

**CONFIDENTIAL AGREEMENT**

This confidential agreement (the “Agreement”) is made as of this 25th day of November, 2013, by and among National Union Fire Insurance Company of Pittsburgh, Pa., on behalf of itself and each of its related insurers that provided insurance coverage (collectively, “National Union”) on the one hand, and RG Steel, LLC (“RG Steel”) and its affiliated debtors and debtors in possession that that were provided insurance coverage by National Union on the other hand (collectively, the “Debtors”). National Union and RG Steel shall be collectively referred to as the “Parties” and individually as a “Party.”

WHEREAS, Severstal Sparrows Point, LLC (n/k/a RG Steel Sparrows Point, LLC) contracted with National Union for National Union to provide commercial automobile, workers’ compensation and employers’ liability insurance for the period of May 7, 2008 to May 1, 2011, and entered into certain agreements, policies, schedules, addenda and related documents with National Union for insurance and risk management services (the “Sparrows Program”); and,

WHEREAS, Severstal Wheeling, Inc. (f/k/a Wheeling-Pittsburgh Steel Corporation and n/k/a RG Steel Wheeling, LLC) contracted with National Union for National Union to provide commercial automobile, general liability, workers’ compensation and employers’ liability insurance for the periods of July 31, 2006<sup>1</sup> through July 31, 2008 and August 15, 2008 through May 1, 2011, and entered into certain

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<sup>1</sup> National Union provided insurance coverage to Wheeling-Pittsburgh Steel Corporation commencing in on July 31, 2003, but the period of July 31, 2003 through July 31, 2006 is outside the scope of this Agreement.

agreements, policies, schedules, addenda and related documents with National Union for insurance and risk management services (the “Wheeling Program”); and,

WHEREAS, Severstal Warren, Inc. (n/k/a RG Warren, LLC) contracted with National Union for National Union to provide commercial automobile, workers’ compensation and employers’ liability insurance for the period of May 1, 2009 through May 1, 2010, and entered into certain agreements, policies, schedules, addenda and related documents with National Union for insurance and risk management services (the “Warren Program”); and,

WHEREAS, RG Steel contracted with National Union for National Union to provide commercial automobile, workers’ compensation and employers’ liability insurance for the period of March 31, 2011 through March 31, 2013, and entered into certain agreements, policies, schedules, addenda and related documents with National Union for insurance and risk management services (the “RG Steel Program”); and,

WHEREAS, under the Assumption and Cross-Collateralization Agreement between National Union and RG Steel dated March 31, 2011, RG Steel (the “Cross-Collateralization Agreement”) assumed all of the existing, outstanding and future insurance debts, liabilities and duties of the Wheeling Program, the Sparrows Program and the Warren Program. The Wheeling Program, the Sparrows Program, the Warren Program and the RG Steel Program are hereinafter collectively referred to as the “Insurance Programs”; and,

WHEREAS, in order to secure RG Steel’s obligations to National Union arising out of or relating to the Insurance Programs, RG Steel delivered to National Union certain collateral (the “Collateral”); and,

WHEREAS, on May 31, 2012, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) and thereafter have operated as a debtors-in-possession; and,

WHEREAS, on or about September 20, 2013, RG Steel commenced arbitration by notice against National Union pursuant to the applicable agreements in connection with the Insurance Programs (the “Arbitration”); and,

WHEREAS, in connection with the Arbitration, John Cole (“Cole”) was appointed by National Union as its party-appointed arbitrator, Bruce Shulan (“Shulan”) was appointed by RG Steel as its party-appointed arbitrator and a third arbitrator has not yet been selected; and,

WHEREAS, National Union and the Debtors have agreed to a partial return of the Collateral to the Debtors under the terms stated below.

NOW, THEREFORE, in consideration of the promises and undertakings set forth herein, and for other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals. The foregoing recitals are incorporated herein by reference as if set forth in full.
2. Collateral Return. National Union will pay to RG Steel as a debtor in possession, the sum of One Million Five Hundred Thousand dollars (\$1,500,000.00) from the Collateral within [sixteen (16)] business days after Bankruptcy Court approval of this Agreement (the “Collateral Return”). The remaining Collateral held by National

Union after the Collateral Return and any interest earned thereupon shall hereinafter be referred to as the “Remaining Collateral.”

3. Collateral Review. After the Collateral Return, RG Steel shall not request, and National Union shall not be required to adjust, review or return any premium or Remaining Collateral in connection with the Insurance Programs until after loss data valued as of June 30, 2014 becomes available and in accordance herewith. After the loss data valued as of June 30, 2014 becomes available (which shall be no later than August 15, 2014), National Union shall, on or before September 1, 2014, review the adequacy of the Remaining Collateral and provide to RG Steel a written statement concerning the adequacy of the Remaining Collateral, and shall, during September 2014 meet and confer with RG Steel concerning the adequacy of the Remaining Collateral.

4. Adequate Protection. Pursuant to sections 361 and 363(c)(2)(A) of the Bankruptcy Code, if the parties agree or it is determined in the Arbitration that after the Collateral Return, National Union is not adequately secured to satisfy in the aggregate the Assumed Obligations (as defined in the Cross-Collateralization Agreement), then National Union shall be allowed an administrative priority claim against RG Steel in an amount equal to the difference between the amount needed to adequately secure the Assumed Obligations (as determined by agreement or in the Arbitration) and the Remaining Collateral. For the avoidance of doubt, in no event shall such administrative priority claim be allowed in an amount in excess of the Collateral Return.

5. No Admission. This Agreement and all negotiations, statements, and proceedings in connection herewith shall not, in any event, be construed or deemed

to be evidence of an admission or concession on the part of any person or entity herewith in any subsequent proceeding concerning the Insurance Programs or the amount of the Collateral.

6. Continuing Obligations. Nothing herein shall release, reduce, enlarge, or alter in any way any insurance coverage previously provided to RG Steel or its affiliates by National Union under the Insurance Programs, nor shall this Agreement release, reduce, enlarge, or alter in any way any of the obligations of RG Steel under the Insurance Programs, including without limitation, all payment and reimbursement obligations. All conditions, terms, provisions and exclusions of any kind under the policies that are part of the Insurance Programs or other governing agreements remain in full force and effect, including without limitation, those relating to dates of coverage, the provision of coverage, exclusions, limitations, and cooperation. This Agreement shall not alter or impair in any way RG Steel's existing rights to communicate and collaborate with Gallagher Bassett Services, Inc. ("Gallagher Bassett") (or any other third-party administrator appointed to handle applicable claims) regarding any review, evaluation, or resolution of any applicable claims, nor shall the Agreement alter or impair in any way any existing practices between RG Steel and Gallagher Bassett in the review, evaluation, and resolution of such claims.

7. Reservation of Rights. All parties' rights with respect to any proofs of claims filed by National Union, whether for itself or for the benefit of third parties, or any claims filed by third parties on behalf of National Union, are hereby expressly reserved.

8. Miscellaneous Provisions.

(a) The Parties acknowledge that they have had the benefit of counsel of their choice and have been afforded an opportunity to review this Agreement with their chosen counsel. In entering into this Agreement, they are not acting on any representations, warranties, promises, statements of intention or inducements other than those set forth herein.

(b) This Agreement may not be modified, amended or supplemented in any respect, nor may any of its provisions be waived, except by a subsequent writing signed by the Parties or their successors-in-interest.

(c) The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

(d) The waiver of any breach of this Agreement shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

(e) This Agreement shall constitute the entire agreement between the Parties as respects its subject matter and no representations, warranties, or inducements have been made by either Party hereto concerning this Agreement other than those contained and memorialized in such document. Any and all prior and contemporaneous written and oral agreements or understandings between the Parties

related to this Agreement, except those stated to remain in force and effect, have been merged into and are superseded by the terms and conditions of the Agreement.

(f) This Agreement may be executed in one or more counterparts and delivered by electronically, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. Digital signatures shall also be deemed to be original signatures.

(g) This Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, might have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties, and each of them have contributed substantially and materially to the preparation of this Agreement.

9. Representations and Warranties. The Parties represent and warrant that: (a) it is not relying on any statement or representation made by any other Party to this Agreement (other than those contained in this Agreement); (b) they have entered into this Agreement freely and voluntarily, without any coercion or duress, and with a full understanding of the obligations and implications of this Agreement; (c) subject in the Debtors' case to Bankruptcy Court approval of this Agreement, each such named entity has full power and authority to enter into and execute this Agreement and to carry out the obligations and covenants created hereby; (d) the execution and delivery of this Agreement and the performance of the obligations and covenants created hereunder have been duly authorized by all necessary corporate action on the part of each such party, and no shareholder or other approval is necessary in order to bind each such party hereto; and, (e) the obligations and covenants created by and under this Agreement

constitute the legal, valid and binding obligations of each such Party in accordance with their respective terms.

10. Arbitration. The Parties agree to a standstill of the Arbitration and either Party can issue a notice to resume the Arbitration by providing written notice after September 15, 2014, which will then commence the thirty (30) day time period in the applicable agreements to select the third arbitrator. In the event the Arbitration is resumed, the Parties agree that Cole and Shulan shall continue to serve as the respective party-appointed arbitrators in the Arbitration. In the event that Cole and/or Shulan are unwilling or unable to serve, a replacement shall be chosen in the same manner that such individual was originally chosen. The Parties shall each retain the right to replace their own party-appointed arbitrator.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

RG Steel, LLC and its affiliated debtors  
and debtors in possession

National Union Fire Insurance Company of  
Pittsburgh, Pa. and the Related Insurers

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_, 2013

By: \_\_\_\_\_  
Name: James J. Rowland  
Title: Vice President

Date: \_\_\_\_\_, 2013

By: \_\_\_\_\_  
Name: Martin Bogue  
Title: Assistant Secretary

Date: \_\_\_\_\_, 2013