way of sale, of any litigation or arbitration proceeding to which any Debtor was a party prior to the filing of its chapter 11 petition, in each case solely to the extent Proceeds are realized by the Company on account thereof.

1.2. “Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware.

1.3. “Board” means the Board of Managers of the Company.

1.4. “Bonus Pool” means the cash set aside under this Plan equal to the Lender Amount plus 2.5% of the Proceeds in excess of the Tier 2 Proceeds Amount.

1.5. “Committee” means the Official Committee of Unsecured Creditors appointed in the Debtors’ cases.

1.6. “CRO” means the Chief Restructuring Officer appointed by the Debtors and approved by the Bankruptcy Court.

1.7. “Debtors” means collectively RG Steel, LLC; RG Steel Sparrows Point, LLC; RG Steel Warren, LLC; RG Steel Wheeling, LLC; RG Steel Wheeling Steel Group, LLC; WP Steel Venture, LLC; Metal Centers LLC; and RG Steel Railroad Holding, LLC.

1.8. “Effective Date” means the date an order entered by the Bankruptcy Court approving this Plan becomes final and is no longer subject to appeal.

1.9. “Employment Agreements” mean the agreements, including the Participation Agreements if no prepetition agreement exists, entered into at various times between the Company and the Participants, pursuant to which the Participants have agreed to provide certain services to the Debtors.

1.10. “Final DIP Order” means the Final Order (A) Authorizing Debtors to Obtain Postpetition Financing and Grant Security Interests and Superpriority Administrative Expense Status Pursuant to 11 U.S.C. §§ 105 and 364(c); (B) Modifying the Automatic Stay Pursuant to 11 U.S.C. § 362; and (C) Authorizing Debtors to Enter into Agreements with Wells Fargo Capital Finance, LLC as Agent entered by the Bankruptcy Court on June 21, 2012 (D.I. 353).

1.11. “Going Concern Account” has the meaning ascribed to such term in Section 2.1A.

1.12. “Going Concern Bonus” means 2.5% of the Proceeds received in connection with any Going Concern Sale in excess of the Tier 1 Proceeds Amount but less than the Tier 2 Proceeds Amount.

1.13. “Going Concern Proceeds” means Proceeds received on account of Going Concern Sales.

1.14. “Going Concern Sale” means the sale of an asset or assets (or portion thereof) to a purchaser that intends to operate such asset(s) as a going concern. Whether an Asset Disposition, or any portion thereof, constitutes a Going Concern Sale shall be determined at the time of the closing of such Asset Disposition by agreement of the Debtors, the Committee, the Junior Lenders and Renco. If the parties cannot reach such an agreement, the Court shall make such a determination. Such a determination shall be based on a consideration of non-exclusive criteria that include the following: (i) the materiality of contracts being assumed by the purchaser, including the purchaser’s commitment to pay any related cure costs and ability to provide adequate assurance of future performance; (ii) the materiality of new agreements being entered into by the purchaser with respect to post-sale operations of the asset; (iii) the execution by the purchaser of one or more of the Debtors’ collective bargaining agreements or the negotiation of acceptable new collective bargaining agreements with the labor organization representing the relevant bargaining unit; and (iv) any and all statements made by the purchaser in its bid with respect to its intentions to operate the applicable asset, as well as the consideration of any documentation concerning financing, business plans, capital expenditure plans, or other plans or budgets relating to the operation of the applicable asset.

1.15. “Junior Credit Agreement” means that certain credit agreement (as amended, modified, or supplemented) entered into on January 17, 2012, by and among each of the Debtors as borrowers or guarantors and, on behalf of the various junior lenders identified therein, Cerberus Business Finance, LLC, as agent.

1.16. “Junior Lenders” means the junior lenders under the Junior Credit Agreement.

1.17. “Junior Lender Bonus Pool Amount” means 2.5% of Proceeds distributed to the Junior Lenders by the Debtors on account of the Junior Lenders’ claims under the Junior Credit Agreement. For purposes of this Plan only, the amounts actually distributed by the Debtors to the Junior Lenders on account of their claims under the Junior Credit Agreement shall be deemed to include any amounts funded into the Bonus Pool by the Junior Lenders in respect of the Lender Amount.

1.18. “Lender Amount” means the Junior Lender Bonus Pool Amount plus the Renco Bonus Pool Amount.

1.19. “Non-Going Concern Proceeds” means Proceeds received on account of Asset Dispositions that are not Going Concern Sales.

1.20. “Participant” means each person whose name is set forth in Schedule 1 attached hereto.

1.21. “Participation Agreement” means an agreement, the form of which is attached hereto as Exhibit A, between the Participant and the Plan Administrator which provides for the payment of the amounts pursuant to Section 2 upon satisfaction of the terms and conditions of the Plan.

1.22. “Petition Date” means May 31, 2012.

1.23. “Plan” means the RG Steel Incentive Compensation Plan, as set forth herein and as may be amended from time to time.

1.24. “Plan Administrator” means the CRO which shall administer the Plan as provided herein.

1.25. “Proceeds” means the amount of cash proceeds received (or deemed received pursuant to Section 2.1 below) by the Debtors in connection with an Asset Disposition after deducting only (a) the amount of any debt (including, without limitation, all principal, interest, default interest, fees and expenses payable in accordance with the agreements governing such debt) secured by the assets that are the subject of the Asset Disposition, excluding obligations arising under the Ratification Agreement, the Senior Credit Agreement, the Junior Credit Agreement and the Renco Subordinated Notes, (b) taxes paid or payable to any taxing authorities by the Debtors in connection with the Asset Disposition, (c) any stalking horse or other fees (including expense reimbursements) paid or payable in connection with an Asset Disposition, (d) a reserve for incurred but not paid and potential future administrative expenses owed to any creditor (including, but not limited to any employment or benefits related claims for salary or wage-based employees), (e) costs and expenses directly related to any Asset Disposition (including litigation or arbitration costs), the reasonable fees and expenses of investment bankers and brokers, including but not limited to, Conway MacKenzie Management Services, LLC to the extent set forth in its engagement letter and the success or transaction fees payable to Sea Port Group Securities, LLC to the extent specifically attributable to such Asset

Disposition and set forth in its engagement letter, and (f) claims entitled to priority of payment under sections 507(a) or 503(b) of the Bankruptcy Code or otherwise. The amount of the reserve described in subparts (d) –(f) of this subsection shall be reasonably determined in good faith by the Board in consultation with the CRO and the Committee. Written notice of such determination shall be provided to the Junior Lenders, Renco and the Committee, and, if any objection thereto is interposed, such determination shall become final and binding only upon entry of a final order of the Bankruptcy Court, which may be sought on not less than three (3) days notice of the Bankruptcy Court. Provided, however, that, prior to such final determination, the Bonus Pool and the Going Concern Account may be funded from the undisputed portion of Proceeds in accordance with Section 2.1 below.

1.26. “Ratification Agreement” means that certain Ratification and Amendment Agreement, dated as of May 29, 2012, by and among certain of the Debtors, as borrowers and guarantors, Wells Fargo Capital Finance, LLC, as administrative agent and co-collateral agent, General Electric Capital Corporation, as co-collateral agent, the financial institutions from time to time party to the Senior Credit Agreement, as lenders, and Abelco Finance LLC, as agent for the “Revolving Loan B Lenders”.

1.27. “Renco” means The Renco Group, Inc., a corporation organized and existing under the laws of New York.

1.28. “Renco Bonus Pool Amount” means 5% of Proceeds distributed to Renco by the Debtors on account of Renco’s claims under the Renco Subordinated Notes. For purposes of this Plan only, the amounts actually distributed by the Debtors to Renco on account of its claims under the Renco Subordinated Notes shall be deemed to include any amounts funded into the Bonus Pool by Renco in respect of the Lender Amount.

1.29. “Renco Subordinated Notes” means those certain subordinated promissory notes in favor of Renco, dated as of July 5, 2011 and December 19, 2011, issued by each of the Debtors for the benefit of Renco.

1.30. “Schedule 1” means the schedule set forth in the back of the Plan that identifies the Participants eligible to receive payments from the Bonus Pool and the Going Concern Account.

1.31. “Senior Credit Agreement” means that certain credit agreement (as amended, modified, or supplemented) entered into on March 31, 2011, by and among each of the Debtors as borrowers or guarantors, and on behalf of the various senior lenders identified therein Wells Fargo Capital Finance, LLC, as administrative agent and co-collateral agent and General Electric Capital Corporation, as syndication agent and co-collateral agent, UBS Securities LLC and Bank of America, N.A., as Co-Documentation Agents, WFCF, GE Capital Markets, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and UBS Securities LLC as Joint Lead Arrangers and Joint Bookrunners, and Ableco Finance LLC as agent for the “Revolving Loan B” lenders.

1.32. “Sparrows Point Manager” is the individual identified as such on Schedule 1.

1.33. “Tier 1 Proceeds Amount” means, as of any date, the sum of the principal amount of obligations outstanding under the Senior Credit Agreement (prior to modification pursuant to the Ratification Agreement) as of the date of and as set forth in the Final DIP Order, plus all loans and other credit accommodations made after the Petition Date pursuant to the Senior Credit Agreement as modified by the Ratification Agreement, plus interest accrued and accruing thereon at the applicable rates under the Senior Credit Agreement as modified by the Ratification Agreement and all costs, fees, expenses and charges accruing thereon or chargeable with respect thereto. For the avoidance of doubt, the foregoing definition of “Tier 1 Proceeds Amount” shall apply to Section 2.1(B) hereof. Solely for purposes of the determination in Section 2.1(A) hereof as to whether there are Proceeds of the Asset Dispositions in excess of the Tier 1 Proceeds Amount, there shall be taken into account all amounts previously paid in respect thereof by the Debtors

1.34. “Tier 2 Proceeds Amount” means, as of any date, the sum of: (a) the Tier 1 Proceeds Amount; (b) all amounts owed under the Junior Credit Agreement; and (c) all amounts owed under the Renco Subordinated Notes.

1.35. “Wheeling/Warren Manager” is the individual identified as such on Schedule 1.

SECTION 2. COMPENSATION

2.1. The Company on behalf of each of the Debtors and the Participants have agreed as follows:

A. The Participants shall be compensated for their assistance in obtaining Proceeds in connection with Asset Dispositions through: (i) the Bonus Pool; and (ii) the Going Concern Bonus, which will be calculated and remitted as set forth in this Section 2.1. Until the Going Concern Bonus is calculated and remitted to the Participants, 2.5% of Proceeds received in excess of the Tier 1 Proceeds Amount but less than the Tier 2 Proceeds Amount shall be placed in a segregated account (the “Going Concern Account”) to be held in trust for the benefit of the Participants. After the Going Concern Bonus has been paid to the Participants, any remaining funds in the Going Concern Account, if any, as proceeds of collateral, shall be paid to the Junior Lenders or Renco, as applicable, on account of their secured claims, subject to any party’s rights under the Final DIP Order.

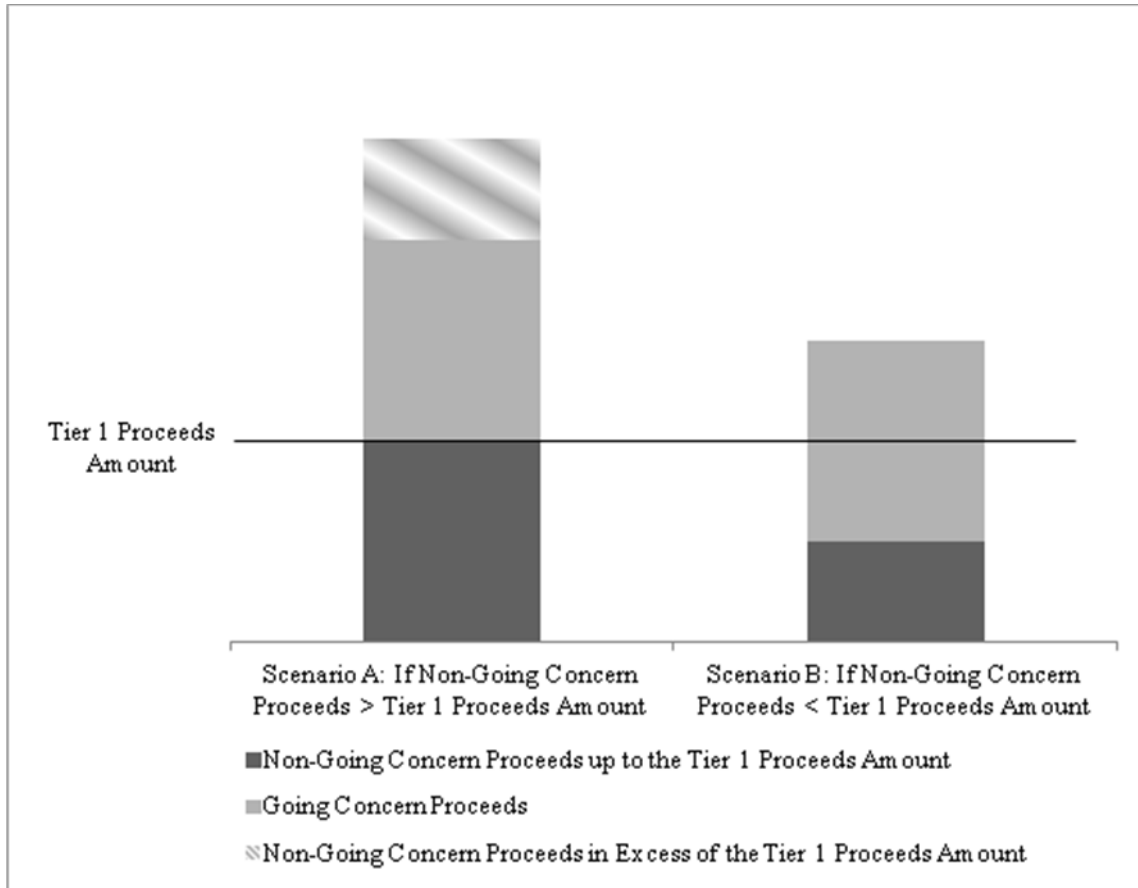
For illustrative purposes only, in the event that Proceeds shall have been received in excess of the Tier 1 Proceeds Amount, and as a result of Asset Dispositions \$100,000 in excess of the Tier 1 Proceeds Amount is available for distribution, \$97,500 will be available for distributions to the lenders entitled thereto (which would be lenders under the Junior Credit Agreement) and the Going Concern Account will be funded with the remaining Proceeds up to \$2,500. In addition, the Junior Lenders shall fund the Bonus Pool with 2.5% of the amount received which is the Junior Lender Bonus Pool Amount (\$2,437.50 which equals 2.5% of \$97,500). The amount of Proceeds funded into the Going Concern Account (as contrasted with the Lender Amount) shall not reduce or be charged against the obligations owed under the Junior Credit Agreement or the Renco Subordinated Notes unless such parties agree otherwise. For the

avoidance of doubt, the Lender Amount shall reduce the obligations owed under the Junior Credit Agreement or the Renco Subordinated Notes, as applicable.

B. Until Proceeds that total the Tier 1 Proceeds Amount are received by the Debtors and all amounts owed under the Ratification Agreement and Senior Credit Agreement are paid in full in cash, and the commitments thereunder terminated, no funds shall be deposited into the Bonus Pool. Thereafter until Proceeds that total the full amount owed under the Junior Credit Agreement have been distributed to the Junior Lenders, 50% of each amount deposited into the Bonus Pool shall be remitted within 30 days of such deposit to the Participants identified on Schedule 1 in the percentage set forth in each Participation Agreement and 50% shall remain in the Bonus Pool. Once (i) Proceeds that equal the Tier 1 Proceeds Amount have been distributed to the lenders under the Senior Credit Agreement and all amounts owed under the Ratification Agreement and Senior Credit Agreement are paid in full in cash, and the commitments thereunder terminated, and (ii) all amounts owed under the Junior Credit Agreement have been distributed to the Junior Lenders, until Proceeds sufficient to pay the Renco Subordinated Notes in full have been distributed to Renco, an additional 50% of the amounts remaining on deposit in the Bonus Pool from amounts previously received shall be remitted to the Participants identified on Schedule 1 in the percentage set forth in each Participation Agreement, and 75% of each additional amount thereafter deposited into the Bonus Pool shall be remitted within 30 days of such deposit to the Participants identified on Schedule 1 in the percentage set forth in each Participation Agreement and 25% shall remain in the Bonus Pool. All amounts held back in the Bonus Pool shall be paid to Participants in accordance with Schedule 1 upon the earlier of (i) the effective date of any plan of reorganization of the Debtors, or (ii) December 31, 2012.

C. The allocation of the Bonus Pool among the Participants is set forth on Schedule 1 attached hereto. In the event that a Participant forfeits his or her right to a bonus pursuant to this Plan, the portion of the Bonus Pool that had been allocated to such Participant may, in the sole discretion of the Board, be allocated among the other remaining Participants or to any new participants selected in a manner consistent with Section 3.1 in such manner as determined by the Board.

D. The Going Concern Bonus shall be calculated as of December 31, 2012 and remitted to the Participants identified on Schedule 1 in the percentage set forth in each Participation Agreement as soon as practicable after that date. For the avoidance of doubt, for the purposes of calculating the Going Concern Bonus only: (i) Non-Going Concern Proceeds shall be deemed to have been received prior to Going Concern Proceeds up to the Tier 1 Proceeds Amount; and (ii) thereafter, Going Concern Proceeds shall be deemed to have been received prior to Non-Going Concern Proceeds, as set forth in the following diagram:



E. The Sparrows Point Manager will receive his portion of the Going Concern Bonus only to the extent the Going Concern Bonus is attributable to Going Concern Sales of assets of RG Steel Sparrows Point. The Wheeling/Warren Manager will receive his portion of the Going Concern Bonus only to the extent the Going Concern Bonus is attributable to Going Concern Sales of assets of either RG Steel Wheeling, LLC or RG Steel Warren, LLC. To the extent any portion of the Going Concern Bonus is not distributable to the Participants, such portion, as proceeds of collateral, shall be paid to the Junior Lenders or Renco, as applicable, on account of their secured claims, subject to any party's rights under the Final DIP Order. For purposes of this Section 2.1E, in determining whether a portion of the Going Concern Bonus is attributable to a certain Going Concern Sale, in the event Non-Going Concern Proceeds do not exceed the Tier 1 Proceeds Amount, Proceeds from each Going Concern Sale shall be applied proportionally until total Proceeds exceed the Tier 1 Proceeds Amount.

For illustrative purposes only, in the event that (i) the Tier 1 Proceeds Amount is \$1,000,000, and the Tier 2 Proceeds Amount is at least \$1,500,001; (ii) Non-Going Concern Proceeds total \$500,000; (iii) \$500,000 of Proceeds are received on account of a Going Concern Sale of asset A; and (iv) \$500,000 of Proceeds are received on account of a second Going Concern Sale of asset B; then, for the purposes of calculating the Going Concern Bonus only, the Debtors shall be deemed to have received \$500,000 in excess of the Tier 1 Proceeds Amount (but less than the Tier 2 Proceeds Amount) — \$250,000 of which is attributable to each Going Concern Sale, and the Going Concern Bonus shall be \$5,000 (\$2,500 of which is attributable to

the Going Concern Sale of asset A, and \$2,500 of which is attributable to the Going Concern Sale of asset B).

F. To the extent an Asset Disposition is accomplished through a credit bid of the Junior Lenders or Renco, in a circumstance where the assets that are subject to such Asset Disposition are also the subject of a bid from a third party, that, if accepted, would have generated Proceeds to fund the Bonus Pool and the Going Concern Account, the Junior Lenders or Renco (as applicable) shall fund the Bonus Pool and the Going Concern Account (pending the allocation of such funds pursuant to the terms hereof) in amounts equal to the amounts that would have been funded into the Bonus Pool and the Going Concern Account had the third party bid been accepted and consummated.

G. Upon a Participant's receipt in full of his allocation of the Junior Lender Bonus Pool Amount, such Participant shall be deemed to release any and all claims against the Company for severance, bonus or similar incentive payments under any applicable employment agreement, prior policies, plans and other bonus arrangements of the Company.

H. All Asset Dispositions shall be subject to the approval of the Bankruptcy Court and nothing herein shall be construed or applied to impede the jurisdiction of the Bankruptcy Court over dispositions of the Debtors assets.

SECTION 3. LIMITS ON AMENDMENT OR TERMINATION

3.1. The Board may amend this Plan at any time including to name new participants; provided, however, that the Board may not amend this Plan: (a) to increase the amount of the Bonus Pool or the Going Concern Bonus without further approval by the Bankruptcy Court, (b) to change the definition of "Junior Lender Bonus Pool Amount" without the written consent of the Junior Lenders, (c) to change the definition of "Renco Bonus Pool Amount" without the written consent of Renco, or (d) in any manner that adversely affect the rights of any Participant without his written consent, except in the case of this clause (d) to the extent necessary for the Board to comply with its fiduciary duties.

3.2. Subject to the last sentence of this Section 3.2, prospectively, the Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on December 31, 2012. Following any suspension or termination of the Plan, the Plan shall remain in effect for the purpose of governing all awards then outstanding hereunder until such time as all awards under the Plan have been terminated, forfeited, or otherwise canceled, or earned, exercised, settled, or otherwise paid out in accordance with their terms.

SECTION 4. ADMINISTRATION OF THE PLAN

4.1. The Plan shall be administered by the CRO (the "Plan Administrator") in consultation with the Board except as otherwise set forth herein.

4.2. The Plan Administrator shall not be personally liable by reason of any action taken in his capacity as Plan Administrator nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each employee, officer or director of the Company, including the Plan Administrator, to whom any duty or power relating to the

administration or interpretation of the Plan may be allocated or delegated, against any reasonable cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith.

SECTION 5. MISCELLANEOUS

5.1. Neither the establishment of the Plan nor any action of the Company or the Plan Administrator shall be held or construed to confer upon any person any legal right to continued service with any of the Debtors. If a Participant's services are terminated for Cause or the Participant voluntarily terminates his services under the Employment Agreement, the Company shall have no obligation to make any future payments under this Plan to such person.

5.2. Benefits payable under the Plan shall not be subject to assignment, alienation, transfer, pledge, encumbrance, commutation or anticipation by any Participant. Any attempt to assign, alienate, transfer, pledge, encumber, commute or anticipate Plan benefits shall be void. In addition, no rights or interest under the Plan shall be in any manner subject to levy, attachment or other legal process to enforce payment of any claim against any Participant except to the extent required by law.

5.3. Except as otherwise provided herein and subject to applicable bankruptcy law, the Plan shall be binding upon, inure to the benefit of and be enforceable (a) by the Company, and (b) the Participants and their respective heirs, legal representatives, successors and assigns solely as against the Company.

5.4. This Plan shall be governed by and construed in accordance with the laws of the State of Delaware (without reference to rules relating to conflicts of laws), except to the extent superseded by applicable federal law.

5.5. Any action required or permitted to be taken by the Company under this Plan shall be taken by the Board or by the Plan Administrator, or any designee of the Plan Administrator pursuant to Section 4, in each case subject to the limits on amendment and termination contained in Section 3 hereof.

* * *

IN WITNESS WHEREOF, the undersigned Company has caused this Plan to be executed by its officers hereunto duly authorized as of the Effective Date.

RG STEEL, LLC

By: _____
Title: _____

Schedule 1

<u>Participant</u>	<u>Title</u>	<u>Bonus Pool Percentage</u>
John Goodwin*	President and Chief Executive Officer	REDACTED
Rich Caruso*	Vice President and Chief Financial Officer	
Dave Pryzbylski*	Vice President and Chief Administrative Officer	
Mark Whalen*	Vice President and Chief Operating Officer	
Tom Cera (the “ <u>Wheeling/Warren Manager</u> ”)	Vice President and General Manager of Warren and Wheeling	
Jeff Gennuso	Corporate Controller	
Howie Japlon*	Vice President and General Counsel	
George Lukes	Vice President of Quality Assurance and Business Planning	
Glen Mikaloff (the “ <u>Sparrows Point Manager</u> ”)	Vice President and General Manager of Sparrows Point	
Jerry Nelson*	Vice President and Chief Commercial Officer	

* — Denotes Participants that are officers of the Debtors.

Exhibit A

RG STEEL, LLC
INCENTIVE COMPENSATION PLAN
PARTICIPATION AGREEMENT

Participant Name: _____

Pursuant to the terms of this Participation Agreement and the RG Steel, LLC Incentive Compensation Plan (the "Plan"), you have been selected to participate in the Plan. By execution of this Participation Agreement, you agree to be bound by the terms of this Agreement and the Plan, which you acknowledge receipt of, and agree to accept all decisions of the Plan Administrator made in accordance with such terms. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

For purposes of the Plan, your Bonus Pool percentage shall be ____%.

In the event that your employment or service is terminated for any reason (other than by any of the Debtors without Cause (as defined in your Employment Agreement, as applicable¹)), you shall be ineligible to receive any future payments under the Plan and the Company shall have no further obligations to you with respect to the Plan. In the event that your employment or service is terminated by any of the Debtors without Cause, you shall be entitled to receive payments following the date of such termination in accordance with the terms of the Plan. Upon receipt in full of your allocation of the Junior Lender Bonus Pool Amount, you shall be deemed to release any and all claims against the Company for severance, bonus or similar incentive payments under any applicable employment agreement, prior policies, plans and other bonus arrangements of the Company.

RG STEEL, LLC

By:
Title:

AGREED AND ACCEPTED THIS ____ DAY OF _____, 2012:

Signature

Print Name: _____

¹ If no applicable Employment Agreement exists, "Cause" means one or more of the following: (a) the Participant's material breach of this Participation Agreement which the Participant fails to cure within thirty (30) days after receiving written notice from the Company of the Cause event; (b) the Participant's gross negligence or willful misconduct in the performance of his material obligations under this Participation Agreement; or (c) the Participant's gross malfeasance, gross misfeasance, or gross nonfeasance.

Exhibit B

Blackline of MIP

RG STEEL, LLC INCENTIVE COMPENSATION PLAN

RG Steel, LLC, a limited liability company duly organized under the laws of the State of Delaware (the "Company"), believes that the best interests of the creditors and other parties in interest of the Debtors will be served if certain individuals who are employed by the Company are incentivized to maximize the recovery during the liquidation and sale of assets of the Debtors following which they are all likely to be terminated from their current employment. These individuals have unique and specialized knowledge and experience with respect to the assets and the steel industry and, accordingly, the Debtors hereby establish the Plan for the benefit of such individuals.

SECTION 1. DEFINITIONS

In addition to the terms defined in the preceding paragraph, the following definitions shall apply for purposes of the Plan.

1.1. "Asset Disposition" means, ~~on or prior to~~ from and after the Petition Date ~~through and including~~ December 31, 2012, each occurrence of (i) any sale outside of the ordinary course of business, approved by the Bankruptcy Court, of the Debtors' various physical facilities as well as any other physical or non-physical assets or ownership interests owned by one or more Debtors, (ii) any sale ~~or collection~~ of inventory or sale ~~or collection~~ of receivables or the receipt of amounts related to tax refunds, deposits, mineral rights or any other similar rights to payment generated by an asset owned by the Company but excluding any loans, letters of credit or other similar credit accommodations, and (iii) the resolution, whether by settlement or otherwise, including by way of sale, of any litigation or arbitration proceeding to which any Debtor was a party prior to the filing of its chapter 11 petition, in each case solely to the extent Proceeds are realized by the Company on account thereof.

1.2. "Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware.

1.3. "Board" means the Board of Managers of the Company.

1.4. "Bonus Pool" means the cash set aside under this Plan ~~from the Proceeds of Asset Dispositions or funded by~~ equal to the Lender Amount ~~which shall be available to make payments to the Participants~~ plus 2.5% of the Proceeds in excess of the Tier 2 Proceeds Amount.

1.5. "Committee" means the Official Committee of Unsecured Creditors appointed in the Debtors' cases.

1.6. ~~1.5.~~ "CRO" means the Chief Restructuring Officer appointed by the Debtors and approved by the Bankruptcy Court.

1.7. ~~1.6.~~ "Debtors" means collectively RG Steel, LLC; RG Steel Sparrows Point, LLC; RG Steel Warren, LLC; RG Steel Wheeling, LLC; RG Steel Wheeling Steel Group, LLC; WP Steel Venture, LLC; Metal Centers LLC; and RG Steel Railroad Holding, LLC.

1.8. ~~1.7.~~ “Effective Date” means the date an order entered by the Bankruptcy Court approving this Plan becomes final and is no longer subject to appeal.

1.9. ~~1.8.~~ “Employment Agreements” mean the agreements, including the Participation Agreements if no prepetition agreement exists, entered into at various times between the Company and the Participants, pursuant to which the Participants have agreed to provide certain services to the Debtors.

1.10. “Final DIP Order” means the Final Order (A) Authorizing Debtors to Obtain Postpetition Financing and Grant Security Interests and Superpriority Administrative Expense Status Pursuant to 11 U.S.C. §§ 105 and 364(c); (B) Modifying the Automatic Stay Pursuant to 11 U.S.C. § 362; and (C) Authorizing Debtors to Enter into Agreements with Wells Fargo Capital Finance, LLC as Agent entered by the Bankruptcy Court on June 21, 2012 (D.I. 353).

1.11. “Going Concern Account” has the meaning ascribed to such term in Section 2.1A.

1.12. “Going Concern Bonus” means 2.5% of the Proceeds received in connection with any Going Concern Sale in excess of the Tier 1 Proceeds Amount but less than the Tier 2 Proceeds Amount.

1.13. “Going Concern Proceeds” means Proceeds received on account of Going Concern Sales.

1.14. “Going Concern Sale” means the sale of an asset or assets (or portion thereof) to a purchaser that intends to operate such asset(s) as a going concern. Whether an Asset Disposition, or any portion thereof, constitutes a Going Concern Sale shall be determined at the time of the closing of such Asset Disposition by agreement of the Debtors, the Committee, the Junior Lenders and Renco. If the parties cannot reach such an agreement, the Court shall make such a determination. Such a determination shall be based on a consideration of non-exclusive criteria that include the following: (i) the materiality of contracts being assumed by the purchaser, including the purchaser’s commitment to pay any related cure costs and ability to provide adequate assurance of future performance; (ii) the materiality of new agreements being entered into by the purchaser with respect to post-sale operations of the asset; (iii) the execution by the purchaser of one or more of the Debtors’ collective bargaining agreements or the negotiation of acceptable new collective bargaining agreements with the labor organization representing the relevant bargaining unit; and (iv) any and all statements made by the purchaser in its bid with respect to its intentions to operate the applicable asset, as well as the consideration of any documentation concerning financing, business plans, capital expenditure plans, or other plans or budgets relating to the operation of the applicable asset.

1.15. ~~1.9.~~ “Junior Credit Agreement” means that certain credit agreement (as amended, modified, or supplemented) entered into on January 17, 2012, by and among each of the Debtors as borrowers or guarantors and, on behalf of the various junior lenders identified therein, Cerberus Business Finance, LLC, as agent.

1.16. ~~1.10.~~ "Junior Lenders" means the junior lenders under the Junior Credit Agreement.

1.17. ~~1.11.~~ "Junior Lender Bonus Pool Amount" means 2.5% of Proceeds distributed to the Junior Lenders by the Debtors on account of the Junior Lenders' claims under the Junior Credit Agreement. For purposes of this Plan only, the amounts actually distributed by the Debtors to the Junior Lenders on account of their claims under the Junior Credit Agreement shall be deemed to include any amounts funded into the Bonus Pool by the Junior Lenders in respect of the Lender Amount.

1.18. ~~1.12.~~ "Lender Amount" means the Junior Lender Bonus Pool Amount plus the Renco Bonus Pool Amount.

1.19. "Non-Going Concern Proceeds" means Proceeds received on account of Asset Dispositions that are not Going Concern Sales.

1.20. ~~1.13.~~ "Participant" means each person whose name is set forth in Schedule 1 attached hereto.

1.21. ~~1.14.~~ "Participation Agreement" means an agreement, the form of which is attached hereto as Exhibit A, between the Participant and the Plan Administrator which provides for the payment of the amounts pursuant to Section 2 upon satisfaction of the terms and conditions of the Plan.

1.22. ~~1.15.~~ "Petition Date" means May 31, 2012.

1.23. ~~1.16.~~ "Plan" means the RG Steel Incentive Compensation Plan, as set forth herein and as may be amended from time to time.

1.24. ~~1.17.~~ "Plan Administrator" means the CRO which shall administer the Plan as provided herein.

1.25. ~~1.18.~~ "Proceeds" means the amount of cash proceeds received (or deemed received pursuant to Section 2.1 below) by the Debtors in connection with an Asset Disposition after deducting only (a) the amount of any debt (including, without limitation, all principal, interest, default interest, fees and expenses payable in accordance with the agreements governing such debt) secured by the assets that are the subject of the Asset Disposition, excluding obligations arising under the Ratification Agreement, the Senior Credit Agreement, the Junior Credit Agreement and the Renco Subordinated Notes, (b) taxes paid or payable to any taxing authorities by the Debtors in connection with the Asset Disposition, (c) any stalking horse or other fees (including expense reimbursements) paid or payable in connection with an Asset Disposition, (d) a reserve for incurred but not paid and potential future administrative expenses owed to any creditor (including, but not limited to any employment or benefits related claims for salary or wage-based employees), (e) costs and expenses directly related to any Asset Disposition (including litigation or arbitration costs), the reasonable fees and expenses of investment bankers and brokers, including but not limited to, Conway MacKenzie Management Services, LLC to the extent set forth in its engagement letter and the success or transaction fees payable to Sea Port Group Securities, LLC to the extent specifically attributable to such Asset Disposition and set

forth in its engagement letter, and (f) claims entitled to priority of payment under sections 507(a) or 503(b) of the Bankruptcy Code or otherwise. The amount of the reserve described in subparts (d) –(f) of this subsection shall be reasonably determined in good faith by the Board in consultation with the CRO~~–~~ and the Committee. Written notice of such determination shall be provided to the Junior Lenders, Renco and the Committee, and, if any objection thereto is interposed, such determination shall become final and binding only upon entry of a final order of the Bankruptcy Court, which may be sought on not less than three (3) days notice of the Bankruptcy Court. Provided, however, that, prior to such final determination, the Bonus Pool and the Going Concern Account may be funded from the undisputed portion of Proceeds in accordance with Section 2.1 below.

1.26. ~~1.19.~~ “Ratification Agreement” means that certain Ratification and Amendment Agreement, dated as of May 29, 2012, by and among certain of the Debtors, as borrowers and guarantors, Wells Fargo Capital Finance, LLC, as administrative agent and co-collateral agent, General Electric Capital Corporation, as co-collateral agent, the financial institutions from time to time party to the Senior Credit Agreement, as lenders, and Abelco Finance LLC, as agent for the “Revolving Loan B Lenders”.

1.27. ~~1.20.~~ “Renco” means The Renco Group, Inc., a corporation organized and existing under the laws of New York.

1.28. ~~1.21.~~ “Renco Bonus Pool Amount” means 5% of Proceeds distributed to Renco by the Debtors on account of Renco’s claims under the Renco Subordinated Notes. For purposes of this Plan only, the amounts actually distributed by the Debtors to Renco on account of its claims under the Renco Subordinated Notes shall be deemed to include any amounts funded into the Bonus Pool by Renco in respect of the Lender Amount.

1.29. ~~1.22.~~ “Renco Subordinated Notes” means those certain subordinated promissory notes in favor of Renco, dated as of July 5, 2011 and December 19, 2011, issued by each of the Debtors for the benefit of Renco.

1.30. ~~1.23.~~ “Schedule 1” means ~~that~~ the schedule set forth in the back of the Plan that identifies the Participants eligible to receive payments from the Bonus Pool and the Going Concern Account.

1.31. ~~1.24.~~ “Senior Credit Agreement” means that certain credit agreement (as amended, modified, or supplemented) entered into on March 31, 2011, by and among each of the Debtors as borrowers or guarantors, and on behalf of the various senior lenders identified therein Wells Fargo Capital Finance, LLC, as administrative agent and co-collateral agent and General Electric Capital Corporation, as syndication agent and co-collateral agent, UBS Securities LLC and Bank of America, N.A., as Co-Documentation Agents, WFCF, GE Capital Markets, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and UBS Securities LLC as Joint Lead Arrangers and Joint Bookrunners, and Ableco Finance LLC as agent for the “Revolving Loan B” lenders.

1.32. “Sparrows Point Manager” is the individual identified as such on Schedule 1.

1.33. ~~1.25.~~ "Tier 1 Proceeds Amount" means, as of any date, the sum of the principal amount of obligations outstanding under the Senior Credit Agreement (prior to modification pursuant to the Ratification Agreement) as of the date of and as set forth in the Final DIP Order, plus all loans and other credit accommodations made after the Petition Date pursuant to the Senior Credit Agreement as modified by the Ratification Agreement, plus interest accrued and accruing thereon at the applicable rates under the Senior Credit Agreement as modified by the Ratification Agreement and all costs, fees, expenses and charges accruing thereon or chargeable with respect thereto. For the avoidance of doubt, the foregoing definition of "Tier 1 Proceeds Amount" shall apply to Section 2.1(B) hereof. Solely for purposes of the determination in Section 2.1(A) hereof as to whether there are Proceeds of the Asset Dispositions in excess of the Tier 1 Proceeds Amount, there shall be taken into account all amounts previously paid in respect thereof by the Debtors

1.34. "Tier 2 Proceeds Amount" means, as of any date, the sum of: (a) the Tier 1 Proceeds Amount; (b) all amounts owed under the Junior Credit Agreement; and (c) all amounts owed under the Renco Subordinated Notes.

1.35. "Wheeling/Warren Manager" is the individual identified as such on Schedule 1.

SECTION 2. COMPENSATION

2.1. The Company on behalf of each of the Debtors and the Participants have agreed as follows:

A. The Participants shall be compensated for their assistance in obtaining Proceeds in connection with Asset Dispositions: ~~through: A Bonus Pool in the amount of 2.5% of the Proceeds plus the Lender Amount shall be established from the Proceeds of the Asset Dispositions~~ (i) the Bonus Pool; and (ii) the Going Concern Bonus, which will be calculated and remitted as set forth in this Section 2.1. Until the Going Concern Bonus is calculated and remitted to the Participants, 2.5% of Proceeds received in excess of the Tier 1 Proceeds Amount but less than the Tier 2 Proceeds Amount shall be placed in a segregated account (the "Going Concern Account") to be held in trust for the benefit of the Participants. After the Going Concern Bonus has been paid to the Participants, any remaining funds in the Going Concern Account, if any, as proceeds of collateral, shall be paid to the Junior Lenders or Renco, as applicable, on account of their secured claims, subject to any party's rights under the Final DIP Order.

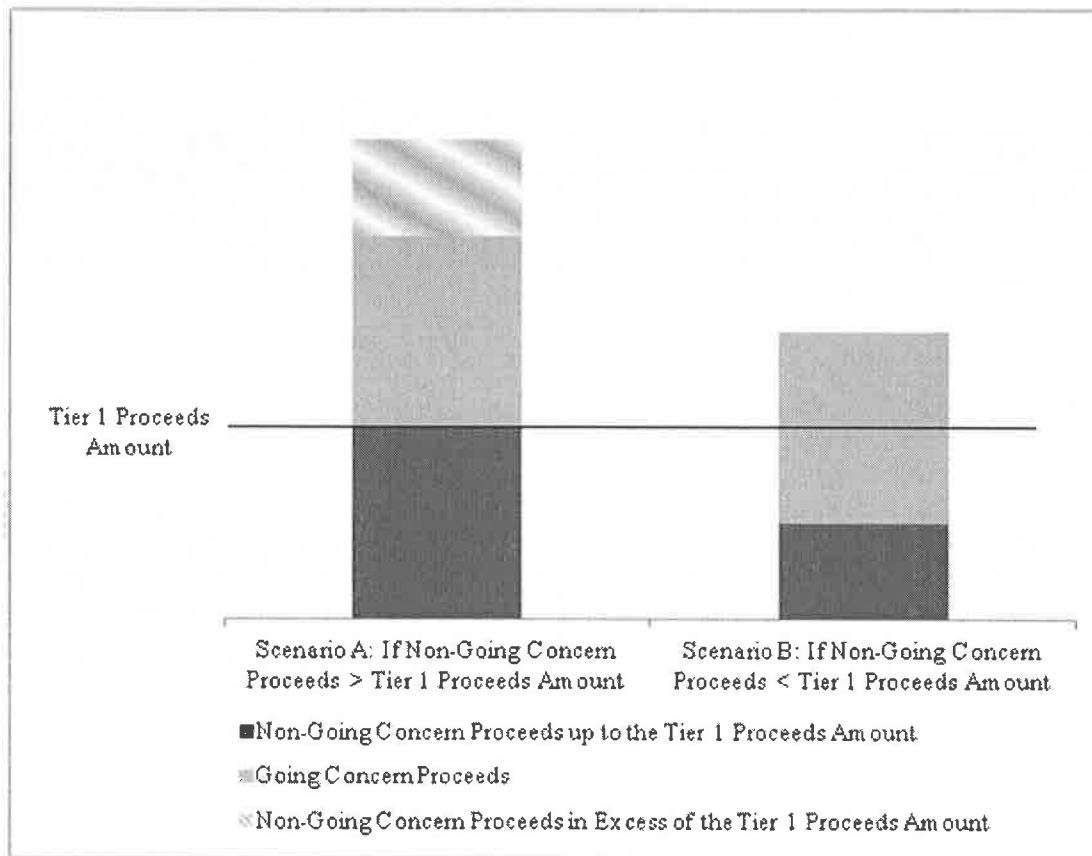
For illustrative purposes only, in the event that Proceeds shall have been received in excess of the Tier 1 Proceeds Amount, and as a result of Asset Dispositions \$100,000 in excess of the Tier 1 Proceeds Amount is available for distribution, \$97,500 will be available for distributions to the lenders entitled thereto (which would be lenders under the Junior Credit Agreement) and the ~~Bonus Pool~~ Going Concern Account will be funded with the remaining Proceeds up to \$2,500. In addition, the Junior Lenders shall fund the Bonus Pool with 2.5% of the amount received which is the Junior Lender Bonus Pool Amount (\$2,437.50 which equals 2.5% of \$97,500) ~~into the Bonus Pool~~. The amount of Proceeds funded into the ~~Bonus Pool~~ Going Concern Account (as contrasted with the Lender Amount) shall not reduce or be

charged against the obligations owed under the Junior Credit Agreement or the Renco Subordinated Notes unless such parties agree otherwise. For the avoidance of doubt, the Lender Amount shall reduce the obligations owed under the Junior Credit Agreement or the Renco Subordinated Notes, as applicable.

B. Until Proceeds that total the Tier 1 Proceeds Amount are received by the Debtors and all amounts owed under the Ratification Agreement and Senior Credit Agreement are paid in full in cash, ~~and the commitments thereunder terminated,~~ no funds shall be deposited into the Bonus Pool. Thereafter until Proceeds that total the full amount owed under the Junior Credit Agreement have been distributed ~~by the Debtors~~ to the Junior Lenders, 50% of each amount deposited into the Bonus Pool shall be remitted within 30 days of such deposit to the Participants identified on Schedule 1 in the percentage set forth in each Participation Agreement and 50% shall remain in the Bonus Pool. Once (i) Proceeds that equal the Tier 1 Proceeds Amount have been distributed to the lenders under the Senior Credit Agreement and all amounts owed under the Ratification Agreement and Senior Credit Agreement are paid in full in cash, ~~and the commitments thereunder terminated,~~ and (ii) all amounts owed under the Junior Credit Agreement have been distributed to the Junior Lenders ~~by the Debtors~~, until Proceeds sufficient to pay the Renco Subordinated Notes in full have been distributed to Renco ~~by the Debtors~~, an additional 50% of the amounts remaining on deposit in the Bonus Pool from amounts previously received shall be remitted to the Participants identified on Schedule 1 in the percentage set forth in each Participation Agreement, and 75% of each additional amount thereafter deposited into the Bonus Pool shall be remitted within 30 days of such deposit to the Participants identified on Schedule 1 in the percentage set forth in each Participation Agreement and 25% shall remain in the Bonus Pool. All amounts held back in the Bonus Pool shall be paid to Participants in accordance with Schedule 1 upon the earlier of (i) the effective date of any plan of reorganization of the Debtors, or (ii) December 31, 2012.

C. The allocation of the Bonus Pool among the Participants is set forth on Schedule 1 attached hereto. In the event that a Participant forfeits his or her right to a bonus pursuant to this Plan, the portion of the Bonus Pool that had been allocated to such Participant may, in the sole discretion of the Board, be allocated among the other remaining Participants or to any new participants selected in a manner consistent with Section 3.1 in such manner as determined by the Board.

D. ~~To the extent an Asset Disposition is accomplished through a credit bid of a secured creditor, such credit bidder shall fund the Bonus Pool in the applicable amount set forth herein, as if the consideration for such Asset Disposition had been all cash. The Going Concern Bonus shall be calculated as of December 31, 2012 and remitted to the Participants identified on Schedule 1 in the percentage set forth in each Participation Agreement as soon as practicable after that date. For the avoidance of doubt, for the purposes of calculating the Going Concern Bonus only: (i) Non-Going Concern Proceeds shall be deemed to have been received prior to Going Concern Proceeds up to the Tier 1 Proceeds Amount; and (ii) thereafter, Going Concern Proceeds shall be deemed to have been received prior to Non-Going Concern Proceeds, as set forth in the following diagram;~~



E. The Sparrows Point Manager will receive his portion of the Going Concern Bonus only to the extent the Going Concern Bonus is attributable to Going Concern Sales of assets of RG Steel Sparrows Point. The Wheeling/Warren Manager will receive his portion of the Going Concern Bonus only to the extent the Going Concern Bonus is attributable to Going Concern Sales of assets of either RG Steel Wheeling, LLC or RG Steel Warren, LLC. To the extent any portion of the Going Concern Bonus is not distributable to the Participants, such portion, as proceeds of collateral, shall be paid to the Junior Lenders or Renco, as applicable, on account of their secured claims, subject to any party's rights under the Final DIP Order. For purposes of this Section 2.1E, in determining whether a portion of the Going Concern Bonus is attributable to a certain Going Concern Sale, in the event Non-Going Concern Proceeds do not exceed the Tier 1 Proceeds Amount, Proceeds from each Going Concern Sale shall be applied proportionally until total Proceeds exceed the Tier 1 Proceeds Amount.

For illustrative purposes only, in the event that (i) the Tier 1 Proceeds Amount is \$1,000,000, and the Tier 2 Proceeds Amount is at least \$1,500,001; (ii) Non-Going Concern Proceeds total \$500,000; (iii) \$500,000 of Proceeds are received on account of a Going Concern Sale of asset A; and (iv) \$500,000 of Proceeds are received on account of a second Going Concern Sale of asset B; then, for the purposes of calculating the Going Concern Bonus only, the Debtors shall be deemed to have received \$500,000 in excess of the Tier 1 Proceeds Amount (but less than the Tier 2 Proceeds Amount) — \$250,000 of which is attributable to each Going Concern Sale, and the Going Concern Bonus shall be \$5,000 (\$2,500 of which is attributable to

the Going Concern Sale of asset A, and \$2,500 of which is attributable to the Going Concern Sale of asset B).

F. To the extent an Asset Disposition is accomplished through a credit bid of the Junior Lenders or Renco, in a circumstance where the assets that are subject to such Asset Disposition are also the subject of a bid from a third party, that, if accepted, would have generated Proceeds to fund the Bonus Pool and the Going Concern Account, the Junior Lenders or Renco (as applicable) shall fund the Bonus Pool and the Going Concern Account (pending the allocation of such funds pursuant to the terms hereof) in amounts equal to the amounts that would have been funded into the Bonus Pool and the Going Concern Account had the third party bid been accepted and consummated.

G. Upon a Participant's receipt in full of his allocation of the Junior Lender Bonus Pool Amount, such Participant shall be deemed to release any and all claims against the Company for severance, bonus or similar incentive payments under any applicable employment agreement, prior policies, plans and other bonus arrangements of the Company.

EH. All Asset Dispositions shall be subject to the approval of the Bankruptcy Court and nothing herein shall be construed or applied to impede the jurisdiction of the Bankruptcy Court over dispositions of the Debtors assets.

SECTION 3.

LIMITS ON AMENDMENT OR TERMINATION

3.1. The Board may amend this Plan at any time including to name new participants; provided, however, that the Board may not amend this Plan: (a) to increase the amount of the Bonus Pool or the Going Concern Bonus without further approval by the Bankruptcy Court, (b) to change the definition of "Junior Lender Bonus Pool Amount" without the written consent of the Junior Lenders, (bc) to change the definition of "Renco Bonus Pool Amount" without the written consent of Renco, or (ed) in any manner that adversely affect the rights of any Participant without his written consent, except in the case of this clause (ed) to the extent necessary for the Board to comply with its fiduciary duties.

3.2 Subject to the last sentence of this Section 3.2, prospectively, the Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on December 31, 2012. Following any suspension or termination of the Plan, the Plan shall remain in effect for the purpose of governing all awards then outstanding hereunder until such time as all awards under the Plan have been terminated, forfeited, or otherwise canceled, or earned, exercised, settled, or otherwise paid out in accordance with their terms.

SECTION 4.

ADMINISTRATION OF THE PLAN

4.1. The Plan shall be administered by the CRO (the "Plan Administrator") in consultation with the Board except as otherwise set forth herein.

4.2. The Plan Administrator shall not be personally liable by reason of any action taken in his capacity as Plan Administrator nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each employee, officer or director of

the Company, including the Plan Administrator, to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any reasonable cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith.

SECTION 5.

MISCELLANEOUS

5.1. Neither the establishment of the Plan nor any action of the Company or the Plan Administrator shall be held or construed to confer upon any person any legal right to continued service with any of the Debtors. If a Participant's services are terminated for Cause or the Participant voluntarily terminates his services under the Employment Agreement, the Company shall have no obligation to make any future payments under this Plan to such person.

5.2. Benefits payable under the Plan shall not be subject to assignment, alienation, transfer, pledge, encumbrance, commutation or anticipation by any Participant. Any attempt to assign, alienate, transfer, pledge, encumber, commute or anticipate Plan benefits shall be void. In addition, no rights or interest under the Plan shall be in any manner subject to levy, attachment or other legal process to enforce payment of any claim against any Participant except to the extent required by law.

5.3. Except as otherwise provided herein and subject to applicable bankruptcy law, the Plan shall be binding upon, inure to the benefit of and be enforceable (a) by the Company, and (b) the Participants and their respective heirs, legal representatives, successors and assigns solely as against the Company.

5.4. This Plan shall be governed by and construed in accordance with the laws of the State of Delaware (without reference to rules relating to conflicts of laws), except to the extent superseded by applicable federal law.

5.5. Any action required or permitted to be taken by the Company under this Plan shall be taken by the Board or by the Plan Administrator, or any designee of the Plan Administrator pursuant to Section 4, in each case subject to the limits on amendment and termination contained in Section 3 hereof.

* * *

IN WITNESS WHEREOF, the undersigned Company has caused this Plan to be executed by its officers hereunto duly authorized as of the Effective Date.

RG STEEL, LLC

By: _____
Title: _____

Schedule 1

Participant	Title	Bonus Pool Percentage
John Goodwin*	President and Chief Executive Officer	REDACTED
Rich Caruso*	Vice President and Chief Financial Officer	
Dave Pryzbylski*	Vice President and Chief Administrative Officer	
Mark Whalen*	Vice President and Chief Operating Officer	
Tom Cera (the "Wheeling/Warren Manager")	Vice President and General Manager of Warren and Wheeling	
Jeff Gennuso	Corporate Controller	
Howie Japlon*	Vice President and General Counsel	
George Lukes	Vice President of Quality Assurance and Business Planning	
Glen Mikaloff (the "Sparrows Point Manager")	Vice President and General Manager of Sparrows Point	
Jerry Nelson*	Vice President and Chief Commercial Officer	

* — Denotes Participants that are officers of the Debtors.

~~To be filed under seal~~

Exhibit A

RG STEEL, LLC
INCENTIVE COMPENSATION PLAN
PARTICIPATION AGREEMENT

Participant Name: _____

Pursuant to the terms of this Participation Agreement and the RG Steel, LLC Incentive Compensation Plan (the "Plan"), you have been selected to participate in the Plan. By execution of this Participation Agreement, you agree to be bound by the terms of this Agreement and the Plan, which you acknowledge receipt of, and agree to accept all decisions of the Plan Administrator made in accordance with such terms. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

For purposes of the Plan, your Bonus Pool percentage shall be ____%.

In the event that your employment or service is terminated for any reason (other than by any of the Debtors without Cause (as defined in your ~~[Consulting or]~~ Employment Agreement, as applicable¹)) ~~[if an employee doesn't have an agreement, we need to define Cause in this agreement]~~, you shall be ineligible to receive any future payments under the Plan and the Company shall have no further obligations to you with respect to the Plan. In the event that your employment or service is terminated by any of the Debtors without Cause, you shall be entitled to receive payments following the date of such termination in accordance with the terms of the Plan. Upon receipt in full of your allocation of the Junior Lender Bonus Pool Amount, you shall be deemed to release any and all claims against the Company for severance, bonus or similar incentive payments under any applicable employment agreement, prior policies, plans and other bonus arrangements of the Company.

RG STEEL, LLC

By: _____

Title:

AGREED AND ACCEPTED THIS ____ DAY OF _____, 2012:

Signature

¹ If no applicable Employment Agreement exists, "Cause" means one or more of the following: (a) the Participant's material breach of this Participation Agreement which the Participant fails to cure within thirty (30) days after receiving written notice from the Company of the Cause event; (b) the Participant's gross negligence or willful misconduct in the performance of his material obligations under this Participation Agreement; or (c) the Participant's gross malfeasance, gross misfeasance, or gross nonfeasance.

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Print Name: _____

Document comparison by Workshare Compare on Tuesday, July 17, 2012
12:15:23 PM

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Description	#8007570v23<NewYork> - RG MIP - Post-Filing
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
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Padding cell	

Statistics:	
	Count
Insertions	79
Deletions	46
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	127

Exhibit C

Revised Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
In re : Chapter 11
 :
WP Steel Venture LLC, et al.,¹ : Case No. 12-11661 (KJC)
 :
Debtors. : (Jointly Administered)
 : RE: D.I. 461
-----X

**ORDER AUTHORIZING PAYMENT OF INCENTIVE PAY TO
KEY MEMBERS OF MANAGEMENT PURSUANT TO SECTIONS
105(a), 363(b)(1) and 503(c)(3) OF THE BANKRUPTCY CODE**

Upon consideration of the motion (the “**Motion**”) of the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) for entry of an order, pursuant to sections 105(a), 363(b)(1) and 503(c)(3) of title 11 of the United States Code (the “**Bankruptcy Code**”), authorizing, but not directing, payment of incentive pay to certain of the Debtors’ key members of management; and upon the Declaration of Donald S. Mackenzie In Support of Debtors’ Motion for Order Authorizing the Payment of Incentive Pay to Key Members of Management Pursuant to sections 105(a), 363(b)(1) and 503(c)(3) of the Bankruptcy Code (D.I. 462); and due and sufficient notice of the Motion having been given; and it appearing that the relief requested by this Motion is in the best interest of the Debtors, their estates and creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby

¹ If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors’ executive headquarters’ address is 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.

ORDERED, ADJUDGED, and DECREED that:

1. The Motion is granted.
2. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.
3. The MIP is approved in all respects.
4. Pursuant to sections 105(a), 363(b) and 503(c)(3) of the Bankruptcy Code, the Debtors are authorized to: (a) adopt and implement the MIP; (b) make payments consistent with the MIP; and (c) take such other actions as may be necessary to implement the MIP, including, without limitation, designing and/or altering the MIP (subject to the terms and conditions thereof), in any manner necessary to comply with applicable law.
5. The authorization granted hereby to make payments to the Key Managers under the MIP shall not create any obligation on the part of the Debtors or the DIP Lenders or their respective officers, directors, attorneys or agents to make payments under the MIP and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to honor the MIP.
6. Compensation that the Debtors have determined, in their sole discretion, to award to the Key Managers pursuant to the MIP shall be treated in the Debtors' chapter 11 cases as allowed administrative expenses in accordance with section 503 of the Bankruptcy Code.
7. Neither this Order nor any payment or performance by the Debtors authorized hereunder shall be deemed an assumption of any executory contract or otherwise affect the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract.

8. No funds shall be deposited into the Bonus Pool until any and all principal, interest, fees, costs, expenses and other amounts due and owing under the Ratification Agreement and Senior Credit Agreement have been paid in full in cash or otherwise satisfied in a manner satisfactory to the agents and lenders thereunder.

9. The Junior Lender Bonus Pool Amount shall be remitted to the Bonus Pool contemporaneously with the distribution of any Proceeds to the Junior Lenders on account of the Junior Lenders' claims under the Junior Credit Agreement; provided, further, that the Debtors may, in their discretion, reduce any such distribution of Proceeds by the appropriate Junior Lender Bonus Pool Amount and fund the Bonus Pool directly.

10. The Renco Bonus Pool Amount shall be remitted to the Bonus Pool contemporaneously with the distribution of any Proceeds to Renco on account of Renco's claims under the Renco Subordinated Notes; provided, further, that the Debtors may, in their discretion, reduce any such distribution of Proceeds by the appropriate Renco Bonus Pool Amount and fund the Bonus Pool directly.

11. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

12. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: Wilmington, Delaware
_____, 2012

THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

Exhibit D

Blackline of Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
In re : Chapter 11
: :
WP Steel Venture LLC, et al.,¹ : Case No. 12-11661 (KJC)
: :
Debtors. : (Jointly Administered)
: RE: D.I. _____461
-----X

**ORDER AUTHORIZING PAYMENT OF INCENTIVE PAY TO
KEY MEMBERS OF MANAGEMENT PURSUANT TO SECTIONS
105(a), 363(b)(1) and 503(c)(3) OF THE BANKRUPTCY CODE**

Upon consideration of the motion (the “**Motion**”) of the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) for entry of an order, pursuant to sections 105(a), 363(b)(1) and 503(c)(3) of title 11 of the United States Code (the “**Bankruptcy Code**”), authorizing, but not directing, payment of incentive pay to certain of the Debtors’ key members of management; and upon the Declaration of Donald S. Mackenzie In Support of Debtors’ Motion for Order Authorizing the Payment of Incentive Pay to Key Members of Management Pursuant to sections 105(a), 363(b)(1) and 503(c)(3) of the Bankruptcy Code (D.I. _____462); and due and sufficient notice of the Motion having been given; and it appearing that the relief requested by this Motion is in the best interest of the Debtors, their estates and creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby

¹ If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors’ executive headquarters’ address is 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.

ORDERED, ADJUDGED, and DECREED that:

1. The Motion is granted.
2. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.
3. The MIP is approved in all respects.
4. Pursuant to sections 105(a), 363(b) and 503(c)(3) of the Bankruptcy Code, the Debtors are authorized to: (a) adopt and implement the MIP; (b) make payments consistent with the MIP; and (c) take such other actions as may be necessary to implement the MIP, including, without limitation, designing and/or altering the MIP (subject to the terms and conditions thereof), in any manner necessary to comply with applicable law.
5. The authorization granted hereby to make payments to the Key Managers under the MIP shall not create any obligation on the part of the Debtors or the DIP Lenders or their respective officers, directors, attorneys or agents to make payments under the MIP and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to honor the MIP.
6. Compensation that the Debtors have determined, in their sole discretion, to award to the Key Managers pursuant to the MIP shall be treated in the Debtors' chapter 11 cases as allowed administrative expenses in accordance with section 503 of the Bankruptcy Code.
7. Neither this Order nor any payment or performance by the Debtors authorized hereunder shall be deemed an assumption of any executory contract or otherwise affect the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract.

8. No funds shall be deposited into the Bonus Pool until any and all principal, interest, fees, costs, expenses and other amounts due and owing under the Ratification Agreement and Senior Credit Agreement have been paid in full in cash or otherwise satisfied in a manner satisfactory to the agents and lenders thereunder.

9. The Junior Lender Bonus Pool Amount shall be remitted to the Bonus Pool contemporaneously with the distribution of any Proceeds to the Junior Lenders on account of the Junior Lenders' claims under the Junior Credit Agreement; provided, further, that the Debtors may, in their discretion, reduce any such distribution of Proceeds by the appropriate Junior Lender Bonus Pool Amount and fund the Bonus Pool directly.

10. The Renco Bonus Pool Amount shall be remitted to the Bonus Pool contemporaneously with the distribution of any Proceeds to Renco on account of Renco's claims under the Renco Subordinated Notes; provided, further, that the Debtors may, in their discretion, reduce any such distribution of Proceeds by the appropriate Renco Bonus Pool Amount and fund the Bonus Pool directly.

11. ~~8.~~ Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

12. ~~9.~~ This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: Wilmington, Delaware
_____, 2012

THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

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