

# **EXHIBIT A**

## **Plan with Technical Amendments**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

IN RE:	)	Chapter 11
	)	
ROUGE INDUSTRIES, INC., et al.,	)	Case No. 03-13272 (MFW)
	)	
Debtors.	)	Jointly Administered
	)	

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**JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE  
BANKRUPTCY CODE OF THE DEBTORS AND THE OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS (WITH TECHNICAL AMENDMENTS)**

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Dated: April 20, 2009

PURSUANT TO SECTION 1125 OF TITLE 11 OF THE UNITED STATES CODE, NOTHING CONTAINED IN THIS PLAN SHOULD BE CONSTRUED AS CONSTITUTING A SOLICITATION OF ACCEPTANCES OF THIS PLAN UNTIL SUCH TIME AS THE RELATED DISCLOSURE STATEMENT (AS DEFINED HEREIN) HAS BEEN APPROVED BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE AND DISTRIBUTED, WITH APPROPRIATE BALLOTS, TO ALL HOLDERS OF IMPAIRED CLAIMS AGAINST THE DEBTORS ENTITLED TO VOTE ON THIS PLAN. THE PLAN PROPONENTS RESERVE THE RIGHT TO FILE AMENDMENTS AND/OR MODIFICATIONS TO THE PLAN AND THE DISCLOSURE STATEMENT FROM TIME TO TIME UNTIL A DISCLOSURE STATEMENT AND PLAN PROPOSED BY THE PLAN PROPONENTS ARE APPROVED BY THE BANKRUPTCY COURT. REFERENCE IS MADE TO SUCH DISCLOSURE STATEMENT FOR A DISCUSSION OF VOTING INSTRUCTIONS, RECOVERY INFORMATION, CLASSIFICATION, THE DEBTORS' HISTORY, BUSINESS, PROPERTIES, RESULTS OF OPERATIONS AND A SUMMARY AND ANALYSIS OF THIS PLAN. ALL CLAIMANTS AND EQUITY INTEREST HOLDERS ARE HEREBY ADVISED AND ENCOURAGED TO READ THE DISCLOSURE STATEMENT AND THIS PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN.

THIS PLAN AND THE DISCLOSURE STATEMENT HAVE NOT BEEN REQUIRED TO BE PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NONBANKRUPTCY LAW. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OF THE DEBTORS SHOULD EVALUATE THIS PLAN IN LIGHT OF THE PURPOSES FOR WHICH IT WAS PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTUAL, THREATENED OR POTENTIAL ACTIONS, THIS PLAN AND THE DISCLOSURE STATEMENT SHALL NOT BE DEEMED OR CONSTRUED AS AN ADMISSION, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

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

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**JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE  
BANKRUPTCY CODE OF THE DEBTORS AND THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS**

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Rouge Industries, Inc., Rouge Steel Company, QS Steel Inc., and Eveleth Taconite Company, debtors and debtors-in-possession, and the Official Committee of Unsecured Creditors appointed in these cases hereby jointly propose the following joint plan of liquidation pursuant to section 1121(a) of the Bankruptcy Code. Reference is made to the Disclosure Statement for a discussion of, among other things, the Debtors' history, business, historical financial information and properties, and for a summary and analysis of the Plan. All creditors entitled to vote on the Plan should review the Disclosure Statement before voting to accept or reject the Plan. In addition, there are other agreements and documents which are referenced in the Plan and/or the Disclosure Statement. No solicitation materials, other than the Disclosure Statement and related materials transmitted therewith and approved by the Bankruptcy Court, have been authorized by the Bankruptcy Court for use in soliciting acceptances or rejections of the Plan.

**ARTICLE I.  
DEFINITIONS, RULES OF INTERPRETATION,  
COMPUTATION OF TIME AND GOVERNING LAW**

**A. Rules of Interpretation, Computation of Time and Governing Law**

1. For purposes of the Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neutral gender shall include the masculine, feminine and the neutral gender; (b) any reference in the Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or exhibit filed, or to be filed, shall mean such document or exhibit, as it may have been or may be amended, modified or supplemented; (d) unless otherwise specified, all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (e) the words "herein" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (h) any term used in capitalized form in the Plan that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

2. Except as otherwise specifically provided herein, in computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

3. Except to the extent that the Bankruptcy Code or Bankruptcy Rules are applicable, and subject to the provisions of any contract, instrument, release, indenture or other agreement or document entered into in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, in which the Bankruptcy Court resides, without giving effect to the principles of conflict of laws thereof.

4. The terms of this Plan reflect extensive negotiations among the Debtors, the Creditors' Committee and parties in interest in the Chapter 11 Cases, and the Plan constitutes a good faith compromise of Claims and controversies relating to the contractual, legal and subordination rights that a Holder of a Claim may have with respect thereto, or any distribution to be made on account of such an Allowed Claim. Accordingly, no inference shall arise against the Debtors, the Estates, the Creditors' Committee, the Liquidation Trust, the Liquidation Trustee or the Plan Committee for purpose of construction and interpretation of this Plan.

## **B. Defined Terms**

Unless the context otherwise requires, the following terms shall have the meanings ascribed to them below when used in capitalized form herein:

1. *Administrative Claim* means a Claim against any Debtor for payment of an administrative expense of a kind specified in section 503(b) or 1114(e)(2) and entitled to priority under section 507(a)(1) of the Bankruptcy Code, including but not limited to: (a) the actual, necessary costs and expenses, incurred after the Petition Date, of preserving the Estates of any of the Debtors and operating the businesses of any of the Debtors, including wages, salaries, or commissions for services rendered after the Petition Date; (b) Professional Fee Claims; (c) all fees and charges assessed against the Estates under 28 U.S.C. § 1930; (d) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order under section 546(c)(2)(A) of the Bankruptcy Code; and (e) all obligations designated as Allowed Administrative Claims pursuant to a Final Order of the Bankruptcy Court.

2. *Administrative Claim Plan Bar Date* means the last date by which a request for payment of an Administrative Claim may be filed on account of an Administrative Claim incurred at any time during the period commencing February 1, 2004 and continuing through and including the Effective Date. The Administrative Claim Plan Bar Date is the date that is thirty (30) days after the Effective Date.

3. *Affiliate Debtors* means all of the Debtors, except Rouge Industries.

4. *Allowed* means, with respect to any Claim or Equity Interest, except as otherwise provided herein, any of the following: (a) a Claim or Equity Interest that has been scheduled by the Debtors in their Schedule of Assets and Liabilities as other than disputed, contingent or unliquidated and in an amount greater than zero and as to which (i) neither any Debtor nor any other party in interest has filed an objection by the Claims Objection Deadline or (ii) no contrary proof of Claim has been filed; (b) a Claim or Equity Interest that either is not a



Disputed Claim or Equity Interest or has been allowed by a Final Order; (c) a Claim or Equity Interest that is allowed (i) in any stipulation with the Debtors of the amount and nature of such Claim executed prior to the Confirmation Date and approved by the Bankruptcy Court, (ii) in any stipulation with the Debtors of the amount and nature of such Claim executed on or after the Confirmation Date and, to the extent necessary, approved by the Bankruptcy Court; or (iii) in any contract, instrument, indenture or other agreement entered into or assumed in connection with the Plan; (d) a Claim relating to a rejected executory contract or unexpired lease that (i) is not a Disputed Claim or (ii) has been allowed by a Final Order; or (e) a Claim or Equity Interest that is allowed pursuant to the terms of the Plan.

5. *Available Cash* means all Cash held by the Liquidation Trust as of the date ten (10) Business Days prior to any Periodic Distribution Date, other than Restricted Cash.

6. *Avoidance Action* means a claim, right or cause of action accruing under sections 506(c), 542, 543, 544, 545, 547, 548, 550, 551, 552 and 553 of, or any other avoidance actions under the Bankruptcy Code or relevant state law, which may be asserted by or on behalf of any of the Debtors.

7. *Ballot* means the ballot distributed to each eligible claimant by the Person so designated by the Bankruptcy Court, on which ballot such claimant may, inter alia, vote for or against the Plan.

8. *Bankruptcy Code* means title 11 of the United States Code, as now in effect or hereafter amended, to the extent that such amendments apply to the Chapter 11 Cases.

9. *Bankruptcy Court* means the United States Bankruptcy Court for the District of Delaware, having jurisdiction over the Chapter 11 Cases and, to the extent of any reference made under section 157 of title 28 of the United States Code, the unit of such District Court having jurisdiction over the Chapter 11 Cases under section 151 of title 28 of the United States Code.

10. *Bankruptcy Rules* means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended, to the extent that such amendments apply to the Chapter 11 Cases.

11. *Business Day* means any day except a Saturday, Sunday, or "legal holiday" as such term is defined in Bankruptcy Rule 9006(a).

12. *Cash* means cash and cash equivalents, including, but not limited to, bank deposits, checks, and other similar items.

13. *Cause of Action* means any and all claims, actions, proceedings, causes of action, Avoidance Actions, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and Claims, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise, that any Debtor and/or Estate may

hold against any Person. A non-exclusive list of Causes of Action is annexed as Exhibit A hereto.

14. *Chapter 11 Cases* means the jointly administered cases under chapter 11 of the Bankruptcy Code commenced by each of the Debtors on October 23, 2003, in the Bankruptcy Court and styled *In re Rouge Industries, Inc., et al.*, Case No. 03-13272 (MFW) (Jointly Administered).

15. *Claim* means a claim against any Debtor, whether or not asserted, known or unknown, as such term is defined in section 101(5) of the Bankruptcy Code. Pursuant to Bankruptcy Rule 3003(c)(4), a proof of claim or interest filed in accordance with Bankruptcy Rule 3003 and any Final Order of the Bankruptcy Court supersedes any scheduling of that claim or interest on the Debtors' Schedules of Assets and Liabilities pursuant to section 521(1) of the Bankruptcy Code.

16. *Claims Agent* means Rust Consulting, Inc., or such other Person as may be appointed by the Bankruptcy Court pursuant to section 156(c) of title 28 of the United States Code.

17. *Claims Objection Deadline* means the last day for filing objections to Claims, which day shall be the later of: (a) one hundred eighty (180) days after the Effective Date; (b) sixty (60) days after the filing of a proof of claim for, or request for payment of, such Claim, or an amendment of a previously filed proof of claim for, or request for payment of, such Claim; and (c) such later date as the Bankruptcy Court may order. The Claims Objection Deadline may be extended upon motion of the Liquidation Trustee, without notice or hearing.

18. *Class* means a group of Claims or Equity Interests classified by the Plan pursuant to section 1122(a)(1) of the Bankruptcy Code.

19. *Collateral* means any property or interest in property of the Estate of any Debtor subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance or otherwise invalid under the Bankruptcy Code or other applicable law.

20. *Confirmation Date* means the date the Bankruptcy Court enters the Confirmation Order on its docket.

21. *Confirmation Hearing* means the hearing to be held by the Bankruptcy Court regarding confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

22. *Confirmation Order* means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

23. *Creditors' Committee* means the statutory committee of unsecured creditors appointed by the Office of the United States Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

24. *Debtors* means Rouge Industries, Rouge Steel Company, QS Steel Inc., and Eveleth Taconite Company.

25. *Director/Officer Order* means that certain Order Authorizing Debtors And Debtors In Possession To Defend And Indemnify Postpetition Directors And Officers Pursuant To Section 363 Of The Bankruptcy Code, dated August 26, 2004 (D.I. 732).

26. *Disallowed Claim* means a Claim, or any portion thereof, that (a) has been disallowed by a Final Order; (b) is Scheduled at zero or Scheduled as contingent, disputed or unliquidated and as to which no proof of claim was filed by the Existing Bar Date or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or (c) is not Scheduled and as to which no proof of claim was filed by the Existing Bar Date or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court.

27. *Disbursing Agent* means the Liquidation Trustee or any other Person designated by the Liquidation Trustee to serve as disbursing agent under the Plan.

28. *Disclosure Statement* means the Disclosure Statement that relates to this Plan and is approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, as such Disclosure Statement may be amended, modified, or supplemented (and all exhibits and schedules annexed thereto or referred to therein).

29. *Disputed* means, with respect to any Claim which has not been Allowed pursuant to the Plan or Final Order: (a) if no proof of Claim or request for payment of an Administrative Claim with respect to such Claim has been filed or deemed filed by the Existing Bar Date or any applicable filing deadline fixed by Bankruptcy Code, this Plan or Final Order of the Bankruptcy Court, (i) a Claim that has been or hereafter is listed on the Schedule of Assets and Liabilities as disputed, contingent or unliquidated, or (ii) a Claim that has been or hereafter is listed on the Schedule of Assets and Liabilities as other than disputed, contingent or unliquidated, but as to which the Debtors or any other authorized Person has interposed an objection or request for estimation which has not been withdrawn or determined by a Final Order; or (b) if a proof of Claim or request for payment of an Administrative Claim with respect to such Claim has been filed or deemed filed by the Existing Bar Date or any applicable filing deadline fixed by Bankruptcy Code, this Plan or Final Order of the Bankruptcy Court, (i) a Claim for which no corresponding Claim has been or hereafter is listed on the Schedule of Assets and Liabilities, (ii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedule of Assets and Liabilities as other than disputed, contingent or unliquidated, but the priority or secured status of the Claim as asserted in the proof of claim varies from the priority or secured status of such Claim as listed on the Schedule of Assets and Liabilities, (iii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedule of Assets and Liabilities as other than disputed, contingent or unliquidated, but the amount of the Claim as asserted in the proof of claim varies materially from the amount of such Claim as listed on the Schedule of Assets and Liabilities, (iv) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedule of Assets and Liabilities as disputed, contingent or unliquidated, (v) a Claim for which a timely objection or request for estimation is interposed by the Debtors or any other authorized Person which has not been withdrawn or determined by a

Final Order or (vi) any Tort Claim. For the avoidance of doubt, a timely filed Claim will not be deemed a Disputed Claim solely by reason of an objection to such Claim that is filed after the Claims Objection Deadline.

30. *Disputed Claims Reserve* means the reserve established and maintained by the Liquidation Trustee in accordance with Article VII hereof.

31. *Distribution Address* means the address set forth in the relevant proof of claim or request for payment of an administrative expense. If no proof of claim is filed with respect to a particular Claim, such defined term means the address set forth in the Schedule of Assets and Liabilities or register maintained for registered securities.

32. *Distribution Record Date* means the record date for purposes of making distributions under the Plan on account of Allowed Claims, which date shall be the Confirmation Date or such other date designated in the Confirmation Order or any subsequent order of the Bankruptcy Court.

33. *Effective Date* means: (a) if no stay of the Confirmation Order is in effect, the first Business Day after the date all of the conditions set forth in Article XI hereof have been satisfied or waived as set forth in Section XI.C hereof; or (b) if a stay of the Confirmation Order is in effect, on the first Business Day after the later of (i) the date such stay is vacated or any appeal, rehearing, remand or petition for certiorari is resolved in a manner that does not reverse or materially modify the Confirmation Order, and (ii) the date each condition set forth in Section XI.B hereof has been satisfied or waived as set forth in Section XI.C hereof.

34. *Equity Interest* means the interest of any Holder of an equity security of any of the Debtors represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership interest in any of the Debtors, whether or not transferable, or any option, warrant or right, contractual or otherwise, to acquire any such interest. For purposes of voting and distributions under the Plan, the defined term Equity Interest shall include a Claim against any Debtor that is subject to subordination under section 510(b) of the Bankruptcy Code and: (a) arises from rescission of a purchase or sale of any Equity Interest in any Debtor; (b) arises from damages resulting from the purchase or sale of any such security; or (c) is for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of a Claim of the type described in clause (a) or (b) of this sentence.

35. *ERISA* means the Employee Retirement Income Security Act of 1974, as amended.

36. *Estate(s)* means individually, the Estate of each Debtor in the Chapter 11 Cases, and, collectively, the Estates of all Debtors in the Chapter 11 Cases, created pursuant to section 541 of the Bankruptcy Code upon commencement of the Chapter 11 Cases.

37. *Existing Bar Date* means the applicable date in the Chapter 11 Cases designated by the Bankruptcy Court (a) as the last date for filing proofs of Claim and (b) as the last date for filing requests for payment of Administrative Expenses incurred on or before January 30, 2004. The Existing Bar Date for Persons other than "governmental units" (as defined in section 101(27) of the Bankruptcy Code) is April 5, 2004, at 4:00 p.m. (Eastern

Time). The Existing Bar Date for “governmental units” is April 30, 2004, at 4:00 p.m. (Eastern Time).

38. *Final Order* means an order or judgment of the Bankruptcy Court, as entered on the docket of the Bankruptcy Court, that has not been reversed, stayed, modified, or amended, and as to which: (a) the time to appeal, seek review or rehearing or petition for certiorari has expired and no timely filed appeal or petition for review, rehearing, remand or certiorari is pending; or (b) any appeal taken or petition for certiorari filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought, provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or other rules governing procedure in cases before the Bankruptcy Court, may be filed with respect to such order shall not cause such order not to be a Final Order.

39. *Holdback Amount* means the amount equal to twenty percent (20%) of fees billed to the Debtors for a given month that were retained by the Debtors as a holdback on payment of professional Fee Claims pursuant to the Professional Fee Order.

40. *Holdback Reserve* means the Cash to be reserved in an amount sufficient to fund all Professional Fee Claims, including but not limited to an amount sufficient to pay (a) all unpaid Holdback Amounts and other expenses billed by Professionals prior to the Effective Date, (b) all outstanding fee applications of Professionals not ruled upon by the Bankruptcy Court as of the Effective Date and (c) the estimated aggregate amount of all reasonable fees and expenses due Professionals for periods that have not been billed as of the Effective Date.

41. *Holder* means a Person holding an Equity Interest or a Claim.

42. *Impaired* when used with reference to a Claim, Equity Interest or a Class, means a Claim, Equity Interest or a Class that is impaired within the meaning of section 1124 of the Bankruptcy Code.

43. *Initial Class 3 Distribution Amount* means the amount of Cash equal to the aggregate Pro Rata Cash to which Holders of Allowed Class 3 Unsecured Claims are entitled as of the Effective Date, which shall be subject to the appropriate Reserves.

44. *Initial Class 4 Distribution Amount* means the amount of Cash equal to the aggregate Pro Rata Cash to which Holders of Allowed Class 4 PBGC Unsecured Claims are entitled as of the Effective Date, which shall be subject to the appropriate Reserves.

45. *Initial Class 5 Distribution Amount* means the amount of Cash equal to the aggregate Pro Rata Cash to which Holders of Allowed Class 5 UAW Unsecured Rejection Claims are entitled as of the Effective Date, which shall be subject to the appropriate Reserves.

46. *Initial Distribution Date* means the date upon which initial distributions are made by the Disbursing Agent to Holders of Allowed Claims entitled to receive distributions under the Plan.

47. *Insured Claim* means any Claim or portion of a Claim that is insured under the Debtors' insurance policies, but only to the extent of such coverage.

48. *Intercompany Claim* means (a) any Claim held by a Debtor against another Debtor, including, without limitation, (i) any account reflecting intercompany book entries by a Debtor with respect to another Debtor, (ii) any Claim not reflected in such book entries that is held by a Debtor against another Debtor, and (iii) any derivative Claim asserted by or on behalf of one Debtor against another Debtor; and (b) any Subsidiary Interests.

49. *Lien* has the meaning ascribed to such term in section 101(37) of the Bankruptcy Code (but a lien that has or may be avoided pursuant to any claim, right or cause of action accruing or incorporated under chapter 5 of the Bankruptcy Code shall not constitute a Lien).

50. *Liquidation Trust* means the liquidating trust established pursuant to Section VI.B hereof and the Liquidation Trust Agreement.

51. *Liquidation Trust Agreement* means that certain agreement establishing and delineating the terms of the Liquidation Trust, substantially in the form to be filed as part of the Plan Supplement.

52. *Liquidation Trust Assets* means all property and interests in property of the Debtors and their Estates, including, but not limited to, all Cash and all Causes of Action, and the proceeds thereof. On the Effective Date, the Liquidation Trust Assets shall be transferred to the Liquidation Trust.

53. *Liquidating Trustee or Liquidation Trustee* means the trustee of the Liquidation Trust appointed pursuant to this Plan and the Liquidation Trust Agreement. The initial Liquidation Trustee shall be Steven L. Victor.

54. *Net Proceeds* means the Cash consideration received from the sale, transfer or collection of property of the Debtors, property of their Estates or Liquidation Trust Assets, as the case may be, or the conversion of such property to Cash in some other manner as contemplated in this Plan, whether occurring prior to or after the Effective Date, less the reasonable, necessary and customary expenses attributable to such sale, transfer, collection or conversion, including costs of curing defaults under executory contracts that are assigned, paying personal property or other taxes accruing in connection with such sale, transfer, collection or conversion of such property, brokerage fees and commissions, collection costs, reasonable attorneys' fees and expenses and any applicable taxes or other claims of any governmental authority in connection with such property and any escrows or accounts established to hold funds for purchase price adjustments, indemnification claims, or other purposes in connection with such sale, transfer, collection or conversion.

55. *Old Common Shares* means the class of shares of Rouge Industries designated as its common shares, that were issued and outstanding as of the Petition Date.

56. *Operating Reserve* means the reserve account to be established and maintained by the Liquidation Trustee in which the Liquidation Trustee shall from time to time

deposit Cash to fund, among other things, the expenses of the Liquidation Trust, as set forth more fully in the Liquidation Trust Agreement.

57. *Ordinary Course Professionals* means those professionals authorized to be paid by the Debtors pursuant to that certain order (D.I. 76) entered by the Bankruptcy Court on October 30, 2003, as supplemented or modified.

58. *Other Priority Claim* means any Claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code, other than an Administrative Claim or a Priority Tax Claim.

59. *PBGC* means the Pension Benefit Guaranty Corporation, a United States government agency and corporation, pursuant to Title IV of ERISA.

60. *PBGC Allowed Unsecured Claim* means the allowed Unsecured Claim held by the PBGC against the Debtors' estates in an amount of \$136,000,000.00 as further described and limited in Article IV of the Plan.

61. *PBGC Hourly Plan Unsecured Distribution* means the distribution to the PBGC on account of the PBGC Allowed Unsecured Claim with respect to the Rouge Steel Hourly Plans, in combination.

62. *PBGC Salaried Plan Unsecured Distribution* means the distribution to the PBGC on account of the PBGC Allowed Unsecured Claim with respect to the Rouge Steel Salaried Plans, in combination.

63. *PBGC Reserve* means the reserve established and maintained by the Liquidating Trustee in accordance with Sections III.B.4 and VI.J.5 hereof. Upon the occurrence of a termination or assumption in accordance with Section III.B.4 hereof, the Liquidating Trustee shall make the appropriate distribution from the PBGC Reserve.

64. *Periodic Class 3 Distribution Amount* means, with respect to each Periodic Distribution Date, the amount of Cash equal to the aggregate Pro Rata amount of Available Cash and/or other consideration, including Net Proceeds from the Causes of Action, to which Holders of Allowed Unsecured Claims are entitled.

65. *Periodic Class 4 Distribution Amount* means, with respect to each Periodic Distribution Date, the amount of Cash equal to the aggregate Pro Rata amount of Available Cash and/or other consideration, including Net Proceeds from the Causes of Action, to which Holders of Allowed PBGC Unsecured Claims are entitled.

66. *Periodic Class 5 Distribution Amount* means, with respect to each Periodic Distribution Date, the amount of Cash equal to the aggregate Pro Rata amount of Available Cash and/or other consideration, including Net Proceeds from the Causes of Action, to which Holders of Allowed UAW Unsecured Rejection Claims are entitled.

67. *Periodic Distribution Date* means (a) the Initial Distribution Date, as of the first distribution made by the Liquidation Trust or (b) after the Initial Distribution Date, the first Business Day occurring ninety (90) days after the immediately preceding Periodic Distribution

Date or such other Business Day selected by the Liquidation Trustee, in its sole and absolute discretion.

68. *Person* has the meaning set forth in section 101(41) of the Bankruptcy Code.

69. *Petition Date* means October 23, 2003.

70. *Plan* means the Plan Proponents' Joint Plan Of Liquidation Under Chapter 11 Of The Bankruptcy Code, dated as of the date set forth on the first page hereof, and as may be amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the terms hereof.

71. *Plan Committee* means the committee that may be created pursuant to Section VI.C hereof for the purpose of advising the Liquidation Trustee in accordance with the Plan and the Liquidation Trust Agreement.

72. *Plan Supplement* means the form of documents, including the Liquidation Trust Agreement and the list of Plan Committee members, specified by the Plan that the Debtors will file with the Bankruptcy Court on or before the date that is (a) five (5) days prior to the Confirmation Hearing or (b) set by the Bankruptcy Court for the filing of such documents and forms of documents.

73. *Plan Proponents* means the Debtors and the Creditors' Committee.

74. *Priority Claims Estimate* means, as of the Effective Date, the estimated amount, exclusive of Professional Fee Claims, of all Claims that will be Allowed Administrative Claims, Allowed Priority Tax Claims and Allowed Other Priority Claims.

75. *Priority Claims Reserve* means the reserve of Cash established and maintained by the Liquidation Trustee for the Holders of Allowed Administrative Claims (exclusive of Holders of Professional Fee Claims, the reserve for which Holders shall be the Holdback Reserve), Allowed Priority Tax Claims, and Allowed Other Priority Claims in an amount equal to the Priority Claims Estimate.

76. *Priority Tax Claim* means a Claim of a governmental unit entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code, but expressly excludes any Claim or demand for a penalty relating to any Priority Tax Claim (other than a penalty of the type specified in section 507(a)(8)(G) of the Bankruptcy Code).

77. *Professional* means any professional employed in the Chapter 11 Cases pursuant to sections 327, 363 or 1103 of the Bankruptcy Code or otherwise under authority granted by the Bankruptcy Court and any professionals seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code, other than Ordinary Course Professionals.

78. *Professional Fee Claim* means a Claim of a Professional pursuant to section 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for compensation or reimbursement



of costs and expenses relating to services performed after the Petition Date and prior to and including the Effective Date.

79. *Professional Fee Estimate* means (a) with respect to any Professional, a good-faith estimate of such Professional's accrued and unpaid Professional Fee Claims to be provided by each Professional in writing to the Debtors prior to the commencement of the Confirmation Hearing, or in the absence of such a writing, to be prepared by the Debtors and (b) collectively, the sum of all individual Professional Fee Estimates.

80. *Professional Fee Order* means that certain Order (D.I. 237) entered by the Bankruptcy Court on December 12, 2003, with respect to the payment of Professionals during the Chapter 11 Cases.

81. *Pro Rata* means proportionately so that with respect to an Allowed Claim, the ratio of (a)(i) the amount of property distributed on account of a particular Allowed Claim to (ii) the amount of that particular Allowed Claim, is the same as the ratio of (b)(i) the amount of property distributed on account of all Allowed Claims of the Class in which the particular Allowed Claim is included to (ii) the amount of all Allowed Claims in that Class.

82. *Reserves* means, collectively, the Disputed Claims Reserve, the Holdback Reserve, the Operating Reserve, the Priority Claims Reserve, and such other reserves as may be deemed necessary by the Liquidation Trustee pursuant to the Plan and the Liquidation Trust Agreement.

83. *Restricted Cash* means the Cash segregated (whether physically or merely on the books and records of the Liquidation Trust) by the Liquidation Trustee to fund the Reserves.

84. *Rouge Industries* means Rouge Industries, Inc., one of the Debtors.

85. *Rouge Steel Hourly Plans* or *Hourly Plans* mean the Rouge Steel Company UAW-Retirement Plan and the Rouge Steel Company UAW-Past Service Retirement Plan.

86. *Rouge Steel Salaried Plans* or *Salaried Plans* mean the Rouge Steel Company Salaried Retirement Plan and the Rouge Steel Company Past Service Retirement Plan.

87. *Schedule of Assets and Liabilities* means, as amended, supplemented or modified, the Debtors' schedules of assets and liabilities filed with the Bankruptcy Court pursuant to sections 521(1) and 1106(a)(2) of the Bankruptcy Code.

88. *Scheduled* means, with respect to any Claim or Equity Interest, the priority, status and amount, if any, of such Claim or Equity Interest as set forth in the Schedule of Assets and Liabilities.

89. *Secured Claim* means: (a) a Claim (other than a Claim in any way arising from or relating to a Claim of a lessor for damages resulting from the termination of a lease of real property) that is secured by a Lien on a property in which any of the Estates has an interest, which Lien is valid, perfected, nonavoidable and enforceable under applicable law or by reason of a Final Order, or that remains subject to setoff under section 553 of the Bankruptcy Code

following the occurrence of the Effective Date, to the extent of the value of the Claim Holder's interest in any of the Estates' interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) a Claim Allowed under the Plan as a Secured Claim.

90. *Severstal* means Severstal North America, Inc.

91. *Severstal Sale* means the sale of substantially all of the Debtors' assets to Severstal North America, Inc., as assignee of OAO Severstal, pursuant to the Order Authorizing (I) Sale Of Substantially All Of The Assets Of The Debtors Free And Clear Of Liens, Claims And Encumbrances, (II) Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases, (III) Assumption Of Certain Liabilities And (IV) Procedures For The Rejection Of Certain Executory Contracts And Leases, dated December 30, 2003 (D.I. 292)

92. *Solicitation Procedures Order* means the Final Order entered by the Court establishing procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan.

93. *Subordinated 510 Claims* means: (a) any Claim subordinated pursuant to section 510(b) of the Bankruptcy Code, which shall include any Claim arising from the rescission of a purchase or sale of any Old Common Shares, any Claim for damages arising from the purchase or sale of any Old Common Shares or any claim for reimbursement, contribution or indemnification on account of any such Claim; (b) any Claim subordinated pursuant to section 510(c) of the Bankruptcy Code; or (c) any Claim for punitive or exemplary damages or for a fine or penalty, to the extent permitted by applicable law.

94. *Subsidiary Interests* means, collectively, the Equity Interests in the respective Affiliate Debtors, including stock or partnership interests, as applicable.

95. *Substantial Contribution Claim* means a Claim under subsections 503(b)(3), (b)(4) or (b)(5) of the Bankruptcy Code for compensation or reimbursement of expenses incurred in making a substantial contribution in the Chapter 11 Cases.

96. *Substantive Consolidation Order* means the order of the Bankruptcy Court, which may be the Confirmation Order, authorizing substantive consolidation of the Estates pursuant to Section VI.A hereof.

97. *Tort Claim* means any Claim related to personal injury, property damage, products liability, wrongful death, employment litigation or similar Claims against any of the Debtors which arise out of events which occurred, in whole or in part, prior to the Petition Date.

98. *Trust Oversight Procedures* shall have the meaning ascribed to such term in Section VI.B.8 of the Plan.

99. *UAW* means International Union, United Automobile Aerospace and Agricultural Implement Workers of America, UAW and its Local 600.

100. *UAW Unsecured Rejection Claim* means the Unsecured Claim asserted by the UAW in the proof of claim dated May 13, 2004, claim number CF001130.

101. *Unimpaired* means, when used with reference to a Claim or Equity Interest, a Claim or Equity Interest that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

102. *Unclassified Claim* means (a) an Administrative Claim or (b) a Priority Tax Claim.

103. *Unsecured Claims* means either: (a) any Claim that is not (1) an Administrative Claim, a Priority Tax Claim, an Other Priority Claim or a Secured Claim or (2) subject to subordination under section 510 of the Bankruptcy Code or recharacterization by the Bankruptcy Court; or (b) any Claim otherwise determined by the Bankruptcy Court to be an Unsecured Claim.

104. *Voting Deadline* means the date and time, as fixed by an order of the Bankruptcy Court and set forth in the Disclosure Statement, by which all Ballots to accept or reject the Plan must be received in order to be counted.

## **ARTICLE II. TREATMENT OF UNCLASSIFIED CLAIMS**

### **A. Administrative Claims**

On, or as soon as reasonably practicable after, the later of the Initial Distribution Date or the first Periodic Distribution Date immediately following the date such Administrative Claim becomes an Allowed Administrative Claim, each Holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, (i) Cash equal to the unpaid portion of such Allowed Administrative Claim or (ii) such other treatment as to which the Debtors or the Liquidation Trustee, as applicable, and such Holder have agreed upon in writing.

### **B. Priority Tax Claims**

On, or as soon as reasonably practicable after, the later of the Initial Distribution Date or the first Periodic Distribution Date immediately following the date such Priority Tax Claims becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim, (i) Cash equal to the unpaid portion of such Allowed Priority Tax Claim, (ii) such other treatment as permitted under the Bankruptcy Code, or (iii) such other treatment as to which the Debtors or the Liquidation Trustee, as applicable, and such Holder have agreed upon in writing.

**ARTICLE III.  
CLASSIFICATION AND TREATMENT  
OF CLASSIFIED CLAIMS AND EQUITY INTERESTS**

**A. Summary**

1. The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes, including voting, confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. Except as provided herein and in the Solicitation Procedures Order, a Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified, but the treatment for such unclassified claims are set forth in Article II hereof.

2. The classification of Claims against and Equity Interests in the Debtors pursuant to the Plan is as follows:

<b>Class</b>	<b>Claim</b>	<b>Status</b>	<b>Voting Right</b>
1	Secured Claims	Unimpaired	Not entitled to vote – deemed to accept
2	Other Priority Claims	Unimpaired	Not entitled to vote – deemed to accept
3	Unsecured Claims	Impaired	Entitled to vote
4	PBGC Unsecured Claims	Impaired	Entitled to vote
5	UAW Unsecured Rejection Claim	Impaired	Entitled to vote
6	Intercompany Claims	Impaired	Not entitled to vote – deemed to reject
7	Section 510 Subordination Claims	Impaired	Not entitled to vote – deemed to reject
8	Equity Interests	Impaired	Not entitled to vote – deemed to reject

**B. Treatment of Claims and Equity Interests**

1. Class 1 – Secured Claims

(a) Classification: Class 1 consists of all Secured Claims.

(b) Treatment: On, or as soon as reasonably practicable after, the later of the Initial Distribution Date or the first Periodic Distribution Date immediately following the date such Claim becomes an Allowed Secured Claim, each Holder of such Allowed Secured Claim shall receive one of the following distributions in full satisfaction, settlement, release and discharge of and in exchange for the Allowed Secured Claim, at the option of the Debtors or the Liquidation Trustee, as applicable: (i) Cash equal to 100% of the Net Proceeds from the sale of the Collateral encumbered by the Liens of the Holder of such Allowed Secured Claim up to the unpaid allowed amount of such Allowed Secured Claim (with such payments to be made, if applicable, from accounts set up by the Debtors, during the Chapter 11 Case, in connection with the sale of such Collateral), subject to applicable inter-creditor Lien priorities; (ii) the return of the Collateral encumbered by such Holder's Liens; or (iii) such other treatment as to which the Debtors or the Liquidation Trustee, as applicable, and such Holder have agreed upon in writing.

(c) Voting: Class 1 is unimpaired. Holders of Secured Claims in Class 1 are deemed to accept the Plan and therefore are not entitled to vote to accept or reject the Plan.

## 2. Class 2 – Other Priority Claims

(a) Classification: Class 2 consists of all Other Priority Claims.

(b) Treatment: On, or as soon as reasonably practicable after, the later of the Initial Distribution Date or the first Periodic Distribution Date immediately following the date such Other Priority Claim becomes an Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Other Priority Claim, (i) Cash equal to the unpaid portion of such Allowed Other Priority Claim, (ii) such other treatment as permitted under the Bankruptcy Code, or (iii) such other treatment as to which the Debtors or the Liquidation Trustee, as applicable, and such Holder have agreed upon in writing.

(c) Voting: Class 2 is unimpaired. Holders of Other Priority Claims in Class 2 are deemed to accept the Plan and therefore are not entitled to vote to accept or reject the Plan.

## 3. Class 3 – General Unsecured Claims

(a) Classification: Class 3 consists of all General Unsecured Claims, other than the PBGC Unsecured Claims and the UAW Unsecured Rejection Claim.

(b) Treatment: On, or as soon as reasonably practicable after, the later of the Initial Distribution Date or the first Periodic Distribution Date immediately following the date such General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive, in full satisfaction, settlement, release, and discharge of and in exchange

for such Allowed General Unsecured Claim, its Pro Rata share of the Initial Class 3 Distribution Amount. On each Periodic Distribution Date, each Holder of an Allowed Unsecured Claim shall receive its Pro Rata share of the Periodic Class 3 Distribution Amount.

(c) Voting: Class 3 is impaired. Except as provided in the Solicitation Procedures Order, Holders of Unsecured Claims in Class 3 are entitled to vote to accept or reject the Plan.

4. Class 4 – PBGC Unsecured Claims

(a) Classification: Class 4 consists of the PBGC Unsecured Claims.

(b) Treatment: The PBGC shall receive treatment in accordance with Option 1 or Option 2 below. The PBGC shall receive treatment in accordance with Option 1 below, unless the UAW elects Option 2 with respect to its Class 5 UAW Unsecured Rejection Claim, by providing the Plan Proponents written notice thereof five (5) Business Days prior to the Confirmation Hearing, then the PBGC shall receive treatment in accordance with Option 2 below.<sup>1</sup>

(1) *Option 1*: On, or as soon as reasonably practicable after, the later of the Initial Distribution Date or the first Periodic Distribution Date immediately following the date the PBGC Unsecured Claim or such portion of the PBGC Unsecured Claim becomes allowed in accordance with and payable under the Plan, the PBGC, and/or its designee, in whole or part, shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such PBGC Allowed Unsecured Claim, its Pro Rata share of the Initial Class 4 Distribution Amount. On each Periodic Distribution Date, the PBGC, and/or its designee, in whole or in part, shall receive its Pro Rata share of the Periodic Class 4 Distribution Amount. The PBGC Hourly Plan Unsecured Distribution shall be capped at the lesser of (i) an amount of \$10,439,000.00, or (ii) the dollar amount which equals the percentage of the PBGC Allowed Unsecured Claim with respect to the Hourly Plans which is the identical percentage being distributed to Holders of Allowed Class 3 Unsecured Claims. The PBGC will only receive the PBGC Hourly Plans Unsecured Distribution with respect to the Hourly Plans upon the actual termination, prior to assumption by an unrelated third party, of the Hourly Plans. The PBGC Salaried Plan Unsecured Distribution shall be capped at the lesser of (i) an amount of \$3,861,000.00, or (ii) the dollar amount which equals the percentage of the PBGC Allowed Unsecured Claim with respect to the

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<sup>1</sup> To the extent the PBGC Claims are not treated as set forth in the Plan, the Plan Proponents reserve the right to seek, and seek to the extent they determine to do so, as part of the Plan and its confirmation, the estimation and establishment of a reserve for the PBGC Claims.

Salaried Plans which is the identical percentage being distributed to Holders of Allowed Class 3 Unsecured Claims. The PBGC will only receive the PBGC Salaried Plan Unsecured Distribution with respect to the Salaried Plans upon the actual termination, prior to assumption by an unrelated third party, of the Salaried Plans.

(2) *Option 2*: On, or as soon as reasonably practicable after, the later of the Initial Distribution Date or the first Periodic Distribution Date immediately following the date the PBGC Unsecured Claim or such portion of the PBGC Unsecured Claim becomes allowed in accordance with and payable under the Plan, the PBGC, and/or its designee, in whole or in part, shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such PBGC Allowed Unsecured Claim, its Pro Rata share of the Initial Class 4 Distribution Amount. On each Periodic Distribution Date, the PBGC shall receive its Pro Rata share of the Periodic Class 4 Distribution Amount. The PBGC Hourly Plan Unsecured Distribution shall be capped at an amount of \$3,856,055.00. The PBGC Salaried Plan Unsecured Distribution shall be capped an amount of \$4,008,945.00. The Salaried Plans and the Hourly Plans shall be actually terminated and shall be deemed to have a date of plan termination of January 29, 2004.

To the extent that the Hourly Plans and/or the Salaried Plans are assumed by an unrelated third party prior to termination, the proportionate share of the Hourly Plans and/or Salaried Plans distribution associated with the assumption shall be paid to the assignee, or its designee, in whole or in part, and the PBGC Unsecured Claims shall be deemed satisfied with respect to the part of the PBGC Unsecured Claim associated with the assumption, whether in whole or in part, and the Debtors, Debtors' Estates, Liquidating Trustee and/or Liquidation Trust shall have no further obligations or responsibilities with respect to the part of the PBGC Unsecured Claim associated with such assumption, whether in whole or in part.

Liquidating Trustee shall hold in the PBGC Reserve the amount of \$14,300,000.00 until the occurrence of a termination and/or assumption of the Hourly Plans and/or the Salaried Plans in accordance with Options 1 or 2 above, at which time the Liquidating Trustee shall make in accordance with Options 1 or 2 the appropriate distribution from the PBGC Reserve.

(c) Voting: Class 4 is impaired. Except as provided in the Solicitation Procedures Order, Holders of Unsecured Claims in Class 4 are entitled to vote to accept or reject the Plan.

##### 5. Class 5 – UAW Unsecured Rejection Claim

(a) Classification: Class 5 consists of the UAW Unsecured Rejection Claim.

(b) Treatment: The UAW shall receive treatment with respect to the UAW Unsecured Rejection Claim in accordance with Option 1 or 2 below. The UAW shall receive treatment in accordance with Option 1 below, unless the UAW elects Option 2 by providing the Plan Proponents written notice thereof five (5) Business Days prior to the Confirmation Hearing.

(1) Option 1: On, or as soon as reasonably practicable after, the later of the Initial Distribution Date or the first Periodic Distribution Date immediately following the date such UAW Unsecured Rejection Claim becomes an Allowed Claim, the UAW shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed UAW Unsecured Rejection Claim, its Pro Rata share of the Initial Class 5 Distribution Amount. On each Periodic Distribution Date, the UAW shall receive its Pro Rata share of the Periodic Class 5 Distribution Amount.

(2) Option 2: On, or as soon as reasonably practicable after, the later of the Initial Distribution Date, the UAW shall receive, in full satisfaction, settlement, release, and discharge of and in exchange for such UAW Unsecured Rejection Claim, its Pro Rata share of the Initial Class 5 Distribution Amount. On each Periodic Distribution Date, the UAW shall receive its Pro Rata share of the Periodic Class 5 Distribution Amount. The UAW shall receive a distribution on the UAW Unsecured Rejection Claim in an amount not to exceed \$6,435,000.00. The Salaried Plans and the Hourly Plans shall be actually terminated and shall be deemed to have a date of plan termination of January 29, 2004.

(c) Voting: Class 5 is impaired. Except as provided in the Solicitation Procedures Order, Holders of the UAW Unsecured Rejection Claim in Class 5 are entitled to vote to accept or reject the Plan.

#### 6. Class 6 – Intercompany Claims

(a) Classification: Class 6 consists of all Intercompany Claims.

(b) Treatment: On the Effective Date, all Intercompany Claims shall be cancelled and Holders of Intercompany Claims shall not receive any distribution on account of such Intercompany Claim under the Plan.

(c) Voting: Class 6 is impaired. Because Holders of Intercompany Claims will receive no distributions under the Plan, Class 6 will be deemed to have voted to reject the Plan.

#### 7. Class 7 – Subordinated 510 Claims

(a) Classification: Class 7 consists of all Subordinated 510 Claims.

(b) Treatment: On the Effective Date, all Subordinated 510 Claims shall be deemed eliminated, cancelled and/or extinguished and each Holder thereof shall



not be entitled to, and shall not receive or retain any property under the Plan on account of such Subordinated 510 Claim.

(c) Voting: Class 7 is impaired. Because Holders of Subordinated 510 Claims will receive no distributions under the Plan, Class 7 will be deemed to have voted to reject the Plan.

**8. Class 8 – Equity Interests**

(a) Classification: Class 8 consists of all Equity Interests.

(b) Treatment: On the Effective Date, all Equity Interests shall be cancelled and the Holders of Equity Interests shall not receive or retain any distribution or property on account of such Equity Interests.

(c) Voting: Class 8 is impaired. Because Holders of Equity Interests will receive no distribution under the Plan, Class 8 will be deemed to have voted to reject the Plan.

**C. Special Provision Regarding Unimpaired Claims**

Except as otherwise provided in the Plan, the Confirmation Order or any other Final Order of the Bankruptcy Court, nothing shall affect the rights and defenses, both legal and equitable, of the Debtors, their Estates, or the Liquidation Trustee with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to the legal and equitable defenses to setoffs or recoupments against Unimpaired Claims.

**D. Allowed Claims**

Notwithstanding any provision herein to the contrary, the Disbursing Agent shall only make distributions to Holders of Allowed Claims. No Holder of a Disputed Claim will receive any distribution on account thereof until (and then only to the extent that) its Disputed Claim becomes an Allowed Claim. The Liquidation Trustee may, in its sole discretion, withhold distributions otherwise due hereunder to any Holder of a Claim until the Claims Objection Deadline, to enable a timely objection thereto to be filed. Any Holder of a Claim that becomes an Allowed Claim after the Effective Date will receive its distribution in accordance with the terms and provisions of this Plan and the Liquidation Trust Agreement.

**E. Special Provision Regarding Insured Claims**

Distributions under the Plan to each Holder of an Insured Claim shall be in accordance with the treatment provided under the Plan for the Class in which such Insured Claim is classified; provided, however, that the maximum amount of any distribution under the Plan on account of an Allowed Insured Claim shall be limited to an amount equal to: (a) the applicable deductible or self-insured retention under the relevant insurance policy minus (b) any reimbursement obligations of the Debtors to the insurance carrier for sums expended by the insurance carrier on account of such Claim (including defense costs). Nothing in this section shall constitute a waiver of any Cause of Action the Debtors may hold against any Person,

including the Debtors' insurance carriers, or is intended to, shall or shall be deemed to preclude any Holder of an Allowed Insurance Claim from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtors in addition to any distribution such Holder may receive under the Plan; provided, however, the Debtors do not waive, and expressly reserve their rights to assert that any insurance coverage is property of the Estates to which they are entitled.

#### **ARTICLE IV. ALLOWANCE OF THE PBGC CLAIMS**

Subject to and upon confirmation of the Plan and the occurrence of the Confirmation Date and Effective Date, the PBGC's claims are allowed as follows: (i) an unsecured claim against the Debtors' estates in an amount of \$136,000,000 (the "PBGC Allowed Unsecured Claim") as further defined in Section I.B.60), and (ii) subject to reasonable documentation, an allowed administrative expense claim for out-of-pocket actuarial fees incurred by the PBGC in connection with prior settlement discussions between the PBGC and the Debtors, in an amount not to exceed \$100,000 (the "PBGC Allowed Administrative Claim" and together with the PBGC Allowed Unsecured Claim, the "PBGC Allowed Claims"). The PBGC shall not be required to amend the proofs of claim that it heretofore filed in these Chapter 11 Cases; provided, however, the PBGC shall have no right to file or assert any other or additional proofs of Claim or requests for payment of administrative expenses in the Debtors' Chapter 11 Cases and that any other claims it currently has on file which contradict this treatment shall be deemed withdrawn. Except as otherwise expressly provided in the Plan, the only Claims the PBGC shall have against the Debtors and their Estates are the PBGC Allowed Claims, and the PBGC shall have no other or further Claims, including any administrative, secured, or other priority Claims, against the Debtors' estates. Notwithstanding anything in this Plan or the Confirmation Order to the contrary, the Plan and the Confirmation Order do not release, enjoin or exculpate any one from any claims the PBGC may have relating to a fiduciary breach pursuant to ERISA Sections 401 to 417, which claims may only be brought by the PBGC.

#### **ARTICLE V. ACCEPTANCE OR REJECTION OF PLAN**

##### **A. Impaired Classes of Claims Entitled to Vote**

Subject to the Solicitation Procedures Order and Article III of the Plan, Holders of Claims in each Impaired Class of Claims are entitled to vote as a Class to accept or reject the Plan.

##### **B. Acceptance by Impaired Classes**

An Impaired Class of Claims will have accepted the Plan if the Holders of at least two-thirds in amount and more than one-half in number of the Allowed Claims in the Class actually voting have voted to accept the Plan, in each case not counting the vote of any Holder designated under section 1126(e) of the Bankruptcy Code.

**C. Presumed Acceptance by Unimpaired Classes**

Classes 1 and 2 are Unimpaired by the Plan. Under section 1126(f) of the Bankruptcy Code, Holders of such Claims are conclusively presumed to accept the Plan, and the votes of the Holders of such Claims will not be solicited.

**D. Classes Deemed to Reject Plan**

Holders of Claims in Classes 6 and 7 and Holders of Equity Interests in Class 8 are not entitled to receive or retain any property under the Plan. Under section 1126(g) of the Bankruptcy Code, Holders of Claims in Classes 6 and 7 and Holders of Equity Interest in Class 8 are deemed to reject the Plan, and the votes of the Holders of such Claims and Equity Interests will not be solicited.

**E. Elimination of Vacant Classes**

Any Class that does not contain any Allowed Claims or Equity Interests or any claims or equity interests allowed for voting purposes, as of the date of the commencement of the Confirmation Hearing, will be deemed not included in the Plan for purposes of (i) voting to accept or reject the Plan and (ii) determining whether such Class has accepted or rejected the Plan under section 1129(a)(8) of the Bankruptcy Code.

**F. Nonconsensual Confirmation**

The Bankruptcy Court may confirm the Plan over the dissent of any Impaired Class if all of the requirements for consensual confirmation under subsection 1129(a), other than subsection 1129(a)(8), of the Bankruptcy Code and for nonconsensual confirmation under subsection 1129(b) of the Bankruptcy Code have been satisfied. In the event that any impaired Class of Claims or Equity Interests shall fail to accept the Plan in accordance with section 1129(a) of the Bankruptcy Code, the Debtors reserve the right to (i) request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code and (ii) to propose any modifications to the Plan and to confirm the Plan as modified, without re-solicitation, to the extent permitted by the Bankruptcy Code.

**ARTICLE VI.  
MEANS FOR IMPLEMENTATION**

**A. Substantive Consolidation**

1. The Plan contemplates and is predicated upon entry of an order substantively consolidating the Debtors' Estates and Chapter 11 Cases. On the Effective Date, (i) all Intercompany Claims by, between and among the Debtors shall be eliminated, (ii) all assets and liabilities of the Affiliate Debtors shall be merged or treated as if they were merged with the assets and liabilities of Rouge Industries, (iii) any obligations of a Debtor and all guarantees thereof by one (1) or more of the other Debtors shall be deemed to be one (1) obligation of Rouge Industries, (iv) the Old Common Shares shall be cancelled and (v) each Claim filed or to be filed against any Debtor shall be deemed filed only against Rouge Industries and shall be deemed a single Claim against and a single obligation of Rouge Industries. On the Effective

Date, and in accordance with the terms of the Plan and consolidation of the assets and the liabilities of the Debtors, all Claims based upon guarantees of collection, payment or performance made by the Debtors as the obligations of another Debtor shall be released and of no further force and effect. The foregoing shall not, and shall not be deemed to, prejudice the Causes of Action or any rights of the Debtors, their Estates, the Liquidation Trust or the Liquidation Trustee under any doctrine of setoff or recoupment (or any similar doctrine), all of which shall survive entry of the Substantive Consolidation Order for the benefit of the Debtors, their Estates and the Liquidation Trust as if their had been no substantive consolidation.

2. The Plan shall serve as, and shall be deemed to be, a motion for entry of an order substantively consolidating the Debtors' Chapter 11 Cases. If no objection to substantive consolidation is timely filed and served by a Holder of an Impaired Claim affected by the Plan as provided herein on or before the Voting Deadline or such other date as may be established by the Bankruptcy Court, the Substantive Consolidation Order (which may be the Confirmation Order) may be approved by the Bankruptcy Court. If any such objections are timely filed and served, a hearing with respect to the substantive consolidation of the Chapter 11 Cases and the objections thereto shall be scheduled by the Bankruptcy Court, which hearing may be, but is not required to, coincide with the Confirmation Hearing.

## **B. The Liquidation Trust**

### **1. Execution of the Liquidation Trust Agreement**

On the Effective Date, the Liquidation Trust Agreement, in a form reasonably acceptable to the Debtors and the Creditors' Committee, shall be executed, and all other necessary steps shall be taken to establish the Liquidation Trust and the beneficial interests therein.

### **2. Purpose of the Liquidation Trust**

The Liquidation Trust shall be established for the sole purpose of liquidating and distributing its assets, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

### **3. Funding of Liquidation Trust**

The Liquidation Trust shall consist of the Liquidation Trust Assets. Any Cash or property whenever received by the Liquidation Trust from third parties shall constitute Liquidation Trust Assets. On the Effective Date, the Debtors shall transfer all of the Liquidation Trust Assets to the Liquidation Trust free and clear of all liens, claims, interests and encumbrances, except to the extent otherwise provided herein.

### **4. Governance of the Liquidation Trust**

The Liquidation Trust shall be administered by the Liquidation Trustee, subject to the oversight of the Plan Committee, in accordance with this Plan and the Liquidation Trust Agreement.

## 5. Tax Treatment of Liquidation Trust

The Liquidation Trust shall be treated for federal income tax purposes as a “liquidating trust,” as defined in Treasury Regulation Section 301.7701-4(d), and will, therefore, be taxed as a grantor trust of which the beneficiaries will be treated as the owners and grantors thereof. For federal tax purposes, the transfer of assets to the Liquidation Trust shall be treated as a deemed transfer from the Debtors to Holders of Allowed Claims followed by a deemed transfer by the Holders of Allowed Claims to the Liquidation Trust. The Liquidation Trustee and the beneficiaries of the Liquidation Trust shall utilize consistent valuations of the Liquidation Trust Assets and such valuations shall be used for all federal income tax purposes. The Liquidation Trustee shall file federal tax returns for the Liquidation Trust as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a). The Liquidation Trust has been structured with the intention of complying with the guidelines for a liquidating trust established by Internal Revenue Service Rev. Proc. 94-45, 1994-2 C.B. 684, which modifies and amplifies Rev. Proc. 82-58, 1982-2 C.B. 847 and Rev. Proc. 91-15, 1991-1 C.B. 484, and all provisions of the Plan, the Disclosure Statement and the Liquidation Trust Agreement shall be construed in accordance with that intent.

## 6. The Liquidation Trustee

Steven L. Victor shall serve as the initial Liquidation Trustee.

## 7. Rights, Powers and Duties of the Liquidation Trustee

The Liquidation Trustee shall receive and retain all the rights, powers and duties necessary to carry out its responsibilities under the Plan, subject to the Trust Oversight Procedures and the limitations set forth in this Plan, the Confirmation Order and the Liquidation Trust Agreement. Such rights, powers and duties, which shall be exercisable by the Liquidation Trustee on behalf of the Liquidation Trust (or if the Liquidation Trustee is unable to act, by the Plan Committee) pursuant to the Plan and the Liquidation Trust Agreement, shall include, among others:

- (a) to effect all actions and execute all agreements, instruments and other documents necessary to implement the provisions of the Plan and the Liquidation Trust Agreement;

- (b) to invest the Cash Liquidation Trust Assets, including but not limited to Cash held in the Reserves, in (i) direct obligations of the United States of America or obligations of any agency or instrumentality thereof that are backed by the full faith and credit of the United States of America, including funds consisting of solely or predominantly such securities, (ii) money market deposit accounts, checking accounts, savings accounts or certificates of deposit, or other time deposit accounts that are issued by a commercial bank or savings institution organized under the laws of the United States of America or any state thereof or (iii) any other investment that investment for a liquidating trust under applicable federal tax laws.

- (c) to liquidate the non-Cash Liquidation Trust Assets;

(d) to enforce, prosecute, abandon, settle, dismiss or release any Causes of Action, including but not limited to any Avoidance Action;

(e) to make the distributions contemplated by this Plan and the Liquidation Trust Agreement;

(f) to establish, fund, maintain and administer the Reserves, to the extent applicable, with amounts of the Cash Liquidation Trust Assets that are sufficient to fund the expenses and Claims for which such Reserves and accounts were established;

(g) to obtain such insurance deemed reasonably necessary, including but not limited to any tail coverage with respect to current insurance policies for the Debtors' current officers and directors;

(h) to employ, supervise and compensate professionals and other agents;

(i) to make and file tax returns for any of the Debtors or the Liquidation Trust, as applicable;

(j) to object to or seek to subordinate Claims or Equity Interests filed against any of the Debtors or their Estates on any basis;

(k) to seek estimation of contingent or unliquidated Claims under section 502(c) of the Bankruptcy Code;

(l) to seek a determination of tax liability under section 505 of the Bankruptcy Code;

(m) to prosecute, settle, dismiss or otherwise dispose of turnover actions under sections 542 and/or 543 of the Bankruptcy Code; and

(n) to close the Chapter 11 Cases in accordance with this Plan, the Bankruptcy Code and the Bankruptcy Rules.

Subject to and in accordance with this Plan and the Liquidation Trust Agreement, the Liquidation Trustee under the direction of the Plan Committee (or if the Liquidation Trustee is unable to act, the Plan Committee) shall be responsible for all decisions and duties with respect to the Liquidation Trust and the Liquidation Trust Assets. In all circumstances, the Liquidation Trustee shall act in the best interests of the beneficiaries of the Liquidation Trust and in furtherance of the purposes of the Liquidation Trust.

#### 8. Trust Oversight Procedures

As a general matter, whenever reasonably possible, the Liquidation Trustee shall attempt in good faith to consult with the Plan Committee concerning any material actions or decisions affecting the administration of the Liquidation Trust. Such consultation may occur by any reasonable means, including, but not limited to, the Liquidation Trustee's negative solicitation of

the Plan Committee members via e-mail or other electronic communication. Additionally, notwithstanding anything in this Plan, the Liquidation Trustee is not authorized to and shall not, except with the consent of a majority of the Plan Committee, do or cause to occur any of the following:

(a) consent to the allowance of any Administrative Claim, Other Priority Claim, Priority Tax Claim or Secured Claim against the Debtors, their Estates or the Liquidation Trust in an amount in excess of \$50,000;

(b) consent to the allowance of any Unsecured Claim against the Debtors, their Estates or the Liquidation Trust in an amount in excess of \$200,000;

(c) abandon, settle, assign or release any Cause of Action in which the amount in controversy exceeds \$100,000;

(d) within any calendar month, make or cause to be made disbursements from the Liquidation Trust Assets in excess of \$50,000 in the aggregate (other than (i) to the Holders of Allowed Claims in accordance with this Plan, (ii) to the Liquidation Trustee on account of compensation and reimbursement of expenses due the Liquidation Trustee under the Liquidation Trust Agreement, (iii) to the Plan Committee members on account of reimbursement obligations owed to them under this Plan or the Liquidation Trust Agreement and (iv) to professionals retained by the Liquidation Trustee and the Plan Committee on account of fees and expenses incurred by the Liquidation Trust or Plan Committee such professionals);

(e) within any calendar month, incur or cause the Liquidation Trust to incur indebtedness in an aggregate amount in excess of \$50,000 (other than (i) to the Liquidation Trustee on account of compensation and reimbursement of expenses due the Liquidation Trustee under the Liquidation Trust Agreement, (ii) to the Plan Committee members on account of reimbursement obligations owed to them under this Plan or the Liquidation Trust Agreement and (iii) to professionals retained by the Liquidation Trustee and the Plan Committee on account of fees and expenses incurred by the Liquidation Trust or Plan Committee such professionals)

(f) extend the term of the Liquidation Trust beyond the Initial Liquidation Trust Term;

(g) seek to have the Chapter 11 Case of Rouge Industries closed, dismissed or converted to a case under Chapter 7 of the Bankruptcy Code or consent to a request by another Person for such relief;

The foregoing procedures governing the administration of the Liquidation Trust are collectively referred to herein as the "Trust Oversight Procedures".

#### 9. Estate Representative Status

Additionally, the Liquidation Trustee, the Liquidation Trust and the Plan Committee shall be “representative[s] of the estate” under section 1123(b)(3) of the Bankruptcy Code and successors of the Debtors under section 1145 of the Bankruptcy Code.

#### 10. Cost and Expenses of Liquidation Trustee

Subject to and in accordance with the Liquidation Trust Agreement, the costs and expenses of the Liquidation Trust, including the fees and expenses of the Liquidation Trustee and its retained professionals, shall be paid first out of the Operating Reserve and then out of the other Liquidation Trust Assets. In the event Cash remains in the Operating Reserve after the obligations of the Liquidation Trustee and the Liquidation Trust pursuant to the Plan have been satisfied, the Liquidation Trustee shall distribute such Cash to the beneficiaries of the Liquidation Trust in accordance with this Plan and the Liquidation Trust Agreement.

#### 11. Compensation of the Liquidation Trustee

The Liquidation Trustee shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy proceedings and as set forth in the Liquidation Trust Agreement.

#### 12. Insurance for the Liquidation Trustee and the Plan Committee

Subject to the Trust Oversight Procedures, the Liquidation Trustee shall be authorized to obtain and pay for out of the Operating Reserve all reasonably necessary insurance coverage for itself and the members of the Plan Committee, and their respective agents, representatives, employees, independent contractors and the Liquidation Trust, including but not limited to coverage with respect to (a) any property that is or may in the future become property of the Liquidation Trust and (b) the liabilities, duties and obligations of the Liquidation Trustee and the members of the Plan Committee and their respective agents, representatives, employees or independent contractors under the Liquidation Trust Agreement (in the form of an errors and omissions policy or otherwise), the latter of which insurance coverage may remain in effect for a reasonable period after the termination of the Liquidation Trust Agreement.

#### 13. Distribution of Liquidation Trust Assets

The Liquidation Trustee shall distribute Available Liquidation Trust Assets in accordance with the Plan and the Liquidation Trust Agreement.

#### 14. Retention of Professionals by the Liquidation Trustee

The Liquidation Trustee may retain and reasonably compensate counsel and other professionals to assist in its duties as Liquidation Trustee on such terms as the Liquidation Trustee deems appropriate without Bankruptcy Court approval. Professionals that may be retained by the Liquidation Trustee may include, without limitation, current counsel for the Debtors, current counsel for the Creditors’ Committee and any professionals who represented parties in interest in the Chapter 11 Cases.



### 15. Removal or Replacement of Liquidation Trustee

The Liquidation Trustee may resign at any time upon twenty-one (21) days' prior written notice to the Plan Committee; provided, however, that notwithstanding anything to the contrary in this Plan and unless otherwise ordered by the Court, no such resignation shall become effective until a permanent or interim successor Liquidation Trustee has been appointed by the Plan Committee. Such resignation may become effective prior to the expiration of such twenty one (21) day notice period upon the appointment of a permanent or interim successor Liquidation Trustee by the Plan Committee. The Liquidation Trustee may be removed: (a) by unanimous vote of the Plan Committee for cause shown upon twenty-one (21) days' prior written notice to the Liquidation Trustee (provided that absent exigent circumstances and the approval of the Bankruptcy Court, the Plan Committee shall not remove the Liquidation Trustee without having first selected a successor Liquidation Trustee); or (b) by the Bankruptcy Court upon application a party in interest for cause shown. In the event of any such resignation, removal, death, dissolution or incapacity of the Liquidation Trustee, the Plan Committee may designate a Person to serve as successor Liquidation Trustee. If the Plan Committee shall fail to appoint a successor within ten (10) days after the Liquidation Trustee's resignation, removal, death or incapacity, the successor Liquidation Trustee shall be appointed by the Bankruptcy Court based upon submissions from interested parties. No Liquidation Trustee shall in any event have any liability or responsibility for the acts or omissions of any of his, her or its predecessors. Every successor Liquidation Trustee appointed shall execute, acknowledge and deliver to the Plan Committee an instrument in writing accepting such appointment, and thereupon such successor Liquidation Trustee, without any further act, shall become fully vested with all of the rights, powers, duties and obligations of his, her or its predecessor.

### 16. Termination of Liquidation Trust

The Liquidation Trustee shall be discharged and the Liquidation Trust shall be terminated, at such time as (i) all Disputed Claims have been resolved, (ii) all Liquidation Trust Assets have been liquidated, (iii) all distributions required to be made by the Disbursing Agent under this Plan and the Liquidation Trust Agreement have been made and (iv) all duties and obligations of the Liquidation Trustee under this Plan and the Liquidation Trust Agreement have been fulfilled; provided, however, that in no event shall the Liquidation Trust be terminated later than the fifth (5th) anniversary of the Effective Date (the "Initial Liquidation Trust Term"); provided, however, that the Liquidation Trustee may extend the term of the Liquidation Trust for additional one (1) year periods by filing a notice of the Liquidation Trustee's intent to extend the term of the Liquidation Trust with the Bankruptcy Court and obtaining the approval of the Bankruptcy Court (upon a determination that such extension is necessary to facilitate or complete the recovery and liquidation of the Liquidation Trust Assets) within six (6) months of the beginning of the applicable term extension; provided, however, that the total period of all extensions of the Initial Liquidation Trust Term shall not exceed three (3) years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extensions would not adversely affect the status of the Liquidation Trust as a liquidating trust for federal income tax purposes.

#### 17. Indemnification of Liquidation Trustee

The Liquidation Trustee or the individuals comprising the Liquidation Trustee, as the case may be, and the Liquidation Trustee's agents and professionals (in their respective capacities as agents and professionals to the Liquidation Trustee in connection with the Chapter 11 Cases or related actions and proceedings) shall not be liable for actions taken or omitted in its capacity as, or on behalf of, the Liquidation Trust and the Liquidation Trustee, except those acts arising out of its or their own willful misconduct or gross negligence, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its capacity as, or on behalf of, the Liquidation Trustee, except for any actions or inactions involving willful misconduct or gross negligence. The Liquidation Trustee shall be entitled to rely, in good faith, on the advice of its retained professionals.

#### 18. Closing of Chapter 11 Cases

As soon as reasonably practicable following the dissolution of the Debtors in accordance with this Plan, the Liquidation Trustee shall seek authority from the Bankruptcy Court to close in accordance with the Bankruptcy Code and Bankruptcy Rules all of the Chapter 11 Cases other than the Chapter 11 Case of Rouge Industries. When all Disputed Claims filed against the Debtors have become Allowed Claims or have been disallowed by Final Order and all of the Liquidation Trust Assets have been distributed in accordance with the Plan or such earlier date as may have been consented to by the Plan Committee, the Liquidation Trustee shall seek authority from the Bankruptcy Court to close the Chapter 11 Case of Rouge Industries in accordance with the Bankruptcy Code and the Bankruptcy Rules.

### **C. Dissolution of Creditors' Committee; Establishment of Plan Committee**

#### 1. Dissolution of the Creditors' Committee

The Creditors' Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code and shall perform such other duties as it may have been assigned by the Bankruptcy Court prior to the Effective Date. On the Effective Date, the Creditors' Committee shall be dissolved and its members shall be deemed released of all their duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Creditors' Committee's attorneys, financial advisors and other agents shall terminate, except with respect to (a) requests by Professionals or other Persons for awards by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 327, 328, 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code and (b) any appeals of the Confirmation Order.

#### 2. Creation of the Plan Committee and Procedures Related Thereto

On the Effective Date, the Plan Committee may be formed and constituted with at least three (3) initial members. Eligibility to be appointed as an initial member of the Plan Committee shall be limited to Holders of Claims, other creditor representatives (including current and

former members of the Creditors' Committee and individuals who served as professionals for the Creditors' Committee) and current or former officers or directors of one or more of the Debtors who served in such capacity after the Petition Date. The initial members of the Plan Committee shall be appointed by the Creditors' Committee in consultation with the Debtors. The identities of the Plan Committee members shall be disclosed in the Plan Supplement. In the event that a member of the Plan Committee resigns from its position on the Plan Committee, such member shall have the right to designate its successor on the Plan Committee. To the extent that a resigning member of the Plan Committee does not exercise its right to designate its successor on the Plan Committee within ten (10) days after such member's resignation from the Plan Committee, the non-resigning members of the Plan Committee shall have the right, if they so choose, to designate a successor to the resigning member of the Plan Committee. Notwithstanding anything to the contrary in the Plan or Confirmation Order, in the event that the Plan Committee is not formed by the designation of the members in the Plan Supplement or no Person is willing to serve on the Plan Committee or there shall have been no Plan Committee members for a period of thirty (30) consecutive days, then the Liquidation Trustee may, if there is no Plan Committee formed or during such vacancy and thereafter, ignore any reference in this Plan, the Liquidation Trust Agreement and/or the Confirmation Order to a Plan Committee, and all references to the Plan Committee's ongoing duties and rights in this Plan, the Liquidation Trust Agreement and/or the Confirmation Order shall be deemed inapplicable.

### 3. Standing of the Plan Committee

The Plan Committee shall have independent standing to appear and be heard in the Bankruptcy Court as to any matter relating to the Plan, the Liquidation Trust Agreement or the Liquidation Trust, including any matter as to which the Bankruptcy Court has retained jurisdiction pursuant to Article XIII of the Plan. The Plan Committee may employ and reasonably compensate (in both cases without approval of the Bankruptcy Court) attorneys to represent its interests, which attorneys may be the same attorneys as are representing the Liquidation Trustee, subject only to applicable ethical rules governing attorneys.

### 4. Function and Duration of the Plan Committee

The Plan Committee shall have the rights and responsibilities set forth in the Liquidation Trust Agreement, including, but not limited to, supervising the Liquidation Trustee with respect to its responsibilities under this Plan and the Liquidation Trust Agreement and performing such other duties that may be necessary and proper to assist the Liquidation Trustee and its retained professionals. The Plan Committee shall remain in existence, except as otherwise provided in the Plan, until such time as the final distributions under the Plan have been made and the Liquidation Trust has been dissolved in accordance with the terms of the Plan. The members of the Plan Committee shall be entitled to reimbursement of reasonable expenses incurred in connection with their membership on the Plan Committee.

### 5. Liability and Indemnification of Plan Committee and Its Members

Neither the Plan Committee, nor any of its members, designees, agents or representatives, or any of their respective employees, shall be liable for the act or omission of any other member, designee, agent or representative of the Plan Committee, nor shall any member of the Plan

Committee be liable for any act or omission taken or omitted to be taken in its capacity as a member of the Plan Committee, other than acts or omissions resulting from such member's willful misconduct or gross negligence. The Plan Committee may, in connection with the performance of its functions, and in its sole and absolute discretion, consult with its attorneys, accountants, and agents, and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by its professionals. The Plan Committee and each of its members, designees, professionals, agents and representatives (acting in such capacity) shall be defended, held harmless and indemnified from time to time from all liabilities, losses, damages, claims, costs and expenses (including, but not limited to, attorneys' fees and costs arising out of or due to their actions or omissions, or consequences of these actions or omissions) with respect to the Liquidation Trust or carrying out their duties in connection with the Debtors' Estates; provided, however, that no indemnification will be made to such Persons for actions or omissions as a result of willful misconduct or gross negligence.

#### 6. Recusal of Plan Committee Members

A Plan Committee member shall recuse itself from any decisions or deliberations regarding actions taken or proposed to be taken by the Liquidation Trustee with respect to the Claims, Causes of Action, Liens or Equity Interests of such Plan Committee Member, the entity appointing such Plan Committee member or any affiliate of the foregoing.

#### **D. Corporate Action**

Upon the Effective Date, the Debtors shall perform each of the actions and effect each of the transfers required by the terms of the Plan, in the time period allocated therefor, and all matters provided for under the Plan that would otherwise require approval of the stockholders, partners, members, directors or comparable governing bodies of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law (or other applicable governing law) of the respective states in which each of the Debtors is incorporated or organized, without any requirement of further action by the stockholders, members or directors (or other governing body) of the Debtors. The Debtors shall be authorized and directed, following the completion of all disbursements, transfers and other actions required of the Debtors by the Plan to file their respective certificates of cancellation or dissolution as contemplated by this Plan. The filing of such certificate of cancellation or dissolution shall be authorized and approved in all respects without further action under applicable law, regulation, order or rule, including, without express or implied limitation, any action by the stockholders, partners, members, directors or comparable governing bodies of the Debtors.

#### **E. Effectuating Documents and Further Transactions**

Each of the officers of the Debtors is authorized and directed to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan including, but not limited to, (i) filing a petition pursuant to 29 U.S.C. § 1342(b)(2) in *Pension Benefit Guaranty Corp. vs. Rouge Steel Company Salaried Employee Retirement Plan, et al.*, Civil Action No. 03-75092, United States District Court Eastern District

of Michigan (the “PBGC Involuntary Termination Action”), seeking appointment of a trustee in accordance with 29 U.S.C. § 1342(b) to administer the Rouge Steel Hourly Plans and the Rouge Steel Salaried Plans in accordance with 29 U.S.C. § 1342 or, (ii) obtaining pursuant to 29 U.S.C. § 1342(b)(3), with the written consent of the UAW pursuant to the Agreement and Stipulation between Debtors and the UAW dated March 2, 2004, the agreement of the PBGC to the appointment of a trustee to administer the Rouge Steel Hourly Plans and the Rouge Steel Salaried Plans in accordance with 29 U.S.C. § 1342(b); provided, notwithstanding anything to the contrary herein, as of the Effective Date, if the Debtors have been unable to obtain or agree to the appointment of a trustee to administer the Rouge Steel Salaried Plans and/or the Rouge Steel Hourly Plans, the Liquidating Trustee shall assume the authority with respect to the Rouge Steel Salaried Plan and the Rouge Steel Hourly Plan to obtain or agree to the appointment of such a trustee.

#### **F. Sources for Plan Distributions**

All Cash necessary for the Disbursing Agent to make distributions in accordance with the terms of the Plan shall be obtained from the proceeds of Causes of Action and any Cash or other assets which are the property of one or more of the Debtors, including without limitation the Debtors’ cash balances and the liquidation of the Debtors’ and the Estates’ remaining non-Cash assets, if any. Cash payments to be made pursuant to this Plan shall be made by the Disbursing Agent.

#### **G. Books and Records; Preservation of Privilege**

1. Upon the Effective Date, the Debtors shall be deemed to have transferred and assigned to the Liquidation Trustee full title to, and the Liquidation Trustee shall be authorized to take possession of, all of the books and records of the Debtors. Similarly, upon the Effective Date, any then existing contractual or other right of access to the Debtors’ current or former books and records in the possession, custody or control of the Debtor or any other Person shall be preserved and transferred to the Liquidation Trustee. The Liquidation Trustee shall have the responsibility of storing and maintaining books and records transferred hereunder for at least one year after the date the Debtors are dissolved in accordance with this Plan or such longer period as the Liquidation Trustee in its sole discretion deems to be appropriate. For purposes of this Section, books and records include computer generated or computer maintained books and records and computer data, as well as electronically generated or maintained books and records or data, along with books and records of the Debtors maintained by or in possession of third parties and all of the claims and rights of the Debtors in and to its books and records, wherever located.

2. Upon the Effective Date, the Liquidation Trust and the Liquidation Trustee shall succeed to the attorney-client privilege formerly held by the Debtors, including, but not limited to, the attorney-client privilege held by the Debtors immediately prior to the consummation of the Severstal Sale with respect to any books and records transferred to Severstal and any privileged communications contained therein. To the extent that documents are requested from current counsel to the Debtors by any Person, after the Effective Date, only the Liquidation Trustee shall have the ability to waive such attorney-client privilege. In addition, current counsel to the Debtors have no obligation to produce any documents currently in their

possession as a result of or arising in any way out of their representation of the Debtors unless (a) the Person requesting such documents serves its request on the Liquidation Trustee; (b) the Liquidation Trustee consents in writing to such production and any waiver of the attorney-client privilege such production might cause; and (c) the Liquidation Trustee or the person requesting such production agrees to pay the reasonable costs and expenses incurred by current counsel for the Debtors in connection with such production. Upon the third (3rd) anniversary of the termination of the Liquidation Trust, any and all documents in the possession of the Debtors' current counsel and the Creditors' Committee's current counsel as a result of or arising in any way out of their representation of the Debtors and/or the Creditors' Committee, respectively, shall be deemed destroyed (even if not actually destroyed) and no Person shall be entitled to obtain such documents.

3. Upon the Effective Date, the Plan Committee shall succeed to the attorney-client privilege formerly held by the Creditors' Committee. To the extent that any documents are requested from current counsel to the Creditors' Committee by any Person, after the Effective Date, only the Plan Committee shall have the ability to waive such attorney-client privilege. In addition, current counsel to the Creditors' Committee shall have no obligation to produce any documents currently in their possession as a result of or arising in any way out of their representation of the Creditors' Committee unless (a) the Plan Committee consents in writing to such production and any waiver of the attorney-client privilege such production might cause and (b) the Plan Committee or the Person requesting such production agrees to pay the reasonable costs and expenses incurred by current counsel for the Creditors' Committee in connection with such production.

#### **H. Preservation of Causes of Action**

1. Except as provided in the Plan, the Confirmation Order or other Final Order of the Bankruptcy Court, in accordance with section 1123(b) of the Bankruptcy Code, and after giving effect to the exculpatory and injunctive provisions in Article XII hereof, any and all Causes of Action that the Debtors or their Estates may hold against any Person, whether or not specifically disclosed in this Plan, the Disclosure Statement or other filing with the Bankruptcy Court, will be preserved for, transferred to and vested in the Liquidation Trust in accordance with the Plan and may be pursued by the Liquidation Trustee, subject to and in accordance with this Plan. A non-exclusive list of Causes of Action is annexed as Exhibit A hereto. In addition, this Plan expressly reserves the right to pursue or adopt any claims alleged in any lawsuit in which any Debtor is a defendant or an interested party against any Person, including, without limitation, the plaintiffs and co-defendants in such lawsuits. No Cause of Action shall abate or be suspended by reason of the dissolution of the Debtors or the closing of any Chapter 11 Case as provided for in this Plan.

2. Except as otherwise provided in the Plan, on and after the Effective Date, the Liquidation Trustee shall have the exclusive right to prosecute and enforce any and all Causes of Action against any Person and shall be deemed substituted for the Debtors or the Creditors' Committee, as applicable, as the party prosecuting any Cause of Action commenced prior to the Effective Date. Except as otherwise provided in the Plan, the Liquidation Trustee may abandon, settle or release any and all Causes of Action as it deems appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court.

3. The Debtors have not conducted an investigation into all possible Causes of Action. Accordingly, in considering the Plan, each party in interest should understand that any and all Causes of Action that may exist against such Person may be pursued by the Liquidation Trustee regardless of whether, or the manner in which, such Causes of Action are identified in this Plan or the Disclosure Statement. The failure of the Debtors to list a claim, right of action, suit or proceeding on Exhibit A shall not constitute a waiver or release by the Debtors or their Estates of such claim, right of action, suit or proceeding. The substantive consolidation of the Debtors, their Estates and the Chapter 11 Cases pursuant to the Confirmation Order and Section VI.A of this Plan shall not, and shall not be deemed to, prejudice any of the Causes of Action, which shall survive entry of the Confirmation Order for the benefit of the Debtors and their Estates, and, upon the Effective Date, for the benefit of the Liquidation Trust and the Liquidation Trustee.

4. No preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to such Causes of Action upon or after the Confirmation or consummation of the Plan.

#### **I. No Revesting of Assets**

The property of the Debtors' Estates shall not be vested in the Debtors on or following the Effective Date, but shall be vested in the Liquidation Trust and continue to be subject to the jurisdiction of the Bankruptcy Court following confirmation of the Plan until such property is distributed to Holders of Allowed Claims in accordance with the provisions of the Plan, the Liquidation Trust Agreement and the Confirmation Order. From and after the Effective Date, all such property shall be distributed in accordance with the provisions of the Plan, the Liquidation Trust Agreement and the Confirmation Order. The Liquidation Trustee may, however, subject to the terms and conditions of the Liquidation Trust Agreement, pay fees and expenses that it incurs after the Effective Date for professionals, without application to or approval by the Bankruptcy Court.

#### **J. Accounts and Reserves**

##### **1. General**

The Debtors or the Liquidation Trustee shall (a) establish one or more general accounts into which shall be deposited all funds not required to be deposited in any other account or Reserve and (b) create, fund and withdraw funds from, as appropriate, the Priority Claims Reserve, the Disputed Claims Reserve, the Holdback Reserve and such other accounts and Reserves maintained or established by the Liquidation Trustee.

##### **2. Holdback Reserve**

On or before the Effective Date, the Debtors shall fund the Holdback Reserve in the amount of the aggregate Professional Fee Estimate. The Liquidation Trustee shall (a) segregate and shall not commingle the Cash held therein and (b) subject to the terms and conditions of the Liquidation Trust Agreement, pay each Allowed Professional Fee Claim from the Holdback Reserve upon entry of a Final Order allowing such Claim. In the event that Cash remains in the

Holdback Reserve after payment of all Allowed Professional Fee Claims, such Cash shall become Available Cash and shall be distributed in accordance with the terms of the Plan and the Liquidation Trust Agreement. Neither the Debtors nor the Liquidation Trustee, as applicable, shall permit the distribution of any portion of the Holdback Reserve to any Person other than a Professional entitled to payment from the Holdback Reserve (and then such payment shall only be permitted in accordance with the terms of this Plan) unless and until all Allowed Professional Fee Claims have been paid in full and all other Professional Fee Claims have been disallowed or otherwise resolved.

### 3. Priority Claims Reserve

On or before the Effective Date, the Debtors shall fund the Priority Claims Reserve, to the extent applicable, in the amount of the Priority Claims Estimate. The Liquidation Trustee shall (a) segregate and shall not commingle the Cash held therein and (b) subject to the terms and conditions of the Liquidation Trust Agreement, pay each Allowed Administrative Claim (except for Professional Fee Claims which shall be paid from the Holdback Reserve), Allowed Priority Tax Claim and Allowed Other Priority Claim from the Priority Claims Reserve upon entry of a Final Order allowing such Claim. In the event that Cash remains in the Priority Claims Reserve after payment of all Allowed Administrative Claims (except for Professional Fee Claims which shall be paid from the Holdback Reserve), Allowed Priority Tax Claims and Allowed Other Priority Claims, such Cash shall become Available Cash and shall be distributed in accordance with this Plan and the Liquidation Trust Agreement. Neither the Debtors nor the Liquidation Trustee shall be permitted to distribute any of the Priority Reserve to any Person other than a Person entitled to payment from the Priority Claims Reserve (and then such payment shall be permitted only in accordance with the terms of this Plan) unless and until all Allowed Administrative Claims (except for Professional Fee Claims which shall be paid from the Holdback Reserve), Allowed Priority Tax Claims and Allowed Other Priority Claims have been paid in full and all other Administrative Claims (except for Professional Fee Claims which shall be paid from the Holdback Reserve), Priority Tax Claims and Other Priority Claims have been disallowed or otherwise resolved.

### 4. Operating Reserve

In accordance with the terms of the Liquidation Trust Agreement, the Liquidation Trustee shall fund the Operating Reserve on or as soon as practicable after the Effective Date.

### 5. PBGC Reserve

In accordance with the terms of the Liquidation Trust Agreement, the Liquidation Trustee shall fund the PBGC Reserve on or as soon as practicable after the Effective Date.

## **K. Cancellation of Notes, Instruments, Debentures and Equity Interests**

On the Effective Date, except to the extent provided otherwise in the Plan, all notes, instruments, debentures, certificates and other documents evidencing Claims and all Equity Interests in any of the Debtors shall be canceled and deemed terminated and surrendered (regardless of whether such notes, instruments, debentures, certificates or other documents are in fact surrendered for cancellation to the appropriate indenture trustee, if any, or other such



Person). On the Effective Date, all indentures, if any, to which any Debtor is a party shall be deemed canceled as permitted by section 1123(a)(5) of the Bankruptcy Code.

**L. Insurance Preservation; Directors and Officers Insurance; Indemnification**

1. Nothing in the Plan, including any releases, shall diminish or impair the enforceability of any policies of insurance that may cover any claims against the Debtors or any other Person.

2. The Liquidation Trust shall assume the pre-Effective Date obligations to the Debtors' directors and officers (a) solely to the extent that such obligations are covered by directors and officers insurance policies or (b) as determined in the sole discretion of the Debtors or the Liquidation Trustee, as applicable, pursuant to the Director/Officer Order. Other than as set forth in the preceding sentence, the Liquidation Trust shall not be liable or responsible in any way for any pre-Effective Date obligations to the Debtors or their directors and officers and all such obligations are rejected, to the extent executory.

**M. Release of Liens; Preservation of Rights to Contest Liens**

1. Except as otherwise provided in the Plan, the Confirmation Order or other Final Order of the Bankruptcy Court, on the Effective Date, all Liens, claims, interests and encumbrances against the property of the Estates or against the Liquidation Trust Assets, as applicable, shall be released.

2. Except as provided in the Plan, the Confirmation Order or other Final Order of the Bankruptcy Court, any right of the Debtors or the Estates to contest the validity, priority, extent and amount of any asserted Lien of any Holder of Secured Claims will be preserved for, transferred to and vested exclusively in the Liquidation Trust and the Liquidation Trustee.

**N. Securities Exempt**

The issuance of the beneficial interests in the Liquidation Trust satisfies the requirements of section 1145 of the Bankruptcy Code and, therefore, such issuance is exempt from registration under the Securities Act of 1933, as amended, and any state or local law requiring registration.

**O. Debtors' Post-Confirmation Functions; Liquidation of the Debtors**

1. The Debtors shall continue to operate as a debtor in possession during the period from the Confirmation Date through and until the Effective Date.

2. On the Effective Date, the Debtors shall be deemed to transfer the Liquidation Trust Assets to the Liquidation Trust. Immediately thereafter, the Debtors shall be deemed to have been liquidated as of the Effective Date without the need for further action by the Bankruptcy Court or any Person.

3. Subject to and consistent with the provisions of the Plan, as soon as practicable after the Effective Date, each of the Debtors shall file with the office of the Secretary

of State or other appropriate office for the state of its organization a certificate of cancellation or dissolution.

**P. Exclusivity Period**

Subject to further order of the Bankruptcy Court, the Debtors shall, pursuant to section 1121 of the Bankruptcy Code, retain the exclusive right to amend the Plan and solicit acceptances thereof until the Effective Date.

**Q. Employee Programs**

Except as otherwise expressly provided by the Bankruptcy Code or a Final Order, and except as provided below with respect to the Rouge Steel Hourly Plans and the Rouge Steel Salaried Plans, on the Effective Date, and to the extent not earlier terminated in accordance with their terms, all employee programs, including and not limited to any retirement plans, or agreements, and health benefit plans and disability plans shall be terminated. The Rouge Steel Hourly Plans and the Rouge Steel Salaried Plans are not terminated by this Plan; provided, however, as of the Effective Date the Debtors' fiduciary and ministerial responsibilities with respect to the Rouge Steel Hourly Plans and the Rouge Steel Salaried Plans, if any, and the fiduciary and ministerial responsibilities of Debtors' officers and directors with respect to the Rouge Steel Hourly Plans and the Rouge Steel Salaried Plans, if any, shall end. If the Rouge Steel Hourly Plans and the Rouge Steel Salaried Plans have not terminated as of the Effective Date, the Liquidating Trustee shall assume the role of interim Plan Administrator, as that term is defined by ERISA Section 4001(a)(1), of the Rouge Steel Hourly Plans and the Rouge Steel Salaried Plans until the earlier of plan termination or appointment of or agreement to a plan trustee in the PBGC Involuntary Termination Action as referenced in Plan Article VI, E. Debtors and the Liquidating Trustee are authorized to take any and all action they deem necessary to effectuate the provisions of this Section VI.Q.

**R. Accounting**

Any and all Reserves maintained by the Liquidation Trustee or the Disbursing Agent, as applicable, may be, in connection with the distribution of funds on account of the Allowed Claims, maintained by bookkeeping entries alone; the Liquidation Trustee or Disbursing Agent, as applicable, need not (but may) establish separate bank accounts for such purposes.

**S. Settlement of Claims and Controversies**

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of this Plan shall constitute a good faith compromise of all Claims or controversies relating to the contractual, legal and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim with respect thereto, or any distribution to be made on account of such an Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims or controversies, and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, their Estates and Holders of Claims and is fair, equitable and reasonable.

**ARTICLE VII.**  
**PROVISIONS GOVERNING DISPUTED CLAIMS**

**A.     Objections to Claims; Prosecution of Disputed Claims**

1. No later than the Claims Objection Deadline (unless extended by order of the Bankruptcy Court), the Liquidation Trustee may file objections to Claims with the Bankruptcy Court and serve such objections upon the Holders of each of the Claims to which objections are made. The Claims Objection Deadline may be extended upon motion of the Liquidation Trustee, without notice or hearing.

2. All objections shall be litigated to Final Order; provided, however, that the Liquidation Trustee shall have the authority and discretion to file, settle, compromise or withdraw any objections to Claims, without approval of the Bankruptcy Court, but subject to the Trust Oversight Procedures.

3. Any objections to Claims and settlement thereof shall be dealt with as the Liquidation Trustee, in its discretion (subject to the Trust Oversight Procedures), deems to be appropriate. Further, the Liquidation Trustee shall have the discretion (subject to the Trust Oversight Procedures) to decide not to review and/or object to proofs of Claim below a certain dollar amount to the extent such review and/or objection would be uneconomical.

4. Unless otherwise provided by the Plan or the Liquidation Trust Agreement, no Bankruptcy Court approval shall be required in order for the Liquidation Trustee to settle and/or compromise any Claim, objection to Claim, Cause of Action, or right to payment of or against the Debtors, their Estates or the Liquidation Trust.

**B.     Estimation of Claims**

The Liquidation Trustee may at any time request that the Bankruptcy Court estimate any contingent, unliquidated or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Liquidation Trustee previously have objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Except as otherwise provided in the Plan, subject to the provisions of section 502(j) of the Bankruptcy Code, in the event that the Bankruptcy Court estimates any contingent or Disputed Claim, the amount so estimated shall constitute the maximum allowable amount of such Claim. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Liquidation Trustee may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

### **C. No Distributions Pending Allowance**

1. Notwithstanding any other provision of the Plan or the Liquidation Trust Agreement, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim. To the extent that a Claim is not a Disputed Claim but is held by a Holder that is or may be liable to the Debtors, the Estates, the Liquidation Trust or the Liquidation Trustee, as applicable, on account of a Cause of Action, no payments or distributions shall be made with respect to all or any portion of such Claim unless and until such Claim and liability have been settled or withdrawn or have been determined by Final Order of the Bankruptcy Court or such other court having jurisdiction over the matter. All Tort Claims shall be deemed Disputed Claims unless and until they become Allowed Claims, are disallowed or are otherwise resolved.

2. On each Periodic Distribution Date, the Disbursing Agent will make distributions (a) on account of any Disputed Claim that has become an Allowed Claim since the preceding Periodic Distribution Date and (b) on account of previously Allowed Claims from the Disputed Claims Reserve, of property that would have been distributed to such Claim Holders on the dates distribution previously were made to Holders of Allowed Claims had the Disputed Claims that have become Allowed Claims been Allowed on such dates. Such distributions will be made pursuant to the provisions of the Plan governing the applicable Class.

### **D. Disputed Claims Reserve**

On the Effective Date and on each subsequent Periodic Distribution Date, the Disbursing Agent shall withhold, except as otherwise provided in the Plan, including with respect to estimation, on a Pro Rata basis from property that would otherwise be distributed to Classes of Claims entitled to distributions under the Plan on such date, in a separate Disputed Claims Reserve, such amounts or property as may be necessary to equal one hundred percent (100%) of distributions to which Holders of such Disputed Claims would be entitled under this Plan if such Disputed Claims were Allowed in their Disputed Claims Amount. With respect to any Disputed Claim that has been estimated by the Bankruptcy Court, the Disbursing Agent shall withhold the applicable portion of the Disputed Claims Reserve with respect to such Claims based upon the estimated amount of each such Claim as estimated by the Bankruptcy Court. If the Liquidation Trustee elects not to request an estimation of a Disputed Claim from the Bankruptcy Court with respect to a Disputed Claim that is contingent or unliquidated, the Disbursing Agent shall withhold the applicable Disputed Claims Reserve based upon the good faith estimate of the amount of such Claim by the Liquidation Trustee. Nothing in this Plan, the Disclosure Statement or the Liquidation Trust Agreement shall be deemed to entitle the Holder of a Disputed Claim to postpetition interest on such Claim.

### **E. Distributions After Allowance**

Payments and distributions from the Disputed Claims Reserve to each respective Holder of a Disputed Claim, to the extent that such Disputed Claim ultimately becomes an Allowed Claim, will be made in accordance with the provisions of the Plan that govern distributions to

such Holders. On the first Periodic Distribution Date following the date when a Disputed Claim becomes an Allowed Claim, the Disbursing Agent will distribute to the Holder of such Allowed Claim any Cash from the Disputed Claims Reserve that would have been distributed on the dates distributions were previously made to Holders of Allowed Claims in that Class had such Allowed Claim been an Allowed Claim on such dates. After a Final Order has been entered or other final resolution has been reached with respect to all Disputed Claims, any remaining Cash held in the Disputed Claims Reserve shall constitute Available Cash that shall be distributed in accordance with other provisions of this Plan.

## **ARTICLE VIII. PROVISIONS GOVERNING DISTRIBUTIONS**

### **A. Distributions for Claims Allowed as of the Effective Date and Thereafter**

Except as otherwise provided herein, all distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Initial Distribution Date by the Disbursing Agent. Distributions on account of Claims that first become Allowed Claims after the Effective Date shall be made pursuant to the terms and conditions of this Plan. Notwithstanding any other provisions of the Plan to the contrary, no distribution shall be made on account of any Claim or portion thereof that: (i) has been satisfied after the Petition Date pursuant to an order of the Bankruptcy Court; (ii) is listed in the Schedule of Assets and Liabilities as contingent, disputed, unliquidated or in a zero amount, and for which a proof of claim has not been timely filed; or (iii) is evidenced by a proof of Claim or request for payment of an Administrative Claim that has been amended by a subsequently filed Proof of Claim or request for payment of an Administrative Claim that purports to amend, or in the sole discretion of the Distribution Agent appears to amend, such Claim (without prejudice to the allowance of such Claim on the basis of the later filed proof of Claim or request for payment of Administrative Claim).

### **B. Disbursing Agent**

The Disbursing Agent shall make all distributions required under this Plan, subject to the terms and provisions of this Plan and the Liquidation Trust Agreement. If the Disbursing Agent is an independent third party designated to serve in such capacity, such Disbursing Agent shall receive, without further Bankruptcy Court approval, reasonable compensation approved by the Liquidation Trustee for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses approved by the Liquidation Trustee incurred in connection with such services from the entity so designating it as Disbursing Agent. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court or requested by the Liquidation Trustee. The Disbursing Agent shall be authorized and directed to rely upon the Debtors' books and records and Liquidation Trustee's representatives and professionals in determining Allowed Claims not entitled to distribution under the Plan in accordance with the terms and conditions of the Plan.

### **C. Means of Cash Payment**

Cash Payments, made pursuant to the Plan, shall be in U.S. dollars and, at the option and in the sole discretion of the Liquidation Trustee, be made by (a) checks drawn on or (b) wire transfers from a domestic bank selected by the Liquidation Trustee. Cash payments to foreign creditors may be made, at the option of the Liquidation Trustee, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

### **D. Delivery of Distributions**

1. Subject to the provisions of Rule 2002(g) of the Bankruptcy Rules, and except as otherwise provided herein, distributions and deliveries to Holders of Allowed Claims shall be made at the address of each such Holder as set forth on the Schedule of Assets and Liabilities filed with the Bankruptcy Court, unless superseded by the address set forth on timely filed proof(s) of claim or some other writing filed with the Bankruptcy Court and served upon the Disbursing Agent.

2. Distributions shall be made from the Reserves, as applicable, in accordance with the terms of this Plan and the Liquidation Trust Agreement. To the extent that Cash remains in any of the Reserves after payment of all Allowed Claims included in such Reserve, such Cash shall become Available Cash and shall be distributed in accordance with the terms of this Plan and the Liquidation Trust Agreement to Holders of Allowed Unsecured Claims in Classes 3, 4, and/or 5 on a Pro Rata basis in accordance with Section III.B herein.

3. In making distributions under the Plan, the Disbursing Agent may rely upon the accuracy of the claims register maintained by the Claims Agent in the Chapter 11 Cases, as modified by any Final Order of the Bankruptcy Court disallowing Claims in whole or in part.

4. If in the discretion of the Liquidation Trustee the Liquidation Trust has been “fully administered” and the Liquidation Trust Assets remaining are equal to or less than \$100,000, then the Disbursing Agent shall be authorized (without further Order of the Bankruptcy Court, but subject to the consent of a majority of the Plan Committee) to donate such sum to the Children's Hospital of Michigan Foundation or like institution or foundation. Solely for the purpose of this section the Liquidation Trust shall be deemed “fully administered” if in the discretion of the Liquidation Trustee (a) all Disputed Claims have been resolved, (b) all non-Cash Liquidation Trust Assets have been liquidated, (c) all current and anticipated operating expenses of the Liquidation Trust have been fully reserved for or paid, and (d) all distributions required under the Plan, the Liquidation Trust Agreement or any Final Order of the Bankruptcy Court have been made to the Holders of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Secured Claims and Allowed Other Priority Claims. If the remaining Liquidation Trust Assets are greater than \$100,000, the Disbursing Agent shall make further distributions to the Holders of Allowed Unsecured Claims in accordance with the terms of the Plan and Liquidation Trust Agreement.

### **E. Undeliverable Distributions**

1. If any distribution to any Holder is returned to the Disbursing Agent as undeliverable, no further distributions shall be made to such Holder unless and until the

Disbursing Agent is notified by such Holder, in writing, of such Holder's then-current address. Upon such an occurrence, the appropriate distribution shall be made as soon as reasonably practicable after such distribution has become deliverable. All Persons ultimately receiving previously undeliverable Cash shall not be entitled to any interest or other accruals of any kind. Nothing contained in the Plan shall require the Liquidation Trustee or the Disbursing Agent, as applicable, to attempt to locate any Holder of an Allowed Claim or an Allowed Equity Interest.

2. Any Holder of an Allowed Claim entitled to an undeliverable or unclaimed distribution that does not provide notice of such Holder's correct address to the Liquidation Trustee and the Disbursing Agent within the later of one hundred and eighty (180) days after (i) the Effective Date or (ii) the date of the initial distribution made by the Disbursing Agent to such Holder, shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for an undeliverable or unclaimed distribution against any of the Debtors, the Estates, the Liquidation Trustee, the Liquidation Trust, their respective agents, attorneys, representatives, employees or independent contractors and/or any of its and their property. In such cases, any Cash otherwise reserved for undeliverable or unclaimed distributions shall become the property of the Liquidation Trust free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary and shall be distributed in accordance with the terms of this Plan and the Liquidation Trust Agreement to the Holders of Allowed Unsecured Claims in Classes 3, 4, and/or 5 on a Pro Rata basis, in accordance with Section III.B herein, as a final distribution.

#### **F. Withholding and Reporting Requirements**

In connection with the Plan and all distributions thereunder, the Disbursing Agent to the extent applicable shall comply with all tax withholding and reporting requirements imposed by any U.S. federal, state or local or non-U.S. taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Disbursing Agent shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan, (a) each Holder of an Allowed Claim that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution, and (b) the Disbursing Agent reserves the option, in its discretion, to not make a distribution to or on behalf of such Holder pursuant to the Plan unless and until such Holder has made arrangements satisfactory to the Disbursing Agent for the payment and satisfaction of such tax obligations or has, to the Disbursing Agent's satisfaction, established an exemption therefrom. Any distributions to be made pursuant to the Plan shall, pending the implementation of such withholding and reporting requirements, be treated as undeliverable pursuant to Section VIII.E of this Plan.

#### **G. Distribution Record Date**

The Disbursing Agent will have no obligation to recognize the transfer or sale of any participation in any Allowed Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims who are Holders of such Claims, or participants therein, as of the

close of business on the Distribution Record Date. Instead, the Disbursing Agent shall be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on the official claims register as of the close of business on the Distribution Record Date.

#### **H. Allocation of Plan Distributions Between Principal and Interest**

To the extent that any Allowed Claim entitled to a distribution under this Plan is composed of indebtedness and accrued but unpaid interest thereon, such distribution shall, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

#### **I. Time Bar to Cash Payments**

Checks issued by the Disbursing Agent on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Disbursing Agent by the Holder of the Allowed Claim. Any claim relating to such voided check shall be made on or before the later of one hundred and eighty (180) days after (x) the Effective Date and (y) the date of issuance of such check. After such date, all claims relating to such voided checks shall be discharged and forever barred.

#### **J. Distributions After the Effective Date**

Distributions made after the Effective Date to Holders of Claims that are not Allowed Claims as of the Effective Date, but which later become Allowed Claims, shall be deemed to have been made on the Effective Date.

#### **K. Interest on Claims**

Unless otherwise specifically provided for in the Plan or the Confirmation Order, or required by the Bankruptcy Code, interest, fees, costs and other charges accruing or incurred on or after the Petition Date shall not be paid on any Claims, and no Holder of a Claim shall be entitled to interest, fees, costs or other charges accruing or incurred on or after the Petition Date on a Claim. To the extent provided for in the Plan, the Confirmation Order or required by the Bankruptcy Code, postpetition interest shall accrue on Claims at the applicable nondefault rate unless another rate is specified in the Plan or the Confirmation Order. Interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date such Claim becomes an Allowed Claim.

#### **L. Fractional Dollars; De Minimis Distributions**

Notwithstanding anything contained herein to the contrary, payments of fractions of dollars will not be made. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest dollar (up or down), with half dollars being rounded down. The Disbursing Agent will not make any payment of less than twenty dollars (\$20) on account of any Allowed Claim,



unless a specific request therefor is made in writing to the Liquidation Trustee on or before ninety (90) days after the Effective Date.

**M. Disputed Payments**

If any dispute arises as to the identity of a Holder of an Allowed Claim who is to receive any distribution, the Liquidation Trustee may, in lieu of making such distribution to such Person, make such distribution into an escrow account until the disposition thereof shall be determined by order of the Bankruptcy Court or by written agreement among the interested parties to such dispute.

**N. Setoff**

The Liquidation Trustee may, but shall not be required to, setoff, recoup or otherwise offset against any Allowed Claim and the distributions to be made pursuant to the Plan on account thereof, the claims, rights and causes of action of any nature that the Debtors, their Estates, the Liquidation Trust or the Liquidation Trustee may hold against the Holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff, recoupment or other offset nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors, their Estates, the Liquidation Trust or the Liquidation Trustee of any such claims, rights and Causes of Action that the Debtors, their Estates, the Liquidation Trust or the Liquidation Trustee may possess against such Holder. Except as otherwise expressly provided in this Plan or the Confirmation Order, on the Effective Date any right or defense of setoff held or asserted by any Person against any of the Debtors, any of the Debtors' property or any property in which the Debtors have an interest shall be deemed extinguished unless such setoff was previously completed or preserved in accordance with applicable law.

**O. No Recourse**

Notwithstanding that the allowed amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is allowed in an amount for which there is insufficient Cash in the relevant fund or reserve to provide a recovery equal to that received by other Holders of Allowed Claims in the relevant Class, no Claim Holder shall have recourse to the Debtors, the Estates, the Creditors' Committee or any member thereof, the Liquidation Trust, the Liquidation Trustee, the Plan Committee or the members thereof, the Holder of any other Claim, or any of their respective professionals, successors, assigns, property or interest in property. **THUS, THE BANKRUPTCY COURT'S ENTRY OF AN ESTIMATION ORDER MAY LIMIT THE DISTRIBUTION TO BE MADE ON INDIVIDUAL DISPUTED CLAIMS, REGARDLESS OF THE AMOUNT FINALLY ALLOWED ON ACCOUNT OF SUCH DISPUTED CLAIMS.**

**ARTICLE IX.  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**A. Rejection of Executory Contracts and Unexpired Leases**

Any executory contracts or unexpired leases which have not (i) expired by their own terms on or prior to the Effective Date, or (ii) been assumed, assumed and assigned, or rejected

with the approval of the Bankruptcy Court, shall be deemed rejected by the Debtors as of the Effective Date, and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejections of such executory contracts and unexpired leases pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

## **B. Rejection Damages Claim**

Each entity that is a party to an executory contract or unexpired lease that is rejected as of the Effective Date pursuant to this Plan and the Confirmation Order will be entitled to file, not later than thirty (30) days following the Effective Date, a proof of Claim for damages alleged to have been suffered due to such rejection; provided, however, that the opportunity afforded a Person whose executory contract or unexpired lease is rejected as of the Effective Date pursuant to this Plan and the Confirmation Order to file a proof of Claim shall not extend the time for any Person that to assert or attempt to assert a claim on account of an executory contract or unexpired lease that was previously rejected by the Debtors for which the Existing Bar Date applies or another filing deadline was established. Any Person that has a Claim for damages as a result of the rejection of an executory contract or unexpired lease pursuant to this paragraph of the Plan that does not file a proof of Claim in accordance with the terms and provisions of the Plan with the Bankruptcy Court (and serve such proof of Claim upon the Liquidation Trustee) will be forever barred from asserting that Claim against, and such Claim shall be unenforceable against, the Debtors, the Estates, the Liquidation Trustee, the Liquidation Trust or their respective property.

## **ARTICLE X.**

### **ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS**

#### **A. Professional Claims**

##### **1. Final Fee Applications**

All final requests for payment of Professional Fee Claims (the “Final Fee Applications”) must be filed no later than forty-five (45) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the Liquidation Trustee and its counsel, the Creditors’ Committee and its counsel, the requesting Professional and the Office of the United States Trustee no later than thirty (30) days from the date on which each such Final Fee Application is served and filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules and prior Final Orders of the Bankruptcy Court, the allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

##### **2. Employment of Professionals after the Effective Date**

From and after the Effective Date, any requirement that professionals comply with Bankruptcy Code sections 327 through 331 or any order previously entered by the Bankruptcy Court in seeking retention or compensation for services rendered or expenses incurred after such date will terminate.

**B. Bar Date for Substantial Contribution Claims and Other Administrative Claims**

Any Person who wishes to assert a Substantial Contribution Claim or other Administrative Claim (excluding a Professional Fee Claim) must file a request for payment with the clerk of the Bankruptcy Court, on or before the Administrative Claim Plan Bar Date, and serve such request for payment on counsel for the Debtors or the Liquidation Trustee, as applicable, and as otherwise required by Bankruptcy Code, Bankruptcy Rules and orders of the Bankruptcy Court on or before the Administrative Claim Plan Bar Date, or be forever barred from seeking such compensation or expense reimbursement; provided, however, that any Person who is serving as an officer or director of any Debtor as of the Confirmation Date is excused from the obligation to file with the clerk of the Bankruptcy Court a request for payment with respect to any Claim such Person has arising from or relating to such Person's service as an officer or director any Debtor on or after the Petition Date. Objections, if any, to such Substantial Contribution Claims and Administrative Claims must be filed no later than the Claims Objection Deadline. Nothing in this Plan shall revise or otherwise entitle a Person to file or assert a Substantial Contribution Claim or other Administrative Claim which is subject to an Existing Bar Date. *Any Person that is required to and fails to properly file and serve such a request for payment of a Substantial Contribution Claim or other Administrative Claim (excluding a Professional Fee Claim) on or before the Administrative Claim Plan Bar Date shall be forever barred from asserting such Claim against the Debtors, the Estates, the Liquidation Trust, the Liquidation Trustee, the members of the Plan Committee, or their respective property or interests in property, such Claim shall be discharged and the Holder thereof shall be enjoined from commencing or continuing any action, employment of process or acts to collect, offset or recover such Claim.*

**ARTICLE XI.  
CONDITIONS PRECEDENT TO CONFIRMATION  
AND THE EFFECTIVE DATE**

**A. Conditions Precedent to Confirmation Date of the Plan**

The occurrence of the Confirmation Date shall be subject to satisfaction of the following conditions precedent:

1. The Bankruptcy Court shall have entered an order approving the Disclosure Statement as containing adequate information within the meaning of section 1125 of the Bankruptcy Code.
2. The Substantive Consolidation Order, which may be the Confirmation Order, shall be in form and substance reasonably acceptable to the Plan Proponents, and shall have been entered by the Bankruptcy Court prior to or contemporaneously with the Confirmation Order.
3. The Confirmation Order, in a form and substance reasonably acceptable to the Plan Proponents, shall have been entered by the Bankruptcy Court.

## **B. Conditions Precedent to the Effective Date of the Plan**

The occurrence of the Effective Date and the Consummation of the Plan are subject to satisfaction of the following conditions precedent:

1. The Confirmation Order as entered by the Bankruptcy Court shall be a Final Order in full force and effect, in form and substance reasonably satisfactory to the Plan Proponents.
2. All actions, documents and agreements necessary to implement the Plan shall have been effected or executed, including the Liquidation Trust Agreement.

## **C. Waiver of Conditions Precedent**

To the extent legally permissible, each of the conditions precedent in Sections XI.A & B may be waived, in whole or in part, by the Debtors in their sole discretion, but after consultation with the Creditors' Committee. Any such waiver of a condition precedent may be effected at any time, without notice or leave or order of the Bankruptcy Court and without any formal action other than proceeding as if such condition did not exist. The failure of the Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any other rights. Upon the waiver of any conditions to the Effective Date set forth in Section XI.B of the Plan, and subject to the satisfaction in full of each of the remaining conditions set forth in such Article, the Plan shall become effective in accordance with its terms without notice to third parties or any other formal action.

## **D. The Confirmation Order**

If the Confirmation Order is vacated for whatever reason, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release of any Claims by or against, or any Equity Interests in, any of the Debtors; (ii) prejudice in any manner the rights of the Debtors or the Creditors' Committee; or (iii) constitute an admission, acknowledgment, offer or undertaking by the Debtors or the Creditors' Committee in any respect.

# **ARTICLE XII. EFFECT OF PLAN CONFIRMATION**

## **A. Binding Effect.**

The Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Equity Interests, whether or not such Holders will receive or retain any property or interest in property under the Plan, and their respective successors and assigns, including, but not limited to the Liquidation Trust, the Liquidation Trustee and all other parties in interest in the Chapter 11 Cases.

## **B. Discharge of the Debtors**

Pursuant to section 1141(d)(3) of the Bankruptcy Code, confirmation will not discharge Claims against the Debtors; provided, however, that no Holder of a Claim or Equity Interest may, on account of such Claim or Equity Interest, seek or recover any payment or other distribution from, or seek recourse against, any Debtor, any Estate, the Creditors' Committee, the Liquidation Trust, the Liquidation Trustee, the Plan Committee and/or their respective successors, assigns and/or property, except as expressly provided in this Plan.

## **C. Injunction**

1. *Except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Effective Date all Persons who have held, hold or may hold Claims against or Equity Interests in the Debtors are permanently enjoined from taking any of the following actions against the Debtors, the Estates, the Creditors' Committee, the Liquidation Trust, the Liquidation Trustee, the Plan Committee or any of their property on account of any such Claims or Equity Interests: (1) commencing or continuing, in any manner or in any place, any action or other proceeding; (2) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (3) creating, perfecting or enforcing any Lien, claim, interest or encumbrance; (4) to the fullest extent permitted by applicable law, asserting a setoff or right of subrogation of any kind against any debt, liability or obligation due to the Debtors; and (5) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan.*

2. *The Confirmation Order shall further provide that all Persons are permanently enjoined from obtaining any documents or other materials from current counsel for the Debtors or the Creditors' Committee that is in the possession of such counsel as a result of or arising in any way out of their representation of the Debtors and/or the Creditors' Committee, except in accordance with Section VI.G of this Plan.*

## **D. Terms of Injunctions or Stays**

*Unless otherwise expressly provided herein, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date.*

## **E. Satisfaction of Subordination Rights**

Except as provided herein, all Claims against the Debtors and all rights and claims between or among Holders of Claims relating in any manner whatsoever to distributions on account of Claims against or Equity Interests in the Debtors, based upon any subordination rights, whether asserted or unasserted, legal or equitable, shall be deemed satisfied by the distributions, if any, under the Plan to the Holders of such Claims and Equity Interests having such subordination rights, and such subordination rights shall be deemed waived, released, discharged and terminated as of the Effective Date. Distributions to the various Classes of

Claims hereunder shall not be subject to levy, garnishment, attachment or like legal process by any Holder of any Claim or Equity Interest by reason of any subordination rights or otherwise, so that each Holder of a Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan.

#### **F. Exculpation**

*Except as otherwise specifically provided in this Plan, the Debtors, the Liquidation Trust, the Liquidation Trustee, the Creditors' Committee, the Plan Committee, the members of the Creditors' Committee and/or the Plan Committee in their capacities as such, the Disbursing Agent and any of such parties' respective present and former members, officers, directors, employees, advisors, attorneys, representatives, financial advisors, investment bankers or agents and any of such parties' successors and assigns, shall not have or incur any claim, obligation, cause of action, or liability to one another or to any Holder of a Claim or Equity Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys or affiliates, or any of their successors or assigns, for any act or omission originating or occurring on or after the Petition Date through and including the Effective Date in connection with, relating to, or arising out of the Debtors, the Chapter 11 Cases, the negotiation and filing of the Plan or any prior chapter 11 plans, the Disclosure Statement or any prior disclosure statement, the Severstal Sale, the consummation of the Plan, the administration of the Plan or the property to be liquidated and/or distributed under the Plan, except for their willful misconduct or gross negligence as determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. Without limiting the generality of the foregoing, no current or former officer or director of any Debtor who served in such capacity on or after the Petition Date shall have or incur any claim, obligation, cause of action, or liability to any governmental unit (as such term is defined in section 101(27) of the Bankruptcy Code) in connection with a tax for which any Debtor is or may be liable in any capacity, except if (a) such tax was one required to be collected or withheld by such Debtor from a third party or (b) the nonpayment of such tax directly resulted from the willful misconduct or gross negligence of such officer or director, in either case as determined by a Final Order of the Bankruptcy Court.*

#### **ARTICLE XIII. RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain and have exclusive jurisdiction after the Effective Date over any matter arising under the Bankruptcy Code, arising in or related to the Chapter 11 Cases or the Plan, or that relates to the following, in each case to the greatest extent permitted by applicable law:

1. to enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan;

2. to determine any and all motions, adversary proceedings, applications and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by the Liquidation Trustee after the Effective Date; provided, however, that the Liquidation Trustee shall reserve the right to commence collection actions, actions to recover receivables and other similar actions in all appropriate jurisdictions;

3. to ensure that distributions to Holders of Allowed Claims are accomplished as provided herein;

4. to hear and determine any timely objections to Claims and Equity Interests filed, both before and after the Confirmation Date, including any objections to the classification of any Claim or Equity Interest, and to allow, disallow, determine, liquidate, classify, estimate or establish the priority of or secured or unsecured status of any Claim, in whole or in part;

5. to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed or vacated;

6. to issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

7. to consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

8. to hear and determine all applications for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Confirmation Date;

9. to hear and determine disputes arising in connection with or relating to the Plan or the interpretation, implementation, or enforcement of the Plan or the extent of any Person's obligations incurred in connection with or released or exculpated under the Plan;

10. to issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation or enforcement of the Plan;

11. to determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Liquidation Trust Agreement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Disclosure Statement to be executed in connection with the Plan;

12. to hear and determine the Causes of Action;

13. to hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

14. to hear any other matter or for any purpose specified in the Confirmation Order that is not inconsistent with the Bankruptcy Code; and

15. to enter a final decree closing the Chapter 11 Cases.

## **ARTICLE XIV. MISCELLANEOUS**

### **A. Modification of Plan**

The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, in their sole discretion, but after consultation with the Creditors' Committee, to amend or modify the Plan at any time prior to the entry of the Confirmation Order. Upon entry of the Confirmation Order, the Debtors may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such Holder and the votes of each Class for or against the Plan shall be counted and used in connection with the modified chapter 11 plan.

### **B. Revocation, Withdrawal or Non-Consummation**

The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if the Confirmation Order confirming the Plan shall not be entered or become a Final Order, then at the Debtors' or Liquidating Trustee's election, in consultation with the Creditors' Committee or Plan Committee, as applicable, (a) the Plan shall be null and void in all respects, including, without limitation, any letter of support provided by the Creditors' Committee with respect to the Plan, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Equity Interest or Class of Claims or Equity Interests), assumption or rejection of executory contracts or leases affected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (1) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors or any other Person, (2) prejudice in any manner the rights of the Debtors or any other Person, (3) constitute an admission of any sort by the Debtors or any other Person, or (4) constitute a release of any Causes of Action possessed or maintained by the Debtors.

### **C. Substantial Consummation**

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

### **D. Payment of Statutory Fees**

All fees payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on or before the Effective Date to the extent required by applicable law. All such fees which become due and payable thereafter by the Debtors shall be



paid by the Liquidation Trustee or the Disbursing Agent, as applicable, pending the dismissal, conversion or closure of such Debtor's Chapter 11 Case.

#### **E. Exemption from Certain Transfer Taxes**

Pursuant to section 1146(c) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any document recording tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax or similar tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

#### **F. Business Day**

If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

#### **G. Severability**

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, then the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

#### **H. Further Assurances**

The Debtors, the Liquidation Trustee, all Holders of Claims receiving distributions under the Plan, and all other parties in interest shall, from time to time, prepare, execute and deliver agreements or documents and take other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

#### **I. Notices**

All notices, requests, and demands required by the Plan or otherwise, to be effective, shall be in writing, including by facsimile transmission, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered to all of the

following, or in the case of notice by facsimile transmission, when received by all of the following, addressed as follows or to such other addresses as filed with the Bankruptcy Court:

1. If to the Debtors,

ROUGE INDUSTRIES, INC.  
c/o Steven L. Victor  
Development Specialists, Inc.  
Three First National Plaza  
70 West Madison Street  
Suite 2300  
Chicago, Illinois 60602-4250

*with a copy to*

Gregory W. Werkheiser, Esq.  
MORRIS, NICHOLS, ARSHT & TUNNELL LLP  
1201 North Market Street  
P.O. Box 1347  
Wilmington, Delaware 19899-1347

2. If to the Creditors' Committee,

Claudia Z. Springer, Esq.  
REED SMITH LLP  
2500 One Liberty Place  
1650 Market Street  
Philadelphia, Pennsylvania 19103-7301

*with a copy to*

[To be supplied, if necessary.]

3. If to the Liquidation Trustee, to the Person(s) designated in the Confirmation Order.

4. If to the Plan Committee, to the Person(s) designated in the Confirmation Order.

**J. Successors and Assigns**

The rights, benefits and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Person.

**K. Section Headings**

The section headings contained in this Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

**L. Plan Supplement(s)**

Any Plan Supplement (and amendments thereto) filed by the Debtors shall be deemed an integral part of the Plan and shall be incorporated by reference as if fully set forth herein. Upon its filing, the Plan Supplement may be inspected in the offices of the Clerk of the Bankruptcy Court during normal business hours or downloaded from the Bankruptcy Court's web site at [www.deb.uscourts.gov](http://www.deb.uscourts.gov). Please note that prior registration with the PACER Service Center and payment of a fee may be required to access such documents. Parties in interest may sign up for a PACER account by visiting the PACER website at <http://pacer.psc.uscourts.gov> or by calling (800) 676-6856. Additionally, Holders of Claims and Equity Interests may obtain a copy of the Plan Supplement upon written request to the Debtors in accordance with Article XIV hereof. The documents contained in the Plan Supplement shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

Dated: April 20, 2009

Respectfully submitted,

Rouge Industries, Inc.  
Rouge Steel Company  
QS Steel Inc.  
Eveleth Taconite Company,

By: /s/ Steven L. Victor

Name: Steven L. Victor

Title: Chief Restructuring Office of Rouge Industries, Inc., Rouge Steel Company, QS Steel Inc., and Eveleth Taconite Company

On Behalf of the Official Committee of Unsecured Creditors

By: /s/ Claudia Z. Springer

Name: Claudia Z. Springer

Title: Attorney for Committee