

REGISTRATION NO. 333-108131

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-3  
REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933

UNITED STATES STEEL CORPORATION  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

<Table>		
<S>	<C>	
	DELAWARE	25-1897152
	(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)
</Table>		

UNITED STATES STEEL CORPORATION  
600 GRANT STREET, ROOM 1500  
PITTSBURGH, PA 15219-2800  
(412) 433-1121  
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

DAN D. SANDMAN, ESQ.  
VICE CHAIRMAN AND CHIEF LEGAL & ADMINISTRATIVE OFFICER,  
GENERAL COUNSEL AND SECRETARY  
UNITED STATES STEEL CORPORATION  
600 GRANT STREET  
PITTSBURGH, PA 15219-2800  
(412) 433-1121  
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time following the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

<Table>

<Caption>

TITLE OF SHARES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Common Stock, par value \$1.00 per share.....	3,000,000	\$16.995	\$50,985,000	\$4,124.69+

</Table>

(1) Calculated pursuant to rule 457(c), based on the average of the high and low price for the shares of United States Steel Corporation common stock on the New York Stock Exchange Composite Tape for August 14, 2003.

+ Previously paid.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"), ACTING PURSUANT TO SECTION 8(a), MAY DETERMINE.

PURSUANT TO RULE 429 UNDER THE SECURITIES ACT OF 1933, THE PROSPECTUS INCLUDED IN THIS REGISTRATION STATEMENT WILL ALSO BE USED FOR PURPOSES OF SECTION 10(a)(3) OF THE ACT IN CONNECTION WITH SECURITIES REGISTERED ON FORM S-3, REGISTRATION NUMBER 333-75148.

Prospectus

[UNITED STATES STEEL CORPORATION LOGO]

UNITED STATES STEEL CORPORATION

Dividend Reinvestment and

Stock Purchase Plan

3,000,000 Shares of Common Stock

Our Common Stock is traded on the  
New York Stock Exchange under the symbol "X".

Investing in our Common Stock involves risks.

See "Risk Factors" beginning on page 5.

Neither the Securities and Exchange Commission nor any state securities regulators has determined whether this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR INFORMATION THAT WE HAVE REFERRED YOU TO. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THOSE TO WHICH IT RELATES OR AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, THE SECURITIES TO WHICH IT RELATES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS NOT LAWFUL TO MAKE ANY SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

SUMMARY

PLAN INTRODUCTION

UNITED STATES STEEL CORPORATION  
DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

United States Steel Corporation ("U. S. Steel") is pleased to send you this prospectus describing the United States Steel Corporation Dividend Reinvestment and Stock Purchase Plan (the "Plan"). The Plan provides a simple and convenient method to make an initial investment in U. S. Steel, purchase additional shares of U. S. Steel common stock and to have cash dividends automatically reinvested.

IF YOU ARE ALREADY PARTICIPATING IN THE PLAN, NO ACTION IS REQUIRED.

Some of the significant features of the Plan include:

- Enrollment through initial direct stock purchase.
- Purchases through the reinvestment of quarterly dividends of up to \$15,000 (more with permission of U. S. Steel).
- Purchase of Shares through optional cash payments (minimum \$50) up to \$10,000 per month (more with permission of U. S. Steel).
- Option of monthly investment through automatic bank debits.
- Optional cash payments generally invested within a week of receipt.
- Purchase of shares at a discount of up to 3% from time to time, upon notice from U. S. Steel.
- Simplified record keeping, with quarterly statements of your Plan account.
- Option to deposit shares for safekeeping.

Please note, Plan service fees have changed. Please see Schedule II for more information about these fees.

Your participation is entirely voluntary and you may terminate your participation at any time. Once you are enrolled in the Plan, your enrollment will be continued unless you notify the Administrator otherwise. If you wish to join the Plan or change your investment option, please complete and sign an authorization form and return it to the Administrator.

#### INFORMATION ABOUT U. S. STEEL

U. S. Steel, through its domestic operations, is engaged in the production, sale and transportation of steel mill products, coke, and taconite pellets; the management of mineral resources; real estate development; and engineering and consulting services and, through its European operations, which includes U.S. Steel Kosice located in the Slovak Republic ("USSK") and U.S. Steel Balkan, d.o.o. headquartered in the Republic of Serbia ("USSB"), in the production and sale of steel mill products and coke. Certain business activities are conducted through joint ventures and partially owned companies. U. S. Steel's principal executive offices are located at 600 Grant Street, Pittsburgh, PA 15219-2800, and its telephone number is (412) 433-1121.

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#### FORWARD-LOOKING INFORMATION

This prospectus and the documents incorporated herein by reference include "forward-looking statements" that are identified by the use of forward-looking words or phrases, including, but not limited to, "intends," "intended," "expects," "expected," "anticipates" and "anticipated." These forward-looking statements are based on (1) a number of assumptions made by management concerning future events and (2) information currently available to management. Readers are cautioned not to put undue reliance on those forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other facts, many of which are outside our control, that could cause actual events to differ materially from those statements. All statements other than statements of historical facts included in this prospectus and the documents incorporated herein by reference, including those regarding our future financial position, results of operations, cash flows and costs, and those regarding our business strategy and growth opportunities, are forward-looking statements. Although we believe that our expectations reflected in those forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. Important factors that could cause actual results to differ materially from our expectations, in addition to those factors disclosed under "Risk factors" beginning on page 5 of the attached prospectus, and in our SEC filings described under "Documents Incorporated by Reference" on page 30 of this prospectus, include:

- prices and volumes of our sales of steel products:
  
- levels of imports of steel products into the United States;

- general economic and financial market conditions;
- ability to finance our future business requirements through internally generated funds and available external financing sources; and
- the extent to which we are successful in implementing our consolidation strategy.

These forward-looking statements represent our judgment as of the date of this prospectus. All subsequent written and oral forward-looking statements are expressly qualified in their entirety by the factors referred to above. Unless otherwise required by law, we disclaim any intent or obligation to update the respective forward-looking statements.

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#### RISK FACTORS

You should carefully consider the following risk factors and the other information contained elsewhere or incorporated by reference in this prospectus and the prospectus supplement before making an investment decision.

The historical statistical and financial information prior to June 30, 2003 included in this prospectus does not allow for the effects of our purchase of the assets of National Steel Corporation on May 20, 2003.

#### RISKS RELATED TO OUR INDUSTRY

##### OVERCAPACITY IN THE STEEL INDUSTRY MAY NEGATIVELY AFFECT OUR PRODUCTION LEVELS AND SHIPMENTS.

There is an excess of global steel-making capacity over global consumption of steel products. This has caused shipment and production levels for our domestic operations to vary from year to year and quarter to quarter, affecting our results of operations and cash flows. Over the past six years, our domestic steel shipments have varied from a high of 11.6 million net tons in 1997 to a low of 9.8 million net tons in 2001. Production levels as a percentage of capacity have ranged from a high of 96.5% in 1997 to a low of 78.9% in 2001.

##### THE STEEL BUSINESS IS CYCLICAL. FUTURE ECONOMIC DOWNTURNS, A STAGNANT ECONOMY OR CURRENCY FLUCTUATIONS MAY ADVERSELY AFFECT OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

Demand for most of our products is cyclical in nature and sensitive to general economic conditions. Our business supports cyclical industries such as the automotive, appliance, construction and energy industries. As a result, future downturns in the global economy or any of these industries could adversely affect our results of operations and cash flows.

Because we and other integrated steel producers generally have high fixed costs, reduced volumes result in operating inefficiencies, such as those experienced in 2001. Over the past six years, our net income has varied from a high of \$452 million in 1997 to a loss of \$218 million in 2001 as our domestic steel shipments have varied from a high of 11.6 million net tons in 1997 to a low of 9.8 million net tons in 2001. Future economic downturns, a stagnant economy or currency fluctuations may adversely affect our business, results of operations and financial condition.

IMPORTS OF UNFAIRLY TRADED STEEL MAY DEPRESS DOMESTIC PRICE LEVELS AND HAVE AN ADVERSE EFFECT ON OUR RESULTS OF OPERATIONS AND CASH FLOWS.

We believe steel imports into the United States involve widespread dumping and subsidy abuses and the remedies provided by United States law to private litigants are insufficient to correct these problems. Imports of steel involving dumping and subsidy abuses depress domestic price levels and have an adverse effect upon our revenue, income and cash flows.

THE WORLD TRADE ORGANIZATION HAS CHALLENGED THE REMEDIES UNDER SECTION 201 OF THE TRADE ACT, WHICH WILL BE FURTHER REDUCED IN 2004 AND ARE SET TO EXPIRE IN 2005.

The trade remedies announced by President Bush, under Section 201 of the Trade Act of 1974, on March 5, 2002 became effective for imports entering the United States on and after March 20, 2002 and provide for tariff and quotas on some steel products for three years with the tariff rates dropping and the quotas increasing on the first and second anniversaries of the relief. These quotas and tariffs expire in March 2005 and may be terminated sooner by the President. A review of the quotas and tariffs is currently underway. The reduction of tariffs and increase in quotas could have an adverse effect on our results, particularly if the economy suffers a downturn.

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In addition, there are products and countries not covered by the Section 201 remedies, and imports of exempt products or from exempt countries may adversely affect our results. Imports of finished flat-rolled products from Canada and Mexico are not subject to the import remedies announced by the President. Since March 5, 2002, the Department of Commerce and the Office of the United States Trade Representative have announced the exclusion of 1,022 products from the trade remedies, including 295 products that were excluded in March 2003. The exclusion process will begin again in November 2003 and may result in additional exclusions being granted by March 2004. The exclusions granted impact a number of products we produce and have weakened the relief initially provided.

Various countries have challenged President Bush's action at the World Trade Organization ("WTO") and taken other actions responding to the Section 201 remedies. In August 2003, a panel of the Dispute Settlement Body of the WTO issued a final ruling against the Section 201 remedies. The United States has appealed the ruling to the WTO's Appellate Body.

COMPETITION FROM OTHER MATERIALS MAY NEGATIVELY AFFECT OUR RESULTS OF OPERATIONS.

In many applications, steel competes with other materials, such as aluminum, cement, composites, glass, plastic and wood. Competition from these materials as well as other substitutes for steel products could adversely affect future market prices and demand for steel products.

STEEL MAKING OPERATIONS ARE SUBJECT TO BUSINESS INTERRUPTIONS AND CASUALTY LOSSES THAT MAY ADVERSELY AFFECT OUR CASH FLOWS.

Steel making, product movement and raw material operations are subject to unplanned events such as explosions, fires, inclement weather, power outages, accidents and transportation interruptions. Our cash flows and our ability to serve our customers may be adversely impacted by such events.

RISKS RELATED TO OUR BUSINESS

MANY LAWSUITS HAVE BEEN FILED AGAINST US INVOLVING ASBESTOS-RELATED INJURIES, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR FINANCIAL POSITION, RESULTS OF OPERATIONS AND CASH FLOW.

We are a defendant in a large number of cases in which approximately 14,000 claimants actively allege injury resulting from exposure to asbestos. Almost all of these cases involve multiple plaintiffs and multiple defendants. These claims fall into three major groups: (1) claims made under certain federal and general maritime laws by employees of the Great Lakes Fleet or Intercoastal Fleet, former operations of U. S. Steel; (2) claims made by persons who performed work at U. S. Steel facilities; and (3) claims made by industrial workers allegedly exposed to an electrical cable product formerly manufactured by U. S. Steel. These cases allege a variety of respiratory and other diseases based on alleged exposure to asbestos contained in a U. S. Steel electric cable product or to asbestos on U. S. Steel's vessels and premises; approximately 200 plaintiffs allege they are suffering from mesothelioma. While U. S. Steel has excess casualty insurance, these policies have multi-million dollar self-insured retentions and, to date, U. S. Steel has not received any payments under these policies relating to asbestos claims. In most cases, this excess casualty insurance is the only insurance applicable to asbestos claims and it is not likely insurance coverage will be available for any particular asbestos claim.

In 2000, U. S. Steel settled 22 claims for a total of approximately \$80,000, had 4,157 claims dismissed or otherwise resolved and 3,860 new claims filed. At December 31, 2000, we had a total of approximately 30,700 active claims outstanding. In 2001, U. S. Steel settled 11,166 claims for a total of approximately \$190,000, had about 4,102 claims dismissed or otherwise resolved and 1,679 new claims filed. At December 31, 2001, we had a total of approximately 17,100 active claims

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outstanding. In 2002, U. S. Steel settled 1,135 claims for a total of approximately \$700,000, had a total of 2,662 claims dismissed or otherwise resolved and 842 new claims filed. At December 31, 2002, we had a total of approximately 14,100 active claims outstanding.

On March 28, 2003, a jury in Madison County, Illinois returned a verdict against U. S. Steel for \$50 million in compensatory damages and \$200 million in punitive damages. The plaintiff, an Indiana resident, alleged he was exposed to asbestos while working as a U. S. Steel employee at our Gary Works in Gary, Indiana from 1950 to 1981 and that he suffers from mesothelioma as a result. U. S. Steel settled this case for substantially less than the verdict and the impact was included in our results for the first quarter of 2003. We believe this verdict was aberrational, that the plaintiff's exclusive remedy was provided by the Indiana workers' compensation law and that this issue and other errors at trial would have enabled U. S. Steel to succeed on appeal. We cannot assure you that we will not experience additional large judgments against us in the future, and we cannot predict whether this jury verdict will have any impact upon the number of claims filed against us in the future or on the amount of future settlements.

This statement of belief is a forward-looking statement. Predictions as to the number of claims that might be filed in the future and the outcome of pending litigation are subject to substantial uncertainties with respect to (among other things) factual and judicial determinations, and actual results could differ materially from those expressed in this forward-looking statement.

WE HAVE A SUBSTANTIAL AMOUNT OF INDEBTEDNESS AND OTHER OBLIGATIONS, WHICH COULD LIMIT OUR OPERATING FLEXIBILITY AND OTHERWISE ADVERSELY AFFECT OUR FINANCIAL CONDITION.

As of June 30, 2003, we were liable for indebtedness of approximately \$1.9 billion. This does not include obligations of Marathon for which we are contingently liable and that are not recorded on our balance sheet. As of June 30, 2003, such obligations of Marathon were \$75 million. We may incur other obligations for working capital, refinancing of a portion of the \$1.9 billion referred to above or for other purposes. This substantial amount of indebtedness and related covenants could limit our operating flexibility and could otherwise adversely affect our financial condition.

Our high degree of leverage could have important consequences to you, including the following:

- O Our ability to satisfy our obligations with respect to any other debt securities or preferred stock may be impaired in the future;
  
- O It may become difficult for us to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions or general corporate or other purposes in the future;
  
- O A substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes;
  
- O Some of our borrowings may be at variable rates of interest (including borrowings under our inventory credit facility), which will expose us to the risk of increased interest rates;
  
- O The sale prices, costs of selling receivables and amounts available under our accounts receivable program fluctuate due to factors that include the amount of eligible receivables available, the costs of the commercial paper funding and our long-term debt ratings; and
  
- O Our substantial leverage may limit our flexibility to adjust to changing economic or market conditions, reduce our ability to withstand competitive pressures and make us more vulnerable to a downturn in general economic conditions.

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OUR BUSINESS REQUIRES SUBSTANTIAL DEBT SERVICE, PREFERRED STOCK DIVIDEND PAYMENTS, CAPITAL INVESTMENT, OPERATING LEASE PAYMENTS, CONTINGENT OBLIGATIONS, MAINTENANCE EXPENDITURES AND OTHER OBLIGATIONS THAT WE MAY BE UNABLE TO FULFILL.

With approximately \$1.9 billion of debt outstanding as of June 30, 2003, we have substantial debt service requirements. Based on this outstanding debt, our combined principal and interest payments will average approximately \$185 million annually over the next five years excluding a principal payment of \$535 million due on our Senior Notes in August 2008. We also currently anticipate paying preferred stock dividends at a rate of \$18 million per year through June 2006. Our operations are capital intensive. For the five-year period ended December 31, 2002, total capital expenditures were \$1.4 billion, and through June 30, 2003, capital expenditures totaled \$132 million. As of December 31, 2002, we were obligated to make aggregate lease payments of approximately \$500 million under operating leases over the next five years and our acquisition of National's assets has increased this sum by \$157 million. Our business also requires substantial expenditures for routine maintenance.

Some of our operating lease agreements include contingent rental charges that are not determinable to any degree of certainty. These charges are primarily based on utilization of the power generation facility at our Gary Works location and operating expenses incurred related to our headquarters' office space.

USSK has a commitment to the Slovak government for a capital improvements program over a period commencing with the acquisition date and ending on December 31, 2010, and, as of June 30, 2003, the remaining commitment under this program was \$504 million. At June 30, 2003, our domestic contract commitments to acquire property, plant and equipment totaled \$35 million.

USSB, an indirect wholly-owned Serbian subsidiary of U.S. Steel, acquired a Serbian integrated steel company. USSB committed to future spending of up to \$150 million over five years for working capital and the repair, rehabilitation, improvement, modification and upgrade of the facilities and \$6.5 million for cultural and economic development activities.



As of June 30, 2003 we had contingent obligations consisting of indemnity obligations under active surety bonds, trusts and letters of credit totaling approximately \$120 million, guarantees of approximately \$30 million of indebtedness for unconsolidated entities and commitments under take or pay arrangements of approximately \$1.4 billion, plus contingencies under the sale of our mining assets of approximately \$110 million. As the general partner of the Clairton 1314B Partnership, L.P., we are obligated to fund cash shortfalls incurred by that partnership but may withdraw as the general partner if we are required to fund in excess of \$150 million in operating cash shortfalls. As of June 30, 2003, we were also contingently liable for \$75 million of debt and other obligations of Marathon.

Our business may not generate sufficient operating cash flow or external financing sources may not be available in an amount sufficient to enable us to service or refinance our indebtedness or to fund other liquidity needs.

RATING AGENCIES MAY DOWNGRADE OUR CREDIT RATINGS WHICH WOULD INCREASE OUR FINANCIAL COSTS AND MAKE IT MORE DIFFICULT FOR US TO RAISE CAPITAL.

The fees payable and the amount of receivables eligible under our receivables sales program are determined in part by our credit ratings. In January 2003, following our announcement that we entered into an asset purchase agreement with National, rating agencies placed our credit ratings under review and these ratings were subsequently reduced in May 2003. If our credit ratings are downgraded further, the fees payable under our receivables sales program would increase and the amount of receivables eligible for sale could be reduced. In addition, any further downgrade in our

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credit ratings could make raising capital more difficult, increase the cost of future borrowings and affect the terms on which we purchase goods and services.

EXPENSES INCURRED AS A RESULT OF OUR ONGOING OPERATING AND ADMINISTRATIVE WORKFORCE REDUCTION PROGRAMS MAY ADVERSELY AFFECT OUR FINANCIAL CONDITION.

As a result of our ongoing operating and administrative workforce reduction programs and the level of voluntary salaried retirements through September, we estimate that we will record several third quarter 2003 pre-tax charges for both union and nonunion employee retirement benefits totaling approximately \$620 million. Approximately \$100 million of that amount is expected to have a cash impact in 2003.

WE HAVE LOST MARKET SHARE DUE TO COMPETITION FROM MINI-MILL PRODUCERS AND THIS COMPETITION HAS HAD AN ADVERSE EFFECT ON OUR SELLING PRICES AND SHIPMENT LEVELS.

Domestic integrated producers, such as USS, have lost market share in recent years to domestic mini-mill producers. An increasing number of mini-mills utilize thin slab casting technology to produce flat-rolled products. Through the use of thin slab casting, mini-mill competitors are increasingly able to compete directly with integrated producers of flat-rolled products, especially hot-rolled and plate products. Depending on market conditions, the additional production generated by flat-rolled mini-mills could have an adverse effect on our selling prices and shipment levels. Mini-mills entered the flat-rolled product market around 1990. Although we cannot determine how much competition from mini-mills has affected our market share, based on statistics supplied by the American Iron and Steel Institute, we believe our domestic flat-rolled market share has dropped from 19.4% in 1990 to a low of 13.3% in 2001.

HIGH ENERGY COSTS ADVERSELY IMPACT OUR RESULTS OF OPERATIONS.

Our operations consume large amounts of energy and we consume significant amounts of natural gas. Domestic natural gas prices increased from an average of \$2.27 per million BTU in 1999 to an average of \$6.07 per million BTU in the first eight months of 2003. At normal annual consumption levels (including the

National Steel assets), a \$1.00 per million BTU change in domestic natural gas prices would result in an estimated \$80 million change in our annual domestic pretax operating costs without taking into account the effect of any hedging. Due to the volatility of natural gas prices, which in recent years have reached historically high levels, we may hedge part of our natural gas purchases from time to time. Hedging programs will affect our energy costs.

ENVIRONMENTAL COMPLIANCE AND REMEDIATION COULD RESULT IN SUBSTANTIALLY INCREASED CAPITAL REQUIREMENTS AND OPERATING COSTS.

Our domestic businesses are subject to numerous federal, state and local laws and regulations relating to the protection of the environment. These laws are constantly evolving and becoming increasingly stringent. The ultimate impact of complying with existing laws and regulations is not always clearly known or determinable because regulations under some of these laws have not yet been promulgated or are undergoing revision. These environmental laws and regulations, particularly the Clean Air Act, could result in substantially increased capital, operating and compliance costs. We are also involved in a number of environmental remediation projects at both former and present operating locations and are involved in a number of other remedial actions under federal and state law. Our worldwide environmental expenditures were \$230 million in 2002, \$231 million in 2001 and \$230 million in 2000. For more information see "Management's Discussion and Analysis of Environmental Matters, Litigation and Contingencies" in our Annual Report on Form 10-K for the year ended December 31, 2002, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 and subsequent filings.

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The specific impact on each competitor may vary, depending upon a number of factors, including the age and location of operating facilities, production processes (such as a mini-mill versus an integrated producer) and the specific products and services it provides. To the extent our competitors, particularly foreign steel producers and manufacturers of competitive products, are not required to undertake equivalent costs, our competitive position could be adversely impacted.

USSK is subject to the laws of the Slovak Republic. The environmental laws of the Slovak Republic generally follow the requirements of the European Union (EU), which are comparable to U. S. standards. USSK's capital spending commitments include significant expenditures for environmental equipment to bring it into compliance with EU environmental regulations. We believe these projects, most of which will be completed during the next 12-24 months, will result in USSK being in compliance with those requirements.

USSB is subject to the laws of the Union of Serbia and Montenegro. The environmental laws of the Union of Serbia and Montenegro are currently more lenient than either the EU or U. S. standards, but this is expected to change over the next several years in anticipation of possible EU accession. A portion of the \$150 million we committed to spend in connection with USSB's Serbian acquisition is expected to be used for environmental controls and upgrades.

OUR RETIREE EMPLOYEE HEALTH CARE AND RETIREE LIFE INSURANCE COSTS ARE HIGHER THAN THOSE OF MANY OF OUR COMPETITORS.

We maintain defined benefit retiree health care and life insurance plans covering most of our domestic employees upon their retirement. U. S. Steel's underfunded benefit obligations for retiree medical and life insurance increased from \$1.8 billion at year-end 2001 to \$2.6 billion at year-end 2002. U. S. Steel estimates its underfunded benefit obligation at year-end 2003 will be \$2.6 billion. Other postretirement benefit expense is expected to increase to approximately \$180 million in 2003, excluding one-time charges of approximately \$140 million related to workforce reductions and the second quarter sale of coal operations.

These estimates are forward-looking statements. Factors that may affect the amount of other post-retirement benefit expense include, among other things, investment performance, medical cost inflation, liability changes and interest rates.

OUR RETIREE EMPLOYEE HEALTH CARE AND RETIREE LIFE INSURANCE COSTS WILL BE PAID OUT OF CORPORATE CASH FLOW STARTING IN 2004.

Payments for retiree medical and life insurance in 2002 and 2001 totaled \$212 million and \$183 million, respectively. During 2002 and 2001, substantially all payments on behalf of union retirees were paid from the Voluntary Employee Benefit Association (VEBA) trust. U. S. Steel expects that all payments on behalf of union retirees will also be paid from the VEBA trust in 2003, but beginning in early 2004, corporate funds will be used for these payments. Corporate funds used for all retiree health and life benefits in 2004 and 2005, excluding multiemployer plan payments, are expected to total \$220 million and \$260 million, respectively.

These estimates are forward-looking statements. Factors that may affect the amount of cash funding requirements include future asset performance, medical cost inflation, the impacts of business acquisitions or sales, union-negotiated changes and future government regulation.

OUR PENSION COSTS ARE HIGHER THAN THOSE OF MANY OF OUR COMPETITORS.

We have noncontributory defined benefit pension plans covering most of our domestic employees upon their retirement. The funded status of these plans declined from an overfunded position of \$1.2 billion at year-end 2001 to an underfunded position of \$0.4 billion at year-end 2002. With the

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workforce reduction and certain retirement rate assumption changes, the plan, after the merger hereinafter discussed, is expected to have a year-end 2003 underfunded position of approximately \$0.7 billion. Pension costs are expected to increase to approximately \$100 million in 2003, excluding one-time charges of approximately \$440 million connected with the union and salaried workforce reduction. This amount also does not include expenses for contribution payments to the Steelworkers Pension Trust (SPT) for former National union employees who joined U.S. Steel and for union employees who join U. S. Steel after July 1, 2003. Non-union employees who join U. S. Steel after July 1, 2003 will participate in a defined contribution program.

These estimates are forward-looking statements. Factors that may affect the amount of net periodic pension costs include, among other things, investment performance, liability changes and interest rates.

WE MAY BE REQUIRED TO MAKE SUBSTANTIAL CONTRIBUTIONS TO OUR DEFINED BENEFIT PENSION PLAN.

During the fourth quarter of 2003, we intend to merge our defined benefit pension plan for union employees and our defined benefit pension plan for nonunion employees. Preliminary valuations indicate that the merged plan will not require cash funding for the 2003 or 2004 plan years. Thereafter, annual funding requirements are broadly estimated to be \$75 million per year, excluding any contributions to the SPT. In the fourth quarter of 2003, we are anticipating making a \$75 million voluntary contribution to our main defined benefit pension plans, consisting primarily of timber assets currently managed by U. S. Steel's real estate unit. We may also decide to make other voluntary contributions in one or more future periods in order to mitigate potentially larger required contributions in later years. Any such funding requirements could have an unfavorable impact on our debt covenants, borrowing arrangements, and cash flows.

These estimates are forward-looking statements. Factors that may affect the amount of cash funding requirements include future asset performance, the level of interest rates used to measure minimum funding levels, the impacts of business acquisitions or sales, union negotiated changes and future government regulation. Contribution of the timber assets to a pension plan is contingent on and may be influenced by factors that include regulatory approvals.

DECLINES IN THE VALUE OF INVESTMENTS OF OUR MAJOR PENSION TRUSTS COULD MATERIALLY REDUCE OUR STOCKHOLDERS' EQUITY.

Under accounting principles generally accepted in the United States, changes in the market value of the assets held in trust for pension purposes can result in significant changes in the sponsor's balance sheet. The accounting rules provide that if, at any plan measurement date (which in our case is December 31 of each year or an earlier date if certain significant plan events occur), the fair value of plan assets is less than the plan's accumulated benefit obligation ("ABO"), the sponsor must establish a liability at least equal to the amount by which the ABO exceeds the fair value of the plan assets and any prepaid pension assets must be removed from the balance sheet. The sum of the liability and prepaid pension assets must be offset by the recognition of an intangible asset and/or as a direct charge against stockholders' equity, net of tax effects. Such adjustments will have no direct impact on earnings per share or cash.

The re-measurement of our union pension plan that was required to reflect the workforce reduction, increased the net charge against equity to \$917 million. During the fourth quarter of 2003, U. S. Steel intends to merge its two major defined benefit pension plans. Because of this merger, pension accounting rules may require that U. S. Steel increase the additional minimum liability that was recorded at September 30, 2003. This increase would result in an additional non-cash net charge against equity, which is currently estimated in a range of \$500 million to \$600 million. The actual amount of such charge will be determined based upon facts and circumstances on the measurement

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date and the result could be materially different from the foregoing estimate. Such differences could range from a reversal of the \$917 million net charge against equity to a cumulative \$1.4 to \$1.5 billion charge against net equity. These entries will have no impact on income.

The foregoing estimates are forward-looking statements. Predictions as to the value of and return on plan assets and the resulting impact on equity are subject to substantial uncertainties such as (among other things) investment performance and interest rates.

DOMESTIC COMPETITORS EMERGING FROM BANKRUPTCY HAVE LOWER COSTS.

Since 1998, more than 30 domestic steel companies have sought protection under Chapter 11 of the United States Bankruptcy Code. Many of these companies have continued to operate. Some have reduced prices to maintain volumes and cash flow and obtained concessions from their labor unions and suppliers. Upon emergence from bankruptcy, these companies, or new entities that purchase their facilities through the bankruptcy process, may be relieved of many environmental, employee, retiree and other obligations. As a result, they are able to operate with lower costs.

OUR INTERNATIONAL OPERATIONS EXPOSE US TO UNCERTAINTIES AND RISKS FROM ABROAD, WHICH COULD NEGATIVELY AFFECT OUR RESULTS OF OPERATIONS.

USSK, located in the Slovak Republic, constitutes nearly 20% of our total raw steel production capability, and accounted for 17% of revenue for 2002. USSK exports about 85% of its products, with the majority of its sales being to other European countries. Both USSK and USSB are affected by the worldwide overcapacity in the steel industry and the cyclical nature of demand for steel products and that demand's sensitivity to worldwide general economic conditions. In particular, both USSK and USSB are subject to economic conditions and political factors in Europe, which if changed could negatively affect their results of operations and cash flow. Political factors include, but are not limited to, taxation, nationalization, inflation, currency fluctuations, increased regulation and import restrictions. USSK and USSB are also subject to foreign currency exchange risks. USSK's revenues are primarily in euros and its costs are primarily in Slovak korunas and United States dollars. USSB's revenues are primarily in euros and United States dollars, most of its labor and other domestic costs are primarily in Serbian dinars and most of its raw materials purchases are in United States dollars.

In October 2002, a tax credit limit was negotiated by the Slovak government as part of the Accession Treaty governing the Slovak Republic's entry into the European Union (EU). The Treaty limits to \$500 million the total tax credit to be granted to USSK during the period 2000 through 2009. The impact of the tax credit limit is expected to be minimal since Slovak tax laws have been modified and tax rates have been reduced since the acquisition of USSK. The Treaty also places limits upon total production and export sales to the EU, allowing for modest growth during the period covered by the investment incentive. The limits upon export sales to the EU take effect upon the Slovak Republic's entry into the EU, which is expected to occur in May 2004. A question has recently arisen with respect to the effective date of the production limits. Slovak Republic representatives have stated their belief that the Treaty intended that these limits take effect upon entry into the EU, whereas the European Commission has taken the position that the production limitations apply as of 2002. Discussions between representatives of the Slovak Republic and the European Commission are ongoing. At this time it is not possible to predict the outcome of those discussions or the impact upon the results of USSK.

Although the bankruptcy laws of Serbia provide a discharge of all pre-closing liabilities, USSB will be subject to the political and economic risks of operating in Serbia.

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THE TERMS OF OUR INDEBTEDNESS MAY RESTRICT OUR ABILITY TO PAY DIVIDENDS.

Under the terms of our 10 3/4% Senior Notes due 2008 and our 9 3/4% Senior Notes due 2010 (collectively, the "Senior Notes"), we are not able to pay dividends on capital stock unless we can meet certain restricted payment tests.

THE TERMS OF OUR INDEBTEDNESS AND OUR ACCOUNTS RECEIVABLE PROGRAM CONTAIN RESTRICTIVE COVENANTS, CROSS-DEFAULT, CROSS ACCELERATION AND OTHER PROVISIONS THAT MAY LIMIT OUR OPERATING FLEXIBILITY.

We have Senior Notes outstanding in the aggregate principal amount of \$985 million as of June 30, 2003. The Senior Notes impose significant restrictions on us such as the following:

- O Limits on additional borrowings, including borrowings secured by inventories or accounts receivable;
- O Limits on sale/leasebacks;
- O Limits on the use of funds from asset sales and sale of the stock of subsidiaries; and
- O Restrictions on our ability to invest in joint ventures or make certain acquisitions.

We also have a revolving credit agreement secured by inventory that imposes additional restrictions on us including the following:

- O A fixed charge coverage ratio (the ratio of consolidated earnings before interest, taxes depreciation and rental expense to consolidated fixed charges) of at least 1.25: 1 if our average availability under the credit agreement is less than \$100,000,000;
- O Limitations on capital expenditures; and

O Restrictions on investments.

The accounts receivable program terminates on the occurrence and failure to cure certain events, including, among others:

O Certain defaults with respect to the inventory facility and other debt obligations;

O Failure to maintain certain ratios related to the collectability of receivables; and

O Failure of the commercial paper conduits' liquidity providers to extend their commitments that currently expire on November 26, 2003.

If these covenants are breached or if we fail to make payments under our material debt obligations or our receivables purchase agreement, creditors would be able to terminate their commitments to make further loans, declare their outstanding obligations immediately due and payable and foreclose on any collateral, and it may also cause a default under the Senior Notes. Additional indebtedness that USS may incur in the future may also contain similar covenants, as well as other restrictive provisions. Cross-default and cross-acceleration clauses in our revolving credit facility, the Senior Notes, the accounts receivable program and any future additional indebtedness could have an adverse effect upon our financial position and liquidity. Such defaults include failure to make payments when due, failure to comply with the covenants described above and failure to pay judgments entered against USS (which may include any judgments resulting from the environmental and asbestos litigation matters described in this prospectus and the documents incorporated by reference).

The sale prices, costs of selling receivables and amounts available under our accounts receivable program fluctuate due to factors that include the amount of eligible receivables available, costs of commercial paper funding and our long-term debt ratings. The amount available under our secured inventory facility fluctuates based on our eligible inventory levels.

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We are currently in compliance with the terms of our outstanding indebtedness.

"CHANGE IN CONTROL" CLAUSES MAY REQUIRE US TO IMMEDIATELY PURCHASE OR REPAY DEBT.

Upon the occurrence of "change in control" events specified in our Senior Notes, inventory facility and various other loan documents, the holders of our indebtedness may require us to immediately purchase or repay that debt on less than favorable terms. We may not have the financial resources to make these purchases and repayments, and a failure to purchase or repay such indebtedness would trigger cross-acceleration clauses under the Senior Notes and other indebtedness.

OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS COULD BE ADVERSELY IMPACTED BY STRIKES OR WORK STOPPAGES BY OUR UNIONIZED EMPLOYEES.

Substantially all hourly employees of our domestic steel, coke and taconite pellet facilities are covered by a collective bargaining agreement with the United Steelworkers of America that expires in September 2008 and includes a no-strike provision. Other hourly employees (for example, those engaged in transportation activities) are represented by the United Steelworkers of America and other unions.

The majority of USSK employees are represented by a union and are covered by a collective bargaining agreement that expires in February 2004.

The majority of USSB employees are represented by two trade unions. On September 25, 2003, the unions terminated negotiations, primarily over the issue of base wages and went on a general strike at all our facilities in Serbia beginning on Tuesday, October 14, 2003.

Strikes or work stoppages and the resulting adverse impact on our relationships with our customers could have a material adverse effect on our business, financial condition or results of operations. In addition, mini-mill producers and certain foreign competitors and producers of comparable products do not have unionized work forces. This may place us at a competitive disadvantage.

PROVISIONS OF DELAWARE LAW, OUR GOVERNING DOCUMENTS AND OUR RIGHTS PLAN MAY MAKE A TAKEOVER OF USS MORE DIFFICULT.

Certain provisions of Delaware law, our certificate of incorporation and by-laws and our rights plan could make more difficult or delay our acquisition by means of a tender offer, a proxy contest or otherwise and the removal of incumbent directors. These provisions are intended to discourage certain types of coercive takeover practices and inadequate takeover bids, even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

INTERNATIONAL ACQUISITIONS MAY EXPOSE US TO ADDITIONAL RISKS.

If we acquire additional companies or facilities outside the United States, we may be exposed to increased risks including the following:

- O Economic and political conditions in the countries where the facilities are located and where the products made at those facilities are marketed;
- O Currency fluctuations;
- O Uncertain sources of raw materials;
- O Economic disruptions in less developed economies where many potential acquisition candidates have facilities or market products;
- O Expenditures necessary to bring such facilities to profitable operation;
- O Foreign tax risks; and
- O Expenditures required to comply with potential new environmental requirements.

TRADE RESTRICTIONS IMPOSED BY OTHER COUNTRIES MAY AFFECT OUR EUROPEAN EXPORTS.

The European Commission recently announced quotas and tariffs in a safeguard trade action on certain products, including non-alloy hot-rolled coils,

hot-rolled strip, hot-rolled sheet and cold-rolled flat products, which are produced by USSK. Shipment quotas for these products for the first year of the measure were set at 10% above the average shipments during the period 1999-2001 and 15% thereafter. Shipments into the European Union in excess of the quotas would result in the imposition of a tariff of 15.7% for non-alloy hot-rolled coils (14.1% beginning in March 2004) and 26% for USSK's other three products. These measures are scheduled to expire in March 2005; however they will no longer apply to USSK upon Slovakia becoming a member of the European Union, which is expected to occur in May 2004. Safeguard proceedings similar to those pursued by the European Commission were subsequently commenced by Poland and Hungary. Provisional quota and tariff measures have been imposed in Poland and Hungary, which measures were replaced by similar definitive measures on March 8, 2003 (Poland) and March 28, 2003 (Hungary). Because Poland and Hungary are EU accession candidates, each country's measures would cease upon its accession to the EU.

In a decision dated February 5, 2000, the EU imposed an anti-dumping duty of 15.4% on exports of hot-rolled coils from Serbia. This duty is scheduled to expire on February 5, 2005. Also, the safeguard measures described above impact USSB. Serbia's country-specific quota on hot rolled strip and sheets and cold-rolled are very low because those quotas were based on Serbia's 2001 EU shipments. Serbia also is subject to customs duties for shipments into certain Central and Eastern European countries. Although discussions and negotiations are being held with many of these countries to reduce or eliminate these duties, we cannot predict the ultimate outcome.

WE HAVE DEFERRED TAX ASSETS THAT WE MAY NOT BE ABLE TO REALIZE.

As of June 30, 2003, U. S. Steel had net federal and state deferred tax assets of \$61 million and \$20 million, respectively, which are expected to increase during the remainder of the year. Although, management believes that it is more likely than not that tax planning strategies generating at least \$200 million in future taxable income can be utilized to realize the deferred tax assets, there can be no assurance that we will be able to implement these strategies. The amount of the realizable deferred tax assets at June 30, 2003, could be adversely affected to the extent losses continue in the future or if future events affect the ability to implement tax planning strategies.

RISKS ASSOCIATED WITH THE ACQUISITION OF THE NATIONAL STEEL ASSETS

WE MAY BE UNABLE TO SUCCESSFULLY INTEGRATE NATIONAL'S OPERATIONS AND REALIZE THE FULL COST SAVINGS WE ANTICIPATE.

The process of integrating the operations of National could cause an interruption of, or loss of momentum in, the activities of our business or the loss of key personnel. The diversion of management's attention and any delays or difficulties encountered with the integration of National's operations could have an adverse effect on our business, results of operations and financial condition. Among the factors considered by our board of directors in approving the National transaction were the anticipated cost savings and operating synergies that could result from the National transaction. These savings may not be realized within the time periods contemplated or at all.

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A substantial portion of the cost savings that we anticipate are due to the reduced staffing levels allowed under our labor agreement. We may find that we need more employees than we anticipated to operate our business, thereby reducing the anticipated cost savings.

THE NATIONAL TRANSACTION WILL RESULT IN COSTS OF INTEGRATION.

We are incurring charges reflecting costs of integration, including information technology integration and other expenses related to the National transaction. Integration-related costs will be recognized as integration-related activities take place. Although we expect the elimination of duplicative costs, as well as the realization of other benefits related to the integration of National's business may offset additional expenses over time, there may be no net benefit



achieved in the near term or at all. This means our actual costs may substantially exceed our estimates. Unanticipated expenses associated with the integration of National's operations may also arise.

THERE MAY BE UNKNOWN ENVIRONMENTAL OR OTHER RISKS INHERENT IN THE NATIONAL TRANSACTION.

Although we conducted due diligence with respect to National's assets, we may not be aware of all of the risks associated with the National transaction. For example, we may not be aware of all of the existing environmental conditions at the former National facilities. Any future discovery of adverse information concerning these assets could have a material adverse effect on our business, financial condition and results of operations. We believe the likelihood of obtaining any damages from National in connection with undisclosed liabilities is remote. We may also need to make unanticipated capital expenditures, which may be significant, to maintain the assets we acquired and to comply with regulatory requirements, including environmental laws.

CUSTOMERS MAY PURCHASE LESS FROM US FOLLOWING THE NATIONAL TRANSACTION THAN THEY DID FROM NATIONAL AND US PRIOR TO THE NATIONAL TRANSACTION.

Customers who purchased steel from us and National may not continue to buy as much steel from us after the National transaction as they previously bought from the separate companies. They may also seek to negotiate price concessions from us.

#### RISKS RELATED TO THE SEPARATION

Prior to December 31, 2001, our businesses were owned by USX Corporation, now named Marathon Oil Corporation.

BECAUSE WE ARE NO LONGER OWNED BY USX, WE WILL NOT BE ABLE TO RELY ON MARATHON FOR FINANCIAL SUPPORT.

Prior to our separation from Marathon (Separation), we funded our negative operating cash flow through an increase in USX debt attributable to the U. S. Steel Group. Because we are no longer owned by USX, we are not able to rely on USX for financial support or benefit from a relationship with USX to obtain credit.

WE HAVE INCURRED OPERATING AND CASH LOSSES AND WILL NO LONGER BE ABLE TO REALIZE THE BENEFITS OF CASH FROM MARATHON TAX SETTLEMENTS.

Before the Separation, the USX tax allocation policy required the U. S. Steel Group and the Marathon Group to pay the other for tax benefits resulting from tax attributes that could not be utilized by the group for which those tax attributes arose on a stand-alone basis but which could be used on a consolidated, combined or unitary basis. The net amount of cash settlements made by Marathon to USS under this policy for prior years, subject to adjustment, was \$819 million, \$91 million and \$(2) million in 2001, 2000 and 1999, respectively. These payments allowed USS to

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realize the cash value of its tax benefits on a current basis. Now, if USS generates losses or other tax attributes, we can generally realize the cash value from them only if and when we generate enough taxable income in future years to use those tax losses or other tax attributes on a stand-alone basis. This delay in realizing tax benefits may adversely affect our cash flow.

USS IS SUBJECT TO CERTAIN CONTINUING CONTINGENT LIABILITIES OF MARATHON THAT COULD ADVERSELY AFFECT OUR CASH FLOW AND OUR ABILITY TO INCUR ADDITIONAL

INDEBTEDNESS AND COULD CAUSE A DEFAULT UNDER OUR BORROWING FACILITIES.

USS is contingently liable for debt and other obligations of Marathon in the amount of \$75 million as of June 30, 2003. Marathon is not limited by agreement with USS as to the amount of indebtedness that it may incur. In the event of the bankruptcy of Marathon, these obligations for which USS is contingently liable, as well as obligations relating to industrial development and environmental improvement bonds and notes that were assumed by USS from Marathon, may be declared immediately due and payable. If that occurs USS may not be able to satisfy those obligations. In addition, if Marathon loses its investment grade ratings, certain of these obligations will be considered indebtedness under our indentures and for covenant calculations under our revolving credit facility. This occurrence could prevent USS from incurring additional indebtedness under our indentures or may cause a default under our revolving credit facility.

Under the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, USS and each subsidiary of USS that was a member of the Marathon consolidated group during any taxable period or portion thereof ending on or before the effective time of the Separation is jointly and severally liable for the federal income tax liability of the entire Marathon consolidated group for that taxable period. Other provisions of federal law establish similar liability for other matters, including laws governing tax qualified pension plans as well as other contingent liabilities.

THE SEPARATION MAY BE CHALLENGED BY CREDITORS AS A FRAUDULENT TRANSFER OR CONVEYANCE THAT COULD PERMIT UNPAID CREDITORS OF MARATHON TO SEEK RECOVERY FROM US.

If a court determines that the Separation and the related transactions violated applicable provisions of the United States Bankruptcy Code and/or applicable state fraudulent transfer or conveyance laws, the Separation could be rescinded and unpaid creditors of Marathon could seek recovery from us.

THE SEPARATION MAY BECOME TAXABLE UNDER SECTION 355(E) OF THE INTERNAL REVENUE CODE IF 50% OR MORE OF USS' SHARES OR MARATHON'S SHARES ARE ACQUIRED AS PART OF A PLAN, AND SUCH AN EVENT WOULD MATERIALLY AFFECT OUR FINANCIAL CONDITION.

The Separation may become taxable to Marathon pursuant to section 355(e) of the Internal Revenue Code if 50% or more of either Marathon's shares or our shares are acquired, directly or indirectly, as part of a plan or series of related transactions that include the Separation. If section 355(e) applies, Marathon would be required to pay a corporate tax based on the excess of the fair market value of the shares distributed over Marathon's tax basis for such shares. The amount of this tax would be materially greater if the Separation were deemed to be a distribution of Marathon's shares. If an acquisition occurs that results in the Separation being taxable under section 355(e), a Tax Sharing Agreement between USS and Marathon provides that the resulting corporate tax liability will be borne by the entity, either USS or Marathon, that is deemed to have been acquired.

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WE MAY BE RESPONSIBLE FOR A CORPORATE TAX IF THE SEPARATION FAILS TO QUALIFY AS A TAX-FREE TRANSACTION, WHICH WOULD HAVE AN ADVERSE AFFECT ON OUR FINANCIAL CONDITION.

Based on representations made by USX Corporation prior to the Separation, the Internal Revenue Service issued a private letter ruling that the Separation was tax-free to Marathon and its shareholders. To the extent a breach of one of those representations results in a corporate tax being imposed on Marathon, the breaching party, either USS or Marathon, will be responsible for payment of the corporate tax. If the Separation fails to qualify as a tax-free transaction through no fault of either USS or Marathon, the resulting tax liability, if any, is likely to be borne by us under the Tax Sharing Agreement.

If the Separation is determined to be a taxable distribution of the stock of U. S. Steel, but there is no breach of a representation or covenant by either U. S.

Steel or Marathon, we would be liable for any resulting taxes (Separation No-Fault Taxes) incurred by Marathon. Our indemnity obligation for Separation No-Fault Taxes survives until the expiration of the applicable statute of limitations. The maximum potential amount of our indemnity obligation for Separation No-Fault Taxes as of June 30, 2003 was estimated to be approximately \$90 million. No liability has been recorded for this indemnity obligation because we believe the likelihood of the Separation being determined to be a taxable distribution of U. S. Steel is remote.

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#### THE PLAN

The following describes and constitutes the Plan, as in effect on the date of this prospectus.

##### ENROLLMENT

The following table explains how to enroll in the Plan:

<Table>	<S>	<C>
-- IF YOU DO NOT OWN ANY U. S. STEEL COMMON STOCK		You can join the Plan by making an initial investment of at least \$500 (maximum is \$10,000) and returning a completed authorization form along with your check or money order payable to the Administrator. (See Schedule II for information about fees and Schedule III for information about the Administrator. An enrollment fee will be deducted from your initial investment. Please allow two weeks for your Plan account to be established, initial shares to be purchased and a statement to be mailed to you. No interest will be paid on amounts held pending investment.
-- IF YOU OWN U. S. STEEL COMMON STOCK IN YOUR NAME		You can join the Plan by returning a completed authorization form to the Administrator. (See Schedule II for information about fees and Schedule III for information about the Administrator.)
-- IF YOU OWN U. S. STEEL COMMON STOCK THROUGH A BROKER		To participate directly in the Plan, you should direct your broker, bank, or trustee to register some or all of your U. S. Steel common stock directly in your name. You can then get started in the Plan by returning a completed authorization form to the Administrator. Authorization forms are mailed automatically once shares are registered in your name. (See Schedule II for information about fees and Schedule III for information about the Administrator.)

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##### ADMINISTRATOR OF THE PLAN

U. S. Steel administers the Plan, keeps records, sends statements of Plan accounts to you and performs other duties related to the Plan. U. S. Steel may appoint a different administrator for the Plan at any time. U. S. Steel, or any appointed administrator, is referred to as the "Administrator." To the extent that U.S. Steel continues to administer the Plan, or any portion of the Plan, we believe that there is no material risk to participants posed by U.S. Steel, instead of a registered broker/dealer or federally insured banking institution, serving as the Administrator of the Plan because we have a formal system of internal controls and procedures. All open market purchases are made through registered broker/dealers and, as issuer and transfer agent, we handle the issuance of our stock for all non-open market purchases. (See Schedule III for additional information about the Administrator.)

All shares included in the Plan and held by the Administrator will be registered and held in the name of the Administrator, or its nominee, as agent (such shares are referred to as "Held Shares"), until a request is received from you for the sale of such shares or for the issuance of certificates in your name. U. S. Steel also acts as dividend disbursing and transfer agent for the U. S. Steel common stock and it may appoint another dividend disbursing agent and/or transfer agent at any time.

##### INVESTMENT OPTIONS AND LIMITATIONS

You have the following investment options:

- -- DIVIDEND REINVESTMENT

When completing the Dividend Reinvestment section of the authorization form, YOU MUST CHOOSE ONE OF THE FOLLOWING:

FULL DIVIDEND REINVESTMENT. Purchase shares of U. S. Steel common stock with all of your cash dividends. The dividends on all of your shares held in the Plan will also be reinvested in shares of U. S. Steel common stock.

PART CASH--PART DIVIDEND REINVESTMENT. Receive a cash dividend payment based on the number of full shares you specify. This option allows you to receive a fixed amount of cash each quarter, assuming the dividend is paid and stays the same. The balance of your dividends will be used to purchase shares of U. S. Steel common stock.

REINVEST DIVIDENDS ON OPTIONAL CASH INVESTMENTS ONLY. Purchase shares of U. S. Steel common stock with all of your cash dividends pertaining to only (i) your optional cash purchases held in the Plan and (ii) the reinvested dividends relating to such shares. You will receive cash, assuming a dividend is paid, respecting the dividends on all other shares of U. S. Steel common stock owned by you.

You can have your cash dividends deposited directly into your bank account instead of receiving a check by mail. Just complete the appropriate sections of the Direct Deposit Form, which may be obtained from the Administrator. You can also change your designated bank account for direct deposit with the same form. The forms will be acted upon as soon as possible after they are received, and you can discontinue this feature by notifying the Administrator.

Shares of U. S. Steel common stock may be included in the Plan for dividend reinvestment purposes if they are (i) purchased for you through the Plan and held by the Administrator, (ii) deposited by you for safekeeping in the Plan, or (iii) held by you in certificate form; provided, however, for any such shares to be included in the dividend reinvestment portion of the Plan, you must (a) have an open Plan account and (b) except in the case of transfers (see "Gifts, Transfers and Pledges of

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Shares"), have submitted a valid authorization form identifying the shares to participate in the Plan's dividend reinvestment feature.

You can change your dividend reinvestment election at any time by notifying the Administrator.

- -- OPTIONAL AND INITIAL CASH INVESTMENTS

OPTIONAL CASH INVESTMENTS. As a Plan participant, you can purchase additional shares of U. S. Steel common stock by using the Plan's optional cash investment feature. Dividends on these additional shares will be invested according to your current Plan dividend reinvestment instructions (you may change your instructions at any time). Unless otherwise instructed, the Administrator will automatically assume that distributions on any additional shares are to be reinvested and retained in the Plan.

INITIAL CASH INVESTMENTS. You do not need to be a current Plan participant or a current U. S. Steel common stock shareholder to purchase shares through the Plan. You can become a shareholder and a Plan participant by purchasing your initial shares through the Plan and, unless you instruct the Administrator otherwise, dividends on your initial shares will be automatically reinvested in shares of U. S. Steel common stock.

- -- INVESTMENT METHODS

Shares can be purchased by check, money order or through automatic withdrawal from your bank account:

BY CHECK OR MONEY ORDER. You can make optional and initial cash investments by sending a check or money order, payable to the Administrator (as provided in Schedule III), and the appropriate form. DO NOT SEND CASH.

BY AUTOMATIC WITHDRAWAL FROM YOUR BANK ACCOUNT. If you wish to make regular monthly purchases, you can authorize an automatic monthly withdrawal from your bank account by completing the reverse side of the authorization form. This feature enables you to make ongoing investments without writing a check. Funds will be deducted from your bank account on, or shortly after, the fifth day of each month. If this date falls on a bank holiday or weekend, funds will be deducted on, or shortly after, the next business day. Please allow up to six weeks for the first automatic monthly withdrawal to be initiated. You must notify the Administrator in writing to change or

terminate automatic withdrawal.

Because funds will normally be invested on Friday of each week, funds from checks and money orders received after 2:00 p.m. (Eastern Time) on Thursday will normally be invested on Friday of the following week. INTEREST WILL NOT BE PAID ON AMOUNTS HELD PENDING INVESTMENT. Shares purchased pursuant to a check or money order may not be sold or withdrawn from the Plan for a period of 14 days from the purchase date of the shares. A fee will be assessed for a check that is returned for insufficient funds (See Schedule II, "Plan Service Fees").

- -- LIMITATIONS ON PURCHASES

O Initial Cash Investments

-- at least \$500

-- no more than \$10,000

O Optional Cash Investments

-- at least \$50 at any one time

-- no more than \$10,000 in any one month

O Dividend Reinvestments

-- up to \$15,000 per dividend payment

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O All limitations may be waived by U. S. Steel upon written request

- -- AGGREGATION OF PLAN ACCOUNTS FOR PURPOSE OF LIMITATIONS

For the purpose of the above limitations ("Plan Limits"), U. S. Steel may aggregate all reinvested dividends and optional and initial cash payments for participants with more than one Plan account using the same Social Security Number or Taxpayer Identification Number. For participants unable to supply a Social Security Number or Taxpayer Identification Number, their participation may be limited by U. S. Steel to only one Plan account.

Also for the purpose of such Plan Limits, all Plan accounts which U. S. Steel believes to be under common control or management or to have common ultimate beneficial ownership may be aggregated. Unless U. S. Steel has determined that reinvestment of dividends and investment of optional cash payments for each such account would be consistent with the purposes of the Plan, U. S. Steel will have the right to aggregate all such accounts and to return, without interest, within 30 days of receipt, any amounts in excess of the investment limitations applicable to a single Plan account received in respect of all such accounts.

- -- WAIVER OF LIMITATIONS

Initial cash payments and optional cash payments in excess of \$10,000 per month may be made only pursuant to a written Waiver of Limitation by U. S. Steel for the total amount submitted. A copy of such written approval must accompany any cash payment to which this limitation applies.

Requests for waiver of the \$15,000 limitation on reinvestment of dividends and other questions concerning waivers should be directed to U. S. Steel at (412) 433-4707. It is solely within U. S. Steel's discretion as to whether any waiver respecting the Plan Limits will be granted.

In deciding whether to approve a Waiver of Limitation request, U. S. Steel will consider relevant factors including, but not limited to, U. S. Steel's need for additional funds, the attractiveness of obtaining such additional funds by the sale of U. S. Steel common stock by comparison to other sources of funds, the applicable purchase price, the participant submitting the request, the extent and nature of such participant's prior participation in the Plan, the number of shares of U. S. Steel common stock registered in the participant's name and the aggregate amount of such dividends and initial or optional cash payments in excess of the allowable maximum amounts for which requests have been submitted by all participants.

If requests are submitted for any Investment Date (see "Purchases Exceeding Plan Limits--Discount in Effect" on page 23 for a discussion of the Investment Date) in an aggregate amount exceeding the amount U. S. Steel is then willing to accept, U. S. Steel may honor such requests in order of receipt, pro rata or by any other method which U. S. Steel determines to be appropriate.

PURCHASE OF SHARES FOR THE PLAN

The following discussion pertains to:

(a) all purchases within Plan Limits and

(b) all purchases in excess of Plan Limits when no Discount (as defined below) is in effect.

- -- PURCHASE INTERVALS

The Administrator will use initial and optional cash investments to purchase shares of U. S. Steel common stock as promptly as practicable, normally once each week. To the extent dividends are declared, the Administrator will use reinvested dividends to purchase shares on the quarterly dividend payment date. Purchases may be made over a number of days to meet the requirements of the Plan.

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- -- SOURCE AND PRICING OF SHARES

SOURCE OF SHARES. Stock needed to meet the requirements of the Plan will either be purchased in the open market or issued directly by U. S. Steel.

PRICE OF SHARES PURCHASED IN THE OPEN MARKET. If the shares are purchased in the open market, your price per share will be the weighted average price of the shares purchased on that day, or those days. With respect to open market purchases, the Administrator will facilitate the purchase of shares for the Plan on any securities exchange where U. S. Steel common stock is traded, in the over-the-counter market or in privately negotiated transactions.

See Schedule II for information about fees. Trading fees paid by U. S. Steel and not charged to you will be reported to you as taxable income on Form 1099-DIV. All computations of shares are calculated to three decimals and fractional shares are credited to your Plan account.

PRICE OF SHARES PURCHASED FROM U. S. STEEL. If the shares are purchased from U. S. Steel, your price per share (the "Purchase Price") will be the average of the daily high and low sale prices as reported on the New York Stock Exchange (the "NYSE") Composite Tape (the "NYSE Composite"). If there is no trading of U. S. Steel common stock on the NYSE on the day the price per share is to be determined, the Purchase Price will be determined by U. S. Steel on the basis of such market quotations as it considers appropriate.

Because the Administrator may periodically change between the above methods for purchasing shares, there can be no assurance that the method for determining your price per share will not change. To obtain the current method, please call (412) 433-4707.

DISCOUNT. Shares purchased under the Plan may, IN THE SOLE DISCRETION OF U. S. STEEL, be subject to a discount of 0 to 3% ("Discount"). The Discount will be established in U. S. Steel's sole discretion after a review of current market conditions, the level of participation and current and projected capital needs. The Discount will apply to initial and optional cash investments and the reinvestment of dividends. The Discount will be subtracted from the Purchase Price of shares purchased for the Plan. Notice will be given to participants or a public announcement will be made upon the implementation or discontinuance of any Discount.

PURCHASES EXCEEDING PLAN LIMITS--DISCOUNT IN EFFECT

The following discussion pertains only to purchases for which a Waiver of Limitation has been obtained when the Discount is in effect. The terms set forth below will apply to the full amount for which a waiver has been obtained. For example, if a waiver is obtained to make an optional cash purchase of \$20,000, or \$10,000 over the limit, the full \$20,000 will be subject to these terms.

For a list of important dates and terms with respect to purchases exceeding Plan limits when a Discount is in effect, see Schedule I. Schedule I is only a guide; actual dates may be obtained by calling (412) 433-4707.

- -- PURCHASE INTERVALS

The Administrator will use initial and optional cash investments for which a waiver has been obtained to purchase shares of U. S. Steel common stock once each month. To the extent dividends are declared, the Administrator will use reinvested dividends to purchase shares on a quarterly basis.

- -- SOURCE AND PRICING OF SHARES

SOURCE OF SHARES. Stock required to meet the requirements of the Plan when a Discount is in effect will be issued directly by U. S. Steel.

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PRICE OF SHARES. Your price per share will be the average of the daily

high and low sales prices of U. S. Steel common stock on the NYSE Composite for the twelve Trading Days immediately preceding the relevant Investment Date, less the Discount.

SEE SCHEDULE I FOR A LIST OF RELEVANT DATES AND DEFINITIONS.

O A "Trading Day" means a day on which trades of the U. S. Steel common stock are reported on the NYSE.

O The twelve Trading Days immediately preceding the relevant Investment Date is the relevant "Pricing Period."

- -- TIMING. Shares purchased from U. S. Steel will be purchased on the Investment Date which is on or about the tenth of each month.

IN ORDER FOR SUCH FUNDS TO BE INVESTED ON THE NEXT INVESTMENT DATE, U. S. STEEL MUST BE IN RECEIPT OF FUNDS ON OR BEFORE THE BUSINESS DAY IMMEDIATELY PRECEDING THE FIRST DAY OF THE RELATED PRICING PERIOD. U. S. STEEL WILL RETURN, WITHOUT INTEREST, ANY PAYMENTS RECEIVED AFTER THE CLOSE OF BUSINESS ON THE BUSINESS DAY IMMEDIATELY PRECEDING THE FIRST DAY OF THE PRICING PERIOD AND BEFORE THE RELATED INVESTMENT DATE

- -- THRESHOLD PRICE LIMIT

With respect to initial or optional cash purchases exceeding plan limits when the Discount is in effect, U. S. Steel will establish for each Pricing Period a minimum price (the "Threshold Price") applicable to the purchase of newly issued shares of U. S. Steel common stock. The Threshold Price and return procedure, discussed below, do not apply to the reinvestment of dividends.

The Threshold Price will be established by U. S. Steel two business days prior to the Record Date at U. S. Steel's sole discretion after a review of current market conditions and other relevant factors. It will be a stated dollar amount and the average of the high and low sale prices on the NYSE Composite for a Trading Day of the Pricing Period must equal or exceed it.

If the Threshold Price is not equaled or exceeded for a Trading Day of the Pricing Period, then that Trading Day and the trading prices for that day will be excluded from the Pricing Period and the determination of the purchase price. A day will also be excluded from the Pricing Period and the determination of the purchase price if there are no trades of U. S. Steel common stock reported on the NYSE for such day. For example, if the Threshold Price is not equaled or exceeded for three of the twelve Trading Days, then the purchase price will be based upon the remaining nine Trading Days for which the Threshold Price was equaled or exceeded.

Each Trading Day of a Pricing Period for which the Threshold Price is not equaled or exceeded or each day for which there are no trades of U. S. Steel common stock reported on the NYSE will cause the return of a portion of your initial or optional cash payment. The returned amount will equal one-twelfth of the total amount of the initial or optional cash payments for which the relevant Waiver of Limitation was received for each Trading Day that the Threshold Price is not equaled or exceeded or for each day no such sales are reported. For example, if the Threshold Price is not equaled or exceeded or no such sales are reported for three Trading Days, 3/12 (or 25%) of your initial or optional cash payments for which the relevant Waiver of Limitation was received will be returned without interest to you.

#### CONTROL OVER PURCHASES

Unless otherwise provided herein, U. S. Steel decides whether purchases are to be made in the open market or from U. S. Steel and the Administrator engages a bank or other agent for purposes of making open market purchases. Neither U. S. Steel, nor the Administrator, nor any participant in

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the Plan has the authority or power to control either the timing or pricing of shares purchased in the open market.

If you send in an initial or optional cash investment, it is possible that the market price of U. S. Steel common stock could go up or down before your funds are used to purchase stock. Further, U. S. Steel may change the method of stock purchase (purchase in the open market or from U. S. Steel) at any time after the three month period following the last such change. THIS MEANS, YOU WILL NOT BE ABLE TO PRECISELY TIME YOUR PURCHASES THROUGH THE PLAN AND WILL BEAR THE MARKET RISK ASSOCIATED WITH FLUCTUATIONS IN THE PRICE OF U. S. STEEL COMMON STOCK.

IN ADDITION, YOU WILL NOT EARN INTEREST ON INITIAL OR OPTIONAL CASH INVESTMENTS FOR THE PERIOD BEFORE THE SHARES ARE PURCHASED.

#### SALE OF SHARES FOR THE PLAN

#### TIMING AND CONTROL

You can sell any number of shares held by the Administrator, Held Shares, in your Plan account by notifying the Administrator. The Administrator will endeavor to arrange sales weekly on Friday, provided that it has been advised of such sale no later than 2:00 p.m. (Eastern Time) of the preceding day. If Friday is not a business day or, if for any reason the Administrator cannot facilitate the sale of your shares, the Administrator will endeavor to arrange for the sale of the shares on the preceding day or the next day that its office and the NYSE are open. The sale price will be the weighted average price of all Plan shares sold on that sale date for Plan participants. You will receive the proceeds of the sale less (i) any applicable fee (See Schedule II, "Plan Service Fees") and (ii) any required tax withholdings.

YOU WILL NOT BE ABLE TO PRECISELY TIME YOUR SALES THROUGH THE PLAN AND WILL BEAR THE MARKET RISK ASSOCIATED WITH FLUCTUATION IN THE PRICE OF U. S. STEEL COMMON STOCK. That is, if you send in a request to sell shares, it is possible that the market price of U. S. Steel common stock could go down or up before your shares are sold. In addition, you will not earn interest on a sales transaction.

You can choose to sell your shares through a stockbroker of your choice, in which case you should request a certificate for your shares from the Administrator. Allow two weeks for delivery of the certificate. (See "Issuance of Certificates" on page 26.)

#### SAFEKEEPING OF YOUR STOCK CERTIFICATES AND BOOK ENTRY

Any participant in the Plan may use the Plan's "safekeeping" service to deposit U. S. Steel common stock certificates, whether or not dividends are reinvested. Safekeeping is beneficial because you no longer bear the risk and cost associated with the loss, theft, or destruction of stock certificates.

With safekeeping, you have the option of reinvesting all, a portion or none of your dividends. You may also take advantage of the sale of shares feature of the Plan. If you decide you no longer want to use the safekeeping service, a certificate will be issued upon request. (See "Issuance of Certificates" on page 26.)

To use the safekeeping service, send your certificates to the Administrator by registered mail with written instructions to deposit them for safekeeping. At the time of mailing, the shares should be insured for approximately 2% of the value of the shares. Do not endorse the certificates or complete the assignment section. The address of the current Administrator is in Schedule III.

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Your shares of U. S. Steel common stock that are held by the Administrator will be maintained in your Plan account for safekeeping in book entry form. You will receive a quarterly statement detailing the status of your holdings.

Shares held by the Administrator, Held Shares, may take as long as two weeks to be certificated and mailed to you after our receipt of notice to do so. THIS MEANS SALES OF HELD SHARES ARE SUBJECT TO RISKS ASSOCIATED WITH CHANGES IN THE MARKET PRICE DURING EITHER (A) THE PERIOD REQUIRED TO CERTIFICATE AND DELIVER SHARES, FOR SALES BY YOU, OR (B) THE PERIOD REQUIRED FOR U. S. STEEL TO SELL YOUR SHARES (see "Sale of Shares for the Plan-Timing and Control", on page 25).

#### GIFTS, TRANSFERS AND PLEDGES OF SHARES

YOU CAN GIVE OR TRANSFER SHARES OF U. S. STEEL COMMON STOCK TO ANYONE YOU CHOOSE BY:

- Making an initial \$500 cash investment to establish a Plan account in the recipient's name; or
- Submitting an optional cash investment on behalf of an existing stockholder in the Plan in an amount not less than \$50 nor more than \$10,000; or
- Transferring shares from your Plan account to the recipient (minimum of five shares to each new Plan account).

You may transfer shares to new or existing stockholders. The Administrator will automatically assign to such transferred shares full dividend reinvestment status. New participants and existing participants, at their discretion, may elect another investment option by providing written notice to the Administrator. If you participate in dividend reinvestment and you request to either (a) transfer all of your shares or (b) make a partial sale and transfer the balance of your shares between the ex-dividend and the dividend record date,



the processing of your request may be held until after your Plan account is credited with reinvested dividends. This holding period could be as long as three weeks.

To transfer shares, you must have your signature guaranteed by a financial institution participating in the Medallion Guarantee Program (generally a broker or a bank). The Medallion Guarantee Program ensures that the individual signing the certificate or stock power is in fact the registered owner.

Held Shares may not be pledged and any such purported pledge shall be void. If you want to pledge your shares, you must first request that such shares be certificated and delivered to you (see "Issuance of Certificates", below).

If you need additional assistance, please call the Administrator.

#### ISSUANCE OF CERTIFICATES

If you wish to withdraw from the Plan at any time, a certificate may be issued to you for all whole shares held in the Plan for you by the Administrator. Any fractional shares in the account will be cancelled and a check for the proceeds (less applicable fees) will be issued and mailed to you. Your Plan account will be closed.

You may also have a certificate issued for whole shares without removing those shares from Plan participation. Dividends, for your certificated shares and any remaining Held Shares will continue to be reinvested in U. S. Steel common stock unless the Administrator is specifically advised to discontinue reinvestment.

Certificates will be issued in the name(s) under which the Plan account is registered, unless otherwise instructed. If the certificate is to be issued in a name other than your Plan account

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registration name, the signature on the instructions or stock power authorizing the issuance must be guaranteed by a financial institution participating in the Medallion Guarantee Program, as described above. You should receive your certificate approximately two weeks from our receipt of your request.

#### TRACKING YOUR INVESTMENTS

The Administrator will mail you a quarterly statement showing all transactions (shares, amounts invested, purchase prices) for your Plan account including year-to-date and other Plan account information. Supplemental statements or notices will be sent when you make an initial or optional cash investment or a deposit, transfer or withdrawal of shares.

PLEASE RETAIN YOUR STATEMENTS TO ESTABLISH THE COST BASIS OF SHARES PURCHASED UNDER THE PLAN FOR INCOME TAX AND OTHER PURPOSES AND TO AVOID PLAN ACCOUNT RESEARCH FEES.

You should notify the Administrator promptly of any change in address since all notices, statements and reports will be mailed to your address of record.

#### U.S. FEDERAL INCOME TAX INFORMATION

Cash dividends reinvested under the Plan will be taxable as having been received by you even though you have not actually received them in cash. Any Discount on cash purchases and any Discount on dividend reinvestments is treated as a dividend to the shareholder. You will receive an annual statement from the Administrator indicating the amount of reinvested dividends and Discounts reported to the U.S. Internal Revenue Service as dividend income. The statement will also reflect any trading fees paid by U. S. Steel on your behalf for purchases of shares.

You will not realize gain or loss for U.S. Federal income tax purposes upon deposit of shares into the Plan or the withdrawal of whole shares from the Plan. You will, however, generally realize gain or loss upon the sale of shares (including the receipt of cash for fractional shares) held in the Plan.

Plan participants who are non-resident aliens or non-U.S. corporations, partnerships or other entities generally are subject to a withholding tax on dividends paid on shares held in the Plan. The Administrator is required to withhold from dividends paid the appropriate amount determined in accordance with U.S. Treasury regulations. Any applicable withholding tax may be determined by treaty between the U.S. and the country in which such participant resides. Accordingly, the amount of any dividends, net of the applicable withholding tax, will be credited to participant Plan accounts for the investment in additional common stock.

The above summary is not a comprehensive summary of all of the tax considerations that may be relevant to a participant in the Plan. Therefore, you are urged to consult your tax advisors regarding the consequences of participation in the Plan.

MISCELLANEOUS

- -- VOTING OF PROXIES

A proxy card will be mailed to you for all shares in your Plan account. Your shares will be voted as indicated by you. If you do not return the proxy card or if you return it unsigned, none of your shares will be voted.

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- -- RESPONSIBILITY OF ADMINISTRATOR AND U. S. STEEL

NEITHER U. S. STEEL NOR ANY ADMINISTRATOR NOR ANY AGENT WILL BE LIABLE FOR ANY ACT THEY DO IN GOOD FAITH OR FOR ANY GOOD FAITH OMISSION TO ACT. This includes, without limitation, any claims of liability for:

O failure to terminate your Plan account upon your death prior to receiving written notice of such death; or

O purchases or sales prices reflected in your Plan account or the dates of purchases or sales of your Plan shares; or

O any fluctuation in the market value after purchase or sale of shares.

NOTWITHSTANDING THE FOREGOING, WE SHALL NOT BE RELIEVED FROM ANY LIABILITY IMPOSED UNDER ANY FEDERAL, STATE OR OTHER APPLICABLE SECURITY LAW THAT CANNOT BE WAIVED.

NEITHER U. S. STEEL NOR ANY ADMINISTRATOR CAN ASSURE YOU A PROFIT OR PROTECT YOU AGAINST A LOSS ON THE SHARES YOU PURCHASE UNDER THE PLAN.

- -- DIVIDENDS

The terms of U. S. Steel's indebtedness limit the ability of U. S. Steel to pay dividends. Subject to these limitations, the declaration of dividends on U. S. Steel common stock is at the discretion of U. S. Steel's board of directors and will be declared and paid after consideration of various factors, including, without limitation, the earnings and financial condition of U. S. Steel. The board of directors of U. S. Steel has the right to change the amount of dividends at any time.

- -- PLAN MODIFICATION OR TERMINATION

U. S. STEEL RESERVES THE RIGHT TO SUSPEND, MODIFY OR TERMINATE THE PLAN AT ANY TIME. You will receive notice of any such suspension, modification or termination. U. S. Steel and any other Administrator also reserve the right to change any and all administrative procedures and costs/fees associated with the Plan.

- -- CHANGE OF ELIGIBILITY OR TERMINATION

You will remain a participant of the Plan until you withdraw from the Plan or the Plan is terminated. U. S. Steel reserves the right to deny, suspend or terminate participation by a stockholder who is using the Plan for purposes inconsistent with the intended purpose of the Plan. In such event, the Administrator will notify you in writing and will issue a certificate to you.

If the number of shares on which dividends are reinvested falls below one share, your participation in the Plan may be automatically terminated and a check will be sent to you for any fractional share remaining.

- -- FOREIGN PARTICIPATION

If you live outside of the U. S., you should first determine if there are any laws or governmental regulations that would prohibit your participation in the Plan. U. S. Steel reserves the right to terminate participation of any stockholder if it deems it advisable under any foreign laws or regulations.

- -- INTERPRETATION

U. S. Steel may adopt rules and regulations to facilitate the administration of the Plan. Any question of interpretation under the Plan will be determined by U. S. Steel and any such determination will be final.

The Plan, all related forms and your Plan account shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and cannot be modified orally.

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#### USE OF PROCEEDS

We will receive no proceeds when we use common stock purchased on the open market for the plan. When we use original issue common stock for the plan, we will use the proceeds for general corporate purposes.

#### PLAN OF DISTRIBUTION

Except to the extent the Administrator purchases U. S. Steel common stock ("Common Shares") in open market transactions, the Common Shares acquired under the Plan will be sold directly by U. S. Steel through the Plan. U. S. Steel may sell Common Shares to owners of shares (including brokers or dealers) who, in connection with any resales of such shares, may be deemed to be underwriters. In connection with any such transaction, compliance with Regulation M under the Securities Exchange Act of 1934 would be required. Such shares, including shares acquired pursuant to waivers granted with respect to the initial or optional cash purchase feature of the Plan, may be resold in market transactions (including coverage of short positions) on any national securities exchange on which Common Shares trade or in privately negotiated transactions. The Common Shares are currently listed on the NYSE. Under certain circumstances, it is expected that a portion of the Common Shares available for issuance under the Plan will be issued pursuant to such waivers. The difference between the price such owners pay to U. S. Steel for Common Shares acquired under the Plan, after deduction of the applicable discount from the purchase price, and the price at which such shares are resold, may be deemed to constitute underwriting commissions received by such owners in connection with such transactions. Any such underwriter involved in the offer and sale of the Common Shares will be named in an applicable prospectus supplement. Any underwriting compensation paid by U. S. Steel to underwriters or agents in connection with the offering of the Common Shares, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in an applicable prospectus supplement.

Except with respect to open market purchases of Common Shares relating to reinvested distributions, U. S. Steel will pay any and all brokerage commissions and related expenses incurred in connection with purchases of Common Shares under the Plan. Upon withdrawal by a participant from the Plan by the sale of Common Shares held under the Plan, the participant will receive the proceeds of such sale less (i) a nominal fee per transaction (see Schedule II, "Plan Service Fees") paid to the Administrator (if such resale is made by the Administrator at the request of a participant), (ii) any related brokerage commissions and (iii) any applicable transfer taxes.

Common Shares may not be available under the Plan in all states. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Common Shares or other securities in any state or any other jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

#### FOR MORE INFORMATION ABOUT U. S. STEEL

U. S. Steel files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934. You may read and copy this information at the following location of the Securities and Exchange Commission:

Public Reference Room  
450 Fifth Street, N.W.  
Room 1024  
Washington, D.C. 20549

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You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

You can also inspect reports, proxy statements and other information about U. S. Steel at the offices of the National Association of Securities Dealers, Inc., 9513 Key West Avenue, Rockville, Maryland 20850.

The Securities and Exchange Commission also maintains an Internet worldwide web site that contains reports, proxy statements and other information about issuers, like U. S. Steel, who file electronically with the Securities and

Exchange Commission. The address of that site is <http://www.sec.gov>.

#### DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus the information in documents we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and later information that we file with the SEC will update and supersede this information. We incorporate by reference the following documents and any future filings we make with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 until the termination of the offering:

- (a) U. S. Steel's Annual Report on Form 10-K for the year ended December 31, 2002;
- (b) U. S. Steel's Proxy Statement on Schedule 14A, dated March 14, 2003;
- (c) U. S. Steel's Quarterly Reports on Form 10-Q for the quarters ended March 31, and June 30, 2003, and
- (d) U. S. Steel's Current Reports on Form 8-K dated January 9, January 28, February 3, February 4, February 10, March 31, March 31, April 1, April 11, April 21, April 29, May 6, May 20, June 30, September 22, October 10 and October [pro forma filing, to be filed], 2003.

Any statement contained in a document incorporated by reference to this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed to constitute a part of this prospectus except as so modified or superseded.

U. S. STEEL WILL PROVIDE WITHOUT CHARGE, UPON WRITTEN OR ORAL REQUEST, TO EACH PERSON TO WHOM A COPY OF THIS PROSPECTUS IS DELIVERED A COPY OF ANY OF THE DOCUMENTS INCORPORATED HEREIN BY REFERENCE (NOT INCLUDING THE EXHIBITS TO SUCH DOCUMENTS, UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE IN SUCH DOCUMENTS). REQUESTS SHOULD BE DIRECTED TO UNITED STATES STEEL CORPORATION, 600 GRANT STREET, PITTSBURGH, PENNSYLVANIA 15219-2800, ATTENTION: SHAREHOLDER SERVICES, TELEPHONE (412) 433-4801.

#### EXPERTS

The consolidated financial statements of United States Steel Corporation incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2002 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of National Steel Corporation incorporated in this Prospectus by reference to U. S. Steel's Current Report on Form 8-K dated May 20, 2003 have been so

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incorporated in reliance upon the report of Ernst & Young LLP, independent auditors, (which report contains an explanatory paragraph describing conditions that raise substantial doubt about National Steel Corporation's ability to continue as a going concern as described in Note 1 to the consolidated financial statements) given on the authority of such firm as experts in accounting and auditing.

#### LEGAL MATTERS

The validity of the issuance of the shares of U. S. Steel common stock offered hereby will be passed upon for U. S. Steel by Dan D. Sandman, Esq., Vice Chairman and Chief Legal & Administrative Officer, General Counsel and Secretary of U. S. Steel, Stephan K. Todd, Esq., Vice President-Law and Environmental Affairs of U. S. Steel, or by Robert M. Stanton, Esq., Assistant General Counsel-Corporate and Assistant Secretary of U. S. Steel. Messrs. Sandman, Todd and Stanton, in their respective capacities as set forth above, are paid salaries by U. S. Steel, participate in various employee benefit plans offered by U. S. Steel and own common stock of U. S. Steel.

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UNITED STATES STEEL CORPORATION COMMON STOCK  
 DIVIDEND REINVESTMENT AND  
 STOCK PURCHASE PLAN  
 LIST OF IMPORTANT DATES THROUGH 2007  
 APPLICABLE ONLY IF DISCOUNT IS IN EFFECT

<Table>  
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	(C)	(D)	(E)	(F)	(G)
	THRESHOLD PRICE AND WAIVER DISCOUNT, IF ANY, WILL BE SET BY:	* RECORD DATE:	OPTIONAL CASH INVESTMENTS MUST BE RECEIVED BY:	PRICING PERIOD START DATE:	INVESTMENT DATE:
CYCLE					
<S>	<C>	<C>	<C>	<C>	<C>
B....	10/17/03	10/21/03	10/22/03	10/23/03	11/10/03
A....	11/17/03	11/19/03	11/20/03	11/21/03	12/10/03
B....	12/17/03	12/19/03	12/22/03	12/23/03	1/12/04
B....	1/16/04	1/21/04	1/22/04	1/23/04	2/10/04
A....	2/13/04	2/18/04	2/20/04	2/23/04	3/10/04
B....	3/18/04	3/22/04	3/23/04	3/24/04	4/12/04
B....	4/16/04	4/20/04	4/21/04	4/22/04	5/10/04
A....	5/17/04	5/19/04	5/21/04	5/24/04	6/10/04
B....	6/17/04	6/21/04	6/22/04	6/23/04	7/12/04
B....	7/19/04	7/21/04	7/22/04	7/23/04	8/10/04
A....	8/16/04	8/18/04	8/23/04	8/24/04	9/10/04
B....	9/17/04	9/21/04	9/22/04	9/23/04	10/11/04
B....	10/19/04	10/21/04	10/22/04	10/25/04	11/10/04
A....	11/15/04	11/17/04	11/22/04	11/23/04	12/10/04
B....	12/16/04	12/20/04	12/21/04	12/22/04	1/10/05
B....	1/19/05	1/21/05	1/24/05	1/25/05	2/10/05
A....	2/14/05	2/16/05	2/18/05	2/22/05	3/10/05
B....	3/17/05	3/21/05	3/22/05	3/23/05	4/11/05
B....	4/18/05	4/20/05	4/21/05	4/22/05	5/10/05
A....	5/16/05	5/18/05	5/23/04	5/24/05	6/10/05
B....	6/16/05	6/20/05	6/21/05	6/22/05	7/11/05
B....	7/19/05	7/21/05	7/22/05	7/25/05	8/10/05
A....	8/15/05	8/17/05	8/23/05	8/24/05	9/12/05
B....	9/16/05	9/20/05	9/21/05	9/22/05	10/10/05
B....	10/19/05	10/21/05	10/24/05	10/25/05	11/10/05
A....	11/14/05	11/16/05	11/22/05	11/23/05	12/12/05
B....	12/15/05	12/19/05	12/20/05	12/21/05	1/10/06
B....	1/19/06	1/23/06	1/24/06	1/25/06	2/10/06
A....	2/14/06	2/16/06	2/21/06	2/22/06	3/10/06
B....	3/17/06	3/21/06	3/22/06	3/23/06	4/10/06
B....	4/18/06	4/20/06	4/21/06	4/24/06	5/10/06
A....	5/15/06	5/17/06	5/23/06	5/24/06	6/12/06
B....	6/15/06	6/19/06	6/20/06	6/21/06	7/10/06
B....	7/19/06	7/21/06	7/24/06	7/25/06	8/10/06
A....	8/14/06	8/16/06	8/22/06	8/23/06	9/11/06

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	(C)	(D)	(E)	(F)	(G)
	THRESHOLD PRICE AND WAIVER DISCOUNT, IF ANY, WILL BE SET BY:	* RECORD DATE:	OPTIONAL CASH INVESTMENTS MUST BE RECEIVED BY:	PRICING PERIOD START DATE:	INVESTMENT DATE:
CYCLE					
<S>	<C>	<C>	<C>	<C>	<C>
B....	9/18/06	9/20/06	9/21/06	9/22/06	10/10/06
B....	10/19/06	10/23/06	10/24/06	10/25/06	11/10/06
A....	11/14/06	11/16/06	11/21/06	11/22/06	12/11/06
B....	12/15/06	12/19/06	12/20/06	12/21/06	1/10/07
B....	1/19/07	1/23/07	1/24/07	1/25/07	2/12/07
A....	2/16/07	2/21/07	2/21/07	2/22/07	3/12/07
B....	3/16/07	3/20/07	3/21/07	3/22/07	4/10/07
B....	4/18/07	4/20/07	4/23/07	4/24/07	4/10/07
A....	5/14/07	5/16/07	5/22/07	5/23/07	6/11/07
B....	6/15/07	6/19/07	6/20/07	6/21/07	7/10/07
B....	7/19/07	7/23/07	7/24/07	7/25/07	8/10/07
A....	8/14/07	8/16/07	8/21/07	8/22/07	9/10/07
B....	9/18/07	9/20/07	9/21/07	9/24/07	10/10/07
B....	10/19/07	10/23/07	10/24/07	10/25/07	11/10/07
A....	11/19/07	11/21/07	11/21/07	11/21/07	12/10/07
B....	12/17/07	12/19/07	12/20/07	12/21/07	1/10/08

</Table>

- B. Investment of optional cash investments only.
- C. The Threshold Price and Waiver Discount (if any) will be established two business days prior to the Record Date.
- D. The Record Date for dividend months (those indicated by the letter "A" in the cycle column) will be established by the Board of Directors. The Record Date for non-dividend months (those indicated by the letter "B" in the cycle column) will be two business days immediately preceding the first day of the Pricing Period.
- E. Optional cash payments are due by the last business day prior to commencement of the Pricing Period.
- F. The Pricing Period will be the twelve consecutive Trading Days ending on the Trading Day immediately preceding the Investment Date.
- G. The Investment Date will be the dividend payment date during a month in which a cash dividend is paid and in any other month, will be the tenth calendar day of such month, however, if either the dividend payment date or such tenth day falls on a date when the New York Stock Exchange is closed, the Investment Date will be the first day following on which the New York Stock Exchange is open.

<Table>  
<Caption>

	U.S. EQUITY MARKETS CLOSED				
	2003	2004	2005	2006	2007
<S>	<C>	<C>	<C>	<C>	<C>
New Years Day		1/1	1/1	1/1	1/1
Martin L. King Day		1/19	1/17	1/16	1/15
Presidents Day		2/16	2/21	2/20	2/19
Good Friday		4/9	3/25	4/14	4/6
Memorial Day		5/31	5/30	5/29	5/28
Independence Day		7/5	7/4	7/4	7/4
Labor Day		9/6	9/5	9/4	9/3
Thanksgiving Day	11/27	11/25	11/24	11/23	11/22
Christmas Day	12/25	12/25	12/25	12/25	12/25

\* Record Dates in dividend months (February, May, August and November) are established as 3rd Wednesday of month unless that day is 15th, then date is 16th.

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SCHEDULE II

UNITED STATES STEEL CORPORATION COMMON STOCK  
DIVIDEND REINVESTMENT AND  
STOCK PURCHASE PLAN

PLAN SERVICE FEES

<Table>  
<Caption>

<S>	<C>
ENROLLMENT FEE FOR NEW INVESTORS.....	\$10.00 per Account Enrollment
REINVESTMENT OF DIVIDENDS.....	No Charge
PURCHASE OF SHARES (via check).....	\$0.05 per Share
PURCHASE OF SHARES (via Automatic Investment).....	No Charge
SALE OF SHARES:	
Transaction Fee.....	No Charge
Trading Fee.....	\$0.10 per Share
GIFT OR TRANSFER OF SHARES.....	No Charge
SAFEKEEPING OF STOCK CERTIFICATES.....	No Charge
CERTIFICATE ISSUANCE.....	No Charge
RETURNED CHECKS.....	\$25.00 per Check
DUPLICATE STATEMENTS:	
Current Year.....	No Charge
Prior Year(s).....	\$5.00 per Year, up to \$25 Maximum

</Table>

The fee for duplicate statements must be paid in advance. In all other cases, the applicable fees will be deducted from either the investment or proceeds from a sale.

Any fees paid by USS for which you are not charged will be reported to you as taxable income on Form 1099-Div.

Depending upon whether U.S. Steel is the Administrator, U.S. Steel may receive all, or a portion, of the fees related to Plan services. Our estimated annual cost to operate the Plan is \$400,000. Some or all of these costs may be recovered through these Plan service fees.

All fees, including those for which there is currently "No Charge", are subject to change; however, we will not change any fees without first notifying you.

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SCHEDULE III

ADDITIONAL INFORMATION

For recorded information concerning the following Plan features, Call (412) 433-4707.

Current Administrator Information  
Discount  
Threshold Price  
Requests for Waivers  
Source of Shares--Open Market Purchase or U. S. Steel Issuance

For other information about the Plan contact the Administrator, currently United States Steel Shareholder Services:

<Table>  
<Caption>

<S>	<C>
Telephone:	(412)433-4801
Facsimile:	(412)433-4818
Email:	SHAREHOLDERSERVICES@USS.COM

</Table>

Make all checks and money orders payable to: United States Steel Corporation.

Send written correspondence and optional cash Investments to the Administrator at the following address:

UNITED STATES STEEL CORPORATION  
SHAREHOLDER SERVICES  
600 GRANT STREET, ROOM 611  
PITTSBURGH, PA 15219-2800

Please include your daytime telephone number. Please use the transaction stub at top of your quarterly statement for optional cash Investments.

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PART II  
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

<Table>	
<S>	<C>
Securities and Exchange Commission filing fee.....	\$ 4,125
Costs of printing and engraving.....	14,000
Accounting fees and expenses.....	40,000
Miscellaneous expenses.....	20,000
	-----
Total.....	\$78,125
	=====

</Table>

All of the foregoing expenses are estimated except for the Securities and Exchange Commission filing fee.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article V of the By-Laws of United States Steel Corporation (the "Corporation") provides that the Corporation shall indemnify to the fullest extent permitted by law any person who is made or is threatened to be made a party or is involved in any action, suit, or proceeding whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise, or nonprofit entity.

The Corporation is empowered by Section 145 of the Delaware General Corporation Law, subject to the procedures and limitations stated therein, to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was an officer, employee, agent or director of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The Corporation may indemnify any such person against expenses (including attorneys' fees) in an action by or in the right of the Corporation under the same conditions, except that no indemnification is permitted without judicial approval if such person is adjudged to be liable to the Corporation. To the extent a director or officer is successful on the merits or otherwise in the defense of any action referred to above, the Corporation must indemnify him against the expenses which he actually and reasonably incurred in connection therewith.

Policies of insurance are maintained by the Corporation under which directors and officers of the Corporation are insured, within the limits and subject to the limitations of the policies, against certain expenses in connection with the defense of actions, suits or proceedings, and certain liabilities which might be imposed as a result of such actions, suits or proceedings, to which they are parties by reason of being or having been such directors or officers.

The Corporation's Certificate of Incorporation provides that no director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director, except (i) for breach of the director's duty of loyalty to the Corporation or its

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stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

### ITEM 16. LIST OF EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) See Exhibit Index.

(b) All schedules are omitted because they are not applicable or the required information is contained in the respective financial statements or notes thereto.

### ITEM 17. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to the registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference herein.



(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the bona fide offering thereof.

(3) To remove from registration by means of post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The Corporation hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Corporation's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Corporation pursuant to the foregoing provisions, or otherwise, the Corporation has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Corporation of expenses incurred or paid by a director, officer or controlling person of the Corporation in the successful defense of any action, suit

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or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Corporation will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, THE REGISTRANT HAS DULY CAUSED THIS REGISTRATION STATEMENT ON FORM S-3 TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF PITTSBURGH, COMMONWEALTH OF PENNSYLVANIA, ON OCTOBER 21, 2003.

UNITED STATES STEEL CORPORATION

By: /s/ LARRY G. SCHULTZ

-----  
Name: Larry G. Schultz  
Title: Vice President & Controller

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, THIS REGISTRATION STATEMENT ON FORM S-3 HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON OCTOBER 21, 2003.

<Table>  
<Caption>

SIGNATURE -----	TITLE -----
<S>	<C>
* ----- Thomas J. Usher	Chief Executive Officer and Chairman of Board (Principal Executive Officer and Director)
* ----- Gretchen R. Haggerty	Executive Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)
/s/ LARRY G. SCHULTZ ----- Larry G. Schultz	Vice President & Controller (Controller)
* ----- J. Gary Cooper	Director
*	Director

Robert J. Darnall	*	Vice Chairman and Director
Roy G. Dorrance	*	Director
John G. Drosdick	*	Director
Shirley Ann Jackson	*	Director
Charles R. Lee	*	Director
Frank J. Lucchino	*	Vice Chairman, Chief Legal & Administrative Officer and Director
Dan D. Sandman	*	Director
Seth E. Schofield		

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SIGNATURE	TITLE
John P. Surma, Jr.	President and Director
Douglas C. Yearley	Director

\*By: /s/ LARRY G. SCHULTZ

Larry G. Schultz, Attorney-in-Fact

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EXHIBIT LIST

EXHIBIT NUMBER	DESCRIPTION
3.1	Restated Certificate of Incorporation of United States Steel Corporation dated September 30, 2003.
3.2	By-laws of United States Steel Corporation dated April 30, 2002, as currently in effect (incorporated by reference to Exhibit 5 to United States Steel's Report on Form 8-A dated February 6, 2003).
4.1	Rights Agreement, dated as of December 31, 2001, by and between United States Steel and Mellon Investors Services, LLC, as Rights Agent (incorporated by reference to Exhibit 4 to United States Steel's Registration Statement on Form 8-A/A filed on December 31, 2001).
4.2	Indenture, dated as of July 27, 2001 (as amended by the First Supplemental Indenture dated as of November 26, 2001), (incorporated by reference to Exhibit 4 to United States Steel's Registration Statement on Form S-4 (File No. 333-85152) filed March 28, 2002).
4.3	Form of Indenture for Debt Securities (incorporated by reference to Exhibit 4.1 to United States Steel's Registration Statement on Form S-3 (File No. 333-84200) filed on March 19, 2002).
4.4	Officer's Certificate setting forth the terms and form of the 9 3/4% Notes due 2010 (incorporated by reference to

Exhibit 4.1 to United States Steel's Current Report on Form 8-K dated May 20, 2003).

- 4.5 Certificate of Designation respecting the Series A Junior Preferred Stock (incorporated by reference to Exhibit 4(h) to United States Steel Corporation's Form 10-K for the year ended December 31, 2001).
  - 4.6 Certificate of Designation respecting the 7% Series B Mandatory Convertible Preferred Shares (incorporated by reference to Exhibit 4(i) to United States Steel Corporation's Form 10-K for the year ended December 31, 2002).
  - \*5 Opinion of Robert M. Stanton, Esq. regarding the validity of United States Steel Corporation common stock to be issued pursuant to this Registration Statement.
  - \*\*23.1 Consent of PricewaterhouseCoopers LLP.
  - \*23.2 Consent of Robert M. Stanton, Esq. is contained in the opinion of counsel filed as Exhibit 5.
  - \*\*23.3 Consent of Ernst & Young LLP.
  - \*24 Powers of Attorney
- </Table>

- -----

\*Previously filed.

\*\* To be filed in a subsequent amendment.

UNITED STATES STEEL CORPORATION

RESTATED  
CERTIFICATE OF INCORPORATION

FILED IN OFFICE OF SECRETARY OF STATE  
STATE OF DELAWARE

SEPTEMBER 30, 2003

RESTATED CERTIFICATE OF INCORPORATION

OF

UNITED STATES STEEL CORPORATION

Originally formed as a Delaware limited liability company under the name "United States Steel LLC" on May 25, 2001 and converted to a Delaware corporation, pursuant to Section 265 of the Delaware General Corporation Law and Section 18-216 of the Delaware Limited Liability Company Act, on December 31, 2001 under the name first set forth below

FIRST: The name of the Corporation (which is hereinafter referred to as the "Corporation") is

UNITED STATES STEEL CORPORATION

SECOND: Its registered office and place of business in the State of Delaware is located at 9 East Lookerman Street, Suite 1B, City of Dover, County of Kent. The registered agent in charge thereof upon whom process against the Corporation may be served is National Registered Agents, Inc.

THIRD: The purposes of the Corporation are to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware, and without limiting the foregoing to engage in integrated steel operations and to develop, mine, produce, manufacture, construct, transport, buy, hold, sell and generally deal in products, materials, property, both tangible and intangible, and services of all kinds.

FOURTH: The total number of shares of capital stock which the Corporation shall have authority to issue is Four Hundred Forty Million (440,000,000), of which Four Hundred Million (400,000,000) shares shall be Common Stock having a par value of one dollar (\$1.00) per share and Forty Million (40,000,000) shares shall be shares of Preferred Stock, without par value (hereinafter called "Preferred Stock").

A statement of the designations of the Preferred Stock or of any series thereof, and the powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, or of the authority of the Board of Directors to fix by resolution or resolutions such designations and other terms not fixed by the Certificate of Incorporation, is as follows:

1. The Preferred Stock may be issued in one or more series, from time to time, with each such series to have such designation, powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation, subject to the limitations prescribed by law and in accordance with the provisions hereof, the Board of Directors being hereby expressly

vested with authority to adopt any such resolution or resolutions. The authority of the Board of Directors with respect to each such series shall include, but not be limited to, the determination or fixing of the following:

i. The distinctive designation and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by like action of the Board of Directors;

ii. The dividend rate of such series, the conditions and times upon which such dividends shall be payable, the relation which such dividends shall bear to the dividends payable on any other class or classes of stock or series thereof, or any other series of the same class, and whether dividends shall be cumulative or non-cumulative;

iii. The conditions upon which the shares of such series shall be subject to redemption by the Corporation and the times, prices and other terms and provisions upon which the shares of the series may be redeemed;

iv. Whether or not the shares of the series shall be subject to the operation of a retirement or sinking fund to be applied to the purchase or redemption of such shares and, if such retirement or sinking fund be established, the annual amount thereof and the terms and provisions relative to the operation thereof;

v. Whether or not the shares of the series shall be convertible into or exchangeable for shares of any other class or classes, with or without par value, or of any other series of the same class, and, if provision is made for conversion or exchange, the times, prices, rates, adjustments, and other terms and conditions of such conversion or exchange;

vi. Whether or not the shares of the series shall have voting rights, in addition to the voting rights provided by law, and, if so, subject to the limitation hereinafter set forth, the terms of such voting rights;

vii. The rights of the shares of the series in the event of voluntary or involuntary liquidation, dissolution, or upon the distribution of assets of the Corporation;

viii. Any other powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of the shares of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Certificate of Incorporation.

2. The holders of shares of the Preferred Stock of each series shall be entitled to receive, when and as declared by the Board of Directors, out of funds legally available for the payment of dividends, dividends at the rates fixed by the Board of Directors for such series, and no more, before any dividends, other than dividends payable in Common Stock, shall be declared and paid, or set apart for payment, on the Common Stock with respect to the same dividend period.

3. Whenever, at any time, dividends on the then outstanding Preferred Stock as may be required with respect to any series outstanding shall have been paid or declared and set apart for payment on the then outstanding Preferred Stock, and after complying with respect to any

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retirement or sinking fund or funds for any series of Preferred Stock, the Board of Directors may, subject to the provisions of the resolution or resolutions creating any series of Preferred Stock, declare and pay dividends on the Common Stock, and the holders of shares of the Preferred Stock shall not be entitled to share therein.

4. The holders of shares of the Preferred Stock of each series shall be entitled upon liquidation or dissolution or upon the distribution of the assets of the Corporation to such preferences as provided in the resolution or resolutions creating such series of Preferred Stock, and no more, before any distribution of the assets of the Corporation shall be made to the holders of shares of the Common Stock.

5. Except as otherwise provided by a resolution or resolutions of the Board of Directors creating any series of Preferred Stock or by the General Corporation Law of Delaware, the holders of shares of the Common Stock issued and outstanding shall have and possess the exclusive right to notice of stockholders' meetings and the exclusive power to vote. The holders of shares of the Preferred Stock issued and outstanding shall, in no event, be entitled to more than one vote for each share of Preferred Stock held by them unless otherwise required by law.

Pursuant to the authority conferred by this Article Fourth, the following series of Preferred Stock have been designated, each such series consisting of such number of shares, with such voting powers and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions as are stated and expressed in Exhibits A through B attached hereto and incorporated herein by reference:

Exhibit A: Series A Junior Preferred Stock

Exhibit B: 7.00% Series B Mandatory Convertible Preferred Shares

FIFTH: The existence of the Corporation is to be perpetual.

SIXTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

SEVENTH: The number of directors of the Corporation shall be fixed from time to time by, or in the manner provided in, its by-laws and may be increased or decreased as therein provided; but the number thereof shall not be less than three.

The directors of the Corporation shall be divided into three classes: Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the whole number of the Board of Directors. Each of the Class I directors shall hold office until the 2002 annual meeting of the stockholders, each of the Class II directors shall hold office until the 2003 annual meeting of the stockholders, and each of the Class III directors shall hold office until the 2004 annual meeting of the stockholders, and in the case of each class, until their respective successors are duly elected and qualified. At each annual election held from and after the 2002 annual meeting of the stockholders, directors elected to succeed those whose terms expire shall be identified as being of the same class as the directors they succeed and shall be elected to hold office for a term to expire at the third annual meeting of the stockholders after their election, and until their respective successors are duly elected and qualified. If the number of directors is changed, any increase or decrease in directors shall be apportioned among the classes so as to maintain all classes as equal in number as possible, and any additional director elected to any

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class shall hold office for a term which shall coincide with the terms of the other directors in such class and until his successor is duly elected and qualified.

In the case of any increase in the number of directors of the Corporation, the additional director or directors shall be elected by the Board of Directors.

In the case of any vacancy in the Board of Directors from death, resignation, disqualification or other cause, a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant, and until the election of his successor, shall be elected by a majority of the Board of Directors then in office, though less than a quorum.

Directors of the Corporation may be removed only for cause.

EIGHTH: The Board of Directors shall have power to adopt, amend and repeal the by-laws at any regular or special meeting of the Board of Directors, provided that notice of intention to adopt, amend or repeal the by-laws in whole or in part shall have been included in the notice of meeting; or, without any such notice, by a vote of two-thirds of the directors then in office.

Stockholders may adopt, amend and repeal the by-laws at any regular or special meeting of the stockholders by an affirmative vote of two-thirds of the shares outstanding and entitled to vote thereon, provided that notice of intention to adopt, amend or repeal the by-laws in whole or in part shall have been included in the notice of the meeting.

Any action required to be taken at any annual or special meeting of the stockholders of the Corporation, or any action which may be taken at any annual or special meeting of the stockholders or otherwise, may not be taken without a meeting, prior notice and a vote, and stockholders may not act by written consent.

NINTH: The Board of Directors from time to time shall determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by law or authorized by the Board of Directors, or by the stockholders.

TENTH: The directors may from time to time declare such dividends as they shall deem advisable and proper, subject to the provisions of Article Fourth and to such restrictions as may be imposed by law, and pay the same to the stockholders at such times as they shall fix.

The Board of Directors shall have power to issue bonds, debentures, or other obligations, either non-convertible or convertible into the Corporation's stock, subject to the provisions of Article Fourth and upon such terms, in such manner and under such conditions in conformity with law, as may be fixed by the Board of Directors prior to the issue of such bonds, debentures or other obligations.

ELEVENTH: No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director, except (i) for breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this

Article Eleventh shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

TWELFTH: The powers and authorities hereinbefore conferred upon the Board of Directors are in furtherance and not in limitation of those conferred by the laws of the State of Delaware.

THIRTEENTH: The Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by law, and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation, which only restates and integrates and does not further amend the provisions of the Certificate of Incorporation in this Corporation as heretofore amended or supplemented, there being no discrepancies between those provisions and the provisions of this Certificate of Incorporation, and it having been duly adopted by the Corporation's Board of Directors in accordance with Section 245 of the Delaware General Corporation Law, has been executed by its duly authorized officer this 30th day of September, 2003.

UNITED STATES STEEL CORPORATION

BY: /s/ T. J. Usher

-----  
T. J. Usher  
Chairman of the Board of Directors and  
Chief Executive Officer

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EXHIBIT A

SERIES A JUNIOR PREFERRED STOCK

Section 1. Designation and Amount.

The shares of this series shall be designated as "Series A Junior Preferred Stock" and the number of shares constituting such series shall be 2,000,000.

Section 2. Dividends and Distributions.

(a) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Preferred Stock with respect to dividends, the holders of shares of Series A Junior Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$5.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares, of Common Stock (by reclassification or otherwise), to be or being declared on the Common Stock, par value \$1.00 per share, of the Corporation (the "Common Stock") with respect to the same dividend period. If the Quarterly Dividend Payment Date is a Saturday, Sunday or legal holiday then such Quarterly Dividend Payment Date shall be the first immediately preceding calendar day which is not a Saturday, Sunday or legal holiday. In the event the Corporation shall at any time after December 31, 2001 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series A Junior Preferred Stock as provided in paragraph (a) above immediately prior to the time it declares a dividend or distribution on the Common Stock

(other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall be declared on the Common Stock with respect to a particular dividend period, a dividend of \$5.00 per share on the Series A Junior Preferred Stock shall nevertheless be payable on such Quarterly Dividend Payment Date with respect to such quarterly period.

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(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Preferred Stock entitled, to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof. Dividends in arrears may be declared and paid at any time, without reference to any Quarterly Dividend Payment Date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(d) Except as hereinafter provided, no dividends shall be declared or paid or set apart for payment on the shares of Series A Junior Preferred Stock for any period if the Corporation shall be in default in the payment of any dividends (including cumulative dividends, if applicable) on any shares of Preferred Stock ranking, as to dividends, prior to the Series A Junior Preferred Stock, unless the same shall be contemporaneously declared and paid.

(e) Dividends payable on the Series A Junior Preferred Stock for the initial dividend period and, for any period less than a full quarterly period, shall be computed on the basis of a 360-day year of 30-day months.

### Section 3. Voting Rights.

The holders of shares of Series A Junior Preferred Stock shall have the following voting rights:

(a) Each share of Series A Junior Preferred Stock shall entitle the holder thereof to one vote on all matters submitted to a vote of the stockholders of the Corporation. The holders of Series A Junior Preferred Stock shall be entitled to notice of all meetings of the stockholders of the Corporation.

(b) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) If, on the date used to determine stockholders of record for any meeting of stockholders for the election of directors, a default in preference dividends on the Preferred Stock shall exist, the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Preferred Stock of all series (whether or not

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the holders of such series of Preferred Stock would be entitled to vote for the election of directors if such default in preference dividends did not exist), shall have the right at such meeting, voting together as a single class without regard to series, to the exclusion of the holders of Common Stock, to elect two directors of the Corporation to fill such newly created directorships. Each director elected by the holders of shares of Preferred Stock (herein called a "Preferred Director"), shall continue to serve as such director for the full term for which he shall have been elected, notwithstanding that prior to the end of such term a default in preference dividends shall cease to exist. Any Preferred Director may be removed by, and shall not be removed except by, the vote of the holders of record of the outstanding shares of Preferred Stock, voting together as a single class without regard to series, at a meeting of the stockholders, or of the holders of shares of Preferred Stock, called for the purpose. So long as a default in any preference dividends on the Preferred Stock shall exist (i) any vacancy in the office of a Preferred Director may be filled except as provided in the following clause (ii) by an instrument in writing signed by the remaining Preferred Director and filed with the Corporation and (iii) in the case of the removal of any Preferred Director, the vacancy may be



filled by the vote of the holders of the outstanding shares of Preferred Stock, voting together as a single class without regard to series, at the same meeting at which such removal shall be voted. Each director appointed as aforesaid by the remaining Preferred Director shall be deemed, for all purposes hereof, to be a Preferred Director. Whenever the term of office of the Preferred Directors shall end and no default in preference dividends shall exist, the number of directors constituting the Board of Directors of the Corporation shall be reduced by two. For the purposes of this paragraph (c), a "default in preference dividends" on the Preferred Stock shall be deemed to have occurred whenever the amount of accrued and unpaid dividends upon any series of the Preferred Stock shall be equivalent to six full quarterly dividends or more, and, having so occurred, such default shall be deemed to exist thereafter until, but only until all accrued dividends on all shares of Preferred Stock of each and every series then outstanding shall have been paid through the last Quarterly Dividend Payment Date.

#### Section 4. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, or make any other distributions on (other than a dividend in Common Stock or in any other stock of the Corporation ranking junior to the Series A Junior Preferred Stock as to dividends and upon liquidation, dissolution or winding up and other than as provided in subparagraph (ii) of this section), or redeem or purchase or otherwise acquire for consideration (except by conversion into or exchange for stock of the Corporation ranking junior to the Series A Junior Preferred Stock as to dividends and upon dissolution, liquidation or winding up), any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Preferred Stock;

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(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Preferred Stock, except dividends paid ratably on the Series A Junior Preferred Stock and all stock ranking on a parity with the Series A Junior Preferred Stock as to dividends on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding up) to the Series A Junior Preferred Stock;

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (a) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

#### Section 5. Reacquired Shares.

Any shares of Series A Junior Preferred Stock purchased or otherwise acquired by the Corporation, in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

#### Section 6. Liquidation, Dissolution or Winding Up.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series A Junior

Preferred Stock shall be entitled to receive the greater of (a) \$100 per share, plus accrued dividends to the date of distribution, whether or not earned or declared, or (b) an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of Common Stock (the "Series A Liquidation Preference"). In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such

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case the amount to which holders of shares of Series A Junior Preferred Stock were entitled immediately prior to such event pursuant to clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences.

#### Section 7. Consolidation, Merger, etc.

In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

#### Section 8. Optional Redemption.

(a) The Corporation shall have the option to redeem the whole or any part of the Series A Junior Preferred Stock at any time on at least 30 days notice in accordance with the provisions of paragraph (b) of this Section 8 at a redemption price equal to, subject to the provision for adjustment hereinafter set forth, 100 times the "current per share market price" of the Common Stock on the date of the mailing of the notice of redemption, together with unpaid accumulated dividends to the date of such redemption. In the event the Corporation shall at any time after December 31, 2001 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Preferred Stock were otherwise entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. The "current per share market price" on any date shall be deemed to be the average of the closing price per share of such Common Stock for the 10 consecutive Trading Days (as such term is hereinafter defined) immediately prior to such date. The closing price for each day shall be the last sale price,

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regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Common Stock is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the principal national securities exchange on which the Common Stock is listed or admitted to trading or, if the Common Stock is not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ")

or such other system then in use or, if on any such date the Common Stock is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock selected by the Corporation. If on such date no such market maker is making a market in the Common Stock, the fair value of the Common Stock on such date as determined in good faith by the Board of Directors of the Corporation shall be used. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the Common Stock is listed or admitted to trading is open for the transaction of business or, if the Common Stock is not listed or admitted to trading on any national securities exchange, a Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in the State of New York are not authorized or obligated by law or executive order to close.

(b) Whenever shares of Series A Junior Preferred Stock are to be redeemed, the Corporation shall mail a notice ("Notice of Redemption") by first-class mail, postage prepaid, to each holder of record of shares of Series A Junior Preferred Stock to be redeemed and to the transfer agent for the Series A Junior Preferred Stock. The Notice of Redemption shall be addressed to the holder at the address of the holder appearing on the stock transfer books of the Corporation maintained by the transfer agent for the Series A Junior Preferred Stock. The Notice of Redemption shall include a statement of (i) the redemption date, (ii) the redemption price, (iii) the number of shares of Series A Junior Preferred Stock to be redeemed, (iv) the place or places where shares of the Series A Junior Preferred Stock are to be surrendered for payment of the redemption price, (v) that the dividends on the shares to be redeemed will cease to accrue on such redemption date, and (vi) the provision under which redemption is made. No defect in the Notice of Redemption or in the mailing thereof shall affect the validity of the redemption proceedings, except as required by law. From the date on which a Notice of Redemption shall have been given as aforesaid and the Corporation shall have deposited with the transfer agent for the Series A Junior Preferred Stock a sum sufficient to redeem the shares of Series A Junior Preferred Stock as to which Notice of Redemption has been given, with irrevocable instructions and authority to pay the redemption price to the holders thereof, or if no such deposit is made, then upon such date fixed for redemption (unless the Corporation shall default in making payment of the redemption price), all rights of the holders thereof as stockholders of the Corporation by reason of the ownership of such shares (except their right to receive the redemption price thereof, but without interest), shall terminate, including, but not limited to, their right to receive dividends, and such shares shall no longer be deemed outstanding. The Corporation shall be entitled to receive, from time to time, from the transfer agent for Series A Junior Preferred Stock the interest, if any, on such monies deposited with it and, the holders of any shares so redeemed shall have no claim to any such interest. In case

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the holder of any shares so called for redemption shall not claim the redemption price for his shares within one year after the date of redemption, the transfer agent for the Series A Junior Preferred Stock shall, upon demand, pay over to the Corporation such amount remaining on deposit and the transfer agent for the Series A Junior Preferred Stock shall thereupon be relieved of all responsibility to the holders of such shares and such holder of the shares of the Series A Junior Preferred Stock so called for redemption shall look only to the Corporation for the payment thereof.

(c) In the event that fewer than all the outstanding shares of the Series A Junior Preferred Stock are to be redeemed, the number of shares to be redeemed shall be determined by the Board of Directors and the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board of Directors or by any other method as may be determined by the Board of Directors in its sole discretion to be equitable.

(d) If the Corporation shall be in default in the payment of any dividends (including cumulative dividends, if applicable) on any shares of Preferred Stock ranking, as to dividends, prior to the Series A Junior Preferred Stock, then no shares of the Series A Junior Preferred Stock shall be redeemed and the Corporation shall not purchase or otherwise acquire any shares of the Series A Junior Preferred Stock.

#### Section 9. Ranking.

(a) The Series A Junior Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, unless the terms of any such series shall provide otherwise.

(b) For purposes hereof, any stock of any class or classes of the Corporation shall be deemed to rank:

(i) prior to the shares of the Series A Junior Preferred Stock, either as to dividends or upon liquidation, dissolution or winding up, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether

voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of the Series A Junior Preferred Stock. Each holder of any share of the Series A Junior Preferred Stock, by his acceptance thereof, expressly covenants and agrees that the rights of the holders of any shares of any other series of Preferred Stock of the Corporation to receive dividends or amounts distributable upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, shall be and hereby are expressly prior to his rights unless in the case of any particular series of Preferred Stock the certificate or other instrument creating or evidencing the same expressly provides that the rights of the holders of such series shall not be prior to the shares of the Series A Junior Preferred Stock; and

(ii) on a parity with shares of the Series A Junior Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of the Series A Junior Preferred Stock, if the holders of such stock

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shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of the Series A Junior Preferred Stock; and

(iii) junior to shares of the Series A Junior Preferred Stock, either as to dividends or upon liquidation, if such class or classes shall be Common Stock or if the holders of shares of the Series A Junior Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or classes.

Section 10. Amendment.

Except as otherwise set forth in this Certificate of Incorporation, Preferences and Rights with respect to the Series A Junior Preferred Stock, holders of Series A Junior Preferred Stock shall not have any special powers and their consent shall not be required for taking any corporate action, provided, however, that:

(1) Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the consent of the holders of at least 66-2/3% of all of the shares of the Series A Junior Preferred Stock at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of shares of the Series A Junior Preferred Stock shall vote together as a separate class, shall be necessary for authorizing, effecting or validating the amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation or of any certificate amendatory thereof or supplemental thereto (including any Certificate of Designation, Preferences and Rights or any similar document relating to any series of Preferred Stock) so as to affect adversely the powers, preferences, or rights, of this Series A Junior Preferred Stock. The increase of the authorized amount of the Preferred Stock, or the creation, authorization or issuance of any shares of any other class of stock of the Corporation ranking prior to or on a parity with the shares of the Series A Junior Preferred Stock as to dividends or upon liquidation, or the reclassification of any authorized or outstanding stock of the Corporation into any such prior or parity shares, or the creation, authorization or issuance of any obligation or security convertible into or evidencing the right to purchase any such prior or parity shares shall not be deemed to affect adversely the powers, preferences or rights of the Series A Junior Preferred Stock.

Section 11. Fractional Shares.

Series A Junior Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Preferred Stock.

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EXHIBIT B

7.00% SERIES B MANDATORY CONVERTIBLE PREFERRED SHARES

## Section 1. Designation and Number of Shares.

Out of the 40,000,000 shares of preferred stock of the Corporation authorized by the Certificate of Incorporation of the Corporation, 5,750,000 shall be, and be designated as, 7.00% Series B Mandatory Convertible Preferred Shares without par value (hereinafter referred to as this "Series"). The number of authorized shares of this Series may be reduced by further resolution adopted by the Board of Directors and by filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such reduction has been so authorized, but the number of authorized shares of this Series shall not be increased.

## Section 2. Ranking.

This Series shall rank, with respect to dividends and distributions upon the liquidation, winding-up or dissolution of the Corporation (i) senior to (a) the Common Stock, par value \$1.00 per share, of the Corporation (the "Common Stock") and (b) to each other class or series of stock of the Corporation (including any series of preferred stock established after February 4, 2003 by the Board of Directors) the terms of which do not expressly provide that it ranks senior to or on a parity with this Series as to dividends and distributions upon the liquidation, winding-up or dissolution of the Corporation and (ii) junior to any equity security, the terms of which expressly provide that such class or series will rank senior to this Series as to dividends and distributions upon liquidation, winding-up or dissolution of the Corporation.

## Section 3. Dividends.

(i) General. The dividend rate on shares of this Series shall be \$3.50 per annum, provided that the initial dividend on this Series for the dividend period commencing on February 10, 2003, to but excluding June 15, 2003, will be \$1.206 per share, in each case subject to adjustment as provided in Section 12(ii) hereof. Cumulative cash dividends shall be payable quarterly when, as and if declared by the Board of Directors of the Corporation or a duly authorized committee thereof, out of the assets of the Corporation legally available therefore on the 15th calendar day (or the following business day if the 15th is not a business day) of March, June, September and December (each such date being referred to herein as a "Dividend Payment Date"), provided, that the initial dividend shall be payable, if declared, on June 15, 2003. The amount of dividends payable on each share of this Series for each quarterly period thereafter shall be computed by dividing the annual dividend rate by four. The amount of dividends payable for any other period that is shorter or longer than a dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months.

A dividend period is the period ending on the day before a Dividend Payment Date and beginning on the preceding Dividend Payment Date or, if none, the date of issue. Dividends payable, if declared, on a Dividend Payment Date shall be payable to Holders (as defined below) of record as they appear on the stock register of the Corporation on the record date, which shall be the close of business on the first calendar day of the calendar month in which the applicable Dividend Payment Date falls (each, a "Dividend Record Date").

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Dividends on this Series shall be cumulative if the Corporation fails to declare or pay one or more dividends on this Series in any amount, whether or not the earnings or financial condition of the Corporation were sufficient to pay such dividends in whole or in part.

Holders of shares of this Series shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of the then applicable full dividends calculated pursuant to this Section 3(i) (including accrued dividends, if any) on shares of this Series. No interest or sum of money in lieu of interest shall be payable in respect of any dividend or payment which may be in arrears.

Dividends in arrears on this Series not declared for payment or paid on any Dividend Payment Date may be declared by the Board of Directors of the Corporation or a duly authorized committee thereof and paid on any date fixed by the Board of Directors of the Corporation or a duly authorized committee thereof, whether or not a Dividend Payment Date, to the Holders of record of the shares of this Series, as they appear on the stock register of the Corporation on a record date selected by the Board of Directors of the Corporation or a duly authorized committee thereof, which shall be not more than 60 days prior to the date fixed for such dividend payment.

(ii) Payment Restrictions. The Corporation may not declare or pay any dividend or make any distribution of assets (other than dividends paid or other distributions made in capital stock of the Corporation ranking junior to this Series as to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding-up and cash in lieu of fractional shares in connection with any such dividend or distribution) on, or redeem, purchase or

otherwise acquire (except upon conversion or exchange for capital stock of the Corporation ranking junior to this Series as to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding-up and cash in lieu of fractional shares in connection with any such conversion or exchange), the Corporation's Common Stock or any other stock of the Corporation ranking junior to this Series as to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding-up, unless all accrued and unpaid dividends on this Series for all prior dividend periods have been or contemporaneously are declared and paid and the full quarterly dividend on this Series for the current dividend period has been or contemporaneously is declared and set apart for payment.

Whenever all accrued and unpaid dividends on this Series for all prior dividend periods are not paid in full, the Corporation may not redeem, purchase or otherwise acquire (except upon conversion or exchange for capital stock of the Corporation ranking junior to this Series as to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding-up and cash in lieu of fractional shares in connection with any such conversion or exchange), other capital stock of the Corporation then outstanding ranking on a parity with this Series as to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding-up, including this Series.

#### Section 4. Liquidation Preference.

In the event of any liquidation, dissolution or winding-up of the Corporation, the Holders of shares of this Series shall be entitled to receive out of the assets of the Corporation legally available for distribution to stockholders, before any distribution of assets is made on the Common Stock of the Corporation or any other class or series of stock of the Corporation ranking junior to this Series as to the distribution of assets upon liquidation, dissolution or

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winding-up, a liquidating distribution, in the amount of \$50 per share, subject to adjustment as provided in Section 12(ii) hereof, plus an amount equal to the sum of all accrued and unpaid dividends (whether or not earned or declared) for the portion of the then-current dividend period until the payment date and all dividend periods prior thereto.

Neither the sale nor transfer of all or substantially all of the property or business of the Corporation, nor the merger or consolidation of the Corporation into or with any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation shall constitute a liquidation, dissolution or winding-up, for the purposes of the foregoing paragraph. After the payment to the Holders of the shares of this Series of the full preferential amounts provided for above, the Holders of the shares of this Series as such shall have no right or claim to any of the remaining assets of the Corporation.

In the event the assets of the Corporation available for distribution to the Holders of the shares of this Series upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such Holders are entitled as provided above, no such distribution shall be made on account of any other stock of the Corporation ranking on a parity with this Series as to the distribution of assets upon such liquidation, dissolution or winding-up, unless a pro rata distribution is made on this Series and such other stock of the Corporation, with the amount allocable to each series of such stock determined on the basis of the aggregate liquidation preference of the outstanding shares of each series and distributions to the shares of each series being made on a pro rata basis.

#### Section 5. Voting Rights.

(i) The Holders of shares of this Series shall have no voting rights, except as set forth below or as expressly required by applicable law. In exercising any such vote, each outstanding share of this Series shall be entitled to one vote.

(ii) If the equivalent of six quarterly dividends payable, whether consecutively or not, on this Series or any other class or series of preferred stock ranking on a parity with this Series as to the payment of dividends has not been paid, the number of directors of the Corporation shall be increased by two (without duplication of any increase, resulting from the same failure to pay dividends, made pursuant to the terms of any other series of preferred stock of the Corporation ranking on a parity with this Series as to payment of dividends and which does not have a separate class vote and upon which like voting rights have been conferred and are exercisable (this Series, together with such other class or classes, the "Electing Preferred Shares")), and the Holders of this Series, voting as a single class with the holders of shares of any such other class of preferred stock, shall have the exclusive right to vote for and to elect such two directors at any meeting of stockholders of the Corporation at which directors are to be elected held during the period such dividends remain in arrears. Each class or series of preferred stock entitled to vote for the

additional directors shall have a number of votes proportionate to the aggregate liquidation preference of its outstanding shares. Such voting right shall continue until full cumulative dividends for all past dividend periods on all such preferred stock of the Corporation, including any shares of this Series, have been paid or declared and set apart for payment. Any such elected directors shall serve until the Corporation's next annual meeting of stockholders (notwithstanding that prior to the end of such term the right to elect directors shall cease to exist) or until their respective successors shall be elected and qualify.

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(iii) Whenever such exclusive voting right shall vest, it may be exercised initially either at a special meeting of Holders of Electing Preferred Shares or at any annual stockholders' meeting, but thereafter it shall be exercised only at annual stockholders' meetings. Any director who shall have been elected by the Holders of Electing Preferred Shares as a class pursuant to this Section 5 may be removed at any time, either for or without cause by, and only by, the affirmative votes of the Holders of record of a majority of the outstanding shares of Electing Preferred Shares given at a special meeting of such stockholders called for such purpose, and any vacancy created by such removal may also be filled at such meeting. Any vacancy caused by the death or resignation of a director who shall have been elected by the Holders of Electing Preferred Shares as a class pursuant to this Section 5 may be filled only by the Holders of outstanding Electing Preferred Shares at a meeting called for such purpose.

Any meeting of the Holders of outstanding Electing Preferred Shares entitled to vote as a class for the election or removal of directors shall be held at the place at which the last annual meeting of stockholders was held. At such meeting, the presence in person or by proxy of the Holders of a majority of the outstanding shares of all outstanding Electing Preferred Shares shall be required to constitute a quorum; in the absence of a quorum, a majority of the Holders present in person or by proxy shall have the power to adjourn the meeting from time to time without notice, other than announcement at the meeting, until a quorum shall be present.

(iv) So long as any shares of this Series is outstanding, the affirmative vote or consent of the Holders of at least 66-2/3% of the outstanding shares of this Series will be required for any amendment of the Certificate of Incorporation of the Corporation (or any certificate supplemental thereto, including any Certificate of Designation or any similar document relating to any series of Preferred Stock) that will adversely affect the powers, preferences, privileges or rights of this Series. The affirmative vote or consent of the Holders of at least 66-2/3% of the outstanding shares of this Series and any other series of the preferred stock of the Corporation ranking on a parity with this Series as to payment of dividends and the distribution of assets upon liquidation, dissolution or winding-up, voting as a single class without regard to series, will be required (a) to issue, authorize or increase the authorized amount of, or issue or authorize any obligation or security convertible into or evidencing a right to purchase, any additional class or series of stock ranking prior to this Series as to payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up or (b) to reclassify any authorized stock of the Corporation into any class or series of stock or any obligation or security convertible into or evidencing a right to purchase such stock ranking prior to this Series as to payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up; provided that such vote will not be required for the Corporation to issue, authorize or increase the authorized amount of, or issue or authorize any obligation or security convertible into or evidencing a right to purchase, any stock ranking on a parity with or junior to this Series as to payment of dividends and the distribution of assets upon liquidation, dissolution or winding-up.

#### Section 6. Mandatory Conversion.

(i) Each share of this Series will automatically convert (unless previously converted at the option of the Holder in accordance with Section 7, or a Merger Early Settlement has occurred in accordance with Section 8) on June 15, 2006 or any New Conversion Date, if a Conversion Date Deferral has occurred in accordance with Section 6(ii) (the "Conversion Date"), into a number of newly issued shares of Common Stock equal to the Conversion Rate (as defined in Section 9 below). Dividends on the shares of this Series shall cease to accrue and

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such shares of this Series shall cease to be outstanding on the Conversion Date. The Corporation shall make such arrangements as it deems appropriate for the issuance of certificates, if any, representing Common Stock, and for the payment of cash in respect of accrued and unpaid dividends (whether or not earned or declared) on this Series, if any, or cash in lieu of fractional shares of Common Stock, if any, in exchange for and contingent upon surrender of certificates representing the shares of this Series (if such shares are held in certificated form). The Corporation may defer the payment of dividends on the Common Stock

issuable upon conversion of shares of this Series and the voting thereof until, and make such payment and voting contingent upon, the surrender of the certificates representing the shares of this Series, provided that the Corporation shall give the Holders of the shares of this Series such notice of any such actions as the Corporation deems appropriate and upon such surrender such Holders shall be entitled to receive such dividends declared and paid on such Common Stock subsequent to the Conversion Date. Amounts payable in cash in respect of the shares of this Series or in respect of such Common Stock shall not bear interest. Transfer or similar taxes in connection with the issuance of Common Stock to any person other than the Holder will be paid by the Holder.

(ii) If the Board of Directors of the Corporation makes a determination in good faith that the payment in cash on June 15, 2006 in respect of all accrued and unpaid dividends on this Series would breach any of the terms of, or constitute a default under, the terms of the Corporation's 10 3/4% Senior Notes due August 1, 2008 (the "Senior Notes"), the Conversion Date shall be deferred (a "Conversion Date Deferral") and the Corporation shall provide prompt notice of such deferral to each Holder, but no earlier than 60 days before June 15, 2006. The Corporation shall also deliver a copy of such notice to the Transfer Agent. Each such notice shall contain the calculations setting forth the Board of Directors' determination as to the potential breach or default of the Senior Notes. Subsequent to any Conversion Date Deferral, promptly after any determination by the Board of Directors of the Corporation in good faith that the payment of cash in respect of all accrued and unpaid dividends on this Series would not breach any of the terms of, or constitute a default under, the terms of the Senior Notes, the Board of Directors shall declare a new conversion date (the "New Conversion Date"). Upon such declaration, the Corporation shall provide notice of the New Conversion Date to each Holder at least 30 days but not more than 60 days before the New Conversion Date. The New Conversion Date shall be the first Dividend Payment Date that is at least 30 days after the delivery of such notice. The Corporation shall also deliver a copy of such notice to the Transfer Agent. Delivery of notice of a Conversion Date Deferral or the New Conversion Date may be satisfied by publishing such notice in an Authorized Newspaper on a Business Day. Notwithstanding any Conversion Date Deferral, dividends shall continue to accrue on this Series until conversion.

#### Section 7. Early Conversion at the Option of the Holder.

(i) Shares of this Series are convertible, in whole or in part, at the option of the Holders thereof ("Optional Conversion"), at any time prior to the Conversion Date, into shares of Common Stock at a rate of 3.1928 shares of Common Stock for each share of this Series, subject to adjustment as set forth in Section 9(ii) below.

(ii) Optional Conversion of shares of this Series may be effected by delivering certificates evidencing such shares (if such shares are held in certificated form), together with written notice of conversion and a proper assignment of such certificates to the Corporation or in blank (and, if applicable, payment of an amount equal to the dividend payable on such shares), to the office of the Transfer Agent (as defined below) for this Series or to any other office or

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agency maintained by the Corporation for that purpose and otherwise in accordance with Optional Conversion procedures established by the Corporation. Each Optional Conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the foregoing requirements shall have been satisfied.

(iii) Holders of shares of this Series at the close of business on a Dividend Record Date shall be entitled to receive the dividend payable on such shares on the corresponding Dividend Payment Date notwithstanding the Optional Conversion of such shares following such Dividend Record Date and prior to such Dividend Payment Date. However, shares of this Series surrendered for Optional Conversion after the close of business on a Dividend Record Date and before the opening of business on the next succeeding Dividend Payment Date must be accompanied by payment in cash of an amount equal to the dividend payable on such shares on such Dividend Payment Date. Except as provided above, upon any Optional Conversion of shares of this Series, the Corporation shall make no payment or allowance for unpaid preferred dividends, whether or not in arrears, on such shares of this Series as to which Optional Conversion has been effected or for dividends or distributions on the Common Stock issued upon such Optional Conversion.

#### Section 8. Early Conversion Upon Cash Merger.

(i) In the event of a merger or consolidation of the Corporation of the type described in Section 9(iii) in which the shares of Common Stock outstanding immediately prior to such merger or consolidation are exchanged for consideration consisting of at least 30% cash or cash equivalents (any such event, a "Cash Merger"), then the Corporation (or the successor to the Corporation hereunder) shall be required to offer the Holder of each share of this Series the right to convert shares of this Series prior to the Conversion



Date ("Merger Early Settlement") as provided herein. On or before the fifth Business Day after the consummation of a Cash Merger, the Corporation or, at the request and expense of the Corporation, the Transfer Agent, shall give all Holders notice of the occurrence of the Cash Merger and of the right of Merger Early Settlement arising as a result thereof. The Corporation shall also deliver a copy of such notice to the Transfer Agent. Each such notice shall contain:

(a) the date, which shall be not less than 20 nor more than 30 calendar days after the date of such notice, on which the Merger Early Settlement will be effected (the "Merger Early Settlement Date");

(b) the date, which shall be on or one Business Day prior to the Merger Early Settlement Date, by which the Merger Early Settlement right must be exercised;

(c) the Conversion Rate in effect immediately before such Cash Merger and the kind and amount of securities, cash and other property receivable by the Holder upon conversion of shares of this Series pursuant to Section 9(iii); and

(d) the instructions a Holder must follow to exercise the Merger Early Settlement right.

(ii) To exercise a Merger Early Settlement right, a Holder shall deliver to the Transfer Agent at the Corporate Trust Office (as defined below) by 5:00 p.m., New York City time on or one Business Day before the date by which the Merger Settlement right must be exercised as specified in the notice, the certificate(s) (if such shares are held in certificated form) evidencing the shares of this Series with respect to which the Merger Early Settlement right is being

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exercised duly endorsed for transfer to the Corporation or in blank with a written notice to the Corporation stating the Holder's intention to convert early in connection with the Cash Merger and providing the Corporation with payment instructions.

(iii) On the Merger Early Settlement Date, the Corporation shall deliver or cause to be delivered the net cash, securities and other property to be received by such exercising Holder determined by assuming the Holder had converted, immediately before the Cash Merger at the Conversion Rate (as adjusted pursuant to Section 9(ii)), the shares of this Series for which such Merger Early Settlement right was exercised into shares of Common Stock. In the event a Merger Early Settlement right shall be exercised by a Holder in accordance with the terms hereof, all references herein to Conversion Date shall be deemed to refer to such Merger Early Settlement Date.

(iv) Upon a Merger Early Settlement, the Transfer Agent shall, in accordance with the instructions provided by the Holder thereof on the notice provided to the Corporation as set forth in paragraph (ii) above deliver to the Holder such net cash, securities or other property issuable upon such Merger Early Settlement together with payment in lieu of any fraction of a share, as provided herein.

(v) In the event that Merger Early Settlement is effected with respect to shares of this Series representing less than all the shares of this Series held by a Holder, upon such Merger Early Settlement the Corporation (or the successor to the Corporation hereunder) shall execute and the Transfer Agent shall authenticate, countersign and deliver to the Holder thereof, at the expense of the Corporation, a certificate evidencing the shares as to which Merger Early Settlement was not effected.

#### Section 9. Definition of Conversion Rate: Anti-dilution Adjustments.

(i) The "Conversion Rate" is equal to (a) if the Average Market Price (as defined below) is greater than or equal to \$15.66 (the "Threshold Appreciation Price"), 3.1928 shares of Common Stock per share of this Series, (b) if the Average Market Price is less than the Threshold Appreciation Price, but is greater than \$13.05, the number of shares of Common Stock per share of this Series that equals \$50 divided by the Average Market Price, and (c) if the Average Market Price is equal to or less than \$13.05, 3.8314 shares of Common Stock per share of this Series, in each case subject to adjustment as provided in Section 9(ii) (and in each case rounded upward or downward to the nearest 1/10,000th of a share).

(ii) Upon the occurrence of any of the following events, (x) the formula for determining the Conversion Rate, (y) the number of shares of Common Stock to be delivered on an early conversion as set forth in Sections 7 or 8 and (z) the number of shares of Common Stock to be delivered on mandatory conversion if there has been a Conversion Date Deferral as set forth in Section 6(ii), shall each be subject to the following adjustments (in the case of clauses (y) and (z), as though references to the Conversion Rate were replaced with references to the number of shares of Common Stock to be delivered on such

conversion):

(a) Stock Dividends. In case the Corporation shall pay or make a dividend or other distribution on the shares of Common Stock in Common Stock, the Conversion Rate, as in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be increased by dividing such Conversion Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on

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the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination.

(b) Stock Purchase Rights. In case the Corporation shall issue (other than pursuant to a dividend reinvestment, share purchase or similar plan) rights, options or warrants to all holders of its Common Stock (not being available on an equivalent basis to Holders of the shares of this Series upon conversion) entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as defined below) per share of the Common Stock on the date fixed for the determination of stockholders entitled to receive such rights, options or warrants, the Conversion Rate in effect at the opening of business on the day following the date fixed for such determination shall be increased by dividing such Conversion Rate by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such current Market Price and the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination.

(c) Stock Splits: Reverse Splits. In case outstanding shares of Common Stock shall be subdivided or split into a greater number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision or split becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision, split or combination becomes effective.

(d) Debt or Asset Distributions. (1) In case the Corporation shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness or assets (including securities, but excluding any rights, options or warrants referred to in paragraph (b) of this Section 9(ii), any dividend or distribution paid exclusively in cash and any dividend, shares of capital stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit in the case of a Spin-Off referred to in the next subparagraph, or distribution referred to in paragraph (a) of this Section 9(ii)), the Conversion Rate shall be increased by dividing the Conversion Rate in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction, the numerator of which shall be the Current Market Price per share of the Common Stock on the date fixed for such determination less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution filed with the Transfer Agent) of the portion of the assets or evidences of indebtedness so distributed applicable to one share of Common Stock and the denominator of which shall be such Current Market Price per share of Common Stock, such adjustment to

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become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution. In any case in which this

subparagraph (d) (1) is applicable, subparagraph (d) (2) of this Section 9(ii) shall not be applicable.

(2) In the case of a Spin-Off, the Conversion Rate in effect immediately before the close of business on the record date fixed for determination of stockholders entitled to receive that distribution will be increased by multiplying the Conversion Rate by a fraction, the numerator of which is the Current Market Price per share of Common Stock plus the Fair Market Value (as defined below) of the portion of those shares of Capital Stock or similar equity interests so distributed applicable to one share of Common Stock and the denominator of which is the Current Market Price per share of Common Stock. Any adjustment to the Conversion Rate under this subparagraph (d) (2) will occur at the earlier of (A) the tenth Trading Day from, and including the effective date of, the Spin-Off and (B) the date of the securities being offered in the Initial Public Offering of the Spin-Off, if that Initial Public Offering is effected simultaneously with the Spin-Off.

(e) Cash Distributions. In case the Corporation shall (1) by dividend or otherwise, distribute to all holders of its Common Stock cash (excluding any cash that is distributed in a Reorganization Event to which Section 9(iii) applies or as part of a distribution referred to in paragraph (d) of this Section 9(ii)) in an aggregate amount that combined together with (2) the aggregate amount of any other distributions to all holders of its Common Stock made exclusively in cash within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to this paragraph (e) or paragraph (f) of this Section 9(ii) has been made and (3) the aggregate of any such cash plus the fair market value, as of the date of the expiration of the tender or exchange offer referred to below (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), of the consideration payable in respect of any tender or exchange offer by the Corporation or any of its subsidiaries for all or any portion of the Common Stock concluded within the 12 months preceding the date of payment of the distribution described in clause (1) of this paragraph (e) and in respect of which no adjustment pursuant to this paragraph (e) or paragraph (f) of this Section 9(ii) has been made, exceeds 15% of the product of the Current Market Price (as defined below) per share of Common Stock on the date for the determination of Holders of Common Stock entitled to receive such distribution times the number of shares of Common Stock outstanding on such date, then and in each such case, immediately after the close of business on such date for determination, the Conversion Rate shall be increased so that the same shall equal the rate determined by dividing the Conversion Rate in effect immediately prior to the close of business on the date fixed for determination of the stockholders entitled to receive such distribution by a fraction (A) the numerator of which shall be equal to the Current Market Price per share of Common Stock on the date fixed for such determination less an amount equal to the quotient of (x) the combined amount distributed or payable in the transactions described in clauses (1), (2) and (3) of this paragraph (e) and (y) the number of shares of Common Stock outstanding on such date for determination and (B) the denominator of which shall be equal to the Current Market Price per share of Common Stock on such date for determination.

(f) Tender Offers. In case (1) a tender or exchange offer made by the Corporation or any subsidiary of the Corporation for all or any portion of the Common Stock shall expire and such tender or exchange offer (as amended upon the expiration

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thereof) shall require the payment to holders (based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) that combined together with (2) the aggregate of such payment plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), as of the expiration of such tender or exchange offer, of consideration payable in respect of any other tender or exchange offer by the Corporation or any subsidiary of the Corporation for all or any portion of the Common Stock expiring within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (e) of this Section 9(ii) or this paragraph (f) has been made and (3) the aggregate amount of any distributions to all Holders of the Corporation's Common Stock made exclusively in cash within the 12 months preceding the expiration of such tender or exchange offer and in respect of which no adjustment pursuant to paragraph (e) of this Section 9(ii) or this paragraph (f) has been made, exceeds 15% of the product of the Current Market Price per share of Common Stock as of the last time (the

"Expiration Time") tenders could have been made pursuant to such tender or exchange offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the Conversion Rate shall be adjusted so that the same shall equal the rate determined by dividing the Conversion Rate immediately prior to the close of business on the date of the Expiration Time by a fraction (A) the numerator of which shall be equal to (x) the product of (I) the Current Market Price per share of Common Stock on the date of the Expiration Time and (II) the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time less (y) the amount of cash plus the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the transactions described in clauses (1), (2) and (3) of this paragraph (f) (assuming in the case of clause (1) the acceptance, up to any maximum specified in the terms of the tender or exchange offer, of Purchased Shares), and (B) the denominator of which shall be equal to the product of (x) the Current Market Price per share of Common Stock as of the Expiration Time and (y) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less the number of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares").

(g) Reclassification. The reclassification of Common Stock into securities including securities other than Common Stock (other than any reclassification upon a Reorganization Event to which Section 9(iii) applies) shall be deemed to involve (1) a distribution of such securities other than Common Stock to all Holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and the "date fixed for such determination" within the meaning of paragraph (d) of this Section 9(ii)), and (2) a subdivision, split or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediate thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision or

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split becomes effective" or "the day upon which such combination becomes effective," as the case may be, and "the day upon which such subdivision, split or combination becomes effective" within the meaning of paragraph (c) of this Section 9(ii))

(h) Calculation of Adjustments. All adjustments to the Conversion Rate shall be calculated to the nearest 1/10,000th of a share of Common Stock (or if there is not a nearest 1/10,000th of a share to the next lower 1/10,000th of a share). No adjustment in the Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least 1% therein; provided, that any adjustments which by reason of this subparagraph are not required to be made shall be carried forward and taken into account in any subsequent adjustment. If an adjustment is made to the Conversion Rate pursuant to paragraph (a), (b), (c), (d), (e), (f), (g) or (i) of this Section 9(ii), an adjustment shall also be made to the Average Market Price solely to determine which of clauses (a), (b) or (c) of the definition of Conversion Rate will apply on the Conversion Date. Such adjustment shall be made by multiplying the Average Market Price by a fraction, the numerator of which shall be the Conversion Rate immediately after such adjustment pursuant to paragraph (a), (b), (c), (d), (e), (f), (g) or (i) of this Section 9(ii) and the denominator of which shall be the Conversion Rate immediately before such adjustment; provided, that if such adjustment to the Conversion Rate is required to be made pursuant to the occurrence of any of the events contemplated by paragraph (a), (b), (c), (d), (e), (f) or (g) of this Section 9(ii) during the period taken into consideration for determining the Average Market Price, appropriate and customary adjustments shall be made to the Conversion Rate.

(i) Increase of Conversion Rate. The Corporation may make such increases in the Conversion Rate, in addition to those required by this Section 9(ii), as it considers to be advisable in order to avoid or diminish any income tax to any Holders of Common Stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes or for any other reasons. The Corporation shall have the power to resolve any ambiguity or correct any error in this Section 9(ii) and its action in so doing, as evidenced by a resolution of the Board of Directors, shall be final and conclusive.

(j) Notice of Adjustment. Whenever the Conversion Rate is adjusted in accordance with Section 9(ii), the Corporation shall: (i) forthwith compute the Conversion Rate in accordance with Section 9(ii),

and prepare and transmit to the Transfer Agent an Officer's Certificate setting forth the Conversion Rate, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based; and (ii) as soon as practicable following the occurrence of an event that requires an adjustment to the Conversion Rate pursuant to Sections 9(ii) (or if the Corporation is not aware of such occurrence, as soon as practicable after becoming so aware) provide a written notice to the Holders of this Series of the occurrence of such event and a statement setting forth in reasonable detail the method by which the adjustment to the Conversion Rate was determined and setting forth the adjusted Conversion Rate.

(iii) In the event of:

(a) any consolidation or merger of the Corporation with or into another person (other than a merger or consolidation in which the Corporation is the surviving corporation and in which the Common Stock outstanding immediately prior to

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the merger or consolidation is not exchanged for cash, securities or other property of the Corporation or another corporation); or

(b) any sale, transfer, lease or conveyance to another person of the property of the Corporation as an entirety or substantially as an entirety; or

(c) any statutory exchange of securities of the Corporation with another person (other than in connection with a merger or acquisition) (any such event, a "Reorganization Event"):

each share of this Series outstanding immediately prior to such Reorganization Event shall, after such Reorganization Event, be convertible solely into the kind and amount of securities, cash and other property receivable in such Reorganization Event (without any interest thereon, and without any right to dividends or distribution thereon that have a record date that is prior to the Conversion Date) by a holder of the number of shares of Common Stock (including fractional shares for this purpose) into which such share of this Series (x) might have been converted immediately prior to such Reorganization Event pursuant to Section 7(i), in the case of any conversion of a share of this Series at the option of the Holder thereof, or (y) would have been converted pursuant to Section 6(i) if the Conversion Date had occurred immediately prior to such Reorganization Event, in the case of the mandatory conversion of a share of this Series on the Conversion Date, assuming in each case that such holder of such shares of Common Stock (1) is not a person with which the Corporation consolidated or into which the Corporation merged or which merged into the Corporation or to which such sale or transfer was made, as the case may be (any such person, a "Constituent Person"), or an Affiliate (as defined below) of a Constituent Person to the extent such Reorganization Event provides for different treatment of Common Stock held by Affiliates of the Corporation and non-Affiliates, and (2) failed to exercise his rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such Reorganization Event (provided that if the kind or amount of securities, cash and other property receivable upon such Reorganization Event is not the same for each share of Common Stock held immediately prior to such Reorganization Event by other than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("Non-electing Share"), then for the purpose of this Section 9(iii) the kind and amount of securities, cash and other property receivable upon such Reorganization Event by each Non-electing Share shall be deemed to be the kind and amount so receivable per share by a plurality of the Non-electing Shares).

In the event of such a Reorganization Event, the person formed by such consolidation, merger or exchange or the person which acquires the assets of the Corporation shall execute and deliver to the Transfer Agent an agreement supplemental hereto providing that the Holder of each share of this Series shall have the rights provided by this Section 9(iii). Such supplemental agreement shall provide for adjustments which, for events subsequent to the effective date of such supplemental agreement, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 9. The above provisions of this Section 9(iii) shall similarly apply to successive Reorganization Events.

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#### Section 10. Definitions.

(i) "Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933, as amended, or any successor rule thereunder.

(ii) "Authorized Newspaper" means a newspaper customarily published at least once a day for at least five days in each calendar week and of general circulation in New York City. Such publication (which may be in different newspapers) is expected to be made in the Eastern edition of The Wall Street Journal.

(iii) The "Average Market Price" means the average of the Closing Prices (as defined below) per share of the Common Stock on each of the 20 consecutive Trading Days (as defined below) ending on the third Trading Day immediately preceding (a) June 15, 2006 or, if earlier, the date immediately prior to a Reorganization Event with respect to a conversion pursuant to Section 6 or (b) the date immediately prior to a Cash Merger with respect to a conversion pursuant to Section 8.

(iv) "Business Day" means any day other than a Saturday or Sunday or any other day on which banks in The City of New York are authorized or required by law or executive order to close.

(v) The "Closing Price" of the Common Stock or any securities distributed in a Spin-Off, as the case may be, on any date of determination means the closing sale price (or, if no closing price is reported the last reported sale price) per share on the New York Stock Exchange ("NYSE") on such date or, if such security is not quoted for trading on NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which such security is so listed or quoted, or if such security is not so listed or quoted on a United States national or regional securities exchange, as reported by NYSE, or, if such security is not so reported, the last quoted bid price for the such security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or, if such bid price is not available, the market value of such security on such date as determined by a nationally recognized independent investment banking firm retained for this purpose by the Corporation.

(vi) "Corporate Trust Office" means the principal corporate trust office of the Transfer Agent at which, at any particular time, its corporate trust business shall be administered.

(vii) "Current Market Price" means (a) on any day the average of the Closing Prices for the five consecutive Trading Days preceding the earlier of the day preceding the day in question and the day before the "ex date" with respect to the issuance or distribution requiring computation, (b) in the case of any Spin-Off that is effected simultaneously with an Initial Public Offering of the securities being distributed in the Spin-Off, the Closing Price of the Common Stock on the Trading Day on which the initial public offering price of the securities being distributed in the Spin-Off is determined, and (c) in the case of any other Spin-Off, the average of the Closing Prices of the Common Stock over the first 10 Trading Days after the effective date of such Spin-Off. For purposes of this paragraph, the term "ex date," when used with respect to any issuance or distribution, shall mean the first date on which the Common Stock trades regular way on such exchange or in such market without the right to receive such issuance or distribution.

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(viii) "Fair Market Value" means (a) in the case of any Spin-Off that is effected simultaneously with an Initial Public Offering of such securities, the initial public offering price of those securities, and (b) in the case of any other Spin-Off, the average of the Closing Prices of those securities over the first 10 Trading Days after the effective date of such Spin-Off.

(ix) "Holder" means the person in whose name any shares of this Series are registered in the books and records of the Corporation.

(x) "Initial Public Offering" means the first time securities of the same class or type as the securities being distributed in the Spin-Off are offered to the public for cash.

(xi) "Spin-Off" means a dividend or other distribution of shares of capital stock of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit of the Corporation.

(xii) "Trading Day" means a day on which the Common Stock (A) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (B) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

(xiii) "Transfer Agent" shall be the Shareholder Services Division of the Corporation unless and until a successor is selected by the Corporation, and then such successor.

#### Section 11. Fractional Shares.

No fractional Common Stock shall be issued upon the conversion of any shares of this Series. In lieu of any fraction of a share of Common Stock that would otherwise be issuable in respect of the aggregate number of shares of this Series surrendered by the same Holder upon a conversion as described in Sections 7(i), 8 or 9(i), such Holder shall have the right to receive an amount in cash (computed to the nearest cent) equal to the same fraction of (a) in the case of

Section 9(i), the Current Market Price or (b) in the case of Sections 7(i) or 8, the Closing Price of the Common Stock determined as of the second Trading Day immediately preceding the effective date of conversion.

Section 12. Miscellaneous.

(i) Procedures for conversion of shares of this Series, in accordance with Sections 6, 7 or 8, not held in certificated form will be governed by arrangements among the depositary, participants and persons that may hold beneficial interests through participants designed to permit conversion without the physical movement of certificates. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the depositary from time to time.

(ii) The liquidation preference and the annual dividend rate set forth herein, each shall be subject to equitable adjustment whenever there shall occur a stock split, combination, reclassification or other similar event involving this Series. Such adjustments shall be

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determined in good faith by the Board of Directors and submitted by the Board of Directors to the Transfer Agent.

(iii) For the purposes of Section 9, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Corporation will not pay any dividend or make any distribution with respect to shares held in treasury.

(iv) If the Corporation shall take any action affecting the Common Stock, other than action described in Section 9, that in the opinion of the Board of Directors would materially adversely affect the conversion rights of the Holders of the shares of this Series, then (x) the Conversion Rate, (y) the number of shares of Common Stock to be delivered on an early conversion as set forth in Sections 7 or 8 and/or (z) the number of shares of Common Stock to be delivered on mandatory conversion if there has been a Conversion Date Deferral as set forth in Section 6(ii) may each be adjusted, to the extent permitted by law, in such manner, if any, and at such time, as the Board of Directors may determine to be equitable in the circumstances.

(v) The Corporation covenants that it will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock for the purpose of effecting conversion of this Series, the full number of shares of Common Stock deliverable upon the conversion of all outstanding shares of this Series not theretofore converted. For purposes of this Section 12(v), the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding shares of this Series shall be computed as if at the time of computation all such outstanding shares were held by a single Holder.

(vi) The Corporation covenants that any shares of Common Stock issued upon conversion of shares of this Series shall be validly issued, fully paid and non-assessable.

(vii) The Corporation shall endeavor to list the shares of Common Stock required to be delivered upon conversion of shares of this Series, prior to such delivery, upon each national securities exchange or quotation system, if any, upon which the outstanding shares of Common Stock are listed at the time of such delivery.

(viii) The Corporation will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock or other securities or property on conversion of shares of this Series pursuant thereto; provided, however, that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issue or delivery of shares of Common Stock or other securities or property in a name other than that of the Holder of this Series to be converted and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Corporation the amount of any such tax or established, to the reasonable satisfaction of the Corporation, that such tax has been paid.

(ix) This Series is not redeemable.

(x) All shares of this Series shall be deemed outstanding, except from the date of registration of transfer, all shares of this Series held of record by the Corporation or any subsidiary of the Corporation.

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(xi) Whenever possible, each provision hereof shall be interpreted in a manner as to be effective and valid under applicable law, but if any provision

hereof is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions hereof. If the court of competent jurisdiction should determine that a provision hereof would be valid or enforceable if a period of time were extended or shortened or a particular percentage were increased or decreased, then such court may make such change as shall be necessary to render the provision in question effective and valid under applicable law.

(xii) This Series may be issued in fractions of a share which shall entitle the Holder, in proportion to such Holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and have the benefit of all other rights of Holders of this Series.

(xiii) Subject to applicable escheat laws, any monies set aside by the Corporation in respect of any payment with respect to shares of this Series, or dividends thereon, and unclaimed at the end of two years from the date upon which such payment is due and payable shall revert to the general funds of the Corporation, after which reversion the Holders of such shares shall look only to the general funds of the Corporation for the payment thereof. Any interest accrued on funds so deposited shall be paid to the Corporation from time to time.

(xiv) Except as may otherwise be required by law, the shares of this Series shall not have any voting powers, preferences and relative, participating, optional or other special rights, other than those specifically set forth in this Certificate of Incorporation.

(xv) The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

(xvi) If any of the voting powers, preferences and relative participating, optional and other special rights of this Series and qualifications, limitations and restrictions thereof set forth herein is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other voting powers, preferences and relative participating, optional and other special rights of this Series and qualifications, limitations and restrictions thereof set forth herein that can be given effect without the invalid, unlawful or unenforceable voting powers, preferences and relative participating, optional and other special rights of this Series and qualifications, limitations and restrictions thereof shall, nevertheless, remain in full force and effect, and no voting powers, preferences and relative participating, optional or other special rights of this Series and qualifications, limitations and restrictions thereof herein set forth shall be deemed dependent upon any other such voting powers, preferences and relative participating, optional or other special rights of this Series and qualifications, limitations and restrictions thereof unless so expressed herein.

(xvii) Shares of this Series that have been issued and reacquired in any manner, including shares purchased or exchanged or converted, shall (upon compliance with any applicable provisions of the laws of Delaware) have the status of authorized but unissued shares of preferred stock of the Corporation undesignated as to series and may be designated or redesignated and issued or reissued, as the case may be, as part of any series of preferred

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stock of the Corporation, provided that any issuance of such shares as this Series must be in compliance with the terms hereof.

(xviii) If any certificates of shares of this Series shall be mutilated, lost, stolen or destroyed, the Corporation shall issue, in exchange and in substitution for and upon cancellation of the mutilated certificates of shares of this Series, or in lieu of and substitution for certificates of this Series lost, stolen or destroyed, a new certificate of this Series and of like tenor and representing an equivalent amount of shares of this Series, but only upon receipt of evidence of such loss, theft or destruction of such certificate of this Series and indemnity, if requested, satisfactory to the Corporation and the Transfer Agent. The Corporation is not required to issue any certificates representing shares of this Series on or after the Conversion Date. In place of the delivery of a replacement certificate following the Conversion Date, the Transfer Agent, upon delivery of the evidence and indemnity described above, will deliver shares of Common Stock pursuant to the terms of this Series evidenced by the certificate.

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