UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2015

Or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

United States Steel Corporation

(Exact name of registrant as specified in its charter)

Delaware	1-16811	25-1897152
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

600 Grant Street, Pittsburgh, PA	15219-2800
(Address of principal executive offices)	(Zip Code)

(412) 433-1121
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes P No__

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [P] No [__]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer P	Accelerated filer __	Non-accelerated filer __ (Do not check if a smaller reporting company)	Smaller reporting company __

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes___No P

Common stock outstanding at July 23, 2015 – 146,249,443 shares

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains information that may constitute "forward-looking statements" within the meaning of the *Private Securities Litigation Reform Act of 1995.* Generally, we have identified such forward-looking statements by using the words "believe," "expect," "intend," "estimate," "anticipate," "project," "target", "forecast", "aim," "will" and similar expressions or by using future dates in connection with any discussion of, among other things, operating performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to the risks and uncertainties described in this report and in "Item 1A. Risk Factors" and "Supplementary Data - Disclosures About Forward-Looking Statements" in our Annual Report on Form 10-K for the year ended December 31, 2014, and those described from time to time in our future reports filed with the Securities and Exchange Commission.

References in this Quarterly Report on Form 10-Q to "U. S. Steel", "the Company", "we", "us", and "our" refer to United States Steel Corporation and its consolidated subsidiaries unless otherwise indicated by the context.

UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

(Dollars in millions, except per share amounts)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Net sales:				
Net sales	**$ 2,509**	$ 4,128	**$ 5,455**	$ 8,297
Net sales to related parties (Note 19)	**391**	272	**717**	551
Total	**2,900**	4,400	**6,172**	8,848
Operating expenses (income):				
Cost of sales (excludes items shown below)	**2,792**	4,097	**5,858**	8,135
Selling, general and administrative expenses	**107**	143	**209**	281
Depreciation, depletion and amortization	**138**	165	**282**	331
Earnings from investees	**(17)**	(57)	**(23)**	(53)
Loss on write-down of retained interest in USSC (Note 22)	**255**	—	**255**	—
Restructuring and other charges (Note 20)	**19**	18	**172**	18
Net gain on disposal of assets (Note 21)	**(1)**	(1)	**(1)**	(21)
Other income, net	**(1)**	—	**(1)**	—
Total	**3,292**	4,365	**6,751**	8,691
(Loss) earnings before interest and income taxes (EBIT)	**(392)**	35	**(579)**	157
Interest expense	**53**	60	**104**	121
Interest income	**—**	(1)	**—**	(2)
Other financial costs	**2**	5	**13**	14
Net interest and other financial costs (Note 7)	**55**	64	**117**	133
(Loss) earnings before income taxes	**(447)**	(29)	**(696)**	24
Income tax benefit (Note 9)	**(186)**	(11)	**(360)**	(10)
Net (loss) earnings	**(261)**	(18)	**(336)**	34
Less: Net earnings attributable to noncontrolling interests	**—**	—	**—**	—
Net (loss) earnings attributable to United States Steel Corporation	**$ (261)**	$ (18)	**$ (336)**	$ 34
Earnings (loss) per common share (Note 11):				
Earnings (loss) per share attributable to United States Steel Corporation stockholders:				
-Basic	**$ (1.79)**	$ (0.12)	**$ (2.31)**	$ 0.23
-Diluted	**$ (1.79)**	$ (0.12)	**$ (2.31)**	$ 0.23

The accompanying notes are an integral part of these consolidated financial statements.

UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in millions)	**2015**	**2014**	**2015**	**2014**
Net (loss) earnings	**$ (261)**	$ (18)	**$ (336)**	$ 34
Other comprehensive (loss) income, net of tax:				
Changes in foreign currency translation adjustments	**25**	(12)	**(78)**	(14)
Changes in pension and other employee benefit accounts	**44**	72	**87**	122
Total other comprehensive income, net of tax	**69**	60	**9**	108
Comprehensive (loss) income including noncontrolling interest	**(192)**	42	**(327)**	142
Comprehensive income attributable to noncontrolling interest	**—**	—	**—**	—
Comprehensive (loss) income attributable to United States Steel Corporation	**$ (192)**	$ 42	**$ (327)**	$ 142

The accompanying notes are an integral part of these consolidated financial statements.

UNITED STATES STEEL CORPORATION
CONSOLIDATED BALANCE SHEET

(Dollars in millions)	(Unaudited) June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,210**	$ 1,354
Receivables, less allowance of $28 and $45	**1,270**	1,632
Receivables from related parties, less allowance of $235 and $218 (Note 19)	**227**	310
Inventories (Note 12)	**2,330**	2,496
Deferred income tax benefits (Note 9)	**353**	602
Other current assets	**46**	37
Total current assets	**5,436**	6,431
Property, plant and equipment	**14,703**	15,139
Less accumulated depreciation and depletion	**10,272**	10,565
Total property, plant and equipment, net	**4,431**	4,574
Investments and long-term receivables, less allowance of $8 in both periods	**564**	577
Long-term receivables from related parties, less allowance of $1,415 and $1,188	**108**	362
Intangibles – net (Note 5)	**200**	204
Deferred income tax benefits (Note 9)	**365**	46
Other noncurrent assets	**109**	120
Total assets	**$ 11,213**	$ 12,314
Liabilities		
Current liabilities:		
Accounts payable and other accrued liabilities	**$ 1,678**	$ 1,870
Accounts payable to related parties (Note 19)	**133**	131
Bank checks outstanding	**12**	1
Payroll and benefits payable	**879**	1,003
Accrued taxes	**126**	134
Accrued interest	**52**	52
Short-term debt and current maturities of long-term debt (Note 14)	**362**	378
Total current liabilities	**3,242**	3,569
Long-term debt, less unamortized discount (Note 14)	**3,124**	3,120
Employee benefits	**952**	1,117
Deferred income tax liabilities (Note 9)	**16**	301
Deferred credits and other noncurrent liabilities	**398**	407
Total liabilities	**7,732**	8,514
Contingencies and commitments (Note 21)		
Stockholders' Equity (Note 17):		
Common stock (150,925,911 shares issued) (Note 11)	**151**	151
Treasury stock, at cost (4,691,339 and 5,270,872 shares)	**(345)**	(396)
Additional paid-in capital	**3,596**	3,623
Retained earnings	**1,510**	1,862
Accumulated other comprehensive loss (Note 18)	**(1,432)**	(1,441)
Total United States Steel Corporation stockholders' equity	**3,480**	3,799
Noncontrolling interests	**1**	1
Total liabilities and stockholders' equity	**$ 11,213**	$ 12,314

The accompanying notes are an integral part of these consolidated financial statements.

UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Dollars in millions)	Six Months Ended June 30, 2015	2014
Increase (decrease) in cash and cash equivalents		
Operating activities:		
Net (loss) earnings	**$ (336)**	$ 34
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, depletion and amortization	**282**	331
Loss on write-down of retained interest in USSC (Note 22)	**255**	—
Restructuring and other charges (Note 20)	**172**	18
Provision for doubtful accounts	**(16)**	1
Pensions and other postretirement benefits	**(24)**	(59)
Deferred income taxes	**(345)**	16
Net gain on disposal of assets (Note 21)	**(1)**	(21)
Distributions received, net of equity investees earnings	**(18)**	(52)
Changes in:		
Current receivables	**371**	(102)
Inventories	**142**	341
Current accounts payable and accrued expenses	**(287)**	594
Income taxes receivable/payable	**18**	153
Bank checks outstanding	**11**	44
All other, net	**(9)**	55
Net cash provided by operating activities	**215**	1,353
Investing activities:		
Capital expenditures	**(276)**	(186)
Acquisitions	**(25)**	—
Disposal of assets	**1**	26
Change in restricted cash, net	**7**	15
Investments, net	**(2)**	(2)
Net cash used in investing activities	**(295)**	(147)
Financing activities:		
Repayment of long-term debt	**(18)**	(322)
Receipts from exercise of stock options	**1**	1
Dividends paid	**(15)**	(15)
Net cash used in financing activities	**(32)**	(336)
Effect of exchange rate changes on cash	**(32)**	(3)
Net (decrease) increase in cash and cash equivalents	**(144)**	867
Cash and cash equivalents at beginning of year	**1,354**	604
Cash and cash equivalents at end of period	**$ 1,210**	$ 1,471

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements (Unaudited)

1. Basis of Presentation and Significant Accounting Policies

United States Steel Corporation (U. S. Steel or the Company) produces and sells steel products, including flat-rolled and tubular products, in North America and Central Europe. Operations in North America also include iron ore and coke production facilities, railroad services and real estate operations. Operations in Europe also include coke production facilities.

The consolidated results for the three and six months ended June 30, 2015 do not reflect the results of U. S. Steel Canada Inc. (USSC) due to USSC's filing for creditor protection pursuant to Canada's Companies' Creditors Arrangement Act (CCAA) on September 16, 2014. The consolidated statement of operations and the consolidated statement of comprehensive income (loss) for the three and six months ended June 30, 2014 and the consolidated statement of cash flows for the six months ended June 30, 2014 include the results for USSC.

The year-end consolidated balance sheet data was derived from audited statements but does not include all disclosures required for complete financial statements by accounting principles generally accepted in the United States of America (U.S. GAAP). The other information in these financial statements is unaudited but, in the opinion of management, reflects all adjustments necessary for a fair statement of the results for the periods covered. All such adjustments are of a normal recurring nature unless disclosed otherwise. These financial statements, including notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission and do not include all of the information and disclosures required by U.S. GAAP for complete financial statements. Additional information is contained in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which should be read in conjunction with these financial statements.

2. New Accounting Standards

On July 22, 2015, the FASB issued Accounting Standards Update No. 2015-11, *Simplifying the Measurement of Inventory* (ASU 2015-11). ASU 2015-11 requires an entity to measure most inventory at the lower of cost and net realizable value, thereby simplifying the current guidance under which an entity must measure inventory at the lower of cost or market. ASU 2015-11 will not apply to inventories that are measured using either the last-in, first-out (LIFO) method or the retail inventory method. ASU 2015-11 is effective for public entities for financial statements issued for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years; early application is permitted. U. S. Steel is evaluating the financial statement implications of adopting ASU 2015-11.

On April 7, 2015, the FASB issued Accounting Standards Update No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). ASU 2015-03 changes the presentation of debt issuance costs in financial statements and requires an entity to present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. ASU 2015-03 is effective for public entities for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years; early application is permitted. An entity is required to apply the new guidance on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. U. S. Steel is evaluating the financial statement implications of adopting ASU 2015-03.

On August 27, 2014, the FASB issued Accounting Standards Update No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (ASU 2014-15). ASU 2014-15 explicitly requires management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. Prior to the issuance of this standard, there was no guidance in U.S. GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern or to provide related footnote disclosures. ASU 2014-15 is effective for all entities for interim and annual periods ending after December 15, 2016; early application is permitted. U. S. Steel does not expect any financial statement impact relating to the adoption of this ASU.

On May 28, 2014, the FASB and the International Accounting Standards Board issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09). ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2016; early application is not permitted.

On July 9, 2015, the FASB decided on a one year deferral of the effective date of ASU 2014-09, but to permit entities to adopt the standard on the original effective date if they choose. U. S. Steel is evaluating the financial statement implications of adopting ASU 2014-09.

3. Segment Information

U. S. Steel has three reportable segments: Flat-Rolled Products (Flat-Rolled), U. S. Steel Europe (USSE), and Tubular Products (Tubular). The results of our railroad and real estate businesses that do not constitute reportable segments are combined and disclosed in the Other Businesses category.

The Flat-Rolled segment information subsequent to September 16, 2014 does not include USSC. Transactions between U. S. Steel and USSC subsequent to USSC applying for relief from its creditors pursuant to CCAA (CCAA filing) are considered related party transactions.

Effective January 1, 2015, the Flat-Rolled segment has been realigned to better serve customer needs through the creation of commercial entities to specifically address customers in the automotive, consumer, industrial, service center and mining market sectors. This realignment did not affect the Company's reportable segments.

The chief operating decision maker evaluates performance and determines resource allocations based on a number of factors, the primary measure being earnings (loss) before interest and income taxes (EBIT). EBIT for reportable segments and Other Businesses does not include net interest and other financial costs (income), income taxes, postretirement benefit expenses (other than service cost and amortization of prior service cost for active employees) and certain other items that management believes are not indicative of future results. Information on segment assets is not disclosed, as it is not reviewed by the chief operating decision maker.

The accounting principles applied at the operating segment level in determining EBIT are generally the same as those applied at the consolidated financial statement level. The transfer value for steel rounds from Flat-Rolled to Tubular is based on cost. All other intersegment sales and transfers are accounted for at market-based prices and are eliminated at the corporate consolidation level. Corporate-level selling, general and administrative expenses and costs related to certain former businesses are allocated to the reportable segments and Other Businesses based on measures of activity that management believes are reasonable.

The results of segment operations for three months ended June 30, 2015 and 2014 are:

(In millions) Three Months Ended June 30, 2015	**Customer Sales**	**Intersegment Sales**	**Net Sales**	**Earnings (loss) from investees**	**EBIT**
Flat-Rolled	**$ 2,125**	**$ 69**	**$ 2,194**	**$ 17**	**$ (64)**
USSE	**600**	**1**	**601**	**—**	**20**
Tubular	**160**	**—**	**160**	**2**	**(66)**
Total reportable segments	**2,885**	**70**	**2,955**	**19**	**(110)**
Other Businesses	**15**	**25**	**40**	**(2)**	**6**
Reconciling Items and Eliminations	**—**	**(95)**	**(95)**	**—**	**(288)**
Total	**$ 2,900**	**$ —**	**$ 2,900**	**$ 17**	**$ (392)**
Three Months Ended June 30, 2014					
Flat-Rolled	$ 2,938	$ 325	$ 3,263	$ 56	$ 30
USSE	757	43	800	—	38
Tubular	686	1	687	3	47
Total reportable segments	4,381	369	4,750	59	115
Other Businesses	19	34	53	(2)	17
Reconciling Items and Eliminations	—	(403)	(403)	—	(97)
Total	$ 4,400	$ —	$ 4,400	$ 57	$ 35

The results of segment operations for the six months ended June 30, 2015 and 2014 are:

(In millions) Six Months Ended June 30, 2015	Customer Sales	Intersegment Sales	Net Sales	Earnings (loss) from investees	EBIT
Flat-Rolled	**$ 4,318**	**$ 173**	**$ 4,491**	**$ 22**	**$ (131)**
USSE	**1,292**	**1**	**1,293**	**—**	**57**
Tubular	**531**	**—**	**531**	**4**	**(65)**
Total reportable segments	**6,141**	**174**	**6,315**	**26**	**(139)**
Other Businesses	**31**	**54**	**85**	**(3)**	**14**
Reconciling Items and Eliminations	**—**	**(228)**	**(228)**	**—**	**(454)**
Total	**$ 6,172**	**$ —**	**$ 6,172**	**$ 23**	**$ (579)**
Six Months Ended June 30, 2014					
Flat-Rolled	$ 5,965	$ 628	$ 6,593	$ 50	$ 115
USSE	1,516	44	1,560	—	70
Tubular	1,329	2	1,331	5	71
Total reportable segments	8,810	674	9,484	55	256
Other Businesses	38	68	106	(2)	30
Reconciling Items and Eliminations	—	(742)	(742)	—	(129)
Total	$ 8,848	$ —	$ 8,848	$ 53	$ 157

The following is a schedule of reconciling items to EBIT:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2015	2014	2015	2014
Items not allocated to segments:				
Postretirement benefit expense [a]	**$ (14)**	$ (32)	**$ (27)**	$ (64)
Other items not allocated to segments:				
Loss on write-down of retained interest in USSC (Note 22)	**(255)**	—	**(255)**	—
Restructuring and other charges [b]	**(19)**	—	**(19)**	—
Loss on shutdown of coke production facilities [b]	**—**	—	**(153)**	—
Litigation reserves (Note 21)	**—**	(70)	**—**	(70)
Loss on assets held for sale [b]	**—**	(14)	**—**	(14)
Curtailment gain (Note 6)	**—**	19	**—**	19
Total other items not allocated to segments	**(274)**	(65)	**(427)**	(65)
Total reconciling items	**$ (288)**	$ (97)	**$ (454)**	$ (129)

[a] Consists of the net periodic benefit cost elements, other than service cost and amortization of prior service cost for active employees, associated with our defined pension, retiree health care and life insurance benefit plans.
[b] Included in Restructuring and Other Charges on the Consolidated Statements of Operations. See Note 20 to the Consolidated Financial Statements.

4. Acquisition

On May 29, 2015, the Company purchased the 50 percent joint venture interest in Double Eagle Steel Coating Company (DESCO) that it did not previously own for $25 million. DESCO's electrolytic galvanizing line (EGL) has become part of the larger operational footprint of U. S. Steel's Great Lakes Works within the Flat-Rolled segment. The EGL is increasing our ability to provide industry leading advanced high strength steels, including Gen 3 grades under development, as well as to provide high quality exposed steel for automotive body and closure applications. The Company's previously held 50 percent equity interest of $3 million was recorded at

fair market value resulting in a net gain of approximately $3 million which has been recognized in the earnings from investees line in the consolidated statement of operations. Goodwill of approximately $3 million was recognized and is included as a component of other noncurrent assets in the Company's consolidated balance sheet. The fair value of the DESCO acquisition was measured using both cost and market approaches, Level 2 inputs, in accordance with ASC No. 820, *Fair Value Measurement*. Transaction costs associated with the acquisition were insignificant. The amount of revenue recognized in the consolidated statement of operations as a result of the acquisition was not significant to the three month period ended June 30, 2015.

5. Intangible Assets

Intangible assets are being amortized on a straight-line basis over their estimated useful lives and are detailed below:

		As of June 30, 2015			As of December 31, 2014		
(In millions)	Useful Lives	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	22-23 Years	**$ 132**	**$ 49**	**$ 83**	$ 132	$ 46	$ 86
Other	2-20 Years	**23**	**14**	**9**	23	13	10
Total amortizable intangible assets		**$ 155**	**$ 63**	**$ 92**	$ 155	$ 59	$ 96

Identifiable intangible assets with finite lives are reviewed for impairment whenever events or circumstances indicate that the carrying values may not be recoverable.

The carrying amount of acquired water rights with indefinite lives as of June 30, 2015 and December 31, 2014 totaled $75 million. The water rights are tested for impairment annually in the third quarter. U. S. Steel performed a qualitative impairment evaluation of its water rights for 2014. The 2014 and prior year tests indicated the water rights were not impaired.

During 2013, U. S. Steel acquired indefinite-lived intangible assets for $12 million and entered into an agreement to make future payments contingent upon certain factors. The aggregate purchase price was $36 million, and U. S. Steel allocated $33 million to indefinite-lived intangible assets, based upon their estimated fair value. The liability for contingent consideration is reassessed each quarter. The maximum potential liability for contingent consideration is $53 million. As of June 30, 2015, U. S. Steel has recorded a liability of $24 million to reflect the estimated fair value of the contingent consideration. Contingent consideration was valued using a probability weighted discounted cash flow using both Level 2 inputs based on 2013 Standard and Poor's Bond Guide as well as Level 3, significant other unobservable inputs, based on internal forecasts and the weighted average cost of capital derived from market data.

Amortization expense was $2 million in the three months ended June 30, 2015 and $3 million in the three months ended June 30, 2014. Amortization expense was $4 million in the six months ended June 30, 2015 and $5 million in the six months ended June 30, 2014. The estimated future amortization expense of identifiable intangible assets during the next five years is $3 million for the remaining portion of 2015 and $7 million each year from 2016 to 2019.

6. Pensions and Other Benefits

The following table reflects the components of net periodic benefit cost for the three months ended June 30, 2015 and 2014:

	Pension Benefits		Other Benefits	
(In millions)	2015	2014	2015	2014
Service cost	**$ 27**	$ 27	**$ 6**	$ 6
Interest cost	**65**	109	**25**	37
Expected return on plan assets	**(111)**	(154)	**(39)**	(34)
Amortization of prior service cost	**5**	5	**(1)**	(4)
Amortization of actuarial net loss (gain)	**64**	71	**1**	(1)
Net periodic benefit cost, excluding below	**50**	58	**(8)**	4
Multiemployer plans	**16**	19	**—**	—
Settlement, termination and curtailment losses/(gains)	**2**	8	**—**	(19)
Net periodic benefit cost	**$ 68**	$ 85	**$ (8)**	$ (15)

The following table reflects the components of net periodic benefit cost for the six months ended June 30, 2015 and 2014:

	Pension Benefits		Other Benefits	
(In millions)	2015	2014	2015	2014
Service cost	**$ 53**	$ 54	**$ 11**	$ 12
Interest cost	**131**	218	**49**	73
Expected return on plan assets	**(221)**	(307)	**(77)**	(69)
Amortization of prior service cost	**9**	11	**(3)**	(7)
Amortization of actuarial net loss (gain)	**128**	141	**3**	(2)
Net periodic benefit cost, excluding below	**100**	117	**(17)**	7
Multiemployer plans	**34**	37	**—**	—
Settlement, termination and curtailment losses/(gains)	**5**	15	**—**	(19)
Net periodic benefit cost	**$ 139**	$ 169	**$ (17)**	$ (12)

Settlements and Curtailments

During the first six months of 2015, the non-qualified pension plan incurred settlement charges of $5 million due to lump sum payments for certain individuals. In 2014, pension settlements were recorded in the non-qualified pension plan related to the retirement of several U. S. Steel executives that occurred throughout 2013. In accordance with Internal Revenue Code requirements, these executives were required to wait six months before receiving their non-qualified pension payments.

A curtailment gain of $19 million was recognized in the three months ended June 30, 2014 due to a change to the post retirement medical benefits for non-union, pre-Medicare retirees that will take effect after 2017.

Employer Contributions

During the first six months of 2015, U. S. Steel made cash payments of $33 million to the Steelworkers' Pension Trust and $14 million of pension payments not funded by trusts.

During the first six months of 2015, cash payments of $89 million were made for other postretirement benefit payments not funded by trusts. In addition, U. S. Steel made a required contribution of $10 million in the first six months of 2015 to our trust for represented retiree health care and life insurance benefits.

Company contributions to defined contribution plans totaled $11 million and $12 million in the three months ended June 30, 2015 and 2014, respectively. Company contributions to defined contribution plans totaled $21 million and $24 million for the six months ended June 30, 2015 and 2014, respectively.

Non-retirement postemployment benefits
U. S. Steel incurred costs of approximately $25 million and $40 million for the three and six months ended June 30, 2015 related to the accrual of employee costs for supplemental unemployment benefits and the continuation of health care benefits and life insurance coverage for employees associated with the temporary idling of certain facilities and reduced production at others. Payments for these benefits during the three and six months ended June 30, 2015 were $13 million and $14 million, respectively. There were no significant similar costs incurred during the three and six months ended June 30, 2014.

Pension Funding
In November 2013, U. S. Steel's Board of Directors authorized voluntary contributions to U. S. Steel's trusts for pensions and other benefits of up to $300 million through the end of 2015. In August 2014, U. S. Steel made a voluntary contribution of $140 million to our main U.S. defined benefit plan.

7. Net Interest and Other Financial Costs

Net interest and other financial costs includes interest expense (net of capitalized interest), interest income, financing costs, derivatives gains and losses and foreign currency remeasurement gains and losses. Foreign currency gains and losses are primarily a result of foreign currency denominated assets and liabilities that require remeasurement and the impacts of euro-U.S. dollar derivatives activity.

See Note 13 for additional information on U. S. Steel's use of derivatives to mitigate its foreign currency exchange rate exposure.

8. Stock-Based Compensation Plans

U. S. Steel has outstanding stock-based compensation awards that were granted by the Compensation & Organization Committee of the Board of Directors (the Committee) under the 2005 Stock Incentive Plan (the Plan), which is more fully described in Note 13 of the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2014. An aggregate of 21,250,000 shares of U. S. Steel common stock may be issued under the Plan. As of June 30, 2015, 2,629,736 shares were available for future grants.

During the first quarter of 2014, the Committee added return on capital employed (ROCE) as a second performance measure for the Performance Awards as permitted under the terms of the Plan. Prior to the addition of the ROCE awards, performance awards were based solely on a total shareholder return (TSR) metric. ROCE awards granted are measured on a weighted average basis of the Company's consolidated worldwide EBIT, as adjusted, divided by consolidated worldwide capital employed, as adjusted, over a three year period.

Weighted average ROCE is calculated based on the ROCE achieved in the first, second and third years of the performance period, weighted at 20 percent, 30 percent and 50 percent, respectively. The ROCE awards will payout at approximately 50 percent at the threshold level, 100 percent at the target level and 200 percent at the maximum level. Amounts in between the threshold percentages are interpolated.

Compensation expense associated with the ROCE awards will be contingent based upon the achievement of the specified ROCE metric as outlined in the Plan and will be adjusted on a quarterly basis to reflect the probability of achieving the ROCE metric.

Recent grants of stock-based compensation consist of stock options, restricted stock units, and TSR and ROCE performance awards. Stock options are generally issued at the market price of the underlying stock on the date of the grant. Upon exercise of stock options, shares of U. S. Steel common stock are issued from treasury stock. The following table is a general summary of the awards made under the Plan.

Grant Details	2015 Shares[a]	2015 Fair Value[b]	2014 Shares[a]	2014 Fair Value[b]
Stock Options	**1,638,540**	**$ 10.02**	1,496,440	$ 9.93
Restricted Stock Units	**794,370**	**$ 24.71**	724,510	$ 24.29
Performance Awards:[c]				
TSR	**273,560**	**$ 24.95**	282,770	$ 22.09
ROCE [d]	**—**	**$ —**	262,800	$ 23.76

[a] The share amounts shown in this table do not reflect an adjustment for estimated forfeitures.
[b] Represents the per share weighted-average for all grants during the quarter.
[c] The number of performance awards shown represents the target value of the award.
[d] In lieu of ROCE equity awards being granted in 2015, the Company granted cash settled ROCE incentives to certain members of executive management.

U. S. Steel recognized pretax stock-based compensation expense in the amount of $12 million and $8 million in the three month periods ended June 30, 2015 and 2014, respectively, and $23 million and $17 million in the first six months of 2015 and 2014, respectively.

As of June 30, 2015, total future compensation expense related to nonvested stock-based compensation arrangements was $54 million, and the weighted average period over which this expense is expected to be recognized is approximately 1.4 years.

Compensation expense for stock options is recorded over the vesting period based on the fair value on the date of grant, as calculated by U. S. Steel using the Black-Scholes model and the assumptions listed below. The stock options vest ratably over a three-year service period and have a term of ten years.

Black-Scholes Assumptions[a]	2015 Grants	2014 Grants
Grant date price per share of option award	**$ 24.74**	$ 24.29
Exercise price per share of option award	**$ 24.74**	$ 24.29
Expected annual dividends per share, at grant date	**$ 0.20**	$ 0.20
Expected life in years	**5.0**	5.0
Expected volatility	**47%**	49%
Risk-free interest rate	**1.639%**	1.621%
Grant date fair value per share of unvested option awards as calculated from above	**$ 10.02**	$ 9.93

(a) The assumptions represent a weighted average of all grants during the year.

The expected annual dividends per share are based on the latest annualized dividend rate at the date of grant; the expected life in years is determined primarily from historical stock option exercise data; the expected volatility is based on the historical volatility of U. S. Steel stock; and the risk-free interest rate is based on the U.S. Treasury strip rate for the expected life of the option.

Restricted stock units generally vest ratably over three years. The fair value of the restricted stock units is the average market price of the underlying common stock on the date of the grant.

TSR performance awards vest at the end of a three-year performance period as a function of U. S. Steel's total shareholder return compared to the total shareholder return of a group of peer companies over the three-year performance period. TSR performance awards can vest at between zero and 200 percent of the target award. The fair value of the TSR performance awards is calculated using a Monte-Carlo simulation.

ROCE performance awards vest at the end of a three-year performance period contingent upon meeting the specified ROCE metric. ROCE performance awards can vest at between zero and 200 percent of the target award. The fair value of the ROCE performance awards is the average market price of the underlying common stock on the date of grant.

9. Income Taxes

Tax provision

For the six months ended June 30, 2015 and 2014, we recorded a tax benefit of $360 million on our pretax loss of $696 million and a tax benefit of $10 million on our pretax income of $24 million, respectively. The tax provision reflects a benefit for percentage depletion in excess of cost depletion for iron ore that we produce and consume or sell. Included in the tax provision is a net benefit of $31 million relating to the adjustment of certain tax reserves in the first six months of 2015. The tax provision does not reflect any tax benefit for pretax losses in Canada, prior to the deconsolidation on September 16, 2014, which is a jurisdiction where we had recorded a full valuation allowance on deferred tax assets.

The tax benefit for the first six months of 2015 is based on an estimated annual effective rate, which requires management to make its best estimate of annual pretax income or loss. During the year, management regularly updates forecasted annual pretax results for the various countries in which we operate based on changes in factors such as prices, shipments, product mix, plant operating performance and cost estimates. To the extent that actual 2015 pretax results for U.S. and foreign income or loss vary from estimates applied herein, the actual tax provision or benefit recognized in 2015 could be materially different from the forecasted amount used to estimate the tax provision for the six months ended June 30, 2015.

Unrecognized tax benefits

Unrecognized tax benefits are the differences between a tax position taken, or expected to be taken, in a tax return and the benefit recognized for accounting purposes pursuant to the guidance in Accounting Standards Codification (ASC) Topic 740 on income taxes. The total amount of gross unrecognized tax benefits was $80 million at June 30, 2015 and $112 million at December 31, 2014. The change in unrecognized tax benefits reflects a net decrease primarily due to the conclusion of certain tax examinations. The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was $21 million as of June 30, 2015 and $59 million as of December 31, 2014.

U. S. Steel records interest related to uncertain tax positions as a part of net interest and other financial costs in the consolidated statement of operations. Any penalties are recognized as part of selling, general and administrative expenses. As of June 30, 2015 and December 31, 2014, U. S. Steel had accrued liabilities of $2 million and $7 million, respectively, for interest related to uncertain tax positions. U. S. Steel currently does not have a liability for tax penalties.

Deferred taxes

As of June 30, 2015, the net domestic deferred tax asset was $701 million compared to $318 million at December 31, 2014. A substantial amount of U. S. Steel's domestic deferred tax assets relates to employee benefits that will become deductible for tax purposes over an extended period of time as cash contributions are made to employee benefit plans and retiree benefits are paid in the future. We continue to believe it is more likely than not that the net domestic deferred tax asset will be realized.

As of June 30, 2015, the net foreign deferred tax asset was $1 million, net of an established valuation allowance of $5 million. At December 31, 2014, the net foreign deferred tax asset was $29 million, net of an established valuation allowance of $5 million. The net foreign deferred tax asset will fluctuate as the value of the U.S. dollar changes with respect to the euro.

10. Significant Equity Investments

Summarized unaudited income statement information for our significant equity investments for the six months ended June 30, 2015 and 2014 is reported below (amounts represent 100% of investee financial information):

(In millions)	2015	2014
Net sales	**$ 1,466**	$ 1,675
Cost of sales	**1,228**	1,399
Earnings before interest and income taxes	**199**	240
Net earnings	**191**	228
Net earnings attributable to significant equity investments	**191**	228

U. S. Steel's portion of the equity in net earnings of the significant equity investments above was $ 15 million and $46 million for the six months ended June 30, 2015 and 2014, respectively, which is included in the earnings from investees line on the Consolidated Statement of Operations.

11. Earnings and Dividends Per Common Share

Earnings Per Share Attributable to United States Steel Corporation Stockholders

Basic earnings per common share is based on the weighted average number of common shares outstanding during the period.

Diluted earnings per common share assumes the exercise of stock options, the vesting of restricted stock units and performance awards and the conversion of convertible notes, provided in each case the effect is dilutive. The “treasury stock” method is used to calculate the dilutive effect of the Senior Convertible Notes due in 2019 (2019 Senior Convertible Notes) due to our current intent and policy, among other factors, to settle the principal amount of the 2019 Senior Convertible Notes in cash upon conversion. The "if-converted" method was used to calculate the dilutive effect of the 2014 Senior Convertible Notes due May 2014 (2014 Senior Convertible Notes).

The computations for basic and diluted earnings per common share from continuing operations are as follows:

(Dollars in millions, except per share amounts)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Net (loss) earnings attributable to United States Steel Corporation stockholders	**$ (261)**	$ (18)	**$ (336)**	$ 34
Plus earnings effect of assumed conversion-interest on convertible notes	**—**	—	**—**	—
Net (loss) earnings after assumed conversion	**$ (261)**	$ (18)	**$ (336)**	$ 34
Weighted-average shares outstanding (in thousands):				
Basic	**145,962**	144,884	**145,848**	144,821
Effect of convertible notes	**—**	—	**—**	280
Effect of stock options, restricted stock units and performance awards	**—**	—	**—**	1,043
Adjusted weighted-average shares outstanding, diluted	**145,962**	144,884	**145,848**	146,144
Basic earnings per common share	**$ (1.79)**	$ (0.12)	**$ (2.31)**	$ 0.23
Diluted earnings per common share	**$ (1.79)**	$ (0.12)	**$ (2.31)**	$ 0.23

The following table summarizes the securities that were antidilutive, and therefore, were not included in the computations of diluted earnings per common share:

(In thousands)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Securities granted under the 2005 Stock Incentive Plan	**9,139**	8,630	**9,139**	3,775
Securities convertible under the Senior Convertible Notes [(a)]	**—**	4,993	**—**	7,446
Total	**9,139**	13,623	**9,139**	11,221

[(a)] On May 15, 2014, we redeemed the remaining $322 million principal amount due under the 2014 Senior Convertible Notes. If the redemption had occurred on January 1, 2014, the antidilutive securities would be zero for the six months ended June 30, 2014.

Dividends Paid Per Share
The dividend for each of the first and second quarters of 2015 and 2014 was five cents per common share.

12. Inventories

Inventories are carried at the lower of cost or market. The first-in, first-out method is the predominant method of inventory costing in Europe. The last-in, first-out (LIFO) method is the predominant method of inventory costing in the United States. At June 30, 2015 and December 31, 2014, the LIFO method accounted for 79 percent and 78 percent of total inventory values, respectively.

(In millions)	June 30, 2015	December 31, 2014
Raw materials	**$ 832**	$ 801
Semi-finished products	**935**	1,053
Finished products	**494**	563
Supplies and sundry items	**69**	79
Total	**$ 2,330**	$ 2,496

Current acquisition costs were estimated to exceed the above inventory values by $1.0 billion at both June 30, 2015 and December 31, 2014, respectively. As a result of the liquidation of LIFO inventories, cost of sales decreased and EBIT increased by $1 million and $2 million in the three months ended June 30, 2015 and June 30, 2014, respectively. Cost of sales increased and EBIT decreased by $3 million and $7 million in the six months ended June 30, 2015 and June 30, 2014, respectively, as a result of liquidation of LIFO inventories.

Inventory includes $67 million and $69 million of property held for residential or commercial development as of June 30, 2015 and December 31, 2014, respectively.

13. Derivative Instruments

U. S. Steel is exposed to foreign currency exchange rate risks as a result of our European operations. USSE's revenues are primarily in euros and costs are primarily in U.S. dollars and euros. In addition, foreign cash requirements have been, and in the future may be, funded by intercompany loans, creating intercompany monetary assets and liabilities in currencies other than the functional currency of the entities involved, which can affect income when remeasured at the end of each period.

U. S. Steel uses euro forward sales contracts with maturities no longer than 12 months to exchange euros for U.S. dollars to manage our currency requirements and exposure to foreign currency exchange rate fluctuations. Derivative instruments are required to be recognized at fair value in the consolidated balance sheet. U. S. Steel has not elected to designate these euro forward sales contracts as hedges. Therefore, changes in their fair value are recognized immediately in the consolidated results of operations. The gains and losses recognized on the euro forward sales contracts may also partially offset the accounting remeasurement gains and losses recognized on intercompany loans.

As of June 30, 2015, U. S. Steel held euro forward sales contracts with a total notional value of approximately $282 million. We mitigate the risk of concentration of counterparty credit risk by purchasing our forward sales contracts from several counterparties.

Additionally, U. S. Steel uses fixed-price forward physical purchase contracts to partially manage our exposure to price risk related to the purchases of natural gas and certain nonferrous metals used in the production process. During 2015 and 2014, the forward physical purchase contracts for natural gas and nonferrous metals qualified for the normal purchases and normal sales exemption described in ASC Topic 815 and were not subject to mark-to-market accounting.

The following summarizes the location and amounts of the fair values and gains or losses related to derivatives included in U. S. Steel's consolidated financial statements as of June 30, 2015 and December 31, 2014 and for the three and six months ended June 30, 2015 and 2014:

(In millions)	Balance Sheet Location	Fair Value June 30, 2015	Fair Value December 31, 2014
Foreign exchange forward contracts	Accounts receivable	**$ 21**	$ 31
Foreign exchange forward contracts	Accounts payable	**$ 3**	$ —

(In millions)	Statement of Operations Location	Amount of Gain (Loss) Three Months Ended June 30, 2015	Amount of Gain (Loss) Six Months Ended June 30, 2015
Foreign exchange forward contracts	Other financial costs	**$ (11)**	**$ 32**

(In millions)	Statement of Operations Location	Amount of Gain Three Months Ended June 30, 2014	Amount of Gain Six Months Ended June 30, 2014
Foreign exchange forward contracts	Other financial costs	$ 3	$ 3

In accordance with the guidance found in ASC Topic 820 on fair value measurements and disclosures, the fair value of our euro forward sales contracts was determined using Level 2 inputs, which are defined as "significant

other observable" inputs. The inputs used are from market sources that aggregate data based upon market transactions.

14. Debt

(In millions)	Interest Rates %	Maturity	June 30, 2015	December 31, 2014
2037 Senior Notes	6.65	2037	**$ 350**	$ 350
2022 Senior Notes	7.50	2022	**400**	400
2021 Senior Notes	6.875	2021	**275**	275
2020 Senior Notes	7.375	2020	**600**	600
2018 Senior Notes	7.00	2018	**500**	500
2017 Senior Notes	6.05	2017	**450**	450
2019 Senior Convertible Notes	2.75	2019	**316**	316
Environmental Revenue Bonds	5.38 - 6.88	2015 - 2042	**532**	549
Recovery Zone Facility Bonds	6.75	2040	**70**	70
Fairfield Caster Lease		2022	**32**	33
Other capital leases and all other obligations		2019	**1**	—
Amended Credit Agreement	Variable	2016	**—**	—
USSK Revolver	Variable	2016	**—**	—
USSK credit facilities	Variable	2015 - 2016	**—**	—
Total Debt			**3,526**	3,543
Less unamortized discount			**40**	45
Less short-term debt and long-term debt due within one year[a]			**362**	378
Long-term debt			**$ 3,124**	$ 3,120

To the extent not otherwise discussed below, information concerning the Senior Notes, the Senior Convertible Notes and other listed obligations can be found in Note 15 of the audited financial statements in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

2019 Senior Convertible Notes
The 2019 Senior Convertible Notes were reclassified to current because the CCAA filing by USSC on September 16, 2014 is an event of default under the terms of the Province Note loan agreement between USSC and the Province of Ontario. The failure of USSC to pay the Province Note constitutes an event of default under the indenture for the 2019 Senior Convertible Notes that enables the trustee or the holders of not less than 25 percent of the 2019 Senior Convertible Notes to declare them immediately due and payable. That has not occurred, but if it does, U. S. Steel intends to settle the 2019 Senior Convertible Notes in cash. U. S. Steel has been advised that notice of this default has been given to the holders of the 2019 Senior Convertible Notes by the trustee.

Amended Credit Agreement
As of June 30, 2015, there were no amounts drawn on the $875 million credit facility agreement (Amended Credit Agreement) and inventory values calculated in accordance with the Amended Credit Agreement supported the full $875 million of the facility. Under the Amended Credit Agreement, U. S. Steel must maintain a fixed charge coverage ratio (as further defined in the Amended Credit Agreement) of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Amended Credit Agreement is less than the greater of 10 percent of the total aggregate commitments and $87.5 million. Since availability was greater than $87.5 million, compliance with the fixed charge coverage ratio covenant was not applicable. The Amended Credit Agreement expires in July 2016.

Receivables Purchase Agreement
As of June 30, 2015, U. S. Steel has a Receivables Purchase Agreement (RPA) under which trade accounts receivable are sold, on a daily basis without recourse, to U. S. Steel Receivables, LLC (USSR), a wholly owned, bankruptcy-remote, special purpose entity. As U. S. Steel accesses this facility, USSR sells senior undivided interests in the receivables to third parties, while maintaining a subordinated undivided interest in a portion of the receivables. U. S. Steel has agreed to continue servicing the sold receivables at market rates.

At June 30, 2015 and December 31, 2014, eligible accounts receivable supported $367 million and $625 million of availability, respectively, under the RPA and there were no receivables sold to third-parties under this facility. The subordinated retained interest was $367 million and $625 million at June 30, 2015 and December 31, 2014, respectively. Availability under the RPA was $317 million at June 30, 2015 and $576 million at December 31, 2014, due to letters of credit outstanding of $50 million and $49 million, respectively.

USSR pays the third-parties a discount based on the third-parties' borrowing costs plus incremental fees. We paid approximately $1 million for each of the three months ended June 30, 2015 and 2014 and approximately $2 million for each of the six months ended June 30, 2015 and 2014, relating to fees on the RPA. These costs are included in other financial costs in the consolidated statement of operations.

Generally, the facility provides that as payments are collected from the sold accounts receivables, USSR may elect to have the third-parties reinvest the proceeds in new eligible accounts receivable. As there was no activity under this facility during the six months ended June 30, 2015 and 2014, there were no collections reinvested.

The eligible accounts receivable and receivables sold to third party conduits are summarized below:

(In millions)	June 30, 2015	December 31, 2014
Balance of accounts receivable-net, eligible for sale to third-parties	**$ 683**	$ 1,013
Accounts receivable sold to third-parties	—	—
Balance included in Receivables on the balance sheet of U. S. Steel	**$ 683**	$ 1,013

The net book value of U. S. Steel's retained interest in the receivables represents the best estimate of the fair market value due to the short-term nature of the receivables. The retained interest in the receivables is recorded net of the allowance for bad debts, which historically have not been significant.

The facility may be terminated on the occurrence and failure to cure certain events, including, among others, failure of USSR to maintain certain ratios related to the collectability of the receivables and failure to make payment under its material debt obligations, and may also be terminated upon a change of control. The facility expires in July 2016.

Third Amended and Restated Credit Agreement
On July 27, 2015, the Company entered into a five-year Third Amended and Restated Credit Agreement (Third Amended and Restated Credit Agreement) replacing the Company's Amended Credit Agreement, and concurrently terminated the RPA. The Third Amended and Restated Credit Agreement increases the amount of the facility to $1.5 billion. Maturity may be accelerated 91 days prior to the stated maturity of any outstanding senior debt if excess cash and credit facility availability do not meet the liquidity conditions set forth in the Third Amended and Restated Credit Agreement. Borrowings are secured by liens on all domestic inventory, trade accounts receivable, and other related assets. Similar to the Amended Credit Agreement, U. S. Steel must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 when availability under the Third Amended and Restated Credit Agreement is less than the greater of 10 percent of the total aggregate commitments and $150 million.

The Third Amended and Restated Credit Agreement establishes a borrowing base formula, which limits the amounts U. S. Steel can borrow to a percent of the value of certain domestic inventory and trade receivables less specified reserves. The Third Amended and Restated Credit Agreement provides for borrowings at interest rates based on defined, short-term market rates plus a spread based on availability and includes other customary terms and conditions including restrictions on our ability to create certain liens and to consolidate, merge or transfer all, or substantially all, of our assets. See Part II, Item 5 - Other Information for further detail.

U. S. Steel Košice (USSK) revolver and credit facilities

At June 30, 2015, USSK had no borrowings under its €200 million (approximately $224 million) unsecured revolving credit facility (the USSK Credit Agreement). The USSK Credit Agreement contains certain USSK financial covenants (as further defined in the USSK Credit Agreement), including maximum Leverage, maximum Net Debt to Tangible Net Worth, and minimum Interest Cover ratios. The covenants are measured semi-annually for the period covering the last twelve calendar months. USSK may not draw on the USSK Credit Agreement if it does not comply with any of the financial covenants until the next measurement date. At June 30, 2015, USSK had full availability under the USSK Credit Agreement. The USSK Credit Agreement expires in July 2016.

At June 30, 2015, USSK had no borrowings under its €20 million and €10 million unsecured credit facilities (collectively approximately $33 million) and the availability was approximately $32 million due to approximately $1 million of customs and other guarantees outstanding.

Change in control event

If there is a change in control of U. S. Steel, the following may occur: (a) debt obligations totaling $2,891 million as of June 30, 2015 (including the Senior Notes and Senior Convertible Notes) may be declared immediately due and payable; (b) the Amended Credit Agreement, the RPA and the USSK Credit Agreement may be terminated and any amounts outstanding declared immediately due and payable; and (c) U. S. Steel may be required to either repurchase the leased Fairfield Works slab caster for $34 million or provide a letter of credit to secure the remaining obligation.

15. Asset Retirement Obligations

U. S. Steel's asset retirement obligations (AROs) primarily relate to mine and landfill closure and post-closure costs. The following table reflects changes in the carrying values of AROs:

(In millions)	June 30, 2015		December 31, 2014	
Balance at beginning of year	**$ 48**		$ 59	
Additional obligations incurred	**40**	[a]	6	
Obligations settled	**—**		(19)	[b]
Foreign currency translation effects	**(1)**		(2)	
Accretion expense	**1**		4	
Balance at end of period	**$ 88**		$ 48	

[a] Additional AROs relate to the permanent closure of the coke production facilities at Gary Works and Granite City Works.
[b] Includes $16 million as a result of the deconsolidation of USSC as of the end of the day on September 15, 2014.

Certain AROs related to disposal costs of the majority of fixed assets at our integrated steel facilities have not been recorded because they have an indeterminate settlement date. These AROs will be initially recognized in the period in which sufficient information exists to estimate their fair value.

16. Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, current accounts and notes receivable, investments and long-term receivables, accounts payable, bank checks outstanding, and accrued interest included in the consolidated balance sheet approximate fair value. See Note 13 for disclosure of U. S. Steel's derivative instruments, which are accounted for at fair value on a recurring basis.

The following table summarizes U. S. Steel's financial assets and liabilities that were not carried at fair value at June 30, 2015 and December 31, 2014.

(In millions)	June 30, 2015 Fair Value	June 30, 2015 Carrying Amount	December 31, 2014 Fair Value	December 31, 2014 Carrying Amount
Financial liabilities:				
Long-term debt [(a)]	**$ 3,628**	**$ 3,454**	$ 3,740	$ 3,466

(a) Excludes capital lease obligations.

The following methods and assumptions were used to estimate the fair value of financial instruments included in the table above:

Long-term debt: Fair value was determined using Level 2 inputs which were derived from quoted market prices and is based on the yield on public debt where available or current borrowing rates available for financings with similar terms and maturities.

Fair value of the financial assets and liabilities disclosed herein is not necessarily representative of the amount that could be realized or settled, nor does the fair value amount consider the tax consequences of realization or settlement.

Financial guarantees are U. S. Steel's only unrecognized financial instrument. For details relating to financial guarantees see Note 21.

17. Statement of Changes in Stockholders' Equity

The following table reflects the first six months of 2015 and 2014 reconciliation of the carrying amount of total equity, equity attributable to U. S. Steel and equity attributable to noncontrolling interests:

Six Months Ended June 30, 2015 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Common Stock	Treasury Stock	Paid-in Capital	Non-Controlling Interest
Balance at beginning of year	$ 3,800	$ 1,862	$ (1,441)	$ 151	$ (396)	$ 3,623	$ 1
Comprehensive income (loss):							
Net loss	(336)	(336)					
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	87		87				
Currency translation adjustment	(78)		(78)				
Employee stock plans	24				51	(27)	
Dividends paid on common stock	(15)	(15)					
Other	(1)	(1)					
Balance at June 30, 2015	$ 3,481	$ 1,510	$ (1,432)	$ 151	$ (345)	$ 3,596	$ 1

Six Months Ended June 30, 2014 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Common Stock	Treasury Stock	Paid-in Capital	Non-Controlling Interest
Balance at beginning of year	$ 3,376	$ 1,789	$ (1,752)	$ 151	$ (480)	$ 3,667	$ 1
Comprehensive income (loss):							
Net earnings	34	34					
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	122		122				
Currency translation adjustment	(14)		(14)				
Employee stock plans	11				40	(29)	
Dividends paid on common stock	(15)	(15)					
Balance at June 30, 2014	$ 3,514	$ 1,808	$ (1,644)	$ 151	$ (440)	$ 3,638	$ 1

18. Reclassifications from Accumulated Other Comprehensive Income (AOCI)

(In millions) [a]	Pension and Other Benefit Items	Foreign Currency Items	Other	Total
Balance at December 31, 2014	$ (1,852)	$ 416	$ (5)	$ (1,441)
Other comprehensive (loss) income before reclassifications	**(1)**	**(78)**	**(3)**	**(82)**
Amounts reclassified from AOCI	**88** [b]	**—**	**3**	**91**
Net current-period other comprehensive income	**87**	**(78)**	**—**	**9**
Balance at June 30, 2015	**$ (1,765)**	**$ 338**	**$ (5)**	**$ (1,432)**

(a) All amounts are net of tax. Amounts in parentheses indicate decreases in AOCI.
(b) See table below for further details.

		Amount reclassified from AOCI			
		Three Months Ended June 30,		Six Months Ended June 30,	
(In millions) [a]	Details about AOCI components	2015	2014	2015	2014
	Amortization of pension and other benefit items				
	Prior service costs [b]	**$ (4)**	$ (1)	**$ (6)**	$ (4)
	Actuarial losses [b]	**(65)**	(70)	**(131)**	(139)
	Settlement, termination and curtailment (losses)/gains [b]	**(2)**	11	**(5)**	4
	Total before tax	**(71)**	(60)	**(142)**	(139)
	Tax benefit	**27**	25	**54**	55
	Net of tax	**$ (44)**	$ (35)	**$ (88)**	$ (84)

(a) Amounts in parentheses indicate decreases in AOCI.
(b) These AOCI components are included in the computation of net periodic benefit cost (see Note 6 for additional details).

19. Transactions with Related Parties

Net sales to related parties and receivables from related parties primarily reflect sales of steel products to equity investees and USSC after the CCAA filing on September 16, 2014. Generally, transactions are conducted under long-term market-based contractual arrangements. Related party sales and service transactions were $391 million and $272 million for the three months ended June 30, 2015 and 2014, respectively and $717 million and $551 million for the six months ended June 30, 2015 and 2014, respectively.

Purchases from related parties for outside processing services provided by equity investees and steel products from USSC after the CCAA filing on September 16, 2014 amounted to $111 million and $15 million for the three months ended June 30, 2015 and 2014, respectively and $211 million and $30 million for the six months ended June 30, 2015 and 2014, respectively. Purchases of iron ore pellets from related parties amounted to $57 million and $61 million for the three months ended June 30, 2015 and 2014, respectively and $87 million and $115 million for the six months ended June 30, 2015 and 2014, respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company (PRO-TEC) of $84 million and $78 million at June 30, 2015 and December 31, 2014, respectively for invoicing and receivables collection services provided by U. S. Steel. U. S. Steel, as PRO-TEC's exclusive sales agent, is responsible for credit risk related to those receivables. U. S. Steel also provides PRO-TEC marketing, selling and customer service functions. Payables to other related parties, including USSC after the CCAA filing on September 16, 2014, totaled $49 million and $53 million at June 30, 2015 and December 31, 2014, respectively.

20. Restructuring and Other Charges

During the three months ended June 30, 2015, the Company recorded a net charge of $19 million, which is reported in restructuring and other charges in the consolidated statement of operations, for employee related

costs, including costs for severance, supplemental unemployment benefits (SUB) and continuation of health care benefits as well as other shutdown costs, primarily environmental. Favorable adjustments for changes in estimates on restructuring reserves were made for $18 million, primarily related to employee and environmental costs associated with the shutdown of our cokemaking operations at Gary Works and Granite City Works.

During the six months ended June 30, 2015, the Company recorded a net charge of $172 million, which is reported in restructuring and other charges in the consolidated statement of operations, primarily related to the permanent shutdown of the cokemaking operations at Gary Works and Granite City Works, within our Flat-Rolled segment. In addition to the write-down of the assets, the charge also includes employee related costs, including costs for severance, SUB and continuation of health care benefits as well as other shutdown costs, primarily environmental. Favorable adjustments for changes in estimates on restructuring reserves were made for $18 million, primarily related to employee and environmental costs associated with the shutdown of our cokemaking operations at Gary Works and Granite City Works.

During the three months ended June 30, 2014, the Company recorded severance related charges of $11 million, which were reported in restructuring and other charges in the Consolidated Statement of Operations, for headcount reductions related to certain of our Tubular operations in Bellville, Texas and McKeesport, Pennsylvania, within our Tubular segment, as well as headcount reductions principally at the Company's corporate headquarters. Cash payments were made related to severance and exit costs of $8 million. In addition, an asset impairment charge of $14 million was taken for certain of the Company's non-strategic assets that were designated as held for sale. Favorable adjustments for changes in estimates on restructuring reserves were made for $2 million.

During the six months ended June 30, 2014, the Company recorded severance related charges of $14 million, which were reported in restructuring and other charges in the Consolidated Statement of Operations, for headcount reductions related to our Canadian operations, within our Flat-Rolled segment, certain of our Tubular operations in Bellville, Texas and McKeesport, Pennsylvania, within our Tubular segment, as well as headcount reductions principally at the Company's corporate headquarters. Cash payments were made related to severance and exit costs of $13 million. In addition, an asset impairment charge of $14 million was taken for certain of the Company's non-strategic assets that were designated as held for sale. Favorable adjustments for changes in estimates on restructuring reserves were made for $10 million.

Charges for restructuring and ongoing cost reduction initiatives are recorded in the period the Company commits to a restructuring or cost reduction plan, or executes specific actions contemplated by the plan and all criteria for liability recognition have been met. Charges related to the restructuring and cost reductions include severance costs, accelerated depreciation, asset impairments and other closure costs.

The activity in the accrued balances incurred in relation to restructuring and other cost reduction programs during the six months ended June 30, 2015 were as follows:

(in millions)	Employee Related Costs	Exit Costs	Asset Impairments	Total
Balance at December 31, 2014	$ 5	$ —	$ —	$ 5
Additional charges	**52**	**48** [(a)]	**90**	**190**
Cash payments/utilization	**(5)**	**—**	**(90)**	**(95)**
Other adjustments and reclassifications	**(13)**	**(5)**	**—**	**(18)**
Balance at June 30, 2015	**$ 39**	**$ 43**	**$ —**	**$ 82**

(a) Primarily environmental costs.

Accrued liabilities for restructuring and other cost reduction programs are included in the following balance sheet lines:

(in millions)	June 30, 2015	December 31, 2014
Accounts payable	**$ 26**	$ —
Payroll and benefits payable	**39**	5
Deferred credits and other noncurrent liabilities	**17**	—
Total	**$ 82**	$ 5

21. Contingencies and Commitments

U. S. Steel is the subject of, or party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. Certain of these matters are discussed below. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the consolidated financial statements. However, management believes that U. S. Steel will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably.

U. S. Steel accrues for estimated costs related to existing lawsuits, claims and proceedings when it is probable that it will incur these costs in the future.

Asbestos matters – As of June 30, 2015, U. S. Steel was a defendant in approximately 895 active cases involving approximately 3,390 plaintiffs. The vast majority of these cases involve multiple defendants. At December 31, 2014, U. S. Steel was a defendant in approximately 880 active cases involving approximately 3,455 plaintiffs. About 2,450, or approximately 75 percent, of these plaintiff claims are currently pending in jurisdictions which permit filings with massive numbers of plaintiffs. Based upon U. S. Steel's experience in such cases, it believes that the actual number of plaintiffs who ultimately assert claims against U. S. Steel will likely be a small fraction of the total number of plaintiffs. During the six months ended June 30, 2015, dismissals, settlements and other dispositions resolved approximately 190 claims, and new case filings added approximately 125 claims. During 2014, settlements and other dispositions resolved approximately 190 claims, and new case filings added approximately 325 claims.

The following table shows the number of asbestos claims in the current period and the prior three years:

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims
December 31, 2012	3,235	190	285	3,330
December 31, 2013	3,330	250	240	3,320
December 31, 2014	3,320	190	325	3,455
June 30, 2015	3,455	190	125	3,390

Historically, asbestos-related claims against U. S. Steel fall into three major groups: (1) claims made by persons who allegedly were exposed to asbestos on the premises of U. S. Steel facilities; (2) claims made by persons allegedly exposed to products manufactured by U. S. Steel; and (3) claims made under certain federal and maritime laws by employees of former operations of U. S. Steel.

The amount U. S. Steel accrues for pending asbestos claims is not material to U. S. Steel's financial condition. However, U. S. Steel is unable to estimate the ultimate outcome of asbestos-related claims due to a number of uncertainties, including (1) the rates at which new claims are filed, (2) the number of and effect of bankruptcies of other companies traditionally defending asbestos claims, (3) uncertainties associated with the variations in the litigation process from jurisdiction to jurisdiction, (4) uncertainties regarding the facts, circumstances and disease process with each claim, and (5) any new legislation enacted to address asbestos-related claims. Despite these uncertainties, management believes that the ultimate resolution of these matters will not have a

material adverse effect on U. S. Steel's financial condition, although the resolution of such matters could significantly impact results of operations for a particular quarter.

Environmental matters – U. S. Steel is subject to federal, state, local and foreign laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for noncompliance. Changes in accrued liabilities for remediation activities where U. S. Steel is identified as a named party are summarized in the following table:

(In millions)	Six Months Ended June 30, 2015
Beginning of period	**$ 212**
Accruals for environmental remediation deemed probable and reasonably estimable	**—**
Adjustments for changes in estimates	**(2)**
Obligations settled	**(4)**
End of period	**$ 206**

Accrued liabilities for remediation activities are included in the following consolidated balance sheet lines:

(In millions)	June 30, 2015	December 31, 2014
Accounts payable	**$ 19**	$ 19
Deferred credits and other noncurrent liabilities	**187**	193
Total	**$ 206**	$ 212

Expenses related to remediation are recorded in cost of sales and were insignificant for both the three and six month periods ended June 30, 2015, and totaled $2 million and $3 million for the three and six month periods ended June 30, 2014, respectively. It is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties that may be imposed. Due to uncertainties inherent in remediation projects and the associated liabilities, it is reasonably possible that total remediation costs for active matters may exceed the accrued liabilities by as much as 10 to 25 percent.

Remediation Projects

U. S. Steel is involved in environmental remediation projects at or adjacent to several current and former U. S. Steel facilities and other locations that are in various stages of completion ranging from initial characterization through post-closure monitoring. Based on the anticipated scope and degree of uncertainty of projects, we categorize projects as follows:

(1) Projects with Ongoing Study and Scope Development are those projects which are still in the study and development phase. For these projects, the extent of remediation that may be required is not yet known, the remediation methods and plans are not yet developed, and cost estimates cannot be determined. Therefore, significant costs, in addition to the accrued liabilities for these projects, are reasonably possible.

(2) Significant Projects with Defined Scope are those projects with significant accrued liabilities, a defined scope and little likelihood of significant additional costs.

(3) Other Projects are those projects with relatively small accrued liabilities for which we believe that, while additional costs are possible, they are not likely to be significant, and those projects for which we do not yet possess sufficient information to estimate potential costs to U. S. Steel.

Projects with Ongoing Study and Scope Development – There are five environmental remediation projects where reasonably possible additional costs for completion are not currently estimable, but could be material. These projects are four Resource Conservation and Recovery Act (RCRA) programs—at Fairfield Works, Lorain Tubular, USS-POSCO Industries (UPI) and the Fairless Plant—and a voluntary remediation program at the former steelmaking plant at Joliet, Illinois. As of June 30, 2015, accrued liabilities for these projects totaled $2 million for the costs of studies, investigations, interim measures, design and/or remediation. It is reasonably possible that additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects could be as much as $25 million to $40 million.

Significant Projects with Defined Scope – As of June 30, 2015, there are four significant projects with defined scope greater than or equal to $5 million each, with a total accrued liability of $155 million. These projects are Gary RCRA (accrued liability of $35 million), the former Geneva facility (accrued liability of $64 million), the former Duluth facility St. Louis River Estuary (accrued liability of $49 million), and the Solid Waste Management Unit (SWMU) #4 at UPI (accrued liability of $7 million).

Other Projects – There are four other environmental remediation projects which each had an accrued liability of between $1 million and $5 million. The total accrued liability for these projects at June 30, 2015 was $8 million. These projects have progressed through a significant portion of the design phase and material additional costs are not expected.

The remaining environmental remediation projects had an accrued liability of less than $1 million each. The total accrued liability for these projects at June 30, 2015 was $6 million. We do not foresee material additional liabilities for any of these sites.

Post-Closure Costs – Accrued liabilities for post-closure site monitoring and other costs at various closed landfills totaled $28 million at June 30, 2015 and were based on known scopes of work.

Administrative and Legal Costs – As of June 30, 2015, U. S. Steel had an accrued liability of $7 million for administrative and legal costs related to environmental remediation projects. These accrued liabilities were based on projected administrative and legal costs for the next three years and do not change significantly from year to year.

See Part II, "Item 1 – Legal Proceedings – Environmental Proceedings" for further details regarding U. S. Steel's environmental remediation at its various production facilities.

Capital Expenditures – For a number of years, U. S. Steel has made substantial capital expenditures to bring existing facilities into compliance with various laws relating to the environment. In the first six months of 2015 and 2014, such capital expenditures totaled $52 million and $29 million, respectively. U. S. Steel anticipates making additional such expenditures in the future; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

CO_2 Emissions – Current and potential regulation of greenhouse gas (GHG) emissions remains a significant issue for the steel industry, particularly for integrated steel producers such as U. S. Steel. The regulation of carbon dioxide (CO_2) emissions has either become law or is being considered by legislative bodies of many nations, including countries where we have operating facilities. The European Union (EU) has established GHG regulations based upon national allocations and a cap and trade system. In the United States, the Environmental Protection Agency (EPA) has published rules for regulating GHG emissions for certain facilities (both new and existing). The U.S. Supreme Court has upheld the EPA's authority under the Clean Air Act (CAA) to regulate GHG emissions from new or modified stationary sources that are required to obtain pre-construction and operating permits for non-GHG regulated air pollutants, and federal courts are considering several suits that challenge the EPA's authority to regulate GHG emissions from other types of sources (including existing sources). Congress could take additional action to increase the regulation of GHG emissions.

The European Commission (EC) has created an Emissions Trading System (ETS) and starting in 2013, the ETS began to employ centralized allocation, rather than national allocation plans, that are more stringent than the previous requirements. The ETS also includes a cap designed to achieve an overall reduction of GHGs for the ETS sectors of 21% in 2020 compared to 2005 emissions and auctioning as the basic principle for allocating emissions allowances, with some transitional free allocation provided on the basis of benchmarks for manufacturing industries under risk of transferring their production to other countries with lesser constraints on GHG emissions, commonly referred to as carbon leakage. Manufacturing of sinter, coke oven products, basic iron and steel, ferro-alloys and cast iron tubes have all been recognized as exposing companies to a significant risk of carbon leakage, but the ETS is still expected to lead to additional costs for steel companies in Europe. The EU has imposed limitations under the ETS for the period 2013-2020 (Phase III) that are more stringent than those in the 2008-2012 period (NAP II), reducing the number of free allowances granted to companies to cover their CO_2 emissions.

In September of 2013, the EC issued EU wide legislation further reducing the expected free allocation for Phase III by an average of approximately 12 percent. USSK's final allocation for the Phase III period that was approved by the EC in January 2014 is approximately 48 million allowances. Based on 2014 emission intensity levels and projected future production levels, and as a result of carryover allowances from the NAP II period, we do

not currently anticipate the need to purchase credits until 2018, and we currently estimate a shortfall of 16 million allowances for the Phase III period. However, due to a number of variable factors such as the future market value of allowances, future production levels and future emission intensity levels, we cannot reliably estimate the full cost of complying with the ETS regulations at this time.

U. S. Steel entered into transactions to sell and swap a portion of our emission allowances and recognized a gain of $17 million during the six months ended June 30, 2014, reflected as a net gain on disposal of assets. There were no such similar transactions for the six months ended June 30, 2015.

The EPA recently revised the National Ambient Air Quality Standards (NAAQS) for nitrogen oxide, sulfur dioxide, particulate matter, and lead, and in December 2014, proposed to lower the ozone NAAQS to a level within the range of 65 to 70 parts per billion (ppb). Affected states with nonattainment areas in which U. S. Steel operates are currently preparing State Implementation Plans (SIPs) for sulfur dioxide and particulate matter. It is likely that the new requirements in the SIPs would be material to U. S. Steel.

On May 13, 2010, the EPA published its final Greenhouse Gas Tailoring Rule establishing a mechanism for regulating GHG emissions from facilities through the CAA's Prevention of Significant Deterioration (PSD) permitting program. Under the Greenhouse Gas Tailoring Rule, as modified by the recent U.S. Supreme Court decision which struck down parts of the rule. New projects that increase GHG emissions by a significant amount (generally more than 75,000 tons of CO_2 per year) are subject to the PSD requirements, including the installation of best available control technology (BACT), but only if the project also significantly increases emissions of at least one non-GHG pollutant. On January 8, 2014, the EPA published proposed New Source Performance Standards (NSPS) for GHG emissions from new electric generating units (EGUs). As a result of that rule, on June 18, 2014, the EPA also published proposed guidance under CAA Section 111(d) to regulate CO_2 emissions from EGUs.

It is impossible to reasonably estimate the timing or impact of these or other future government action on U. S. Steel, although it could be significant. Such impacts may include substantial capital expenditures, costs for emission allowances, restriction of production, and higher prices for coking coal, natural gas and electricity generated by carbon based systems.

EU Environmental Requirements – Slovakia adopted a new waste code in March 2015 that will become effective January 1, 2016. This legislation implements the EU Waste Framework Directive that strictly regulates waste disposal and encourages recycling, among other provisions, by increasing fees for waste disposed of in landfills, including privately owned industrial landfills. We are currently analyzing the legislation in order to estimate the potential financial impact on USSK's operations.

The EU's Industry Emission Directive will require implementation of EU determined best available techniques (BAT) to reduce environmental impacts as well as compliance with BAT associated emission levels. This directive includes operational requirements for air emissions, wastewater discharges, solid waste disposal and energy conservation, dictates certain operating practices and imposes stricter emission limits. Producers will be required to be in compliance with the iron and steel BAT by March 8, 2016, unless specific exceptions or extensions are granted by the Slovak environmental authority. We are currently evaluating the costs of complying with BAT, but our most recent broad estimate of likely capital expenditures is €80 million to €155 million (approximately $90 million to $173 million) over the 2015 to 2020 period. There are ongoing efforts to seek EU grants to fund a portion of these capital expenditures. The EU has various programs under which funds are allocated to member states to implement broad public policies, which are then awarded by the member states to public and private entities on a competitive basis. The total capital expenditures required for BAT compliance will depend upon, among other factors, the extent to which EU incentive grants are awarded for these projects. We also believe there will be increased operating costs, such as increased energy and maintenance costs, but we are currently unable to reliably estimate them.

Due to other EU legislation, we will be required to make changes to the boilers at our steam and power generation plant in order to comply with stricter air emission limits for large combustion plants. In January 2014, the operation of USSK's boilers was approved by the EC as part of Slovakia's Transitional National Plan (TNP) for bringing all boilers in Slovakia into compliance by no later than 2020. The TNP establishes parameters for determining the date by which specific boilers are required to reach compliance with the new air standards, which has been determined to be October 2017 for our boilers. The boiler projects have been approved by our Board of Directors and we are now in the execution phase. These projects will result in a reduction in electricity, CO_2 emissions, operating, maintenance and waste disposal costs once completed. The current

projected cost to reconstruct one existing boiler and build one new boiler to achieve compliance is approximately €131 million (approximately $150 million). Broad legislative changes were enacted by the Slovak Republic to extend the scope of support for renewable sources of energy, that are intended to allow USSK to participate in Slovakia's renewable energy incentive program once both boiler projects are completed.

Guarantees – The maximum guarantees of the indebtedness of unconsolidated entities of U. S. Steel totaled $4 million at June 30, 2015.

EPA Region V Federal Lawsuit – On August 1, 2012, the EPA, joined by the States of Illinois, Indiana and Michigan, initiated an action in the Northern District of Indiana alleging various air regulatory violations at Gary Works, Granite City Works, and Great Lakes Works. The action contends that Gary Works failed to obtain the proper CAA pre-construction permit for a routine reline of its Blast Furnace No. 4 in 1990, and that the three facilities failed to meet certain operational, maintenance, opacity, and recordkeeping requirements. Civil penalties and injunctive relief is requested. U. S. Steel believes that the claims asserted in the action are not justified and are without legal foundation. The Court has dismissed all claims related to the Blast Furnace No. 4 reline. Fact discovery on the remaining claims is being conducted in three phases with discovery regarding Granite City Works and Great Lakes Works now complete. U. S. Steel will continue to vigorously defend against these claims. At this time, the potential outcome on the asserted claims is not reasonably estimable.

CCAA - On September 16, 2014, USSC commenced court-supervised restructuring proceedings under CCAA before the Ontario Superior Court of Justice. As part of the CCAA proceedings, U. S. Steel has submitted both secured and unsecured claims that have been verified by the court-appointed Monitor. As of June 30, 2015, the court-appointed Monitor has verified U. S. Steel's claims in the CCAA proceedings are approximately $1.8 billion. U. S. Steel's claims have been challenged by a number of interested parties which, if successful, could result in the reclassification of those claims and/or modifications to the values of those claims. U. S. Steel is contesting those challenges within the CCAA proceedings and expects a resolution of its claims during the third quarter of 2015. However, U. S. Steel cannot reasonably estimate the outcome at this time.

Other contingencies – Under certain operating lease agreements covering various equipment, U. S. Steel has the option to renew the lease or to purchase the equipment at the end of the lease term. If U. S. Steel does not exercise the purchase option by the end of the lease term, U. S. Steel guarantees a residual value of the equipment as determined at the lease inception date (totaling approximately $12 million at June 30, 2015). No liability has been recorded for these guarantees as the potential loss is not probable.

Insurance – U. S. Steel maintains insurance for certain property damage, equipment, business interruption and general liability exposures; however, insurance is applicable only after certain deductibles and retainages. U. S. Steel is self-insured for certain other exposures including workers' compensation (where permitted by law) and auto liability. Liabilities are recorded for workers' compensation and personal injury obligations. Other costs resulting from losses under deductible or retainage amounts or not otherwise covered by insurance are charged against income upon occurrence.

U. S. Steel uses surety bonds, trusts and letters of credit to provide whole or partial financial assurance for certain obligations such as workers' compensation. The total amount of active surety bonds, trusts and letters of credit being used for financial assurance purposes was approximately $162 million as of June 30, 2015, which reflects U. S. Steel's maximum exposure under these financial guarantees, but not its total exposure for the underlying obligations. A significant portion of our trust arrangements and letters of credit are collateralized by our RPA. The remaining trust arrangements and letters of credit are collateralized by restricted cash. Restricted cash, which is recorded in other current and noncurrent assets, totaled $44 million at June 30, 2015, of which approximately $6 million was classified as current, and $51 million at December 31, 2014, of which $1 million was classified as current. Restricted cash at June 30, 2015 also includes $1 million to fund certain capital projects at Granite City Works. The proceeds become unrestricted as capital expenditures for these projects are made.

Capital Commitments – At June 30, 2015, U. S. Steel's contractual commitments to acquire property, plant and equipment totaled $365 million.

Contractual Purchase Commitments – U. S. Steel is obligated to make payments under contractual purchase commitments, including unconditional purchase obligations. Payments for contracts with remaining terms in excess of one year are summarized below (in millions):

Remainder of 2015	2016	2017	2018	2019	Later Years	Total
$371	$729	$620	$605	$353	$1,708	$4,386

The majority of U. S. Steel's unconditional purchase obligations relates to the supply of industrial gases, and certain energy and utility services with terms ranging from two to 17 years. Unconditional purchase obligations also include coke and steam purchase commitments related to a coke supply agreement with Gateway Energy & Coke Company LLC (Gateway) under which Gateway is obligated to supply 90 percent to 105 percent of the expected annual capacity of the heat recovery coke plant, and U. S. Steel is obligated to purchase the coke from Gateway at the contract price. As of June 30, 2015, a maximum default payment of approximately $229 million would apply if U. S. Steel terminates the agreement.

Total payments relating to unconditional purchase obligations were $138 million and $136 million for the three months ended June 30, 2015 and 2014, respectively and $249 million and $270 million for the six months ended June 30, 2015 and 2014, respectively.

22. USSC Retained Interest

U. S. Steel Canada Inc. (USSC), an indirect wholly owned subsidiary of U. S. Steel, with unanimous approval from its Board of Directors applied for relief from its creditors pursuant to CCAA on September 16, 2014. The CCAA filing was approved by the Ontario Superior Court of Justice (the Court) on September 16, 2014 and granted USSC creditor protection while it formulates a plan of restructuring. As a result of the CCAA proceedings, U. S. Steel no longer has a controlling financial interest over USSC, as defined under ASC 810, *Consolidation*, and therefore has deconsolidated USSC's financial position as of the end of the day on September 15, 2014.

Prior to the deconsolidation, U. S. Steel made loans to USSC for the purpose of funding its operations and had net trade accounts receivable in the ordinary course of business. The loans, the corresponding interest and the net trade accounts receivable were considered intercompany transactions and were eliminated in the consolidated U. S. Steel financial statements. As of the deconsolidation date, U. S. Steel's retained interest in USSC consisted of the loans, associated interest and net trade accounts receivable which are now considered third party transactions and have been recognized in U. S. Steel's consolidated financial statements based upon the estimated recoverability of their carrying amounts and whether or not the amounts are secured or unsecured.

Subsequent to the CCAA filing, management has continued to assess the recoverability of the Company's retained interest in USSC. During the second quarter of 2015, management's estimate of the recoverable retained interest has been updated as a result of economic conditions impacting the steel industry in North America such as lower prices, elevated levels of imports, the strength of the U.S. dollar and depressed steel company valuations. As a result of our assessment, we recorded a pre-tax charge of approximately $255 million to write-down our retained interest in USSC, to approximately $180 million at June 30, 2015.

23. Subsequent Event

On July 27, 2015, U. S. Steel entered into a new $1.5 billion credit facility that replaced our $875 million credit facility and concurrently terminated the $625 million RPA. See Note 14 and Part II, Item 5 - Other Information for additional details.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

During the first six months of 2015, the Company adjusted its operating configuration by temporarily reducing its production levels within its Flat-Rolled and Tubular segments as well as permanently shutting down certain of its coke production facilities. Management may continue to further adjust the Company's operations in 2015. Customer order rates for our products, market demand, economic conditions as well as import levels will determine the size and duration of these adjustments.

The consolidated results for the three and six months ended June 30, 2015 do not reflect the results of U. S. Steel Canada (USSC) due to USSC's filing for creditor protection pursuant to Canada's Companies' Creditors Arrangement Act (CCAA) on September 16, 2014. The consolidated statement of operations, consolidated statement of comprehensive income (loss) and consolidated statement of cash flows for the three and six months ended June 30, 2014 include the results for USSC.

Net sales by segment for the three and six months ended June 30, 2015 and 2014 are set forth in the following table:

	Three Months Ended June 30,			Six Months Ended June 30,		
(Dollars in millions, excluding intersegment sales)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Flat-Rolled Products (Flat-Rolled)	**$ 2,125**	$ 2,938	(28)%	**$ 4,318**	$ 5,965	(28)%
U. S. Steel Europe (USSE)	**600**	757	(21)%	**1,292**	1,516	(15)%
Tubular Products (Tubular)	**160**	686	(77)%	**531**	1,329	(60)%
Total sales from reportable segments	**2,885**	4,381	(34)%	**6,141**	8,810	(30)%
Other Businesses	**15**	19	(21)%	**31**	38	(18)%
Net sales	**$ 2,900**	$ 4,400	(34)%	**$ 6,172**	$ 8,848	(30)%

Management's analysis of the **percentage change in net sales** for U. S. Steel's reportable business segments for the three months ended June 30, 2015 versus the three months ended June 30, 2014 is set forth in the following table:

Three Months Ended June 30, 2015 versus Three Months Ended June 30, 2014

	Steel Products [a]					
	Volume	Price	Mix	FX [b]	Coke & Other	Net Change
Flat-Rolled	(20)%	(8)%	—%	— %	— %	(28)%
USSE	3 %	(5)%	1%	(19)%	(1)%	(21)%
Tubular	(78)%	— %	1%	— %	— %	(77)%

[a] Excludes intersegment sales

[b] Foreign currency translation effects

Net sales were $2,900 million in the three months ended June 30, 2015, compared with $4,400 million in the same period last year. The decrease in sales for the Flat-Rolled segment primarily reflected a decrease in shipments (decrease of 815 thousand net tons), which includes the deconsolidation of USSC (represents 521 thousand net tons, or 64%, of the total volume decrease) and a decrease in average realized prices (decrease of $79 per net ton) as a result of market conditions, including high import levels, which has served to reduce shipment volumes and drastically depress both spot and contract prices. The decrease in sales for the USSE segment was primarily due to the strengthening of the U.S. dollar versus the euro in the three months ended June 30, 2015 as compared to the same period in 2014 (decrease in average exchange rate of 0.27) and lower average realized euro-based prices (decrease of €21 per net ton) partially offset by higher shipments (increase of 38 thousand net tons). The decrease in sales for the Tubular segment primarily reflected lower shipments (decrease of 357 thousand net tons) as a result of reduced drilling activity caused by low crude oil prices and continued high import levels.

Management's analysis of the **percentage change in net sales** for U. S. Steel's reportable business segments for the six months ended June 30, 2015 versus the six months ended June 30, 2014 is set forth in the following table:

Six Months Ended June 30, 2015 versus Six Months Ended June 30, 2014

	Steel Products [a]					
	Volume	Price	Mix	FX [b]	Coke & Other	Net Change
Flat-Rolled	(23)%	(4)%	— %	— %	(1)%	(28)%
USSE	12 %	(7)%	(1)%	(18)%	(1)%	(15)%
Tubular	(64)%	2 %	2 %	— %	— %	(60)%

[a] Excludes intersegment sales

[b] Foreign currency translation effects

Net sales were $6,172 million in the six months ended June 30, 2015, compared with $8,848 million in the same period last year. The decrease in sales for the Flat-Rolled segment primarily reflected a decrease in shipments (decrease of 1,872 thousand net tons), which includes the deconsolidation of USSC (represents 1,080 thousand net tons, or 58%, of the total volume decrease) and a decrease in average realized prices (decrease of $36 per net ton) as a result of market conditions, including high import levels, which has served to reduce shipment volumes and drastically depress both spot and contract prices. The decrease in sales for the USSE segment was primarily due to the strengthening of the U.S. dollar versus the euro in the six months ended June 30, 2015 as compared to the same period in 2014 (decrease in average exchange rate of 0.25) and lower average realized euro-based prices (decrease of €34 per net ton) partially offset by higher shipments (increase of 271 thousand net tons). The decrease in sales for the Tubular segment primarily reflected lower shipments (decrease of 556 thousand net tons) as a result of reduced drilling activity caused by low crude oil prices and continued high import levels.

Pension and other benefits costs

Pension and other benefit costs are reflected in our cost of sales and selling, general and administrative expense line items in the consolidated statements of operations.

Defined benefit and multiemployer pension plan costs totaled $68 million and $139 million in the three and six months ended June 30, 2015, respectively, compared to $85 million and $169 million in the comparable periods in 2014. The

$17 million and $30 million decreases are primarily due to the natural maturation of our pension plans and the deconsolidation of USSC, partially offset by a lower discount rate, expected return on asset assumption, and the effects of settlement charges recorded in 2014 as a result of the retirement of several U. S. Steel executives.

Costs related to defined contribution plans totaled $11 million and $22 million in the three and six months ended June 30, 2015, respectively, compared to $12 million and $24 million in the comparable periods in 2014.

Other benefit costs totaled $(8) million and $(15) million in the three months ended June 30, 2015 and June 30, 2014, respectively. The $7 million increase is primarily related to a one-time $19 million curtailment gain recorded in the three months ended June 30, 2014 related to the elimination of non-union retiree medical coverage after 2017, partially offset by the deconsolidation of USSC. Other benefit costs totaled $(17) million and $(12) million in the six months ended June 30, 2015 and June 30, 2014, respectively. The $5 million decrease is primarily due to the deconsolidation of USSC, partially offset by a one-time $19 million curtailment gain recorded in the six months ended June 30, 2014 related to the elimination of non-union retiree medical coverage after 2017.

Net periodic pension cost, including multiemployer plans, is expected to total approximately $275 million in 2015. Total other benefits costs in 2015 are expected to be a benefit of approximately $(35) million. The pension cost projection includes approximately $75 million of contributions to the Steelworkers Pension Trust.

Non-retirement postemployment benefits
U. S. Steel incurred costs of approximately $25 million and $40 million for the three and six months ended June 30, 2015 related to the accrual of employee costs for supplemental unemployment benefits and the continuation of health care benefits and life insurance coverage for employees associated with the temporary idling of certain facilities and reduced production at others. Payments for these benefits during the three and six months ended June 30, 2015 were $13 million and $14 million, respectively. There were no significant similar costs incurred during the three and six months ended June 30, 2014.

Selling, general and administrative expenses
Selling, general and administrative expenses were $107 million and $209 million in the three and six months ended June 30, 2015, respectively, compared to $143 million and $281 million in the three and six months ended June 30, 2014. The decrease is primarily related to lower pension and other benefits costs, as discussed above, as well as lower expense for profit based payments.

Restructuring and Other Charges
During the three months ended June 30, 2015, the Company recorded a net charge of $19 million, which is reported in restructuring and other charges in the consolidated statement of operations, for employee related costs, including costs for severance, supplemental unemployment benefits (SUB) and continuation of health care benefits as well as other shutdown costs, primarily environmental. Favorable adjustments for changes in estimates on restructuring reserves were made for $18 million, primarily related to employee and environmental costs associated with the shutdown of our cokemaking operations at Gary Works and Granite City Works.

During the six months ended June 30, 2015, the Company recorded a net charge of $172 million, which is reported in restructuring and other charges in the consolidated statement of operations, primarily related to the permanent shutdown of the cokemaking operations at Gary Works and Granite City Works, within our Flat-Rolled segment. In addition to the write-down of the assets, the charge also includes employee related costs, including costs for severance, SUB and continuation of health care benefits as well as other shutdown costs, primarily environmental. Favorable adjustments for changes in estimates on restructuring reserves were made for $18 million, primarily related to employee and environmental costs associated with the shutdown of our cokemaking operations at Gary Works and Granite City Works.

During the three months ended June 30, 2014, the Company recorded severance related charges of $11 million, which were reported in restructuring and other charges in the Consolidated Statement of Operations, for headcount reductions related to certain of our Tubular operations in Bellville, Texas and McKeesport, Pennsylvania, within our Tubular segment, as well as headcount reductions principally at the Company’s corporate headquarters. Cash payments were made related to severance and exit costs of $8 million. In addition, an asset impairment charge of $14 million was taken for certain of the Company's non-strategic assets that were designated as held for sale. Favorable adjustments for changes in estimates on restructuring reserves were made for $2 million.

During the six months ended June 30, 2014, the Company recorded severance related charges of $14 million, which were reported in restructuring and other charges in the Consolidated Statement of Operations, for headcount reductions

related to our Canadian operations, within our Flat-Rolled segment, certain of our Tubular operations in Bellville, Texas and McKeesport, Pennsylvania, within our Tubular segment, as well as headcount reductions principally at the Company's corporate headquarters. Cash payments were made related to severance and exit costs of $13 million. In addition, an asset impairment charge of $14 million was taken for certain of the Company's non-strategic assets that were designated as held for sale. Favorable adjustments for changes in estimates on restructuring reserves were made for $10 million.

Charges for restructuring and ongoing cost reduction initiatives are recorded in the period the Company commits to a restructuring or cost reduction plan, or executes specific actions contemplated by the plan and all criteria for liability recognition have been met. Charges related to the restructuring and cost reductions include severance costs, accelerated depreciation, asset impairments and other closure costs.

Management believes its actions with regard to the Company's operations will have a positive impact on the Company's annual cash flows of approximately $140 million to $160 million over the course of subsequent annual periods as a result of decreased payroll and benefits costs, capital savings and other idle facility costs. Also, the actions will result in other non-cash savings of approximately $90 million, primarily related to reduced depreciation expense in future periods. Additionally, management does not believe there will be any significant impacts related to the Company's revenues as a result of these actions.

Earnings before interest and income taxes (EBIT) by segment for the three and six months ended June 30, 2015 and 2014 is set forth in the following table:

(Dollars in millions)	Three Months Ended June 30, 2015	2014	% Change	Six Months Ended June 30, 2015	2014	% Change
Flat-Rolled	**$ (64)**	$ 30	NM	**$ (131)**	$ 115	NM
USSE	**20**	38	(47)%	**57**	70	(19)%
Tubular	**(66)**	47	NM	**(65)**	71	NM
Total (loss) earnings from reportable segments	**(110)**	115	NM	**(139)**	256	NM
Other Businesses	**6**	17	(65)%	**14**	30	(53)%
Segment EBIT	**(104)**	132	NM	**(125)**	286	NM
Items not allocated to segments:						
Postretirement benefit expense	**(14)**	(32)	(56)%	**(27)**	(64)	(58)%
Other items not allocated to segments:						
Loss on write-down of retained interest in USSC	**(255)**	—	100 %	**(255)**	—	100 %
Restructuring and other charges	**(19)**	—	100 %	**(19)**	—	100 %
Loss on shutdown of coke production facilities	**—**	—	100 %	**(153)**	—	100 %
Litigation reserves	**—**	(70)	100 %	**—**	(70)	100 %
Loss on assets held for sale	**—**	(14)	100 %	**—**	(14)	100 %
Curtailment gain	**—**	19	100 %	**—**	19	100 %
Total EBIT	**$ (392)**	$ 35	NM	**$ (579)**	$ 157	NM

Segment results for Flat-Rolled

	Three Months Ended June 30, 2015	2014	% Change	Six Months Ended June 30, 2015	2014	% Change
Earnings before interest and taxes ($ millions)	**$ (64)**	$ 30	NM	**$ (131)**	$ 115	NM
Gross margin	**3%**	4%	(1)%	**4%**	7%	(3)%
Raw steel production (mnt)	**2,808**	4,132	(32)%	**5,676**	8,623	(34)%
Capability utilization	**58%**	75%	(17)%	**59%**	79%	(20)%
Steel shipments (mnt)	**2,712**	3,527	(23)%	**5,329**	7,201	(26)%
Average realized steel price per ton [(a)]	**$ 695**	$ 774	(10)%	**$ 731**	$ 767	(5)%

[(a)] Average realized steel price per ton excluding USSC was $788 and $781 for the three and six months ended June 30, 2014, respectively.

The decrease in Flat-Rolled results for the three months ended June 30, 2015 compared to the same period in 2014 resulted from lower average realized prices excluding USSC (approximately $250 million) as a result of high import activity which has served to drastically depress both spot and contract prices, lower steel substrate sales to our Tubular segment (approximately $40 million), lower shipment volumes (approximately $30 million), and lower income from our joint ventures (approximately $10 million). These changes were partially offset by lower repairs and maintenance and other operating costs (approximately $160 million), lower raw materials costs (approximately $45 million), lower costs for profit-based payments (approximately $20 million), and lower energy costs (approximately $10 million).

The decrease in Flat-Rolled results for the six months ended June 30, 2015 compared to the same period in 2014 resulted from lower average realized prices excluding USSC (approximately $335 million) as a result of high import activity which has served to drastically depress both spot and contact prices, lower shipment volumes (approximately $80 million), lower steel substrate sales to our Tubular segment (approximately $80 million), and lower income from our joint ventures (approximately $15 million). These changes were partially offset by lower raw materials costs (approximately $155 million), lower energy costs (approximately $55 million), lower costs for profit-based payments (approximately $35 million), and lower repairs and maintenance and other operating costs (approximately $20 million).

Segment results for USSE

	Three Months Ended June 30,		%	Six Months Ended June 30,		
	2015	**2014**	**Change**	**2015**	**2014**	**% Change**
Earnings before interest and taxes ($ millions)	**$ 20**	$ 38	(47)%	**$ 57**	$ 70	(19)%
Gross margin	**9%**	11%	(2)%	**10%**	10%	— %
Raw steel production (mnt)	**1,200**	1,223	(2)%	**2,483**	2,364	5 %
Capability utilization	**96%**	98%	(2)%	**100%**	95%	5 %
Steel shipments (mnt)	**1,091**	1,053	4 %	**2,355**	2,084	13 %
Average realized steel price per ton ($)	**$ 533**	$ 691	(23)%	**$ 532**	$ 700	(24)%
Average realized steel price per ton (€)	**€ 483**	€ 504	(4)%	**€ 476**	€ 511	(7)%

The decrease in USSE results for the three months ended June 30, 2015 compared to the same period in 2014 was primarily due to the strengthening of the U.S. dollar versus the euro in the three months ended June 30, 2015 as compared to the same period in 2014 (approximately $50 million), lower average realized euro-based prices (approximately $35 million), and higher repairs and maintenance and other operating costs (approximately $20 million). These changes were partially offset by lower raw materials costs (approximately $85 million).

The decrease in USSE results for the six months ended June 30, 2015 compared to the same period in 2014 was primarily due to lower average realized euro-based prices (approximately $115 million), the strengthening of the U.S. dollar versus the euro in the six months ended June 30, 2015 as compared to the same period in 2014 (approximately $80 million), the absence of the favorable effects of a sale and swap of a portion of our emission credits during the first quarter of 2014 (approximately $15 million) and higher repairs and maintenance and other operating costs (approximately $10 million). These changes were partially offset by lower raw materials costs (approximately $185 million) and higher shipment volumes (approximately $20 million).

Segment results for Tubular

	Three Months Ended June 30,		%	Six Months Ended June 30,		
	2015	**2014**	**Change**	**2015**	**2014**	**% Change**
Earnings before interest and taxes ($ millions)	**$ (66)**	$ 47	NM	**$ (65)**	$ 71	NM
Gross margin	**(20)%**	12%	NM	**(1)%**	10%	NM
Steel shipments (mnt)	**92**	449	(80)%	**312**	868	(64)%
Average realized steel price per ton	**$ 1,651**	$ 1,479	12 %	**$ 1,641**	$ 1,479	11 %

The decrease in Tubular results for the three months ended June 30, 2015 as compared to the same period in 2014 was primarily due to decreased shipment volumes (approximately $70 million) and increased operating costs primarily due to reduced production levels (approximately $40 million).

The decrease in Tubular results for the six months ended June 30, 2015 as compared to the same period in 2014 was primarily due to decreased shipment volumes (approximately $110 million) and increased repairs and maintenance and other operating costs, primarily due to reduced production levels (approximately $75 million), partially offset by

an increase in average realized prices (approximately $35 million) and lower raw materials costs (approximately $10 million).

Gross margins for the three and six months ended June 30, 2015 as compared to the same period in 2014 decreased as a result of a decrease in steel shipments and related production cost inefficiencies.

Results for Other Businesses
Other Businesses had earnings of $6 million and $14 million in the three and six months ended June 30, 2015, compared to earnings of $17 million and $30 million in the three and six months ended June 30, 2014.

Items not allocated to segments
The decrease in **postretirement benefit expense** in the three and six months ended June 30, 2015 as compared to the same period in 2014 resulted from lower pension and retiree medical expenses as a result of the natural maturation of our pension plans and the deconsolidation of USSC, partially offset by a lower discount rate and expected return on asset assumption.

We recorded a $255 million **loss on write-down of our retained interest in USSC** in the three and six months ended June 30, 2015 as a result of a change in our assessment of the recoverability of the Company's retained interest in USSC.

We recorded a net $19 million in **restructuring and other charges** in the six months ended June 30, 2015 as a result of further actions to adjust our operational footprint.

We recorded a $153 million **loss on shutdown of coke production facilities** in the six months ended June 30, 2015 as a result of the permanent closure of our Gary Works and Granite City Works coke facilities.

We recorded a loss of $70 million in the six months ended June 30, 2014 related to **litigation reserves** for the Company's ongoing litigation matters.

We recorded a $14 million **loss on assets held for sale** in the six months ended June 30, 2014 related to the write-down of non-strategic Corporate assets.

We recorded a $19 million **curtailment gain** in pension and other benefit plans associated with the elimination of non-union retiree medical coverage after 2017.

Net interest and other financial costs

	Three Months Ended June 30,		%	Six Months Ended June 30,		%
(Dollars in millions)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
Interest expense	**$ 53**	$ 60	(12)%	**$ 104**	$ 121	(14)%
Interest income	**—**	(1)	(100)%	**—**	(2)	(100)%
Other financial costs	**2**	5	(60)%	**13**	14	(7)%
Total net interest and other financial costs	**$ 55**	$ 64	(14)%	**$ 117**	$ 133	(12)%

The decrease in net interest and other financial costs for the three and six months ended June 30, 2015 as compared to the same periods last year is primarily related to the deconsolidation of the Province Note and the redemption of the 4.00% Senior Convertible Notes due May 15, 2014.

The **income tax benefit** was $186 million and $360 million in the three and six months ended June 30, 2015 compared to a benefit of $11 million and $10 million in the three and six months ended June 30, 2014. The tax provision reflects a benefit for percentage depletion in excess of cost depletion for iron ore that we produce and consume or sell. The tax provision does not reflect any tax benefit for pretax losses in Canada, prior to the deconsolidation on September 16, 2014, which is a jurisdiction where we had recorded a full valuation allowance on deferred tax assets. Included in the tax provision in the first six months of 2015 is a net tax benefit of $31 million relating to the adjustment of certain tax reserves.

The net domestic deferred tax asset was $701 million at June 30, 2015 compared to $318 million at December 31, 2014. The increase is primarily a result of current year net operating loss generation, currency translation adjustments, and the change in our assessment of the recoverability of the Company's retained interest in USSC. A substantial

amount of U. S. Steel's domestic deferred tax assets relates to employee benefits that will become deductible for tax purposes over an extended period of time as cash contributions are made to employee benefit plans and retiree benefits are paid in the future. We continue to believe it is more likely than not that the net domestic deferred tax asset will be realized.

At June 30, 2015, the net foreign deferred tax asset was $1 million, net of an established valuation allowance of $5 million. At December 31, 2014, the net foreign deferred tax asset was $29 million, net of an established valuation allowance of $5 million. The net foreign deferred tax asset will fluctuate as the value of the U.S. dollar changes with respect to the euro.

For further information on income taxes see Note 9 to the Consolidated Financial Statements.

Net loss attributable to United States Steel Corporation was $261 million and $336 million in the three and six months ended June 30, 2015, compared to net (loss) earnings of $(18) million and $34 million in the three and six months ended June 30, 2014. The changes primarily reflect the factors discussed above.

BALANCE SHEET

Accounts receivable decreased by $445 million from year-end 2014. Sales in the latter part of a quarter typically represent the majority of the receivables as of the end of the quarter. The decrease in receivables primarily reflected decreased average realized prices and lower shipment volumes.

Inventories decreased by $166 million from year-end 2014 as a result of reduced production levels.

Property, plant and equipment, net, decreased by $143 million from year-end 2014 primarily due to fixed asset impairment charges related to the shutdown of coke facilities at Gary Works and Granite City Works.

Long-term receivables from related parties decreased by $254 million from year-end 2014 primarily as a result of a change in our assessment of the recoverability of the Company's retained interest in USSC.

Total deferred income tax benefits increased by $70 million from year-end 2014 primarily as a result of a change in our assessment of the recoverability of the Company's retained interest in USSC.

Accounts payable and other accrued liabilities decreased by $190 million from year-end 2014 primarily as a result of decreased production levels in the second quarter of 2015 as compared to the fourth quarter of 2014.

Payroll and benefits payable decreased by $124 million from year-end 2014 primarily as a result of profit-based incentive payments related to 2014 financial performance that were paid in March of 2015, partially offset by the absence of profit-based liabilities as of June 30, 2015.

Employee benefits decreased by $165 million from year-end 2014 primarily due to benefit payments made in excess of the net periodic benefit expense recognized in the first six months of 2015.

Deferred income tax liabilities decreased by $285 million from year-end 2014 primarily due to a decrease in forecasted net operating losses that were expected to be utilized in 2015 and foreign currency translation adjustments.

CASH FLOW

Net cash provided by operating activities was $215 million for the six months ended June 30, 2015 compared to $1,353 million in the same period last year. The decrease is primarily due to lower financial results and changes in working capital period over period.

Changes in working capital can vary significantly depending on factors such as the amount and timing of inventory production and purchases, which is affected by the length of our business cycles as well as our captive raw materials position, customer payments of accounts receivable and payments to vendors in the regular course of business.

Our key working capital components include accounts receivable and inventory. The accounts receivable and inventory turnover ratios for the three months and twelve months ended June 30, 2015 and 2014 are as follows:

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2015	2014	2015	2014
Accounts Receivable Turnover	**1.8**	2.1	**8.3**	8.2
Inventory Turnover	**1.2**	1.7	**5.6**	6.9

Capital expenditures for the six months ended June 30, 2015, were $276 million, compared with $186 million in the same period in 2014. Flat-Rolled capital expenditures were $188 million and included spending for the ongoing implementation of an enterprise resource planning (ERP) system, the Granite City Works Steel Shop Tap and Charging Emission Control System, a blast furnace reline at Mon Valley Works, blast furnace maintenance at Granite City Works and various other infrastructure, environmental and strategic projects. Tubular capital expenditures of $40 million related to the new EAF and coupling facilities as well as various other infrastructure and strategic capital projects. USSE capital expenditures of $45 million consisted of spending for infrastructure and environmental projects.

U. S. Steel's contractual commitments to acquire property, plant and equipment at June 30, 2015, totaled $365 million.

Capital expenditures for 2015 are expected to total approximately $500 million and remain focused largely on strategic, infrastructure and environmental projects.

We are continuing our efforts to implement an ERP system to replace our existing information technology systems, which will enable us to operate more efficiently. The completion of the ERP project is expected to provide further opportunities to streamline, standardize and centralize business processes in order to maximize cost effectiveness, efficiency and control across our global operations. We implemented our ERP system at Mon Valley Works in 2012, Gary Works in 2013 and Granite City Works and Great Lakes Works in 2014. We plan to implement our ERP system at certain tubular locations in 2015. We are also currently developing projects within our Flat-Rolled, USSE and Tubular segments, such as facility enhancements, advanced high strength steels and additional premium connections that will further improve our ability to support our customers' evolving needs and increase our value added product capabilities.

With reduced pricing for iron-ore, management is considering its options with respect to the Company's iron-ore position in the United States. The Company is also exploring opportunities related to the availability of reasonably priced natural gas as an alternative to coke in the iron reduction process to improve our cost competitiveness, while reducing our dependence on coal and coke. We are examining alternative iron and steelmaking technologies such as gas-based, direct-reduced iron (DRI) and electric arc furnace (EAF) steelmaking. We have received the necessary authorizations from the Jefferson County Department of Health and the Alabama Department of Environmental Management. Construction of the EAF began in the second quarter of 2015, with construction expected to be complete in the third quarter of 2016.

Acquisitions in the first six months of 2015 reflects the purchase of the 50 percent joint venture interest in Double Eagle Steel Coating Company not already owned by U. S. Steel.

Disposal of assets in the first six months of 2014 primarily reflects cash proceeds from transactions to sell and swap a portion of the emissions allowances at USSK.

Repayment of long-term debt in the first six months of 2015 primarily reflects the repayment of certain environmental revenue bonds. Repayment of long-term debt in the first six months of 2014 reflects the redemption of the remaining $322 million principal amount of our 2014 Senior Convertible Notes. The aggregate price, including accrued and unpaid interest, for the 2014 Senior Convertible Notes redeemed was approximately $327 million and the redemptions were paid with cash.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes U. S. Steel's liquidity as of June 30, 2015:

(Dollars in millions)		
Cash and cash equivalents	$	1,210
Amount available under $875 Million Credit Facility		875
Amount available under Receivables Purchase Agreement		317
Amount available under USSK credit facilities		256
Total estimated liquidity	$	2,658

As of June 30, 2015, $482 million of the total cash and cash equivalents was held by our foreign subsidiaries. Substantially all of the liquidity attributable to our foreign subsidiaries can be accessed without the imposition of income taxes as a result of the election effective December 31, 2013 to liquidate for U.S. income tax purposes a foreign subsidiary that holds most of our international operations.

As of June 30, 2015, there were no amounts drawn under our $875 million credit facility agreement (Amended Credit Agreement) and inventory values calculated in accordance with the Amended Credit Agreement supported the full $875 million of the facility. Under the Amended Credit Agreement, U. S. Steel must maintain a fixed charge coverage ratio (as further defined in the Amended Credit Agreement) of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Amended Credit Agreement is less than the greater of 10 percent of the total aggregate commitments and $87.5 million. Since availability was greater than $87.5 million, compliance with the fixed charge coverage ratio covenant was not applicable. The Amended Credit Agreement expires in July 2016.

As of June 30, 2015, U. S. Steel has a Receivables Purchase Agreement (RPA) that provides liquidity and letters of credit depending upon the number of eligible domestic receivables generated by U. S. Steel. Domestic trade accounts receivables are sold, on a daily basis, without recourse, to U. S. Steel Receivables, LLC (USSR), a consolidated wholly owned special purpose entity. As U. S. Steel accesses this facility, USSR sells senior undivided interests in the receivables to third parties, while maintaining a subordinated undivided interest in a portion of the receivables. U. S. Steel has agreed to continue servicing the sold receivables at market rates.

The RPA may be terminated on the occurrence and failure to cure certain events, including, among others, failure by U. S. Steel to make payments under our material debt obligations and any failure to maintain certain ratios related to the collectability of the receivables. The maximum amount of receivables eligible for sale is $625 million and the facility expires in July 2016. At June 30, 2015, eligible accounts receivable supported $367 million of availability under the RPA, and there were no receivables sold to third-parties under this facility. The subordinated retained interest at June 30, 2015 was $367 million with availability of $317 million due to approximately $50 million of letters of credit outstanding.

On July 27, 2015, the Company entered into a five-year Third Amended and Restated Credit Agreement (Third Amended and Restated Credit Agreement) replacing the Company's Amended Credit Agreement, and concurrently terminated the RPA. The Third Amended and Restated Credit Agreement increases the amount of the facility to $1.5 billion. Maturity may be accelerated 91 days prior to the stated maturity of any outstanding senior debt if excess cash and credit facility availability do not meet the liquidity conditions set forth in the Third Amended and Restated Credit Agreement. Borrowings are secured by liens on all domestic inventory, trade accounts receivable, and other related assets. Similar to the Amended Credit Agreement, U. S. Steel must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 when availability under the Third Amended and Restated Credit Agreement is less than the greater of 10 percent of the total aggregate commitments and $150 million.

The Third Amended and Restated Credit Agreement establishes a borrowing base formula, which limits the amounts U. S. Steel can borrow to a percent of the value of certain domestic inventory and trade receivables less specified reserves. The Third Amended and Restated Credit Agreement provides for borrowings at interest rates based on defined, short-term, market rates plus a spread based on availability and includes other customary terms and conditions including restrictions on our ability to create certain liens and to consolidate, merge or transfer all, or substantially all, of our assets. If this facility had been in place and the RPA was terminated at June 30, 2015, U. S. Steel's liquidity would have been higher by approximately $300 million due to the terms of the new facility.

At June 30, 2015, USSK had no borrowings under its €200 million (approximately $224 million) unsecured revolving credit facility (the USSK Credit Agreement). The USSK Credit Agreement contains certain USSK financial covenants (as further defined in the USSK Credit Agreement) as well as other customary terms and conditions. At June 30, 2015, USSK had full availability under the USSK Credit Agreement. The USSK Credit Agreement expires in July 2016.

USSK also has a €20 million unsecured revolving credit facility that expires in December 2015 and a €10 million unsecured credit facility that expires in December 2016. At June 30, 2015, USSK had no borrowings under its €20 million and €10 million unsecured credit facilities (collectively approximately $33 million) and the availability was approximately $32 million due to approximately $1 million of outstanding customs and other guarantees.

In conjunction with the filing for CCAA protection, on September 16, 2014, U. S. Steel Holdings, Inc. (a subsidiary of United States Steel Corporation) entered into a Debtor-in-Possession (DIP) credit facility with USSC, that was approved by the Ontario Superior Court of Justice on October 8, 2014, and provides for borrowings under the facility of a maximum commitment of C$185 million (approximately $148 million). At June 30, 2015, there were no amounts drawn under the DIP facility.

On July 16, 2015, USSC secured a new lender to provide DIP financing. On July 24, 2015, the Ontario Superior Court of Justice approved the new facility, pursuant to which, Brookfield Capital Partners, Ltd. will provide up to CAD$150 million to USSC. Following the satisfaction of certain conditions, the existing DIP facility between U. S. Steel Holdings, Inc. (a subsidiary of United States Steel Corporation) and USSC will be terminated.

We may from time to time seek to retire or purchase our outstanding long-term debt in open market purchases, privately negotiated transactions, exchange transactions or otherwise. Such purchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors and may be commenced or suspended at any time. The amounts involved may be material.

We use surety bonds, trusts and letters of credit to provide financial assurance for certain transactions and business activities. The use of some forms of financial assurance and cash collateral have a negative impact on liquidity. U. S. Steel has committed $162 million of liquidity sources for financial assurance purposes as of June 30, 2015. Increases in these commitments which use collateral are reflected in restricted cash on the consolidated statement of cash flows.

If there is a change in control of U. S. Steel, the following may occur: (a) debt obligations totaling $2,891 million as of June 30, 2015 (including the Senior Notes and Senior Convertible Notes) may be declared immediately due and payable; (b) the Amended Credit Agreement, the RPA and the USSK Credit Agreement may be terminated and any amounts outstanding declared immediately due and payable; and (c) U. S. Steel may be required to either repurchase the leased Fairfield slab caster for $34 million or provide a cash collateralized letter of credit to secure the remaining obligation.

The maximum guarantees of the indebtedness of unconsolidated entities of U. S. Steel totaled $4 million at June 30, 2015. If any default related to the guaranteed indebtedness occurs, U. S. Steel has access to its interest in the assets of the investees to reduce its potential losses under the guarantees.

Our major cash requirements in 2015 are expected to be for capital expenditures, employee benefits, and operating costs, including purchases of raw materials. We finished the second quarter of 2015 with $1.2 billion of cash and cash equivalents and $2.7 billion of total liquidity. Available cash is left on deposit with financial institutions or invested in highly liquid securities with parties we believe to be creditworthy.

U. S. Steel management believes that U. S. Steel's liquidity will be adequate to satisfy our obligations for the foreseeable future, including obligations to complete currently authorized capital spending programs. Future requirements for U. S. Steel's business needs, including the funding of acquisitions and capital expenditures, scheduled debt maturities, contributions to employee benefit plans, and any amounts that may ultimately be paid in connection with contingencies, are expected to be financed by a combination of internally generated funds (including asset sales), proceeds from the sale of stock, borrowings, refinancings and other external financing sources.

Focus on Technology and Innovation

U. S. Steel has increased its investments in technology and innovation focused on new products, new processes, and process optimization. We have also increased our capabilities in people and equipment, namely at our Research and Technology Center in Munhall, Pennsylvania, and at our Automotive Technical Center in Troy, Michigan. A primary focus is developing customer solutions. We have made progress developing advanced high strength steels for

automotive applications up to and including Generation 3 steels that possess unique properties in terms of strength, formability and toughness for light weighting and crash worthiness. We are working closely with customers on specific applications for their use using advanced analytic techniques for geometry, grade and gauge redesign. We have also made advancements in our strategy to develop a full suite of premium connections with the addition of a very advanced (CAL IV) threaded and coupled premium connection with metal to metal seal named USS- Liberty TC. This work is benefiting from our investment in a new full scale tubular connection test frame located at Offshore Operations in Houston, Texas.

Environmental Matters, Litigation and Contingencies

U. S. Steel has incurred and will continue to incur substantial capital, operating, and maintenance and remediation expenditures as a result of environmental laws and regulations, related to release of hazardous materials, which in recent years have been mainly for process changes to meet Clean Air Act (CAA) obligations and similar obligations in Europe. Future compliance with carbon dioxide (CO_2) emission requirements may include substantial costs for emission allowances, restriction of production and higher prices for coking coal, natural gas and electricity generated by carbon based systems. Because we cannot predict what requirements ultimately will be imposed in the U.S. and Europe, it is difficult to estimate the likely impact on U. S. Steel, but it could be substantial. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of U. S. Steel's products and services, operating results will be reduced. U. S. Steel believes that our major North American and many European integrated steel competitors are confronted with substantially similar conditions and thus does not believe that its relative position with regard to such competitors will be materially affected by the impact of environmental laws and regulations. However, if the final requirements do not recognize the fact that the integrated steel process involves a series of chemical reactions involving carbon that create CO_2 emissions, our competitive position relative to mini-mills will be adversely impacted. Our competitive position compared to producers in developing nations such as China, Russia, Ukraine and India, will be harmed unless such nations require commensurate reductions in CO_2 emissions. Competing materials such as plastics may not be similarly impacted. The specific impact on each competitor will vary depending on a number of factors, including the age and location of its operating facilities and its production methods. U. S. Steel is also responsible for remediation costs related to former and present operating locations and disposal of environmentally sensitive materials. Many of our competitors, including North American producers, or their successors, that have been the subject of bankruptcy relief have no or substantially lower liabilities for such environmental remediation matters.

Some of U. S. Steel’s facilities were in operation before 1900. Although management believes that U. S. Steel’s environmental practices have either led the industry or at least been consistent with prevailing industry practices, hazardous materials may have been released at current or former operating sites or delivered to sites operated by third parties. This means U. S. Steel is responsible for remediation costs associated with the release and/or disposal of such materials and many of our competitors do not have similar historical liabilities.

Our U.S. facilities are subject to environmental laws applicable in the U.S., including the CAA, the Clean Water Act (CWA), the Resource Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as well as state and local laws and regulations.

USSK is subject to the environmental laws of Slovakia and the European Union (EU). An EU law commonly known as Registration, Evaluation, Authorization and Restriction of Chemicals, Regulation 1907/2006 (REACH) requires the registration of certain substances produced in or imported into the EU, and applying for authorization to continue use where replacement of certain substances is not possible or feasible. In some cases replacements for substances currently used in our operations will have to be implemented. We are also beginning the process of seeking authorization for continued use of these substances until viable alternatives can be proved and implemented. March 21, 2016, is the deadline for filing an Application for Authorization to be permitted to continue using hexavalent chromium substances until suitable alternatives can be identified. The authorization will be for four years, after which time replacement substances must be employed. Efforts are ongoing to identify, test and prove the feasibility of replacement substances. Although USSK is currently compliant with REACH, efforts to remain compliant will require capital investment and increased operational costs. We cannot reliably estimate the potential cost of complying with these measures at this time. For further discussion of laws applicable in Slovakia and the EU and their impact on USSK, see Note 21 to the Consolidated Financial Statements, "Contingencies and Commitments – Environmental Matters – EU Environmental Requirements."

A Memorandum of Understanding (MOU) was signed in March of 2013 between U. S. Steel and the government of Slovakia. The MOU outlines areas in which the government and U. S. Steel will work together to help create a more competitive environment and conditions for USSK. Incentives the government of Slovakia agreed to provide include potential participation in a renewable energy program that provides the opportunity to reduce electricity costs, as well

as the potential for government grants and other support concerning investments in environmental control technology that may be required under the recently adopted EU requirements to implement best available technique (BAT) to reduce environmental impacts. Although there are many conditions and uncertainties regarding the grants, including matters controlled by the EU, the value of these incentives as stated in the MOU could be as much as €75 million. U. S. Steel also agreed to pay the government of Slovakia specified declining amounts should U. S. Steel sell USSK within five years of the date of the MOU. We continue to work closely with the government of Slovakia to monitor the progress of the respective commitments and to achieve the incentives described in the MOU.

New and Emerging Environmental Regulations

The current and potential regulation of greenhouse gas (GHG) emissions remains a significant issue for the steel industry, particularly for integrated steel producers such as U. S. Steel, but also increasingly for electric arc furnace (EAF) producers due to regulatory actions impacting the power generation sector. The EPA has classified GHGs, such as CO_2, as harmful gases. Under this premise, it has implemented a GHG emission monitoring and reporting requirement for all facilities emitting 25,000 metric tons or more per year of CO_2, as well as equivalent CO_2 quantities of methane and nitrous oxide.

On January 8, 2014, the EPA re-proposed its New Source Performance Standards (NSPS) for GHG emissions from new electric generating units (EGUs). The re-proposed NSPS impose separate intensity-based GHG limits for new coal fired and new natural gas fired power EGUs. Although the re-proposed NSPS would affect only new EGUs, the potential impacts of the rule's issuance extend beyond new sources, because the EPA has taken the position that it is obligated under Section 111(d) of the CAA to promulgate guidelines for existing sources within a category when it promulgates GHG standards for new sources. Accordingly, in June 2014, the EPA proposed guidance for regulating GHGs from existing fossil fueled EGUs that imposes a two-part goal structure for existing power generation in each state. The structure is composed of an interim goal for states to meet on average over the ten-year period from 2020-2029, and a final goal that a state must meet at the end of that period in 2030 and thereafter. The final goal is to achieve a 30 percent reduction of GHG emissions by 2030 from 2005 levels. States are said to be given flexibility in terms of how to achieve their goal and what measures to implement, but must submit plans no later than June 30, 2016. The impact these rules will have on the supply and cost of electricity to industrial consumers, especially the energy intensive industries, is being evaluated. We believe there will be increased operating costs, such as increased energy and maintenance costs, but we are currently unable to reliably estimate them.

The EU has established GHG regulations for the EU member states. International negotiations to supplement and eventually replace the 1997 Kyoto Protocol are ongoing. The next round of negotiations will take place in 2015. In October 2014, the European Council approved 2030 goals in the areas of GHG reduction, energy efficiency and the use of renewable resources. Those targets are expected to transfer into legislation by 2020. Until the full details of the program are made known through specific enacting legislation, we cannot reasonably forecast the costs and benefits which might result from the program.

The European Commission (EC) has created an Emissions Trading System (ETS) and, since 2013, the ETS has been employing centralized allocation rather than national allocation plans, which are more stringent than the previous requirements. The ETS also includes a cap designed to achieve an overall reduction of GHGs for the ETS sectors of 21 percent in 2020 compared to 2005 emissions, and auctioning as the basic principle for allocating emissions allowances.

U. S. Steel entered into transactions to sell and swap a portion of our emissions allowances and recognized a gain of $17 million during the six months ended June 30, 2014. There were no such similar transactions for the six months ended June 30, 2015.

For further discussion of the ETS and related EU legislation, see Note 21 to the Consolidated Financial Statements, "Contingencies and Commitments – Environmental Matters – CO_2 Emissions."

In September 2011, the EPA sent domestic integrated steel facilities, including U. S. Steel, an Information Collection Request for future rulemaking activities pursuant to the Clean Air Act (CAA). U. S. Steel responded to the request, and the EPA, as part of a voluntary remand that was granted by the D. C. Court of Appeals, is currently performing a review of the existing Iron and Steel Maximum Achievable Control Technology (MACT) regulations. U. S. Steel and other integrated steel companies are in communication with the EPA on the review. Additionally, the EPA is required, pursuant to the Clean Air Act, to conduct a risk and technology review of the Coke Pushing, Quenching, and Battery Stack MACT. U. S. Steel is anticipating a forthcoming Information Collection Request from EPA. At this time, the operational and financial impact of the Iron and Steel MACT or Coke MACT review cannot be quantified.

In June 2010, the EPA set a new National Ambient Air Quality Standard (NAAQS) for sulfur dioxide (SO_2). Subsequently, the Great Lakes Works and Mon Valley Works facilities were deemed to be located in non-attainment areas for the SO_2 NAAQS. The non-attainment designation will require the facilities to implement operational and/or capital requirements to demonstrate attainment with the 2010 standard. The EPA will determine SO_2 NAAQS attainment designations for the remainder of U. S. Steel facilities at a future date. At this time, the operational and financial impact of the SO_2 NAAQS cannot be reasonably quantified.

Environmental Remediation

Claims under CERCLA and related state laws have been raised with respect to the cleanup of various waste disposal and other sites. Under CERCLA, potentially responsible parties (PRPs) for a site include current owners and operators, past owners and operators at the time of disposal, persons who arranged for disposal of a hazardous substance at a site, and persons who transported a hazardous substance to a site. CERCLA imposes strict and joint and several liabilities. Because of various factors, including the ambiguity of the regulations, the difficulty of identifying the responsible parties for any particular site, the complexity of determining the relative liability among them, the uncertainty as to the most desirable remediation techniques, and the amount of damages and cleanup costs and the time period during which such costs may be incurred, we are unable to reasonably estimate U. S. Steel's ultimate liabilities under CERCLA and analogous state laws.

At June 30, 2015, U. S. Steel had been identified as a PRP at a total of nine CERCLA sites where liability is not resolved. Based on currently available information, which is in many cases preliminary and incomplete, management believes that U. S. Steel's liability for CERCLA cleanup and remediation costs will be between $100,000 and $1 million for seven sites, between $1 million and $5 million for one site and over $5 million for one site.

In addition to the foregoing matters, there are six sites related to U. S. Steel where information requests have been received or there are other indications that U. S. Steel may be identified as a PRP under CERCLA, but where sufficient information is not presently available to confirm the existence of liability or to make any judgment as to the amount thereof.

For further discussion of relevant environmental matters, see "Part II. Other information – Item 1. Legal Proceedings – Environmental Proceedings."

During the first six months of 2015, U. S. Steel recorded a net decrease of $6 million to our accrual balance for environmental matters for U.S. and international facilities. The total accrual for such liabilities at June 30, 2015 was $206 million. These amounts exclude liabilities related to asset retirement obligations, disclosed in Note 15 to the Consolidated Financial Statements.

U. S. Steel is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the consolidated financial statements. However, management believes that U. S. Steel will remain a viable and competitive enterprise even though it is possible that these contingencies could be resolved unfavorably to U. S. Steel.

OFF-BALANCE SHEET ARRANGEMENTS

U. S. Steel did not enter into any new material off-balance sheet arrangements during the second quarter of 2015.

OUTLOOK

We currently expect commercial conditions to improve in the second half of 2015 from the conditions we experienced in the first half, as supply chain inventories continue to rebalance, primarily in our flat-rolled markets. Based on increasing benefits from our Carnegie Way transformation and our aggressive efforts to reduce operating costs to align them with our utilization levels, we currently expect to be within our full-year adjusted EBIT of $115 million to $315 million, or full-year adjusted earnings before interest, income taxes, depreciation and amortization (EBITDA) of $700 million to $900 million, guidance range for 2015. While we continue to find additional short term cost reductions and generate additional Carnegie Way benefits, if the current pace of commercial improvement in our markets does not increase, we would expect to be near the low end of the range. Consistent with our Carnegie Way transformation process, we are focused on converting as much of the short term cost reductions as possible into permanent improvements in our cost structure.

LABOR AGREEMENT

We are currently negotiating with the United Steelworkers for a new labor agreement covering most of our domestic operations. The current agreement expires on September 1, 2015.

INTERNATIONAL TRADE

U. S. Steel remains active in its efforts to ensure that competitors are not engaging in unfair trade practices. In recent years, a significant number of steel imports have been found to violate U.S., Canadian, and Mexican trade laws. Under these trade laws, antidumping duties (AD) can be imposed against foreign producers of products that are sold in these markets at prices lower than charged in their own markets or, for producers in nonmarket economies, in surrogate markets. Countervailing duties (CVD) can be imposed against products that have benefited from foreign government subsidies for the production, manufacture, and export of the product.

As in the past, U. S. Steel continues to monitor unfairly traded imports and is prepared to seek appropriate remedies against such importing countries. For example, Corrosion Resistant Steel (CORE) imports from the subject countries of China, South Korea, Taiwan, India and Italy rose nearly 85% from 1.48 million net tons (NT) in 2013 to almost 2.75 million NT last year, and over 33% from 588,000 NT in the first quarter of 2014 to 786,000 NT in the first quarter of this year. The market share held by these imports surged from 7.7 percent in 2012 to 15.3 percent in the first quarter of 2015.

In an effort to stem the increased flow of unfairly traded CORE products into the U.S. market, on June 3, 2015, U. S. Steel, along with other steel producers, filed petitions with the Department of Commerce (DOC) and the International Trade Commission (ITC) alleging that unfairly traded imports of CORE from the subject countries are causing material injury to the domestic industry and that significant subsidies have been provided to producers by the governments of those countries. The petitions also allege the foreign producers benefit from numerous countervailable subsidies. U. S. Steel contends there is evidence which supports the claim that producers in the subject countries are flooding the U.S. market with dumped imports of CORE at less than the cost to produce the material and, as a result, are injuring and will continue to injure the domestic producers. Further, the petitioners claim that producers of the subject countries received substantial government subsidies in the form of export loans, preferential income tax treatment, land at less than adequate value, and grants to assist in the development of export markets, all of which violate U.S. and international trade laws. The petitions identify 48 different subsidy programs in China, 88 subsidy programs in India, 12 subsidy programs in Italy, 43 subsidy programs in South Korea and 22 subsidy programs in Taiwan.

On July 16, 2015, the ITC determined that there is a reasonable indication the U.S. industry is threatened with material injury by reason of imports of certain CORE products from the subject countries that are allegedly subsidized and sold in the U. S. at less than the cost to produce the material. All six ITC Commissioners voted in the affirmative. As a result of the ITC's affirmative determinations, the DOC will continue to conduct its investigations on imports of CORE products from the subject countries, with preliminary CVD determinations due on or about August 27, 2015, and preliminary AD duty determinations due on or about November 10, 2015.

On July 28, 2015, U. S. Steel, joined by other major U.S. steel companies filed petitions charging that unfairly-traded imports of certain cold-rolled steel flat products from Brazil, China, India, Japan, South Korea, Netherlands, Russia and the United Kingdom are causing material injury to the domestic industry. The petitions allege that producers in each of the eight countries are dumping cold-rolled steel in the U.S. market at substantial margins and that the foreign producers in Brazil, China, India, South Korea, and Russia benefit from numerous countervailable subsidies provided by their governments. U. S. Steel filed this action in response to large and increasing volumes of low-priced imports of cold-rolled steel from the subject countries since 2012 that have injured U.S. producers.

In a separate matter, on March 17, 2015, the DOC announced its affirmative preliminary determination in the CVD investigation of imports of welded line pipe from the Republic of Turkey (Turkey) and its negative preliminary determination in the CVD investigation of imports of welded line pipe from the Republic of South Korea (South Korea). In the South Korean investigation, the DOC preliminarily determined that mandatory respondents NEXTEEL Co. Ltd. and SeAH Steel Corporation received subsidy rates of 47 percent and 52 percent, respectively. These rates are considered de minimis under U.S. law, resulting in a negative preliminary determination that applies to the country as a whole. In the Turkey investigation, the DOC preliminarily determined that mandatory respondents Borusan Mannesmann Boru Sanayi ve Ticaret A.S. and Tosyali Dis Ticaret A.S. (Borusan) received subsidy rates of 8.85 percent

and 3.76 percent, respectively. All other producers/exporters in Turkey have been assigned a preliminary subsidy rate of 4.36 percent. This case is now in the final investigative stage, during which U. S. Steel will submit its response.

In addition to the recent case filings, U. S. Steel is actively defending appeals. On June 24, 2015, the U. S. Court of Appeals for the Federal Circuit (CAFC) sustained the DOC's determination that Borusan engaged in targeted dumping. Targeted dumping occurs when comparable merchandise differs significantly among purchasers, regions, or periods of time. In this appeal, Borusan challenged DOC's failure to consider Borusan's alternate explanation for the observed pricing patterns. The CAFC refuted Borusan's claims and affirmed the Court of International Trade's judgment and sustained the DOC's calculation. Accordingly, imports of circular welded carbon steel pipes and tubes manufactured by Borusan Mannesmann Boru Sanayi ve Ticaret A.S. in Turkey will remain subject to 3.55 percent antidumping duties.

Other countries are also initiating trade enforcement measures. On January 28, 2015, the Turkish Ministry of Economy launched an AD probe on imports of hot-rolled steel coils from China, Japan, France, Russia, Ukraine, Romania, and Slovakia, which implicates exports from U. S. Steel Košice (USSK). U. S. Steel strongly believes that imports of hot-rolled steel coils from Slovakia did not injure the domestic hot-rolled steel coil producers in Turkey. USSK responded to the Exporters' Questionnaire from the Turkish Ministry of Economy, which was filed on April 3, 2015. On July 14, outside counsel for USSK testified and presented a vigorous defense against Turkey's dumping allegations. The Turkish authorities are expected to conduct a field audit of USSK's submission in August. Diplomatic engagement continues with the participation of the affected parties.

AD and CVD orders are generally subject to "sunset" reviews every five years and U. S. Steel actively participates in such review proceedings. In January 2015, the five-year sunset review of the AD and CVD orders on oil country tubular goods (OCTG) from China was initiated. On March 6, 2015, the ITC voted to conduct an expedited review, and on April 7, 2015, the DOC made its final determination that revocation of the order would be likely to lead to the continuation or recurrence of dumping and the continuation or recurrence of the use of countervailable subsidies. On April 28, 2015, the ITC commissioners voted six to zero in the affirmative to continue the AD and CVD orders on OCTG from China. As a result, AD rates ranging from 32.1 percent to 172.5 percent, and CVD rates ranging from 20.9 percent to 26.2 percent will continue to be imposed against imports of OCTG from China. The AD and CVD orders will remain in place for an additional five years.

In the 2013 AD and CVD case against OCTG producers from India, South Korea, Taiwan, Turkey, Ukraine, and Vietnam, the DOC issued AD orders against said countries and CVD orders against India and Turkey. The respondents filed appeals with the Court of International Trade (CIT). At present, U. S. Steel is involved in over a dozen separate appeals filed at the CIT from the OCTG determinations.

U. S. Steel is also active in ongoing disputes before the World Trade Organization (WTO). At the end of 2014, South Korea filed a separate action with the WTO challenging the OCTG ruling. While U. S. Steel strongly believes that all of the imports in question were traded unfairly, and that relief is fully justified under United States law, the outcome of the appeals remains uncertain. In addition to this dispute, we are monitoring four additional cases before the WTO.

Competition from imports will continue to influence the market. The cyclical nature of the demand for steel products and the sensitivity of that demand to worldwide general economic conditions, as well as currency fluctuations, influence both the domestic and international steel market. The sovereign debt issues in the EU coupled with a weak demand for steel, the strengthening of the U.S. dollar, and the worldwide overcapacity of steel continue to make the U.S. an attractive market for foreign steel producers. Demand for flat-rolled products is influenced by a wide variety of factors, including but not limited to the supply-demand balance, inventories, imports and exports, currency fluctuations, and the demand from flat-rolled consuming markets. The largest drivers of North American consumption have historically been the automotive and construction markets, which make up at least 50 percent of total sheet consumption. Other sheet consuming industries include appliance, converter, container, tin, energy, electrical equipment, agricultural, domestic and commercial equipment and industrial machinery.

Demand for energy related tubular products depends on several factors, most notably energy prices, which tend to affect the number of oil and natural gas wells being drilled, completed and re-worked, the depth and drilling conditions of these wells and the drilling techniques utilized. The level of these activities depends primarily on the demand for natural gas and oil and expectations about future prices for these commodities. Demand for our tubular products is also affected by the continuing development of shale oil and gas reserves, the level of production by domestic manufacturers, inventories maintained by manufacturers, distributors, and end users and by the level of new capacity and imports in the markets we serve. The possible lifting of the crude oil export ban by the U.S. Congress may also influence demand for tubular products.

U. S. Steel continually assesses the impact of imports from foreign countries on our business, and continues to execute a broad, global strategy to enhance the means and manner in which it competes in the U.S. market and internationally. Across five platforms, U. S. Steel is leveraging its unique experience, knowledge, and reputation to forge alliances and partnerships to advance innovative structural changes to commercial and legal regimes to better position and support the U.S. steel industry in the 21st century and beyond.

Most recently U. S. Steel succeeded in its efforts to strengthen and clarify U.S. trade laws. On June 29, 2015, President Barack Obama signed into law the Trade Preferences Extension Act, which included the steel industry's trade remedy provisions. The Company drafted specific language to address the erosion and misapplication of the AD and CVD injury standard, the heart of which was incorporated into an industry-wide endorsed proposal submitted to the Senate Finance and House Ways and Means Committees for consideration and inclusion into the reauthorization of the Trade Adjustment Assistance program, which was adopted and signed into law with the Trade Promotion Authority. As a result of these efforts, for the first time in several decades, U.S. AD and CVD laws were amended to clarify and strengthen the material injury standard and enhance the ability of the DOC to address misleading information submitted by foreign producers during AD and CVD trade enforcement proceedings.

In an effort to mitigate the negative impact of unfairly traded foreign imports on our business, U. S. Steel has also initiated discussions to change the AD/CVD system through regulatory practices and procedures; commenced substantive work with regional trade partners and organizations; outlined a robust engagement with the Administration to tackle global overcapacity through bilateral negotiations as well as in multilateral fora; and commenced discussions with other industries and stakeholders to launch a public education campaign.

NEW ACCOUNTING STANDARDS

See Note 2 to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There were no material changes in U. S. Steel's exposure to market risk from December 31, 2014.

Item 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

U. S. Steel has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2015. These disclosure controls and procedures are the controls and other procedures that were designed to ensure that information required to be disclosed in reports that are filed with or submitted to the U.S. Securities and Exchange Commission are: (1) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures and (2) recorded, processed, summarized and reported within the time periods specified in applicable law and regulations. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2015, U. S. Steel's disclosure controls and procedures were effective.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have not been any changes in U. S. Steel's internal control over financial reporting that occurred during the fiscal quarter covered by this quarterly report, which have materially affected, or are reasonably likely to materially affect, U. S. Steel's internal control over financial reporting.

UNITED STATES STEEL CORPORATION
SUPPLEMENTAL STATISTICS (Unaudited)

(Dollars in millions)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
SEGMENT EARNINGS (LOSS) BEFORE INTEREST AND INCOME TAXES:				
Flat-Rolled	**$ (64)**	$ 30	**$ (131)**	$ 115
U. S. Steel Europe	**20**	38	**57**	70
Tubular	**(66)**	47	**(65)**	71
Total reportable segments	**(110)**	115	**(139)**	256
Other Businesses	**6**	17	**14**	30
Items not allocated to segments:				
Postretirement benefit expense	**(14)**	(32)	**(27)**	(64)
Other items not allocated to segments:				
Loss on write-down of retained interest in USSC	**(255)**	—	**(255)**	—
Restructuring and other charges	**(19)**	—	**(19)**	—
Loss on shutdown of coke production facilities	**—**	—	**(153)**	—
Litigation reserves	**—**	(70)	**—**	(70)
Loss on assets held for sale	**—**	(14)	**—**	(14)
Curtailment gain	**—**	19	**—**	19
Total (loss) earnings before interest and income taxes	**$ (392)**	$ 35	**$ (579)**	$ 157
CAPITAL EXPENDITURES				
Flat-Rolled	**$ 56**	$ 47	**$ 188**	$ 102
U. S. Steel Europe	**24**	17	**45**	35
Tubular	**24**	31	**40**	47
Other Businesses	**—**	1	**3**	2
Total [a]	**$ 104**	$ 96	**$ 276**	$ 186
OPERATING STATISTICS				
Average realized price: ($/net ton) [b]				
Flat-Rolled	**$ 695**	$ 774	**$ 731**	$ 767
Flat-Rolled U.S. Facilities [c]	**695**	788	**731**	781
U. S. Steel Europe	**533**	691	**532**	700
Tubular	**1,651**	1,479	**1,641**	1,479
Steel Shipments:[b][d]				
Flat-Rolled	**2,712**	3,527	**5,329**	7,201
Flat-Rolled U.S. Facilities [c]	**2,712**	3,006	**5,329**	6,121
U. S. Steel Europe	**1,091**	1,053	**2,355**	2,084
Tubular	**92**	449	**312**	868
Raw Steel Production:[d]				
Flat-Rolled	**2,808**	4,132	**5,676**	8,623
Flat-Rolled U.S. Facilities [c]	**2,808**	3,528	**5,676**	7,421
U. S. Steel Europe	**1,200**	1,223	**2,483**	2,364
Raw Steel Capability Utilization: [e]				
Flat-Rolled	**58%**	75%	**59%**	79%
Flat-Rolled U.S. Facilities [f]	**58%**	73%	**59%**	77%
U. S. Steel Europe	**96%**	98%	**100%**	95%

[a] Excludes the (decrease) increase in accrued capital expenditures of $(18) million and $4 million for the six months ended June 30, 2015, and 2014, respectively.
[b] Excludes intersegment transfers.
[c] Excludes U. S. Steel Canada Inc. for all periods presented.
[d] Thousands of net tons.
(e) Based on annual raw steel production capability of 22.0 million net tons for Flat-Rolled and 5.0 million net tons for USSE. Subsequent to USSC's CCAA filing on September 16, 2014, annual raw steel production capability for Flat-Rolled is 19.4 million tons.
[f] AISI capability utilization rates include our U.S. facilities (Gary Works, Great Lakes Works, Mon Valley Works, Granite City Works and Fairfield Works).

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

GENERAL LITIGATION

On September 16, 2014, U. S. Steel Canada Inc. commenced court-supervised restructuring proceedings under Canada's Companies' Creditors Arrangement Act (CCAA) before the Ontario Superior Court of Justice. As part of the CCAA proceedings, U. S. Steel has submitted both secured and unsecured claims that have been verified by the court-appointed Monitor. As of June 30, 2015, the court-appointed Monitor has verified U. S. Steel's claims in the CCAA proceedings are approximately $1.8 billion. U. S. Steel's claims have been challenged by a number of interested parties which, if successful, could result in the reclassification of those claims and/or modifications to the values of those claims. U. S. Steel is contesting those challenges within the CCAA proceedings and expects a resolution of its claims during the third quarter of 2015. However, U. S. Steel cannot reasonably estimate the outcome at this time.

ENVIRONMENTAL PROCEEDINGS

Gary Works

U. S. Steel has agreed to close three hazardous waste disposal (HWD) sites located on plant property at Gary Works: D5, along with an adjacent solid waste disposal unit, Terminal Treatment Plant (TTP) Area; T2; and D2 combined with a portion of the Refuse Area, where a solid waste disposal unit overlaps with the hazardous waste disposal unit. The Indiana Department of Environmental Management (IDEM) has approved the closure plans for all three sites. Closure is complete at D5, TTP, and T2, with IDEM approval of the closure certification reports on February 1, 2012 (D5), April 3, 2012 (TTP), and November 1, 2012 (T2). Final field work for the HWD-2 and Refuse Area Project will continue through the third quarter of 2015. As of June 30, 2015, the accrued liability for estimated costs to close these sites is approximately $3 million.

On October 23, 1998, the EPA issued a final Administrative Order on Consent (Order) addressing Corrective Action for Solid Waste Management Units (SWMU) throughout Gary Works. This Order requires U. S. Steel to perform a RCRA Facility Investigation (RFI), a Corrective Measure Study (CMS) and Corrective Measure Implementation. Reports of field investigation findings for Phase I work plans have been submitted to the EPA. Through June 30, 2015, U. S. Steel has spent $61 million for corrective action studies, Vessel Slip Turning Basin interim measures and other corrective actions.

U. S. Steel continues to conduct focused groundwater assessment work previously identified by the Perimeter Groundwater Monitoring Program and approved by the EPA. U. S. Steel has completed portions of an Interim Stabilization Measure to address certain components of the East Side Groundwater Solid Waste Management Area as required by the Order. Until the remaining Phase I work and Phase II field investigations are completed, it is not possible to assess what additional expenditures will be necessary for Corrective Action projects at Gary Works. In total, the accrued liability for Corrective Action projects is approximately $33 million as of June 30, 2015, based on the estimated remaining costs.

Mon Valley Works

On October 23, 2013, the Allegheny County Health Department (ACHD) issued a notice of violation (NOV) to U. S. Steel regarding emissions from its C Battery quench tower. In the NOV, ACHD alleges that based upon stack testing data, the sulfur compound emissions from the quench tower exceeded those authorized by the corresponding installation permit. U. S. Steel notified ACHD that it cannot continuously meet the sulfur compound emission limits from the pushing operations and the underfire stack at C Battery, and that it cannot certify continuous compliance with permit requirements associated with charging emissions from C Battery. On August 7, 2014, U. S. Steel and ACHD entered into an administrative Consent Order and Agreement in which U. S. Steel agreed to (and subsequently did) submit a permit application to correct the emission limits for pushing, quenching, and the underfire stacks, comply with the charging limit by October 31, 2015, and pay a civil penalty of $300,000. U. S. Steel has paid $150,000 of this penalty and the remaining $150,000 is due by December 31, 2015.

Fairless Plant

In January 1992, U. S. Steel commenced negotiations with the EPA regarding the terms of an Administrative Order on consent, pursuant to RCRA, under which U. S. Steel would perform an RFI and a CMS at our Fairless Plant. A Phase I RFI report was submitted during the third quarter of 1997. The cost to U. S. Steel to continue to maintain the

interim measures, develop a Phase II/III RFI Work Plan and implement certain corrective measures is estimated to be $584,000. Significant additional costs associated with this site are possible and are referenced in Note 21 to the Consolidated Financial Statements “Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development.”

Fairfield Works

A consent decree was signed by U. S. Steel, the EPA and the U.S. Department of Justice and filed with the United States District Court for the Northern District of Alabama (United States of America v. USX Corporation) on December 11, 1997. In accordance with the consent decree, U. S. Steel initiated a RCRA corrective action program at the Fairfield Works facility. The Alabama Department of Environmental Management (ADEM), with the approval of the EPA, assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works. The Phase I RFI for waste disposed of at the Exum Materials Management Area was voluntarily implemented in December 2011 with a final completion report submitted to ADEM in June 2012. A Phase II RFI for the Fairfield facility property was completed in December 2012 and the completion report was submitted to ADEM in the third quarter of 2013. Additional Phase II facility investigations will commence in the third quarter of 2015. In total, the accrued liability for remaining work under the Corrective Action Program, including the former Ensley facility, was $398,000 at June 30, 2015, based on estimated remaining costs. Significant additional costs associated with this site are possible and are referenced in Note 21 to the Consolidated Financial Statements “Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development.”

Lorain Tubular Operations

In September 2006, U. S. Steel received a letter from the Ohio Environmental Protection Agency (OEPA) inviting U. S. Steel to enter into discussions about RCRA Corrective Action at Lorain Tubular Operations. A Phase I RFI on the identified SWMUs and Area of Contamination was submitted in March 2012. A revised Phase II workplan that addresses additional soil investigations, site wide groundwater and the pipe mill lagoon was submitted to the OEPA in July 2013 and approved in December 2013. Perimeter groundwater monitoring wells were installed in June 2014 and the four rounds of sampling have been completed. As of June 30, 2015, U. S. Steel has spent $1 million on studies at this site, and costs to complete additional projects are estimated to be $148,000. Significant additional costs associated with this site are possible and are referenced in Note 21 to the Consolidated Financial Statements “Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development.”

Great Lakes Works

On October 10, 2012, the Michigan Department of Environmental Quality (MDEQ) issued a Violation Notice alleging the No. 2 baghouse at the No. 2 BOP exceeded applicable emission limits based upon stack testing conducted earlier in 2012. On October 31, 2012, U. S. Steel responded to the notice indicating that corrective actions at the baghouse have been employed, and stack tests conducted after the repairs were made demonstrate the stack complies with emission limits. In addition, on April 26, 2013, MDEQ issued a Violation Notice alleging the Selective Catalytic Reduction system on the Continuous Galvanizing Line was not operating properly on March 27, 2013. U. S. Steel responded to the Violation Notice on May 24, 2013. On October 8, 2014, U. S. Steel entered into an administrative consent order with MDEQ in which U. S. Steel, while admitting no liability, agreed to pay a civil penalty of $111,000, retest the No. 2 BOP baghouse, and submit a permit application to revise the limits and operating practices regarding the Continuous Galvanizing Line. U. S. Steel has since paid the civil penalty, submitted a permit application to amend the permit for the Continuous Galvanizing Line, and demonstrated compliance at the No. 2 BOP baghouse by retesting it pursuant to the terms of the consent order. U. S. Steel is currently negotiating the requested revisions to the Continuous Galvanizing Line permit with MDEQ.

In a Violation Notice dated March 13, 2014, MDEQ alleged that Great Lakes Works installed two emergency diesel generators without obtaining a permit to install. The generators were installed in 2006. On April 3, 2014, U. S. Steel responded to the notice indicating that according to MDEQ regulations, the emergency generators are exempt from permitting and that no violation occurred. In addition, U. S. Steel questioned the timeliness of the notice because U. S. Steel provided notice of their installation to MDEQ on August 3, 2006.

On March 27, 2014, the No. 2 BOP Shop experienced an incident when air pollution control ductwork unexpectedly collapsed. The incident resulted in structural damage and atypical emissions. On April 14, 2014, MDEQ issued a Violation Notice that also included a request for additional information. U. S. Steel responded to the notice on May 5, 2014. In addition, on April 14, 2014, the EPA issued a separate Notice of Violation regarding the same incident alleging

that U. S. Steel failed to properly operate the BOP furnace and failed to continuously meet roof monitor opacity standards. U. S. Steel continues to discuss resolution of the matter with both MDEQ and the EPA.

Great Lakes Works received Violation Notices from MDEQ relating to BOP roof monitor opacity exceedances which allegedly occurred in September and November of 2014. U. S. Steel responded to the notices and continues to discuss resolution of the matter with MDEQ.

On April 6, 2015, Great Lakes Works received a Violation Notice for alleged emissions violations reported in the stack test results for the No. 1 Argon Stir Station baghouse submitted to MDEQ on December 9, 2014. U. S. Steel has responded to the notice.

On May 7, 2015, Great Lakes Works received a Violation Notice for alleged emission violations self-reported by U. S. Steel regarding an isolated event that occurred on April 17, 2014, which resulted in abnormal emissions from the Electrostatic Precipitator at the No. 2 Basic Oxygen Furnace. U. S. Steel responded to the Notice on May 26, 2015.

On May 27, 2015, Great Lakes Works received a Violation Notice in which MDEQ alleged that U. S. Steel did not obtain a required permit to install a BOP vessel replacement that occurred in November 2014. U. S. Steel responded to MDEQ on June 17, 2015.

Although discussions with MDEQ regarding the foregoing alleged violations are ongoing and the resolution of these matters is uncertain at this time, it is not anticipated that the result of those discussions will be material to U. S. Steel.

Granite City Works

In connection with two Violations Notices U. S. Steel received in 2004 related to air violations at its Granite City Works facility and on-going correspondence since that time, U. S. Steel continues to negotiate permit modifications to address blast furnace gas sulfur dioxide emissions. U. S. Steel has otherwise fully complied with a Consent Order entered into in December 2007 and the other issues raised in the two Violation Notices have been resolved. However, the ultimate disposition of this matter is uncertain and any associated liabilities cannot be calculated at this time.

On July 1, 2010, U. S. Steel entered into a Memorandum of Understanding (MOU) with IEPA that requires Granite City Works to achieve reductions in emissions of particulate matter. To complete the obligations pursuant to the MOU, U. S. Steel is constructing a new facility with additional pollution controls at the BOF. Construction of the new facility, which is expected to cost approximately $45 million, began in 2013. Pre-commissioning activities began in the second quarter of 2015.

On November 30, 2012, IEPA issued a Violation Notice alleging violations of emission standards from Granite City Works' BOF. In the Notice, IEPA also alleged the facility failed to comply with associated CAA regulations and the facility did not use steam rings at the BOF as required by the facility's Title V permit. U. S. Steel met with IEPA on February 6, 2013 and provided a written response on February 27, 2013. U. S. Steel and IEPA continue to discuss resolution of the matter.

Although discussions with IEPA regarding the foregoing alleged violations are ongoing and the resolution of these matters is uncertain at this time, it is not anticipated that the result of those discussions will be material to U. S. Steel.

Minnesota Ore Operations

On February 6, 2013, the EPA published a Federal Implementation Plan (FIP) that applies to taconite facilities in Minnesota. The FIP establishes and requires the use of low NOx burners on indurating furnaces as Best Available Retrofit Technology. While U. S. Steel has already installed low NOx burners on two furnaces at Minntac and is currently obligated to install low NOx burners on the three other furnaces at Minntac pursuant to existing agreements and permits, the rule would require the installation of low NOx burners on the one furnace at Keetac for which U. S. Steel did not have an otherwise existing obligation. U. S. Steel estimates expenditures associated with the installation of low NOx burners of as much as $40 million to $50 million. On June 14, 2013, the Eighth Circuit Court of Appeals stayed the effectiveness of the FIP. The EPA also published a final rule denying the approval of the Minnesota State Implementation Plan (SIP), which did not require the installation of low NOx burners and determined the applicable Best Available Retrofit Technology on a case-by-case basis. U. S. Steel and other taconite facilities have petitioned the EPA for reconsideration of the final rule denying the SIP, and have also petitioned the Eighth Circuit for judicial

review of the final rule denying the SIP. U. S. Steel continues to negotiate with the EPA to resolve the issues identified in the petitions.

On March 2, 2012, U. S. Steel's Keetac facility received an NOV from the Minnesota Pollution Control Agency (MPCA) for alleged violations of the Minnesota Fugitive Dust Rule. U. S. Steel responded to the notice on March 30, 2012 in which it respectfully contested the allegations provided in the notice. To date, no response from MPCA has been received nor has any penalty been assessed.

On January 20, 2013, U. S. Steel's Keetac facility received an Alleged Violations Letter (AVL) from MPCA alleging a violation of Minnesota rules during a wind and fugitive dust event on the Keetac Taconite tailings basin in December 2012. In February 2013, U. S. Steel responded to the AVL indicating that no violation occurred, and also explained the actions taken by Keetac during the December wind event to minimize emissions. To date, no response from MPCA has been received nor has any penalty been assessed.

On April 6, 2015, Keetac received an AVL from MPCA alleging that Keetac allowed particulate matter to become airborne on November 21, 2014, November 30, 2014, December 4, 2014, and February 4, 2015, and that the fugitive dust exited U. S. Steel property. U. S. Steel will provide a written response to the allegations raised in the letter as requested by MPCA.

Although discussions with MPCA regarding the foregoing alleged violations have not been concluded and the resolution of these matters is uncertain at this time, it is not anticipated that the result of those discussions will be material to U. S. Steel.

In June 2011, U. S. Steel and MPCA reached agreement on a Schedule of Compliance (SOC) to address alleged water quality issues at the Minntac facility. The 2011 Agreement required U. S. Steel to determine sulfate levels at the property boundary and to resolve the water quality allegations. In addition, the Agreement anticipated that U. S. Steel would trial a dry control system on Line 6 at Minntac. Since then, U. S. Steel has employed actions to address some of the allegations raised in the SOC. In addition, since then, U. S. Steel has conducted additional investigations and evaluated technologies that would be used to address other water quality allegations in the SOC and reduce sulfate levels in groundwater outside the boundaries of Minnesota Ore. The actions already employed as well as the new data indicate that the proposed dry control system in the 2011 Agreement would not be an effective means to reach the goals outlined in the SOC. U. S. Steel is currently negotiating a path forward with MPCA.

Geneva Works

At U. S. Steel's former Geneva Works, liability for environmental remediation, including the closure of three hazardous waste impoundments and facility-wide corrective action, has been allocated between U. S. Steel and the current property owner pursuant to an agreement and a permit issued by the Utah Department of Environmental Quality (UDEQ). As of June 30, 2015, U. S. Steel has spent $18.7 million to complete remediation on certain areas of the site. Having completed the investigation on a majority of the remaining areas identified in the permit, U. S. Steel has determined the most effective means to address the remaining impacted material is to manage those materials in a previously approved on-site Corrective Action Management Unit (CAMU). Preliminary approval of the conceptual CAMU design has been granted by the UDEQ. U. S. Steel has an accrued liability of $64 million as of June 30, 2015, for our estimated share of the remaining costs of remediation.

Duluth Works

The former U. S. Steel Duluth Works site was placed on the National Priorities List under CERCLA in 1983 and on the State of Minnesota's Superfund list in 1984. Liability for environmental remediation at the site is governed by a Response Order by Consent executed with MPCA in 1985 and a Record of Decision signed by MPCA in 1989. As of June 30, 2015, U. S. Steel has spent $23.8 million to complete remediation on certain areas of the site. U. S. Steel is finalizing two feasibility studies that include remedial measures to address contaminated sediments in the St. Louis River Estuary and several Upland Operable Units that could impact the Estuary if not addressed. Additionally, a Remedial Action Plan is being finalized to address the impacted areas on approximately 132 acres of upland property where a potential redevelopment opportunity has been identified. Additional study, investigation and oversight costs, and implementation of U. S. Steel's preferred remedial alternatives on the upland property and Estuary are currently estimated as of June 30, 2015 at $49 million.

USS-POSCO Industries (UPI)

At UPI, a joint venture between subsidiaries of U. S. Steel and POSCO, corrective measures have been implemented for the majority of the former SWMUs. Prior to the formation of UPI, U. S. Steel owned and operated the Pittsburg, California facility and retained responsibility for the existing environmental conditions. Seven SWMUs remain at the facility. Based on their constituents, six of these SWMUs have been combined into two groups of three, while one SWMU remains a single entity. Investigation of the single SWMU is complete and an engineered remedy was defined to account for the costs associated with implementing U. S. Steel's preferred remedy. Investigation for the second SWMU group is also complete with recommendations, limited to future monitoring only, currently being discussed with the California Department of Toxic Substances Control (DTSC). Evaluations continue for the remaining SWMU group and it is likely that corrective measures will be required, but it is not possible at this time to define a scope or estimate costs for what may be required by the DTSC. As of June 30, 2015, $8 million remains for ongoing environmental studies, investigations and remedy implementation. Significant additional costs associated with this site are possible and are referenced in Note 21 to the Consolidated Financial Statements “Contingencies and Commitments – Environmental Matters – Remediation Projects – Projects with Ongoing Study and Scope Development.”

EPA Region V Federal Lawsuit

On August 1, 2012, the EPA, joined by the States of Illinois, Indiana and Michigan, initiated an action in the Northern District of Indiana alleging various air regulatory violations at Gary Works, Granite City Works, and Great Lakes Works. For more information on this action, see Note 21 to the Consolidated Financial Statements “Contingencies and Commitments – EPA Region V Federal Lawsuit.”

Other

In April 2003, U. S. Steel and Salomon Smith Barney Holdings, Inc. (SSB) entered into a Consent Order with the Kansas Department of Health & Environment (KDHE) concerning a former zinc smelting operation in Cherryvale, Kansas. Remediation was essentially completed in 2007 and U. S. Steel and SSB continue to work with KDHE to address the remaining issues. As such, the Consent Order was amended on May 3, 2013, to investigate potential contamination beyond the boundary of the former zinc smelting operation. As of June 30, 2015, an accrual of $511,000 remains available for addressing these outstanding issues.

In May 2010, MPCA notified Canadian National Railroad Company (CN) of apparent environmental impacts on their property adjacent to the former U. S. Steel Duluth Works. U. S. Steel subsequently obtained information indicating its connection to the site, and reviewed a site investigation report that CN prepared and submitted to MPCA in August 2011. On December 6, 2011, U. S. Steel agreed to purchase the site and to take responsibility for addressing the identified environmental impacts. The property transaction was closed on June 26, 2012. The site was enrolled into MPCA's Voluntary Investigation and Cleanup Program in May 2014. As of June 30, 2015, U. S. Steel has an accrued liability of approximately $2 million.

U. S. Steel is identified as a PRP at the former Breslube-Penn operating site, an oil recycling and solvent recovery operation located in Coraopolis, PA. U. S. Steel’s allocated share of the cost among the participating PRPs is approximately 29 percent. A Record of Decision was issued by the EPA in August 2007 and a Consent Decree to perform a Remedial Design/Remedial Action was entered by the court in September 2009. The EPA approved the Remedial Design on May 1, 2014, and construction of the remedy began in late May 2014. Remaining construction tasks will be completed in July 2015. As of June 30, 2015, U. S. Steel has an accrued liability of approximately $1 million reflecting its share of the cost to complete remedial measures at the site.

Other Regulatory

In March 2015, the Occupational Safety and Health Administration (OSHA) issued multiple "Serious" citations and one "Willful" citation, and proposed penalties totaling $107,900 resulting from a September 2014 fatality incident at U. S. Steel's Fairfield Works plant in Alabama. OSHA has proposed that U. S. Steel be placed in the Severe Violator Enforcement Program. U. S. Steel has filed a Notice of Contest and is working towards an appropriate resolution with OSHA.

ASBESTOS LITIGATION

As of June 30, 2015, U. S. Steel was a defendant in approximately 895 active cases involving approximately 3,390 plaintiffs. The vast majority of these cases involve multiple defendants. At December 31, 2014, U. S. Steel was a defendant in approximately 880 active cases involving approximately 3,455 plaintiffs. About 2,450, or approximately

75 percent, of these plaintiff claims are currently pending in jurisdictions which permit filings with massive numbers of plaintiffs. Based upon U. S. Steel's experience in such cases, it believes that the actual number of plaintiffs who ultimately assert claims against U. S. Steel will likely be a small fraction of the total number of plaintiffs. During the six months ended June 30, 2015, settlements and other dispositions resolved approximately 190 claims, and new case filings added approximately 125 claims. During 2014, settlements and other dispositions resolved approximately 190 claims, and new case filings added approximately 325 claims.

The following table shows activity with respect to asbestos litigation:

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims
December 31, 2012	3,235	190	285	3,330
December 31, 2013	3,330	250	240	3,320
December 31, 2014	3,320	190	325	3,455
June 30, 2015	3,455	190	125	3,390

Historically, asbestos-related claims against U. S. Steel fall into three major groups: (1) claims made by persons who allegedly were exposed to asbestos on the premises of U. S. Steel facilities; (2) claims made by persons allegedly exposed to products manufactured by U. S. Steel; and (3) claims made under certain federal and maritime laws by employees of former operations of U. S. Steel.

The amount U. S. Steel accrues for pending asbestos claims is not material to U. S. Steel's financial condition. However, U. S. Steel is unable to estimate the ultimate outcome of asbestos-related claims due to a number of uncertainties, including (1) the rates at which new claims are filed, (2) the number of and effect of bankruptcies of other companies traditionally defending asbestos claims, (3) uncertainties associated with the variations in the litigation process from jurisdiction to jurisdiction, (4) uncertainties regarding the facts, circumstances and disease process with each claim, and (5) any new legislation enacted to address asbestos-related claims. Despite these uncertainties, management believes that the ultimate resolution of these matters will not have a material adverse effect on U. S. Steel's financial condition, although the resolution of such matters could significantly impact results of operations for a particular quarter.

Item 4. MINE SAFETY DISCLOSURES

The information concerning mine safety violations and other regulatory matters required by Section 150 of the Dodd-Frank Wall Street Reform Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Form 10-Q.

Item 5. OTHER INFORMATION

On July 27, 2015, the Company entered into a Third Amended and Restated Credit Agreement dated as of July 27, 2015, with the Lenders party thereto, the LC Issuing Banks party thereto and JPMorgan Chase Bank, National Association as Administrative Agent and Collateral Agent. The Third Amended and Restated Credit Agreement amends and restates the Corporation's prior Second Amended and Restated Credit Agreement which was dated as of July 19, 2011. In connection with the Third Amended and Restated Credit Agreement, U. S. Steel entered into an Amended and Restated Security Agreement dated as of July 27, 2015 with JPMorgan Chase Bank, National Association as Collateral Agent. Furthermore, in connection with and as a condition to, entry into the Third Amended and Restated Credit Agreement, on July 27, 2015, the Company terminated the Second Amended and Restated Receivables Purchase Agreement dated as of July 18, 2011, as amended, by and among U. S. Steel Receivables LLC, as Seller; the Company, as initial Servicer; the persons party thereto as Funding Agents, CP Conduit Purchasers, Committed Purchasers and LC Banks; and The Bank of Nova Scotia, as Collateral Agent. See Note 14 in the Consolidated Financial Statements in Part I for additional information.

The Third Amended and Restated Credit Agreement is filed herewith as Exhibit 10.1 and the Amended and Restated Security Agreement is filed herewith as Exhibit 10.2.

Item 6. EXHIBITS

10.1	Third Amended and Restated Credit Agreement dated as of July 27, 2015, among United States Steel Corporation, the Lenders party thereto, the LC Issuing Banks party thereto and JPMorgan Chase Bank, National Association as Administrative Agent and Collateral Agent.
10.2	Amended and Restated Security Agreement dated as of July 27, 2015, between United States Steel Corporation and JPMorgan Chase Bank, National Association as Collateral Agent.
31.1	Certification of Chief Executive Officer required by Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer required by Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
95	Mine Safety Disclosure required under Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
101 INS	XBRL Instance Document
101 SCH	XBRL Taxonomy Extension Schema Document
101 CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document
101 LAB	XBRL Taxonomy Extension Label Linkbase Document
101 PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned chief accounting officer thereunto duly authorized.

UNITED STATES STEEL CORPORATION

By /s/ Colleen M. Darragh

Colleen M. Darragh
Vice President & Controller

July 29, 2015

WEB SITE POSTING

This Form 10-Q will be posted on the U. S. Steel web site, www.ussteel.com, within a few days of its filing.

Exhibit 10.1

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

dated as of
July 27, 2015

among

UNITED STATES STEEL CORPORATION

THE LENDERS PARTY HERETO

THE LC ISSUING BANKS PARTY HERETO and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Collateral Agent

J.P. MORGAN SECURITIES LLC,
BARCLAYS BANK PLC,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
WELLS FARGO BANK, NATIONAL ASSOCIATION,
Joint Lead Arrangers and Joint Bookrunners

BANK OF AMERICA, N.A.
BARCLAYS BANK PLC,
WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agents

THE BANK OF NOVA SCOTIA
PNC BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents

CITIZENS BANK OF PENNSYLVANIA,
CREDIT SUISSE AG
GOLDMAN SACHS BANK USA
MORGAN STANLEY SENIOR FUNDING, INC.
ROYAL BANK OF CANADA
SUNTRUST BANK,
as Senior Managing Agents

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT dated as of July 27, 2015 among UNITED STATES STEEL CORPORATION, the LENDERS party hereto, the LC ISSUING BANKS party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent and Collateral Agent.

WHEREAS, the Borrower (as defined in Section 1.01), the lenders party thereto (the "**Existing Lenders**"), the letter of credit issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent, are parties to the Second Amended and Restated Credit Agreement dated as of July 21, 2011 (as amended or otherwise modified prior to the date hereof, the "**Existing Credit Agreement**"); and

WHEREAS, the parties hereto desire to amend and restate the Existing Credit Agreement as provided in this Amended Agreement (as defined in Section 1.01), subject to the terms and conditions set forth in Section 4.01 hereof;

NOW, THEREFORE, the Existing Credit Agreement is amended and restated in its entirety as follows:

ARTICLE I
DEFINITIONS

Section 1.01. *Defined Terms.* As used in this Agreement, the following terms have the following meanings:

"**2017 Notes**" means the Borrower's Senior Notes due June 1, 2017 or any refinancing thereof to a maturity date earlier than the 91st day after the Stated Termination Date.

"**2018 Notes**" means the Borrower's Senior Notes due February 1, 2018 or any refinancing thereof to a maturity date earlier than the 91st day after the Stated Termination Date.

"**2020 Notes**" means the Borrower's Senior Notes due April 1, 2020 or any refinancing thereof to a maturity date earlier than the 91st day after the Stated Termination Date.

"**Account Debtor**" means any Person obligated on a Receivable.

"**Additional Lender**" has the meaning set forth in Section 2.15.

"**Additional Secured Obligations**" means the sum of the face amounts of all Bi-Lateral Letters of Credit (as that term is defined in the Borrower Security Agreement) and the committed amount of all Vendor Financing Facilities (as that term is defined in the Borrower Security Agreement).

"**Adjusted LIBO Rate**" has the meaning set forth in Section 2.06(b).

"**Administrative Agent**" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent under the Loan Documents, and its successors in such capacity.

"**Administrative Questionnaire**" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by or under common Control with such specified Person.

"**Agent**" means any of the Administrative Agent, the Collateral Agent, the Co-Documentation Agents, the Co-Syndication Agents and the Senior Managing Agents, and "**Agents**" means any two or more of the foregoing.

"**Agreement**", when used in reference to this Agreement, means the Existing Credit Agreement, as amended and restated by this Amended Agreement, and as the same may be further amended from time to time.

"**Amended Agreement**" means this Third Amended and Restated Credit Agreement dated as of July 27, 2015.

"**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

"**Applicable Account Debtor**" has the meaning set forth in Section 5.02(c).

"**Applicable Lending Office**" means, with respect to any Lender, (i) in the case of its Base Rate Loans, its Domestic Lending Office and (ii) in the case of its Eurodollar Loans, its Eurodollar Lending Office.

"**Applicable Rate**" means for any day:

(a) with respect to any Loan that is a Base Rate Loan, the applicable rate per annum set forth in the Pricing Schedule in the row opposite the caption "Base Rate Margin" and in the column corresponding to the "Pricing Level" that applies for such day; and

(b) with respect to any Loan that is a Eurodollar Loan, the applicable rate per annum set forth in the Pricing Schedule in the row opposite the caption "Euro-Dollar Margin" and in the column corresponding to the "Pricing Level" that applies for such day;

In each case, the "Applicable Rate" will be based on the Average Availability calculated as of the relevant determination date; *provided* that, at the option of the Administrative Agent (or at the request of the Required

Lenders), if the Borrower fails to deliver consolidated financial statements to the Administrative Agent as and when required by Section 5.01(a)(i) or 5.01(a)(ii), such Applicable Rates will be those set forth in the Pricing Schedule and corresponding to Level III Pricing during the period from the expiration of the time specified for such delivery until such financial statements are so delivered.

"**Arranger**" means each of J.P. Morgan Securities LLC, Barclays Bank PLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Bank, National Association in its capacity as a joint lead arranger of the credit facility provided under this Agreement.

"**Assignment**" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"**Availability Reserves**" means, as of any date of determination, such reserves in amounts as the Collateral Agent may from time to time establish (upon five Business Days' notice to the Borrower in the case of new reserve categories established after the Effective Date and formula changes) and revise (upward or downward) in good faith in accordance with its customary credit policies: (i) to reflect events, conditions, contingencies or risks which, as reasonably determined by the Collateral Agent, do or are reasonably likely to materially adversely affect either (a) the Collateral or its value or (b) the security interests and other rights of the Collateral Agent or any Lender in the Collateral (including the enforceability, perfection and priority thereof), (ii) to reflect the Collateral Agent's reasonable belief that any collateral report or financial information furnished by or on behalf of the Borrower is or may have been incomplete, inaccurate or misleading in any material respect or (iii) in respect of any state of facts which the Collateral Agent reasonably determines in good faith constitutes a Default or an Event of Default; *provided* that, at any date of determination (unless and until otherwise determined by the Collateral Agent), "Availability Reserves" shall include (a) a reserve in an amount equal to the most current month-end liability to Outside Processor, Third-Party Warehouseman and Borrower Joint Venture locations holding Eligible Inventory, (b) a reserve for obligations secured by Liens on Collateral for which UCC financing statements (or, in jurisdictions outside the United States of America, evidence of perfection of Liens) are filed, (c) a reserve for permitted Liens and (d) a reserve for claims secured by purchase money liens.

"**Available Inventory**" means, at any time, the sum of:

(a) the lesser of (i) 75% of Eligible Finished Goods Inventory and (ii) the product of (x) 85% of the net recovery rates as determined by an independent appraisal multiplied by (y) Eligible Finished Goods Inventory; *plus*

(b) the lesser of (i) 75% of Eligible Semi-Finished Goods and Scrap Inventory and (ii) the product of (x) 85% of the net recovery rates as determined by an independent appraisal multiplied by (y) Eligible Semi-Finished Goods and Scrap Inventory; *plus*

(c) the lesser of (i) 75% of Eligible Raw Materials Inventory (other than scrap Inventory) and (ii) the product of (x) 85% of the net recovery rates as determined by an independent appraisal multiplied by (y) Eligible Raw Materials Inventory.

"**Available Receivables**" means, at any time, (i) 85% of Eligible Receivables (it being understood that Eligible Receivables shall not include any Receivables that have been transferred pursuant to, or that secure, a Permitted Supply Chain Financing) minus (ii) the Dilution Reserve.

"**Average Availability**" has the meaning set forth in the Pricing Schedule.

"**Average Facility Availability**" means, on any day, an amount equal to the quotient of (a) the sum of the end of the day Facility Availability for each day during the period of 30 consecutive days ending on (and including) such date, divided by (b) 30 (i.e., the number of days in such period).

"**Bankruptcy Event**" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, *provided*, *further*, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"**Base Rate**" means, for any day, a rate per annum equal to the highest of (i) the Prime Rate for such day, (ii) the sum of ½ of 1% plus the Federal Funds Rate for such day and (iii) the sum of 1% plus the Adjusted LIBO Rate for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day).

"**Base Rate Loan**" means a Loan that bears interest at the Base Rate pursuant to the applicable Notice of Borrowing or Notice of Interest Rate Election or the provisions of Section 2.19.

"**Blocked Account**" has the meaning specified in Section 1 of the Borrower Security Agreement.

"**Borrower**" means United States Steel Corporation, a Delaware corporation, and its successors.

"**Borrower Joint Venture**" means any joint venture in which the Borrower holds, or acquires after the Effective Date, a direct or indirect equity interest.

"**Borrower Security Agreement**" means the Amended and Restated Security Agreement dated as of July 27, 2015, between the Borrower and the Collateral Agent, substantially in the form of Exhibit C-1 hereto.

"**Borrower's Latest Form 10-Q**" means the Borrower's quarterly report on Form 10-Q for the quarter ended March 31, 2015, as filed with the SEC pursuant to the Exchange Act.

"**Borrower's 2014 Form 10-K**" means the Borrower's annual report on Form 10-K for the year ended December 31, 2014, as filed with the SEC pursuant to the Exchange Act.

"**Borrowing**" has the meaning set forth in Section 1.02.

"**Borrowing Base**" means, at any time, subject to adjustment as provided in Section 5.07(c), an amount equal to the sum of (i) Available Receivables *plus* (ii) Available Inventory *less* (iii) Availability Reserves *less* (iv) the aggregate outstanding amount (calculated as the Mark-to-Market Value) of Secured Derivative Obligations up to a maximum amount of $150,000,000, *less* (v) the Additional Secured Obligations; *provided* that Available Inventory attributable to Raw Materials Inventory may not account for more than 60% of the Available Inventory. Standards of eligibility and reserves and advance rates of the Borrowing Base may be revised and adjusted from time to time by the Collateral Agent in its Permitted Discretion; *provided* that any such changes in such standards shall be effective five Business Days after delivery of notice thereof to the Borrower; and *provided*, *further* that the Collateral Agent shall not increase advance rates above the percentages specified in the definitions of "**Available Inventory**" and "**Available Receivables**", or standards of eligibility from those specified herein in a manner that causes the Borrowing Base to be increased, except pursuant to an amendment effected in accordance with Section 9.02.

"**Borrowing Base Certificate**" means a certificate, duly executed and certified as accurate and complete by a Financial Officer of the Borrower, appropriately completed and substantially in the form of Exhibit D together with all attachments and supporting documentation (i) as contemplated thereby, (ii) as outlined on Schedule 1 to Exhibit D and (iii) as reasonably requested by the Collateral Agent.

"**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; *provided* that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"**Capital Expenditures**" means, for any period, the additions to property, plant and equipment and other capital expenditures of the Borrower and its Subsidiaries for the purpose of maintaining or replacing an existing capital asset that are (or would be) set forth as capital expenditures in a consolidated statement of cash flows of the Borrower and its Subsidiaries for such period prepared in accordance with GAAP.

"**Capital Lease Obligations**" of any Person means obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required under GAAP to be classified and accounted for as capital leases on a balance sheet of such Person. The amount of such obligations will be the capitalized amount thereof determined in accordance with GAAP.

"**Cash Collateral Account**" has the meaning specified in the Borrower Security Agreement.

"**Change in Control**" means the occurrence of any of the following:

(a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for the purposes of this clause (a) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of either the aggregate ordinary voting power or the aggregate equity value represented by the issued and outstanding Equity Interests in the Borrower;

(b) individuals who constituted the board of directors of the Borrower at any given time (together with any new directors whose election by such board of directors or whose nomination for election by the shareholders of the Borrower as approved by a vote of a majority of the directors of the Borrower then still in office who were either directors at such time or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors then in office;

(c) the adoption of a plan relating to the liquidation or dissolution of the Borrower; or

(d) the merger or consolidation of the Borrower with or into another Person or the merger of another Person with or into the Borrower, or the sale of all or substantially all the assets of the Borrower (determined on a consolidated basis) to another Person, other than a merger or consolidation transaction in which holders of Equity Interests representing 100% of the ordinary voting power represented by the Equity Interests in the Borrower immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the ordinary voting power represented by the Equity Interests in the surviving Person in such merger or consolidation transaction issued and outstanding immediately after such transaction and in substantially the same proportion as before the transaction.

"**Change in Law**" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after such date or (c) compliance by any Lender or any LC Issuing Bank (or, for purposes of Section 2.20, by any lending office of such Lender or by such Lender's or such LC Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after such date; *provided however*, that notwithstanding anything therein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, requirements or directives thereunder or enacted, adopted or issued in connection therewith or in implementation thereof and (ii) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued, promulgated or implemented.

"**Co-Documentation Agent**" means each of The Bank of Nova Scotia and PNC Bank, National Association, in its capacity as co-documentation agent in respect of this Agreement.

"**Co-Syndication Agent**" means each of Bank of America, N.A., Barclays Bank PLC and Wells Fargo Bank, National Association, in its capacity as syndication agent in respect of this Agreement.

"**Collateral**" means any and all "Collateral", as defined in any Security Document.

"**Collateral Access Agreement**" means an agreement substantially in the form of Exhibit F-1 or Exhibit F-2.

"**Collateral Agent**" means JPMorgan Chase Bank, N.A., in its capacity as collateral agent for the Secured Parties under the Loan Documents, and its successors in such capacity.

"**Collateral and Guarantee Requirement**" means the requirement that:

(a) the Administrative Agent (i) shall have received a counterpart of the applicable Security Agreement duly executed and delivered by JPMorgan Chase Bank, N.A., as Collateral Agent, and (ii) shall have received from each Credit Party a counterpart of the applicable Security Agreement duly executed and delivered on behalf of such Credit Party;

(b) with respect to each Subsidiary Guarantor, (i) the Administrative Agent shall have received a Subsidiary Guarantee Agreement duly executed and delivered on behalf of such Subsidiary Guarantor, and (ii) the conditions set forth in clauses (b) and (c) of Section 4.01 shall have been satisfied with respect to such Subsidiary Guarantor;

(c) all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by the Security Documents and perfect or record such Liens to the extent, and with the priority, required by the Security Documents, shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording;

(d) each Credit Party shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting of the Liens granted by it thereunder; and

(e) each Credit Party shall have taken all other action required under the Security Documents to perfect, register and/or record the Liens granted by it thereunder.

"**Commitment**" means (i) with respect to each Lender listed on the Commitment Schedule, the amount set forth opposite such Lender's name on the Commitment Schedule, (ii) with respect to each Additional Lender, the amount of the Commitment assumed by it pursuant to Section 2.15 and (iii) with respect to any substitute Lender or an assignee that becomes a Lender pursuant to Section 2.24 or 9.04, the amount of the transferor Lender's Commitment assigned to it pursuant to Section 9.04, in each case as such amount may be changed from time to time pursuant to Section 2.09 or 9.04; *provided* that, if the context so requires, the term "**Commitment**" means the obligation of a Lender to extend credit up to such amount to the Borrower hereunder.

"**Commitment Schedule**" means the Commitment Schedule attached hereto.

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Consolidated Cash Interest Expense**" means, for any period, the amount by which:

(a) the sum of (i) the interest expense (including imputed interest expense in respect of Capital Lease Obligations) of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, (ii) any interest accrued during such period, in respect of Debt of the Borrower or any Subsidiary, that is required under GAAP to be capitalized rather than included in consolidated interest expense for such period and (iii) to the extent not included in cash interest expense for such period pursuant to subclause (i) of this clause (a), cash payments (if any) made during such period in respect of obligations referred to in clause (b)(ii) that were amortized or accrued in a previous period, *exceeds*

(b) the sum of (i) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of financing costs paid in a previous period, (ii) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of debt discount or accrued interest payable in kind for such period and (iii) the interest income of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"**Consolidated EBITDA**" means, for any period, net income (or net loss) (before discontinued operations) plus the sum of (a) Consolidated Interest Expense, (b) income tax expense, (c) depreciation expense, (d) amortization expense, (e) any non-cash losses or expenses from any unusual, extraordinary or otherwise non-recurring items and (f) aggregate foreign exchange losses, and minus (x) the sum of the amounts for such period of any income tax benefits and any income or gains from any unusual, extraordinary or otherwise non-recurring items, and (y) aggregate foreign exchange gains; in each case determined on a consolidated basis for the Borrower and its Subsidiaries in accordance with GAAP and in the case of items (a) through (f) and items (x) through (y), to the extent such amounts were included in the calculation of net income. For the purpose of calculating Consolidated EBITDA for any period, if during such period the Borrower or any Subsidiary shall have made an acquisition or a disposition of an operating business, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such acquisition or disposition, as the case may be, occurred on the first day of such period.

"**Consolidated Fixed Charges**" means, for any period, the sum of (a) Consolidated Cash Interest Expense for such period, (b) the aggregate amount of scheduled principal payments required to be made during the succeeding period of 12 consecutive months in respect of Long-Term Debt of the Borrower and its Subsidiaries (except payments required to be made by the Borrower or any Subsidiary to the Borrower or any Subsidiary), (c) Restricted Payments made in cash during such period and (d) if during such period any outstanding Debt of the Excluded Subsidiary is Guaranteed by the Borrower or any Subsidiary, the amounts which would have been included in (a) and (b) for such period in respect of such Debt if the Excluded Subsidiary were a Subsidiary (but only to the extent that such Debt is Guaranteed by the Borrower or any Subsidiary).

"**Consolidated Interest Expense**" means, for any period, the amount by which:

(a) the sum of (i) the interest expense (including imputed interest expense in respect of Capital Lease Obligations) of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, and (ii) any interest accrued during such period, in respect of Debt of the Borrower or any Subsidiary, that is required under GAAP to be capitalized rather than included in consolidated interest expense for such period, *exceeds*

(b) the interest income (not including foreign exchange gains and losses) of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"**Consolidated Net Tangible Assets**" means, at any time, the aggregate amount of assets (less applicable reserves and other properly deductible items) of the Borrower and its consolidated Subsidiaries adjusted for inventories on the basis of cost (before application of the "last-in first-out" method of determining cost) or current market value, whichever is lower, and deducting therefrom (a) all current liabilities of such corporation and its consolidated Subsidiaries except for (i) notes and loans payable, (ii) current maturities of Long-Term Debt and (iii) current maturities of obligations under capital leases and (b) all goodwill, trade names, patents, unamortized debt discount and expenses of such corporation and its consolidated Subsidiaries (to the extent included in said aggregate amount of assets) and other intangibles, all as set forth in the most recent consolidated balance sheet of the Borrower and its consolidated Subsidiaries delivered to the Administrative Agent, computed and consolidated in accordance with GAAP.

"**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise. "**Controlling**" and "**Controlled**" have meanings correlative thereto.

"**Convertible Notes**" means the Borrower's Senior Convertible Notes due April 1, 2019 or any refinancing thereof to a maturity date earlier than the 91st day after the Stated Termination Date.

"**Credit Exposure**" means, with respect to any Lender at any time, (i) the amount of its Commitment if in existence at such time or (ii) the sum of the aggregate outstanding principal amount of its Loans and the amount of its LC Exposure at such time if its Commitment is not then in existence.

"**Credit Parties**" means the Borrower and the Subsidiary Guarantors.

"**Debt**" of any Person means, without duplication:

(a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind (other than unspent cash deposits held in escrow by or in favor of such Person, or in a segregated deposit account controlled by such Person, in each case in the ordinary course of business to secure the performance obligations of, or damages owing from, one or more third parties),

(b) all obligations of such Person evidenced by bonds, debentures, notes, or similar instruments,

(c) all obligations of such Person on which interest charges are customarily paid (other than obligations where interest is levied only on late or past due amounts),

(d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person,

(e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business),

(f) all Debt of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Debt secured thereby has been assumed,

(g) all Guarantees by such Person of Debt of others,

(h) all Capital Lease Obligations of such Person,

(i) all unpaid obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty (other than cash collateralized letters of credit to secure the performance of workers' compensation, unemployment insurance, other social security laws or regulations, bids, trade contracts, leases, environmental and other

statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case, obtained in the ordinary course of business),

(j) all capital stock of such Person which is required to be redeemed or is redeemable at the option of the holder if certain events or conditions occur or exist or otherwise, and

(k) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances.

The Debt of any Person shall include the Debt of any other entity (including any partnership in which such Person is a general partner) to the extent that such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except (a) to the extent that contractual provisions binding on the holder of such Debt provide that such Person is not liable therefor, and (b) in the case of general partnerships where the interest is held by a Subsidiary with no other significant assets.

Notwithstanding the foregoing, the term "Debt" will exclude obligations that are no longer outstanding under the applicable indenture or instruments therefor.

Notwithstanding the foregoing, in connection with the purchase by the Borrower or any Subsidiary of any business, the term "Debt" will exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing; *provided* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid when due.

"**Decreased Testing Condition**" means that for each of the 30 days preceding the Early Maturity Date with respect to the Convertible Notes and at all times prior to the stated maturity date of the Convertible Notes, the trading price of the Convertible Notes (represented by CUSIP 912909AH1) is at least 110% of par value thereof.

"**Default**" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"**Defaulting Lender**" means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund all or any portion of its Loans, (ii) fund all or any portion of its participations in Letters of Credit or (iii) pay over to the Administrative Agent or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i), such Lender notifies the Administrative Agent and the Borrower in writing that such

failure is the result of such Lender's reasonable determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with all or any portion of its funding obligations under this Amended Agreement (unless such writing or public statement indicates that such position is based on such Lender's reasonable determination that a condition precedent (specifically identified and including the particular default, if any) to funding under this Amended Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after written request by the Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund Loans and participations in then outstanding Letters of Credit under this Amended Agreement, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's receipt of such certification in form and substance reasonably satisfactory to it, or (d) other than via an Undisclosed Administration, has become the subject of a Bankruptcy Event or has a Parent that has become the subject of a Bankruptcy Event.

"**Departing Lender**" means any lender party to the Existing Credit Agreement but not listed in the Commitment Schedule.

"**Derivative Obligations**" has the meaning specified in Section 1 of the Borrower Security Agreement.

"**Designated Lender**" means, with respect to any Designating Lender, an Eligible Designee designated by it pursuant to Section 9.05(a) as a Designated Lender for purposes of this Agreement.

"**Designating Lender**" means, with respect to each Designated Lender, the Lender that designated such Designated Lender pursuant to Section 9.05(a).

"**Dilution Factors**" means, without duplication of any reduction to the balance of any Receivable, with respect to any period, the aggregate amount of all deductions, credit memos, returns, adjustments, allowances, bad debt write-offs and other non-cash credits (including all volume discounts, trade discounts and rebates) that are recorded to reduce Receivables of the Borrower or any other Credit Party in a manner consistent with the Borrower's or any other Credit Party's then current and historical accounting practices.

"**Dilution Ratio**" means, at any time, the amount (expressed as a percentage), calculated in connection with the delivery of the Borrowing Base Certificate for the calendar month most recently ended, equal to (a) the aggregate amount of the applicable Dilution Factors in respect of Receivables of the Borrower and the other Credit Parties for the twelve calendar month period ended

as of the last day of such calendar month divided by (b) total gross invoices of the Borrower and the other Credit Parties for such twelve-calendar-month period.

"**Dilution Reserve**" means, at any time, a reserve in an amount equal to the product of (a) the excess of (i) the applicable Dilution Ratio at such time over (ii) 5.00%, multiplied by (b) the aggregate amount of Eligible Receivables at such time.

"**Dollars**", "**dollars**" or "**$**" refers to lawful money of the United States.

"**Domestic Lending Office**" means, as to each Lender, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office, branch or affiliate as such Lender may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Administrative Agent.

"**Domestic Subsidiary**" means each Subsidiary that is not a Foreign Subsidiary.

"**Downgraded Lender**" means any Lender that (a) has a rating that is not an Investment Grade Rating from Moody's, S&P or an investment grade rating from another nationally recognized rating agency or (b) is a Subsidiary of a Person that is the subject of a bankruptcy, insolvency or similar proceeding. For the avoidance of doubt, a Lender that is not rated by Moody's, S&P or another nationally recognized rating agency shall not constitute a Downgraded Lender.

"**Early Maturity Date**" means, with respect to any series of Senior Notes, the date that is 91 days prior to the stated maturity date for such series of Senior Notes set forth in the applicable Senior Notes Documents.

"**Effective Date**" means the date on which each of the conditions specified in Section 4.01 is satisfied (or waived in accordance with Section 9.02).

"**Eligible Designee**" means a special purpose corporation that (i) is organized under the laws of the United States or any state thereof, (ii) is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) issues (or the parent of which issues) commercial paper rated at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's.

"**Eligible Finished Goods Inventory**" means all Finished Goods Inventory that is Eligible Inventory.

"**Eligible Inventory**" means at any date of determination thereof, the aggregate value (as reflected on the plant level records of the Borrower or any other Credit Party and consistent with the Borrower's or such other Credit Party's current and historical accounting practices whereby manufactured items are valued at pre-determined costs and purchased items are valued at rolling average

actual cost) at such date of all Qualified Inventory owned by any Credit Party and located in any jurisdiction in the United States of America, as to which Qualified Inventory appropriate UCC financing statements have been filed naming such Credit Party as "debtor" and JPMorgan Chase Bank, N.A. as Collateral Agent, as "secured party" adjusted on any date of determination to exclude, without duplication, all Qualified Inventory that is Ineligible Inventory, minus all Valuation Reserves.

"**Eligible Raw Materials Inventory**" means all Raw Materials Inventory that is Eligible Inventory.

"**Eligible Receivables**" means at any date of determination thereof, the aggregate value (determined on a basis consistent with GAAP and the Borrower's or any other Credit Party's then current and historical accounting practices) of all Qualified Receivables of the Borrower or any other Credit Party, net of (x) any amounts in respect of sales, excise or similar taxes included in such Receivables and (y) returns, discounts, claims, credits and allowances of any nature at any time issued, owing, granted, outstanding available or claimed (calculated without duplication of deductions taken pursuant to the exclusion of Ineligible Receivables), adjusted on any date of determination to exclude, without duplication, all Qualified Receivables that are Ineligible Receivables.

"**Eligible Semi-Finished Goods and Scrap Inventory**" means all Semi-Finished Goods and Scrap Inventory that is Eligible Inventory.

"**Environmental Laws**" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or the effects of the environment on health and safety.

"**Equity Interests**" means (i) shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person or (ii) any warrants, options or other rights to acquire such shares or interests.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that, together with the Borrower or any Subsidiary, is treated as a single employer under Section 414(b) or (c) of the Internal Revenue Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Internal Revenue Code, is treated as a single employer under Section 414 of the Internal Revenue Code.

"**ERISA Event**" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (except an event for which the 30-day notice period is waived); (b) failure to satisfy the applicable minimum funding standard under Section 412 of the Internal Revenue Code or Section 302 of ERISA with respect to any Plan, whether or not waived; (c) the filing pursuant to Section 412(c) of the Internal Revenue Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any ERISA Affiliate of any liability with respect to withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"**Eurodollar Lending Office**" means, as to each Lender, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Eurodollar Lending Office) or such other office, branch or affiliate of such Lender as it may hereafter designate as its Eurodollar Lending Office by notice to the Borrower and the Administrative Agent.

"**Eurodollar Loan**" means a Loan that bears interest at a Eurodollar Rate pursuant to the applicable Notice of Borrowing or Notice of Interest Rate Election.

"**Eurodollar Rate**" means a rate of interest determined pursuant to Section 2.06(b) on the basis of an Adjusted LIBO Rate.

"**Events of Default**" has the meaning specified in Article 7.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time.

"**Excluded Subsidiary**" means Chicago Lakeside Development LLC, U. S. Steel Canada Inc. ("**U. S. Steel Canada**") and each Subsidiary of U. S. Steel Canada Inc. formed under the laws of Canada or any province thereof; *provided*, that none of the foregoing Persons shall constitute an Excluded Subsidiary for purposes of Section 5.08.

"**Excluded Taxes**" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however

denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Letter of Credit or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.24) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.22, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan, Letter of Credit or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.22(f) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

"**Existing Credit Agreement**" has the meaning set forth in the first recital of this Agreement.

"**Existing Letters of Credit**" means the letters of credit issued prior to the Effective Date pursuant to the Existing Credit Agreement, as identified on Schedule 2.16.

"**Facility Availability**" means, at any time, an amount equal to (i) the lesser of (x) the aggregate amount of the Lenders' Commitments at such time and (y) the Borrowing Base, at such time, *less* (ii) the Total Outstanding Amount at such time.

"**FATCA**" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"**Federal Funds Rate**" means, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to JPMorgan Chase Bank, N.A. on such day on such transactions as determined by the Administrative Agent.

"**Federal Reserve Board**" means the Board of Governors of the Federal Reserve System of the United States.

"**Financial Officer**" means the chief financial officer, treasurer, any assistant treasurer, the controller, or any assistant controller of the Borrower.

"**Financing Transactions**" means the execution, delivery and performance by the Borrower of the Loan Documents, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder, and the creation or continuation of Liens pursuant to the Security Documents.

"**Finished Goods Inventory**" means finished goods to be sold by a Credit Party in the ordinary course of business, including plates, finished tubes, tin plates and finished sheets, but excluding Semi-Finished Goods and Scrap Inventory and Raw Materials Inventory.

"**Fiscal Quarter**" means a fiscal quarter of the Borrower.

"**Fiscal Year**" means a fiscal year of the Borrower.

"**Fixed Charge Coverage Ratio**" means the ratio of (a) (i) Consolidated EBITDA *less* (ii) the sum of (A) any Capital Expenditure during such period (excluding any such Capital Expenditure to the extent made with proceeds of (x) insurance covering such capital asset, (y) any taking under the power of eminent domain or by condemnation or similar proceeding of such capital asset or (z) Capital Lease Obligations incurred to make such Capital Expenditure or other Debt (other than revolving Debt) incurred to make such Capital Expenditure and secured by a Lien on such capital asset) and (B) income tax expense of the Borrower and its Subsidiaries paid in cash during such period *to* (b) Consolidated Fixed Charges, in each case for the period of the most recent four consecutive Fiscal Quarters for which financial statements have been delivered pursuant to Section 5.01, taken as one accounting period. If during such period of four consecutive Fiscal Quarters, the Borrower or any Subsidiary shall have made an acquisition or a disposition of an operating business, the Fixed Charge Coverage Ratio for such period shall be calculated after giving pro forma effect thereto as if such acquisition or disposition, as the case may be, occurred on the first day of such period.

"**Foreign Lender**" means any Lender that is organized under the laws of a jurisdiction outside the United States.

"**Foreign Subsidiary**" means a Subsidiary (which may be a corporation, limited liability company, partnership or other legal entity) organized under the laws of a jurisdiction outside the United States, and conducting substantially all its operations outside the United States.

"**GAAP**" means generally accepted accounting principles as in effect from time to time in the United States, applied on a basis consistent (except for changes

concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its consolidated Subsidiaries delivered to the Lenders.

"**Governmental Authority**" means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"**Group of Loans**" or "**Group**" means, at any time, a group of Loans consisting of (i) all Loans which are Base Rate Loans at such time and (ii) all Eurodollar Loans having the same Interest Period at such time.

"**Guarantee**" by any Person (the "**guarantor**") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Debt, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Debt; *provided* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"**Hazardous Materials**" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"**Hedging Agreement**" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest rate, currency exchange rate or commodity price hedging arrangement.

"**Impacted Interest Period**" has the meaning set forth in the definition of "London Interbank Offered Rate" in Section 2.06.

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in (a) hereof, Other Taxes.

"**Industrial Revenue Bond Obligations**" means an obligation to a state or local government unit that secures the payment of bonds issued by a state or local government unit or any Debt incurred to refinance, in whole or in part, such obligations.

"**Ineligible Inventory**" means all Qualified Inventory described in at least one of the following clauses:

(a) Qualified Inventory that is not subject to a perfected first priority Lien in favor of the Collateral Agent or that is subject to any Lien other than the Liens permitted pursuant to Section 6.01; or

(b) Qualified Inventory that is not located at or in transit to property that is either owned or leased by any Credit Party; *provided* that any Qualified Inventory located at or in transit to property that is leased by the Borrower shall be deemed "Ineligible Inventory" pursuant to this clause (b) unless such Credit Party shall have delivered to the Collateral Agent a Collateral Access Agreement (or, if applicable, a landlord waiver in form and substance satisfactory to the Collateral Agent) with respect to such leased location; and *provided further* that any Qualified Inventory located at or in transit to a Third-Party Location shall not be deemed "Ineligible Inventory" pursuant to this clause (b) on any date of determination if (w) the value of such Qualified Inventory on such date of determination (as reflected on the plant level records of such Credit Party and consistent with such Credit Party's current and historical accounting practices whereby manufactured items are valued at pre-determined costs and purchased items are valued at rolling average actual cost) is greater than $500,000, (x) such Credit Party shall have delivered to the Collateral Agent a Collateral Access Agreement with respect to such Third-Party Location, (y) the aggregate number of Third-Party Locations designated by such Credit Party as eligible locations in respect of which Qualified Inventory shall be excluded from "Ineligible Inventory" in reliance on this clause (b) does not exceed 100 on such date of determination and (z) in the case of any Third Party Location owned or leased by a Borrower Joint Venture, the terms of the joint venture arrangements in respect of such Borrower Joint Venture are satisfactory to the Collateral Agent and the Lenders; or

(c) Qualified Inventory that is on consignment and Qualified Inventory subject to a negotiable document of title (as defined in the Uniform Commercial Code as in effect from time to time in the State of New York); or

(d) Qualified Inventory located on the premises of customers or vendors (other than Outside Processors); or

(e) Qualified Inventory comprised of Finished Goods Inventory and Semi-Finished Goods and Scrap Inventory that has been written down pursuant to any Credit Party's existing accounting procedures (as such existing accounting procedures are set forth in Schedule 1.01 hereto); *provided* that the scrap value of such Qualified Inventory will be included in the calculation of "Eligible Inventory"; or

(f) Qualified Inventory that consists of maintenance spare parts; or

(g) Qualified Inventory that is classified as supplies or sundry in any Credit Party's historical and current accounting records, including, but not limited to, fuel oil, coal chemicals, metal products, miscellaneous, non-LIFO inventory, store supplies, cleaning mixtures, lubricants and the like; or

(h) Qualified Inventory that is billed not shipped Inventory; or

(i) Qualified Inventory considered non-conforming, which shall mean, on any date, all inventory classified as "non-prime" or "seconds" or other "off-spec" Inventory, to the extent that such Qualified Inventory exceeds 3% of Total Qualified Inventory; *provided* that the scrap value of such Qualified Inventory shall be included in the calculation of Eligible Inventory. For purposes of this clause (i), "Total Qualified Inventory" means all Raw Materials Inventory, Finished Goods Inventory and Semi-Finished Goods and Scrap Inventory; or

(j) Qualified Inventory that is not located in the United States other than Qualified Inventory located in any jurisdiction as to which arrangements reasonably satisfactory to the Collateral Agent have been made to ensure the perfection of the Lenders' security interest in such Qualified Inventory; or

(k) Qualified Inventory that is not owned solely by a Credit Party, or as to which a Credit Party does not have good, valid and marketable title thereto; or

(l) intercompany profit included in the value of Qualified Inventory; or

(m) Qualified Inventory that consists of scale, slag and other by-products; or

(n) Qualified Inventory that consists of raw materials other than iron ore, coke, coal, scrap, limestone, other alloys and fluxes; or

(o) Qualified Inventory that does not otherwise conform to the representations and warranties contained in this Agreement or the other Loan Documents; or

(p) depreciation included in the value of Qualified Inventory; or

(q) non-production costs included in the value of Qualified Inventory;

(r) slabs that are more than two months old and other semi-finished and finished goods that are more than eight months old; *provided* that the scrap value of such inventory shall be included in the calculation of Eligible Inventory; or

(s) such other Qualified Inventory as may be deemed ineligible by the Collateral Agent from time to time in its Permitted Discretion.

"**Ineligible Receivables**" means all Qualified Receivables described in at least one of the following clauses:

(a) Qualified Receivables that are not subject to a perfected first priority Lien in favor of the Collateral Agent or that are subject to any Lien other than the Liens permitted pursuant to Section 6.01;

(b) Qualified Receivables that (i) are subject to a Permitted Supply Chain Financing or are otherwise owed by an Account Debtor that is party to a Permitted Supply Chain Financing or (ii) payment of which are directed to an account other than a Blocked Account (it being understood that this clause (ii) shall not apply prior to the date that is 60 days after the Effective Date (or such longer period as the Collateral Agent may agree));

(c) Qualified Receivables (i) with respect to which the scheduled due date is more than 65 days after the date of the original invoice therefor, (ii) which are unpaid for more than 60 days after the original date payment is due (in determining the aggregate amount from the same Account Debtor that is unpaid hereunder, such amount shall be the gross amount due in respect of the applicable Receivables without giving effect to any net credit balances) or (iii) which have been written off the books of the applicable Credit Party or otherwise designated as uncollectible;

(d) Qualified Receivables which are owing by an Account Debtor for which more than 50% of the Receivables owing from such Account Debtor and its Affiliates are ineligible pursuant to clause (c)(ii);

(e) Qualified Receivables which are owing by an Account Debtor to the extent the aggregate amount of Receivables (excluding Receivables ineligible under the provisions of this definition other than this clause (e)) owing from such Account Debtor and its Affiliates to all Credit Parties exceed 20% of the aggregate amount of Eligible Receivables of all Credit Parties;

(f) Qualified Receivables that do not otherwise conform to the representations and warranties contained in this Agreement or the other Loan Documents;

(g) Qualified Receivables which (i) do not arise from the sale of goods in the ordinary course of business, (ii) are not evidenced by an invoice or other documentation satisfactory to the Collateral Agent, in its Permitted Discretion, which has been sent to the Account Debtor, (iii) represent a progress billing, (iv) are contingent upon the applicable Credit Party's completion of any further performance, (v) represent a sale on a bill-and-hold, guaranteed sale, sale and return, sale on approval, cash-on-delivery or any other repurchase or return basis or (vi) relate to payments of interest;

(h) Qualified Receivables for which the goods giving rise thereto have not been shipped to the Account Debtor or goods giving rise thereto which have been shipped, but title has not passed or if such Qualified Receivable was invoiced more than once;

(i) Qualified Receivables which are owed by an Account Debtor which has (i) applied for, suffered, or consented to the appointment of any receiver, custodian, trustee or liquidator of its assets, (ii) had possession of all or a material part of its property taken by any receiver, custodian, trustee or liquidator, (iii) filed, or had filed against it, any request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as bankrupt, winding-up, or voluntary or involuntary case under any state or federal bankruptcy laws (other than post-petition accounts payable of an Account Debtor that is a debtor in possession and acceptable to the Collateral Agent in its Permitted Discretion), (iv) admitted in writing its inability, or is generally unable, to pay its debts as they become due, (v) become insolvent, (vi) ceased operation of its business or (vii) sold all or substantially all of its assets;

(j) Qualified Receivables which are owed (i) in a currency other than Dollars or (ii) by an Account Debtor which (A) is not invoiced at an address in the United States or Canada or (B) is not organized under applicable law of the United States, any state in the United States or the District of Columbia or Canada or any province in Canada, unless, in the case of clause (ii), such Qualified Receivable are backed by a letter of credit acceptable to the Collateral Agent, in its Permitted Discretion, which is in the possession of, and is directly drawable by, the Collateral Agent;

(k) Qualified Receivables which are owed by (i) a Governmental Authority of any country other than the United States, unless such Qualified Receivables are backed by a letter of credit acceptable to the Collateral Agent, in its Permitted Discretion, which is in the possession of,

and is directly drawable by, the Collateral Agent or (ii) any Governmental Authority of the United States, or any department, agency, public corporation or instrumentality thereof, unless the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq.), and any other steps necessary to perfect the Lien of the Collateral Agent in such Qualified Receivables, have been complied with to the Collateral Agent's satisfaction in its Permitted Discretion;

(l) Qualified Receivables which are owed by (i) any Affiliate of a Credit Party, (ii) a Borrower Joint Venture or (iii) any employee, officer, director, agent or stockholder of any Credit Party or Affiliate of any Credit Party or of any Borrower Joint Venture;

(m) Qualified Receivables with respect to which the Account Debtor on such Receivables or any of its Affiliates is also a supplier to or creditor of a Credit Party, to the extent of the applicable offset (it being understood that ineligibility under this clause (m) shall be calculated as set forth in Exhibit D);

(n) Qualified Receivables which are subject to any deduction, reduction, partial payment, debit memos, chargebacks, counterclaim, discount, allowance, rebate, credit, return privilege, exchange rate adjustment, other adjustments or other conditions other than volume sales discounts given in the ordinary course of business of the applicable Credit Party; *provided*, however, that such Receivables shall be ineligible pursuant to this clause (n) only to the extent of such deduction, reduction, partial payment, debit memo, chargeback, counterclaim, discount, allowance, rebate, credit, return privilege, exchange rate adjustment, other adjustment or other condition;

(o) Qualified Receivables which do not comply in all material respects with the requirements of all applicable laws and regulations, whether Federal, state or local, including the Federal Consumer Credit Protection Act, the Federal Truth in Lending Act and Regulation Z of the Federal Reserve Board;

(p) Qualified Receivables which are for goods that have been sold under a purchase order or pursuant to the terms of a contract or other agreement or understanding (whether written or oral) that indicates or purports that any Person other than a Credit Party has an ownership interest in such goods, or which indicates that any Person other than a Credit Party as payee or remittance party;

(q) Qualified Receivables (i) with respect to which any check or other instrument or payment has been returned uncollected for any reason or (ii) which are evidenced by any promissory note, chattel paper or instrument;

(r) Qualified Receivables as to which the underlying contract or agreement is governed by (or, if no governing law is expressed therein, is deemed to be governed by) the laws of any jurisdiction other than the United States, any state thereof or the District of Columbia or Canada or any province thereof; or

(s) such other Qualified Receivables as may be deemed ineligible by the Collateral Agent from time to time in its Permitted Discretion.

"**Intercreditor Agreement**" means the Intercreditor Agreement dated as of June 12, 2009 by and among PNC Bank, National Association, as funding agent, The Bank of Nova Scotia, as funding agent and as receivables collateral agent, J.P. Morgan Chase Bank, as collateral agent and the Receivables SPV, as initial servicer and as borrower, as amended, supplemented or modified from time to time prior to the date hereof.

"**Interest Period**" means, with respect to each Eurodollar Loan, the period commencing on the date of borrowing specified in the applicable Notice of Borrowing or on the date specified in the applicable Notice of Interest Rate Election and ending one, two, three or six months thereafter, as the Borrower may elect in such notice; *provided* that:

(a) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(c) no Interest Period may end after the Stated Termination Date.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended from time to time.

"**Interpolated Rate**" means, at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period

(for which that LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

"**Inventory**" has the meaning set forth in Article 9 of the Uniform Commercial Code as in effect from time to time in the State of New York.

"**Investment Grade Rating**" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

"**LC Commitment Amount**" means (a) as to each LC Issuing Bank party hereto as of the Effective Date, the commitment amount set forth opposite its name in the LC Commitment Schedule and (b) as to each LC Issuing Bank that becomes an LC Issuing Bank hereunder after the date hereof, the commitment amount of such LC Issuing Bank set forth in the instrument under which such LC Issuing Bank becomes an LC Issuing Bank. The LC Commitment Amount of any Issuing Bank may be changed by written agreement between the Borrower and such LC Issuing Bank, with notice to the Administrative Agent, without the consent of any other party hereto.

"**LC Disbursement**" means a payment made by an LC Issuing Bank in respect of a drawing under a Letter of Credit.

"**LC Exposure**" means, at any time, the sum of (a) the aggregate undrawn amount of all Letters of Credit outstanding at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time will be its Percentage of the total LC Exposure at such time.

"**LC Issuing Bank**" means JPMorgan Chase Bank, Bank of America, N.A., Wells Fargo Bank, N.A., Barclays Bank PLC, The Bank of Nova Scotia, PNC Bank, National Association and Citizens Bank of Pennsylvania and any other Lender acceptable to the Administrative Agent and the Borrower that may agree in its sole discretion to issue Letters of Credit hereunder, in each case in its capacity as an issuer of a Letter of Credit, and their respective successors in such capacity as provided in Section 2.16(i). Any LC Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by its Affiliates, in which case the term "LC Issuing Bank" shall include each such Affiliate with respect to Letters of Credit issued by it.

"**LC Reimbursement Obligations**" means, at any time, all obligations of the Borrower to reimburse any LC Issuing Bank for amounts paid by it in respect of drawings under Letters of Credit, including any portion of such obligations to which Lenders have become subrogated by making payments to any LC Issuing Bank pursuant to Section 2.16(e).

"**LC Sublimit**" means $350,000,000.

"**Lender Affiliate**" means, with respect to any Lender, (i) an Affiliate of such Lender or (ii) any entity (other than a natural person) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers or manages such Lender.

"**Lender Parties**" means the Lenders, the LC Issuing Banks, and the Agents.

"**Lenders**" means the Persons listed on the Commitment Schedule and any other Person that shall have become a party hereto pursuant to an Assignment, other than any such Person that ceases to be a party hereto pursuant to an Assignment. Unless the context requires otherwise, the term "Lenders" includes the LC Issuing Banks.

"**Letter of Credit**" means any letter of credit issued pursuant to this Agreement. For the avoidance of doubt, a Bi-Lateral Letter of Credit (as defined in the Borrower Security Agreement) shall not be a Letter of Credit.

"**LIBO Screen Rate**" has the meaning set forth in the definition of "London Interbank Offered Rate" in Section 2.06.

"**Lien**" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Liquidity**" means the sum of (i) the Borrower's domestic cash and cash equivalents (excluding any disbursement deposit account the funds in which are used solely for the payment of salaries and wages, employee benefits, workers' compensation and similar expenses) and (ii) Facility Availability.

"**Liquidity Condition**" means that, on the date of determination, the Borrower has Liquidity of (a) in the case of any series of Senior Notes other than, so long as the Decreased Testing Condition is satisfied, the Convertible Notes, not less than the sum of (x) $500,000,000 and (y) the outstanding principal amount of the applicable Senior Notes, at least $300,000,000 of which Liquidity is comprised of Facility Availability and (b) in the case of the Convertible Notes so long as the Decreased Testing Condition is satisfied, not less than the sum of (x) $250,000,000 and (y) the outstanding principal amount of the Convertible Notes, at least $150,000,000 of which Liquidity is comprised of Facility Availability.

"**Loan**" means a loan made by a Lender pursuant to Section 2.01; *provided* that, if any such loan or loans (or portions thereof) are combined or subdivided pursuant to a Notice of Interest Rate Election, the term "**Loan**" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

"**Loan Documents**" means this Agreement, any promissory note issued by the Borrower pursuant to Section 2.17(d), the Security Documents, and each Subsidiary Guarantee Agreement.

"**London Interbank Offered Rate**" has the meaning set forth in Section 2.06(b).

"**Long-Term Debt**" means any Debt that, in accordance with GAAP, constitutes (or, when incurred, constituted) a long-term liability.

"**Mark-to-Market Value**" has the meaning specified in the Borrower Security Agreement.

"**Material Adverse Change**" means any event, development or circumstance that has had or would reasonably be expected to have a material adverse effect on (a) the business, operations or financial condition of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder.

"**Material Debt**" means Debt (other than (i) obligations in respect of the Loans and Letters of Credit and (ii) Debt owed by the Borrower or one of its Subsidiaries solely to the Borrower or another Subsidiary of the Borrower), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding $100,000,000. For purposes of determining Material Debt, the "principal amount" of the obligations of the Borrower or any Subsidiary in respect of any Hedging Agreement at any time will be the maximum aggregate amount (after giving effect to any enforceable netting agreements) that the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time in circumstances in which the Borrower or such Subsidiary was the defaulting party.

"**Maximum Facility Availability**" means an amount equal to the lesser of (x) the aggregate amount of the Lenders' Commitments on such date and (y) the Borrowing Base on such date.

"**Moody's**" means Moody's Investors Service, Inc.

"**Multiemployer Plan**" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"**Notice of Borrowing**" has the meaning set forth in Section 2.02.

"**Notice of Interest Rate Election**" has the meaning set forth in Section 2.07.

"**Other Connection Taxes**" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

"**Other Taxes**" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.24).

"**Outside Processor**" means any Person that provides processing services with respect to Qualified Inventory owned by a Credit Party and on whose premises Qualified Inventory is located, which premises are neither owned nor leased by such Credit Party.

"**Participants**" has the meaning specified in Section 9.04(e).

"**Participant Register**" has the meaning assigned to such term in Section 9.04(e).

"**PBGC**" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"**Percentage**" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment; *provided* that in the case of Section 2.25 when a Defaulting Lender shall exist, "Percentage" shall mean the percentage of the total Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Percentages will be determined based on the Commitments most recently in effect, adjusted to give effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"**Perfection Certificate**" means a certificate in the form of Exhibit A to the applicable Security Agreement or any other form approved by the Administrative Agent.

"**Permitted Discretion**" means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

"**Permitted Liens**" means:

(a) Liens imposed by law or regulation for taxes that are not yet due or are being contested in good faith by appropriate proceedings;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, vendors' and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in good faith by appropriate proceedings;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations (including deposits made in the ordinary course of business to cash collateralize letters of credit described in the parenthetical in clause (i) of the definition of "Debt");

(d) Liens or deposits to secure the performance of bids, trade contracts, leases, Hedging Agreements, statutory or regulatory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, and Liens imposed by statutory or common law relating to banker's liens or rights of set-off or similar rights relating to deposit accounts, in each case in the ordinary course of business;

(e) Liens arising in the ordinary course of business in favor of issuers of documentary letters of credit;

(f) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Article 7; and

(g) easements, zoning restrictions, rights-of-way, licenses, reservations, minor irregularities of title and similar encumbrances on real property imposed by law or regulation or arising in the ordinary course of business that do not secure any monetary obligation and do not materially detract from the value of the affected property for its current use or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

provided that the term "Permitted Liens" shall not include any Lien that secures Debt.

"**Permitted Supply Chain Financing**" means any supply chain financing or other factoring transaction whereby the Receivables payable by a particular customer of a Credit Party are sold or pledged as collateral by a Credit Party to a

third-party financing source on a basis that is non-recourse to the applicable Credit Party. Unless otherwise agreed by the Collateral Agent in its sole discretion, in no event shall Permitted Supply Chain Financings applicable to more than five Applicable Account Debtors be in effect at any time (it being understood that Applicable Account Debtors that are Affiliates of each other shall count as a single Applicable Account Debtor for purposes of the limitation set forth in this definition).

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority, or other entity.

"**Plan**" means any employee pension benefit plan (except a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Internal Revenue Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) a "contributing sponsor" as defined in Section 4001(a)(13) of ERISA.

"**Prevailing Eastern Time**" means "eastern standard time" as defined in 15 USC §263 as modified by 15 USC §260a.

"**Pricing Schedule**" means the Pricing Schedule attached hereto.

"**Prime Rate**" means, for any day, the rate of interest per annum then most recently publicly announced by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City. Each change in the Prime Rate will be effective for purposes hereof from and including the date such change is publicly announced as being effective.

"**Qualified Inventory**" means all Raw Materials Inventory, Semi-Finished Goods and Scrap Inventory and Finished Goods Inventory held by a Credit Party in the normal course of business and owned solely by such Credit Party (per plant level records whereby manufactured items are valued at pre-determined costs and purchased items are valued at rolling average actual cost).

"**Qualified Receivables"** means all Receivables that are directly created by a Credit Party in the ordinary course of business arising out of the sale of Inventory by such Credit Party, which are at all times acceptable to the Collateral Agent in all respects in the exercise of its reasonable judgment and the customary credit policies of the Collateral Agent.

"**Quarterly Payment Dates**" means each March 31, June 30, September 30, and December 31.

"**Rating Agency**" means each of S&P and Moody's.

"**Raw Materials Inventory**" means any raw materials used or consumed in the manufacture or production of other inventory including, iron ore and sinter, coke, coal, limestone and other alloys and fluxes, but excluding steel scrap and iron scrap (it being understood that steel scrap and iron scrap shall be included in Inventory not constituting "Raw Materials").

"**Receivables**" means any account or payment intangible (each as defined in the Uniform Commercial Code as in effect from time to time in the State of New York) and any other right, title or interest which, in accordance with GAAP, would be included in receivables on a consolidated balance sheet of the Borrower.

"**Receivables Purchase Agreement**" means the Second Amended and Restated Receivables Purchase Agreement dated as of September 27, 2006 among the Receivables SPV, as seller, the Borrower, as initial servicer and in its individual capacity, The Bank of Nova Scotia, as collateral agent, the CP conduit purchasers, committed purchasers, funding agents and LC banks, and the various other Persons from time to time party thereto, as amended, supplemented or modified from time to time prior to the date hereof.

"**Receivables Purchase Documents**" means (i) the Receivables Purchase Agreement, (ii) the Purchase and Sale Agreement dated as of November 28, 2001 among the Borrower, as servicer, the originators party thereto and the Receivables SPV, as purchaser, as amended, supplemented or modified from time to time prior to the date hereof, (iii) the Intercreditor Agreement and (iv) any documents or other agreements executed in connection with or related to the foregoing.

"**Receivables SPV**" means U.S. Steel Receivables LLC.

"**Recipient**" means the Administrative Agent, any LC Issuing Bank or any Lender, as applicable.

"**Reference Banks**" means the principal London offices (or any successor offices) of JPMorgan Chase Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., Barclays Bank PLC, The Bank of Nova Scotia, PNC Bank, National Association and Citizens Bank of Pennsylvania.

"**Reference Rate**" has the meaning set forth in Section 9.13.

"**Register**" has the meaning specified in Section 9.04(c).

"**Regulation U**" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"**Related Parties**" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and its Affiliates.

"**Release Conditions**" has the meaning assigned to such term in the Borrower Security Agreement.

"**Required Lenders**" means, at any time, Lenders having more than 50% of the aggregate Credit Exposures at such time, in each case exclusive of Defaulting Lenders.

"**Restricted Payment**" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest in the Borrower, or any payment (whether in cash, securities or other property) or incurrence of an obligation by the Borrower or any of its Subsidiaries, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interest in the Borrower (including, for this purpose, any payment in respect of any Equity Interest under a Synthetic Purchase Agreement).

"**Revolving Credit Period**" means the period from and including the Effective Date to, but excluding, the Termination Date.

"**S&P**" means Standard & Poor's Financial Services LLC, a subsidiary of the McGraw-Hill Companies, Inc.

"**Sanctioned Country**" means , at any time, a country or territory that is the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

"**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union or any European Union member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom.

"**SEC**" means the United States Securities and Exchange Commission.

"**Secured Derivative Obligations**" has the meaning specified in Section 1 of the Borrower Security Agreement.

"**Secured Obligations**" has the meaning specified in Section 1 of the Borrower Security Agreement.

"**Secured Parties**" has the meaning specified in Section 1 of the Borrower Security Agreement.

"**Security Agreement**" means each of the Borrower Security Agreement and each other security agreement between any Subsidiary Guarantor and the Collateral Agent as required pursuant to the Collateral and Guarantee Requirement, substantially in the form of Exhibit C-2.

"**Security Documents**" means each Security Agreement and each other security agreement, instrument or document executed and delivered pursuant to Section 5.10 to secure any of the Secured Obligations.

"**Semi-Finished Goods and Scrap Inventory**" means semi-finished goods produced by a Credit Party in the ordinary course of business, including slabs, blooms, coiled strip, black plate, sheets hot rolled and cold rolled, unfinished tubes, scrap and pig iron.

"**Senior Debt Rating**" means a rating of the Borrower's senior long-term debt that is not secured or supported by a guarantee, letter of credit or other form of credit enhancement; *provided* that if a Senior Debt Rating by a Rating Agency is required to be at or above a specified level and such Rating Agency shall have changed its system of classifications after the date hereof, the requirement will be met if the Senior Debt Rating by such Rating Agency is at or above the new rating which most closely corresponds to the specified level under the old rating system; and *provided further* that the Senior Debt Rating in effect on any date is that in effect at the close of business on such date.

"**Senior Managing Agent**" means each of Citizens Bank of Pennsylvania, Credit Suisse AG, Goldman Sachs Bank USA, Morgan Stanley Senior Funding, Inc., Royal Bank of Canada and SunTrust Bank, in its capacity as a senior managing agent in respect of this Agreement.

"**Senior Notes**" means any of the 2017 Notes, the 2018 Notes, the Convertible Notes and the 2020 Notes.

"**Senior Notes Documents**" means (i) the Indenture, dated as of May 21, 2007, between the Borrower and the Senior Notes Trustee, (ii) the First Supplemental Indenture, dated as of May 21, 2007, between the Borrower and the Senior Notes Trustee, (iii) the Second Supplemental Indenture, dated as of December 10, 2007, between the Borrower and the Senior Notes Trustee, (iv) the Fourth Supplemental Indenture, dated as of March 19, 2010, between the Borrower and the Senior Notes Trustee and (v) the Seventh Supplemental Indenture, dated as of March 26, 2013, between the Borrower and the Senior Notes Trustee.

"**Senior Notes Event**" means, with respect to any series of Senior Notes, any of the following: (a) the redemption, repayment, defeasance or other

discharge, in full, of such series of Senior Notes (including, in each case, all accrued but unpaid interest, fees and other amounts in respect thereof) in accordance with the terms of the applicable Senior Notes Documents (other than with the proceeds of Debt); (b) the amendment to or other modification of such series of Senior Notes and the applicable Senior Notes Documents causing the stated maturity date of such series of Senior Notes to be extended to a date that is at least 91 days after the Stated Termination Date; and/or (c) the refinancing of such series of Senior Notes with Debt having a maturity date that is at least 91 days after the Stated Termination Date; provided that, in the case of clauses (b) and (c) of this definition, such series of Senior Notes as so amended, or any refinancing Indebtedness in respect thereof, do not require (i) any amortization prior to the date that is 91 days after the Stated Termination Date or (ii) any mandatory prepayment or redemption at the option of the holders thereof (except for redemptions in respect of assets sales and changes in control on terms not less favorable to the Borrower than the terms of such series of Senior Notes as in effect on the date hereof) prior to the date that is 91 days after the Stated Termination Date.

"**Senior Notes Trustee**" means the Bank of New York and its successors in such capacity.

"**Significant Subsidiary**" means any Subsidiary Guarantor and any subsidiary of the Borrower, whether now or hereafter owned, formed or acquired that, at the time of determination is a "significant subsidiary" of the Borrower, as such term is defined on the date of this Agreement in Regulation S-X of the SEC (a copy of which is attached as Exhibit G).

"**Specified Lender**" means a Defaulting Lender or a Downgraded Lender.

"**Stated Termination Date**" means the fifth anniversary of the Effective Date.

"**Statutory Reserve Adjustment**" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Federal Reserve Board to which the Administrative Agent is subject with respect to Eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Federal Reserve Board). Such reserve percentages will include those imposed pursuant to such Regulation D. Eurodollar Loans will be deemed to constitute Eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions, or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Adjustment will be adjusted automatically on and as of the effective date of any change in any applicable reserve percentage.

"**Subsidiary**" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned directly, or indirectly through one or more intermediaries, or both, by such Person; *provided* that no Excluded Subsidiary shall be considered a Subsidiary of the Borrower. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower. By way of clarification and not limitation, consolidated Subsidiaries do not include variable interest entities—i.e., entities subject to consolidation according to the provisions of the Financial Accounting Standards Board Interpretation No. 46 "Consolidation of Variable Interest Entities" as revised.

"**Subsidiary Guarantee Agreement**" means a guarantee agreement substantially in the form of Exhibit E hereto.

"**Subsidiary Guarantor**" means any Domestic Subsidiary that the Borrower elects to cause to become a Subsidiary Guarantor by fulfilling the Collateral and Guarantee Requirement unless such Subsidiary Guarantor ceases to be a Subsidiary Guarantor pursuant to the terms of its Subsidiary Guarantee Agreement and the Security Documents.

"**Synthetic Purchase Agreement**" means any swap, derivative or other agreement or combination of agreements pursuant to which the Borrower or a Subsidiary is or may become obligated to make (i) any payment in connection with the purchase by any third party, from a Person other than the Borrower or a Subsidiary, of any Equity Interest or (ii) any payment (other than on account of a permitted purchase by it of any Equity Interest) the amount of which is determined by reference to the price or value at any time of any Equity Interest; *provided* that no phantom stock or similar plan providing for payments only to current or former directors, officers or employees of the Borrower or its Subsidiaries (or their heirs or estates) will be deemed to be a Synthetic Purchase Agreement.

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Termination Date**" means the Stated Termination Date; *provided*, *however*, that if, as of the Early Maturity Date with respect to any series of Senior Notes, a Senior Notes Event with respect to such series of Senior Notes has not occurred, then the Termination Date shall be the Early Maturity Date with respect to such series of Senior Notes (the occurrence of the event described in this proviso, an "**Early Maturity Event**"); *provided further*, *however*, that if a Senior

Notes Event with respect to such series of Senior Notes has not occurred prior to the Early Maturity Date with respect to such series of Senior Notes, but as of the Early Maturity Date with respect to such series of Senior Notes the Liquidity Condition is satisfied, then (a) an Early Maturity Event shall not occur and (b) the Termination Date shall continue to be the Stated Termination Date unless, as of any time (the date on which such time occurs, the "**Accelerated Termination Date**") on or after the Early Maturity Date with respect to such series of Senior Notes when a Senior Notes Event with respect to such series of Senior Notes has not occurred, the Liquidity Condition is not satisfied, in which event the Termination Date shall be the Accelerated Termination Date. In addition, with respect to any series of Senior Notes, if (A) the Senior Notes Documents have been amended in order to cause a Senior Notes Event set forth in clause (b) of the definition thereof to occur, or if any of the Senior Notes have been refinanced with Debt in order to cause a Senior Notes Event set forth in clause (c) of the definition thereof to occur and (B) the Senior Notes Documents (or the operative documents in respect of any such refinancing Debt) are subsequently amended or modified such that the conditions set forth in clause (b) or (c), as the case may be, of the definition of "Senior Notes Event" are no longer satisfied, then the Termination Date shall be the date of such amendment or modification (or, if such amendment or modification occurs before the Early Maturity Date with respect to such series of Senior Notes, shall be the Early Maturity Date with respect to such series of Senior Notes).

"**Third-Party Location**" means any property that is either owned or leased by (a) a Third-Party Warehouseman, (b) an Outside Processor, or (c) a Borrower Joint Venture.

"**Third-Party Warehouseman**" means any Person on whose premises Qualified Inventory is located, which premises are neither owned nor leased by a Credit Party, any customer of or vendor to a Credit Party, or an Outside Processor.

"**Total Outstanding Amount**" means, at any date, the sum of the aggregate outstanding principal amount of all Loans plus the aggregate LC Exposures of all Lenders at such date.

"**Transaction Liens**" means the Liens on Collateral granted by the Borrower under the Security Documents.

"**Undisclosed Administration**" means in relation to a Lender, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed; *provided* that, for the avoidance of doubt, at any time that such appointment is publicly disclosed, such appointment shall no longer be considered an Undisclosed Administration.

"**United States**" means the United States of America.

"**U.S. Tax Compliance Certificate**" has the meaning assigned to such term in Section 2.22(f)(ii)(B)(3).

"**Valuation Reserves**" means the sum of the following:

(a) a favorable variance reserve for variances between pre-determined cost and actual costs;

(b) a calculated revaluation reserve, as determined by the Collateral Agent in its Permitted Discretion;

(c) a reserve for costs incurred at headquarters which are allocated to Inventory;

(d) a lower of cost or market reserve which includes all Inventory sold for less than pre-determined cost as deemed appropriate by the Collateral Agent in its Permitted Discretion;

(e) a reserve for iron ore transportation costs, as determined by the Collateral Agent in its Permitted Discretion; and

(f) such other reserves as may be deemed appropriate by the Collateral Agent from time to time in its Permitted Discretion.

"**Vendor Financing Facility**" has the meaning specified in Section 1 of the Borrower Security Agreement.

"**Withdrawal Liability**" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Section 1.02. *Types of Borrowing.* The term "Borrowing" denotes (i) the aggregation of Loans made or to be made to the Borrower pursuant to Article 2 on the same day, all of which Loans are of the same type and, except in the case of Base Rate Loans, have the same initial Interest Period or (ii) if the context so requires, the borrowing of such Loans. Borrowings are classified for purposes of this Agreement by reference to the pricing of Loans comprising such Borrowing (*e.g.*, a "Eurodollar Borrowing" is a Borrowing comprised of Eurodollar Loans).

Section 1.03. *Terms Generally*. The definitions of terms herein (including those incorporated by reference to another document) apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun includes the corresponding masculine, feminine, and neuter forms. The words "**include**", "**includes**" and "**including**" shall be deemed to be followed by the phrase "**without limitation**". The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**". Unless the context

requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "**herein**", "**hereof**" and "**hereunder**", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the word "**property**" shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.04. *Accounting Terms; Changes in GAAP*. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP as in effect from time to time; *provided* that, if the Borrower notifies the Administrative Agent in writing that the Borrower wishes to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof with respect to any provision hereof (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to make a similar request), regardless of whether such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be applied on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or the applicable provision of this Agreement is amended in accordance herewith.

ARTICLE 2
THE CREDITS

Section 2.01. *Commitments to Lend.* Each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this Section from time to time during the Revolving Credit Period; *provided* that, immediately after each such loan is made: (i) the sum of the aggregate outstanding principal amount of such Lender's Loans *plus* the aggregate amount of such Lender's LC Exposure shall not exceed its Commitment and (ii) the Total Outstanding Amount shall not exceed the Maximum Facility Availability. Each Borrowing under this Section shall be in an aggregate principal amount of $5,000,000 or any larger multiple of $1,000,000 (except that (x) any such Borrowing may be in the aggregate amount available within the limitations in the foregoing proviso and (y) any Base Rate Borrowing pursuant to Section 2.16(e) may be in the amount specified therein) and shall be made from the several Lenders ratably in proportion to their respective Commitments. Within the foregoing limits, the Borrower may borrow under this Section, repay, or to the extent permitted by Section 2.11, prepay Loans and re-borrow under this Section 2.01.

Section 2.02. *Notice of Committed Borrowing.* The Borrower shall give the Administrative Agent notice (a "**Notice of Borrowing**") not later than (x) Noon (Prevailing Eastern Time) on the date of each Base Rate Borrowing and (y) 11:00 A.M. (Prevailing Eastern Time) on the third Business Day before each Eurodollar Borrowing, specifying:

(f) the date of such Borrowing, which shall be a Business Day,

(g) the aggregate amount of such Borrowing,

(h) whether the Loans comprising such Borrowing are to be Base Rate Loans or Eurodollar Loans, and

(i) in the case of a Eurodollar Borrowing, the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

Section 2.03. *Reserved.*

Section 2.04. *Notice to Lenders; Funding of Loans.* (i) Upon receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's share of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 2:00 P.M. (Prevailing Eastern Time) on the date of each Borrowing, each Lender shall (except as provided in subsection (c) of this Section) make available its share of such Borrowing, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address referred to in Section 9.01. Unless the Administrative Agent determines that any applicable condition specified in Article 3 has not been satisfied, the Administrative Agent will make the funds so received from the Lenders available to the Borrower at the Administrative Agent's aforesaid address.

(c) If any Lender makes a new Loan hereunder on a day on which the Borrower is to repay all or any part of an outstanding Loan from such Lender, such Lender shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Lender to the Administrative Agent as provided in subsection (b), or remitted by the Borrower to the Administrative Agent as provided in Section 2.13, as the case may be.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available to the Administrative Agent on the date of such Borrowing in accordance with subsections (b) and (c) of this Section 2.04 and the

Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such share available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.07 or (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Loan included in such Borrowing for purposes of this Agreement.

Section 2.05. *Maturity of Loans.* Each Loan shall mature, and the principal amount thereof shall be due and payable (together with accrued interest thereon), on the Termination Date.

Section 2.06. *Interest Rates.* (i) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the sum of the Applicable Rate for such day *plus* the Base Rate for such day. Such interest shall be payable quarterly in arrears on each Quarterly Payment Date. Any overdue principal of or interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the Applicable Rate for such day *plus* the Base Rate for such day.

(b) Each Eurodollar Loan shall bear interest on the outstanding principal amount thereof, for each day during each Interest Period applicable thereto, at a rate per annum equal to the sum of the Applicable Rate for such day *plus* the Adjusted LIBO Rate applicable to such Interest Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof.

"**Adjusted LIBO Rate**" means, with respect to any Group of Eurodollar Loans for any Interest Period, an interest rate per annum (rounded upward, if necessary, to the next 1/16 of 1%) equal to (a) the London Interbank Offered Rate for such Interest Period multiplied by (b) the Statutory Reserve Adjustment.

"**London Interbank Offered Rate**" applicable to any Interest Period means the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, if such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as

selected by the Administrative Agent in its reasonable discretion; in each case the "**LIBO Screen Rate**") at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; *provided* that if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; *provided further*, that if the Screen Rate shall not be available at such time for such Interest Period (an "**Impacted Interest Period**") then the London Interbank Offered Rate shall be the Interpolated Rate; *provided* that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. If the LIBO Screen Rate is not available at such time for any reason, then the "**London Interbank Offered Rate**" for such Interest Period shall be the average (rounded, if necessary, to the next higher 1/100 of 1%) of the rates *per annum* at which U.S. Dollar deposits are offered to each of the Reference Banks in the London interbank market at approximately 11:00 A.M. (London time), two Business Days prior to the commencement of such Interest Period in an amount approximately equal to the principal amount of the applicable Eurodollar Loan of such Reference Bank to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

(c) Any overdue principal of or interest on any Eurodollar Loan shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 2% plus the higher of (i) the sum of the Applicable Rate for such day *plus* the Adjusted LIBO Rate applicable to such Loan on the day before such payment was due and (ii) the Applicable Rate for such day *plus* the result obtained (rounded upward, if necessary, to the next higher 1/100 of 1%) by multiplying (x) the rate per annum at which one day (or, if such amount due remains unpaid more than three Business Days, then for such other period of time not longer than six months as the Administrative Agent may select) deposits in dollars in an amount approximately equal to such overdue payment are offered by the principal London office of the Administrative Agent in the London interbank market for the applicable period determined as heretofore provided by (y) the Statutory Reserve Adjustment (or, if the circumstances described in Section 2.19 shall exist, at a rate per annum equal to the sum of 2% plus the Base Rate for such day).

(d) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder. The Administrative Agent shall give prompt notice to the Borrower and the participating Lenders of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

Section 2.07. *Method of Electing Interest Rates.* (iii) The Loans included in each Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject to Section 2.07(d) and Section 2.19), as follows:

(iv) if such Loans are Base Rate Loans, the Borrower may elect to convert such Loans to Eurodollar Loans as of any Business Day; and

(v) if such Loans are Eurodollar Loans, the Borrower may elect to convert such Loans to Base Rate Loans as of any Business Day or to continue such Loans as Eurodollar Loans for an additional Interest Period, subject to Section 2.21 if any such conversion is effective on any day other than the last day of an Interest Period applicable to such Loans.

Each such election shall be made by delivering a notice (a "**Notice of Interest Rate Election**") to the Administrative Agent not later than 11:00 A.M. (Prevailing Eastern Time) on the third Business Day before the conversion or continuation selected in such notice is to be effective. A Notice of Interest Rate Election may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Group of Loans; *provided* that (i) such portion is allocated ratably among the Loans comprising such Group and (ii) the portion to which such Notice applies, and the remaining portion to which it does not apply, are each at least $5,000,000 (unless such portion is comprised of Base Rate Loans). If no such notice is timely received before the end of an Interest Period for any Group of Eurodollar Loans, the Borrower shall be deemed to have elected that such Group of Loans be converted to Base Rate Loans at the end of such Interest Period.

(b) Each Notice of Interest Rate Election shall specify:

(iii) the Group of Loans (or portion thereof) to which such notice applies;

(iv) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of Section 2.07(a);

(v) if the Loans comprising such Group are to be converted, the new type of Loans and, if the Loans resulting from such conversion are to be Eurodollar Loans, the duration of the next succeeding Interest Period applicable thereto; and

(vi) if such Loans are to be continued as Eurodollar Loans for an additional Interest Period, the duration of such additional Interest Period.

Each Interest Period specified in a Notice of Interest Rate Election shall comply with the provisions of the definition of Interest Period.

(c) Promptly after receiving a Notice of Interest Rate Election from the Borrower pursuant to Section 2.07(a), the Administrative Agent shall notify each Lender of the contents thereof and such notice shall not thereafter be revocable by the Borrower.

(d) The Borrower shall not be entitled to elect to convert any Loans to, or continue any Loans for an additional Interest Period as, Eurodollar Loans if (i) the aggregate principal amount of any Group of Eurodollar Loans created or continued as a result of such election would be less than $5,000,000 or (ii) a Default shall have occurred and be continuing when the Borrower delivers notice of such election to the Administrative Agent.

(e) If any Loan is converted to a different type of Loan, the Borrower shall pay, on the date of such conversion, the interest accrued to such date on the principal amount being converted.

(f) A conversion or continuation pursuant to this Section 2.07 is not a Borrowing.

Section 2.08. *Fees.* (vii) *Commitment Fee*. The Borrower shall pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at (viii) 0.25% per annum on the average daily unused amount of the Commitment of such Lender if (A) the average daily usage exceeds 33$_{1/3}$% of the aggregate Commitments or (B) the Borrower's Senior Debt Rating is higher than Ba2 by Moody's and BB by S&P and (ix) otherwise, 0.375% per annum, during the period from and including the Effective Date to the date on which such Commitment terminates. All commitment fees will be computed on the basis of a year of 360 days and will be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Lender's Commitment will be deemed to be used to the extent of its outstanding Loans and LC Exposure.

(b) *Letter of Credit Fees.* The Borrower shall pay (i) to the Administrative Agent for the account of the Lenders ratably a letter of credit fee accruing daily on the aggregate undrawn amount of all outstanding Letters of Credit at a rate per annum equal to the Applicable Rate on Eurodollar Loans for such day and (ii) to each LC Issuing Bank for its own account, a letter of credit fronting fee in an amount equal to 0.125% per annum accruing daily on the aggregate amount then available for drawing under all Letters of Credit issued by such LC Issuing Bank.

(c) *Payments*. Accrued fees under this Section shall be payable quarterly in arrears on each Quarterly Payment Date, commencing on the first such date to occur after the date hereof, and upon the date of termination of the Commitments in their entirety (or, if later, the date on which the aggregate amount of the Credit Exposures is reduced to zero).

Section 2.09. *Optional Termination or Reduction of Commitments.* (iii) The Borrower may, upon at least three Business Days' notice to the Administrative Agent, (iv) terminate the Commitments at any time, if no Loans or Letters of Credit or LC Reimbursement Obligations are outstanding at such time or (v) ratably reduce from time to time by an aggregate amount of $5,000,000 or

any larger multiple of $1,000,000, the aggregate amount of the Commitments in excess of the Total Outstanding Amount. If the LC Sublimit exceeds the aggregate amount of the Commitments, the LC Sublimit shall automatically be reduced by the amount of such excess.

(b) Promptly after receiving a notice of termination or reduction pursuant to this Section, the Administrative Agent shall notify each Lender of the contents thereof and of such Lender's ratable share of any such reduction, and such notice shall not thereafter be revocable by the Borrower.

Section 2.10. *Scheduled Termination of Commitments.* Unless previously terminated, the Commitments shall terminate on the Termination Date.

Section 2.11. *Optional and Mandatory Prepayments.* (i) Subject in the case of any Group of Eurodollar Loans to Section 2.21, the Borrower may, upon at least one Business Day's notice to the Administrative Agent, prepay any Group of Base Rate Loans or upon at least three Business Days' notice to the Administrative Agent, prepay any Group of Eurodollar Loans, in each case in whole at any time, or from time to time in part, in amounts aggregating $5,000,000 or any larger multiple of $1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Each such optional prepayment shall be applied to prepay ratably the Loans of the several Lenders included in such Group.

(b) If at any date the Total Outstanding Amount exceeds the Maximum Facility Availability calculated as of such date, then not later than the next succeeding Business Day, the Borrower shall be required to prepay the Loans (or, if no Loans are outstanding, deposit cash in a Cash Collateral Account to cash collateralize LC Exposures) in an amount equal to such excess until the Total Outstanding Amount, net of the amount of cash collateral deposited in the Cash Collateral Account, does not exceed the Maximum Facility Availability.

(c) Upon receipt of a notice of prepayment pursuant to this Section, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's ratable share (if any) of such prepayment and such notice shall not thereafter be revocable by the Borrower.

Section 2.12. *Reserved.*

Section 2.13. *Computation of Interest and Fees.* Interest based on the Prime Rate hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.14. *Reserved.*

Section 2.15. *Increased Commitments; Additional Lenders.* (i) From time to time subsequent to the Effective Date, the Borrower may, upon at least 30 days' notice to the Administrative Agent (which shall promptly provide a copy of such notice to the Lenders), propose to increase the aggregate amount of the Commitments by an amount not to exceed $500,000,000 (the amount of any such increase, the "**Increased Commitments**"). Each Lender party to this Agreement at such time shall have the right (but no obligation), for a period of 15 days following receipt of such notice, to elect by notice to the Borrower and the Administrative Agent to increase its Commitment by a principal amount which bears the same ratio to the Increased Commitments as its then Commitment bears to the aggregate Commitments then existing. The failure of a Lender to respond to the Borrower's request for an increase shall be deemed a rejection of the Borrower's request by such Lender.

(b) If any Lender party to this Agreement shall not elect to increase its Commitment pursuant to subsection (a) of this Section, the Borrower may, within 10 days of the Lender's response (or deemed response), designate one or more of the existing Lenders or other financial institutions acceptable to the Administrative Agent, the LC Issuing Banks and the Borrower (which consent of the Administrative Agent and the LC Issuing Banks shall not be unreasonably withheld or delayed) which at the time agree to (c) in the case of any such Person that is an existing Lender, increase its Commitment and (d) in the case of any other such Person (an "**Additional Lender**"), become a party to this Agreement. The sum of the increases in the Commitments of the existing Lenders pursuant to this subsection (b) plus the Commitments of the Additional Lenders shall not in the aggregate exceed the unsubscribed amount of the Increased Commitments, and the increases in the Commitments of the existing Lenders and the Commitments of the Additional Lenders made pursuant to this subsection (b) shall be on the same terms (including upfront fees) as were offered to the Lenders pursuant to Section 2.15(a) or on terms more advantageous to the Borrower.

(e) Reserved.

(f) Any increase in the Commitments pursuant to this Section 2.15 shall be subject to satisfaction of the following conditions:

(i) immediately before and after giving effect to such increase, all representations and warranties contained in Article 3 shall be true;

(ii) immediately before and after giving effect to such increase, no Default shall have occurred and be continuing; and

(iii) after giving effect to such increase, the aggregate amount of all increases in Commitments made pursuant to Section 2.15(a) shall not exceed $500,000,000.

(g) An increase in the aggregate amount of the Commitments pursuant to this Section 2.15 shall become effective upon the receipt by the Administrative Agent of an agreement in form and substance reasonably satisfactory to the Administrative Agent signed by the Borrower, by each Additional Lender and by each other Lender whose Commitment is to be increased, setting forth the new Commitments of such Lenders and setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof, together with such evidence of appropriate corporate authorization on the part of the Borrower with respect to the Increased Commitments and such opinions of counsel for the Borrower with respect to the Increased Commitments as the Administrative Agent may reasonably request.

(h) Upon any increase in the aggregate amount of the Commitments pursuant to this Section 2.15 that is not pro rata among all Lenders, (x) within five Business Days, in the case of any Group of Base Rate Loans then outstanding, and at the end of the then current Interest Period with respect thereto, in the case of any Group of Eurodollar Loans then outstanding, the Borrower shall prepay such Group in its entirety and, to the extent the Borrower elects to do so and subject to the conditions specified in Article 4, the Borrower shall re-borrow Loans from the Lenders in proportion to their respective Commitments after giving effect to such increase, until such time as all outstanding Loans are held by the Lenders in such proportion and (y) effective upon such increase, the amount of the participations held by each Lender in each Letter of Credit then outstanding shall be adjusted such that, after giving effect to such adjustments, the Lenders shall hold participations in each such Letter of Credit in the proportion its respective Commitment bears to the aggregate Commitments after giving effect to such increase.

Section 2.16. *Letters of Credit.* (a) *General.* On the Effective Date, each LC Issuing Bank shall be deemed, without further action by any party hereto, to have sold to each of the Lenders, and each of the Lenders shall be deemed, without further action by any party hereto, to have purchased from such LC Issuing Bank, a participation (on the terms specified in this Section) in each Existing Letter of Credit issued by such Issuing Bank equal to such Lender's Percentage thereof. Concurrently with such sale, the participations sold to the Existing Lenders pursuant to the terms of the Existing Credit Agreement shall be automatically cancelled without further action by any of the parties hereto. Each Lender acknowledges and agrees that its obligation to acquire participations in Existing Letters of Credit pursuant to this subsection is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each payment by a Lender to acquire such participations shall be made without any offset, abatement, withholding or reduction whatsoever. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the Administrative Agent and the applicable LC

Issuing Bank, from time to time during the Revolving Credit Period. If the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, any LC Issuing Bank relating to any Letter of Credit are not consistent with the terms and conditions of this Agreement, the terms and conditions of this Agreement shall control.

(b) *Notice of Issuance, Amendment, Renewal, or Extension; Certain Conditions.* To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable LC Issuing Bank) to the applicable LC Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the requested date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 2.16(c)), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable LC Issuing Bank, the Borrower also shall submit a letter of credit application on such LC Issuing Bank's standard form (with such changes as are agreed by such LC Issuing Bank and the Borrower) in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (i) the Administrative Agent shall have been given notice of such issuance, amendment, renewal or extension and (ii) after giving effect to such issuance, amendment, renewal or extension (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), (A) the aggregate LC Exposure will not exceed the LC Sublimit and (B) the Total Outstanding Amount will not exceed the Maximum Facility Availability on such date. No LC Issuing Bank shall be required to issue Letters of Credit in an aggregate outstanding amount exceeding such LC Issuing Bank's LC Commitment Amount. No LC Issuing Bank shall issue a Letter of Credit if the Required Lenders have informed such LC Issuing Bank in writing that the conditions to funding in Section 4.02 have not been satisfied.

(c) *Expiration Date.* Each Letter of Credit shall expire at or before the close of business on the earlier of (d) the date that is one year after such Letter of Credit is issued (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (e) the date that is five Business Days before the Stated Termination Date; *provided* that a Letter of Credit may have an expiry date later than that otherwise permitted by this clause (ii) so long as all LC Exposures with respect to such Letter of Credit are cash collateralized not later than the fifth Business Day prior to the Stated Termination Date in the manner specified in subsection (j).

(f) *Participations*. Effective upon the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable LC Issuing Bank or the Lenders, such LC Issuing Bank grants to each Lender, and each Lender acquires from such LC Issuing Bank, a participation in such Letter of Credit equal to such Lender's Percentage of the aggregate amount available to be drawn thereunder. Pursuant to such participations, each Lender agrees to pay to the Administrative Agent, for the account of the applicable LC Issuing Bank, such Lender's Percentage of (g) each LC Disbursement made by such LC Issuing Bank and not reimbursed by the Borrower on the date due as provided in Section 2.16(e) and (h) any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender's obligation to acquire participations and make payments pursuant to this subsection is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or any reduction or termination of the Commitments, and each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(i) *Reimbursement.* If the applicable LC Issuing Bank makes any LC Disbursement under a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying an amount equal to such LC Disbursement to the Administrative Agent not later than 2:00 P.M. (Prevailing Eastern Time) on the day that such LC Disbursement is made, if the Borrower receives notice of such LC Disbursement before 10:00 A.M., Prevailing Eastern Time, on such day, or, if such notice has not been received by the Borrower before such time on such day, then not later than Noon (Prevailing Eastern Time) on (j) the Business Day that the Borrower receives such notice, if such notice is received before 10:00 A.M. (Prevailing Eastern Time) on the day of receipt, or (k) the next Business Day, if such notice is not received before such time on the day of receipt; *provided* that, if such LC Disbursement is at least $500,000, the Borrower may, subject to the conditions to borrowing set forth herein, request that such payment be made with the proceeds of a Base Rate Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Base Rate Borrowing. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Percentage thereof. Promptly after it receives such notice, each Lender shall pay to the Administrative Agent its Percentage of the payment then due from the Borrower, in the same manner as is provided in Section 2.04 with respect to Loans made by such Lender (and Section 2.04(d) shall apply, *mutatis mutandis*, to such payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the applicable LC Issuing Bank the amounts so received by it from the Lenders. If a Lender makes a payment pursuant to this subsection to reimburse the applicable LC Issuing Bank for any LC Disbursement (other than by funding Base Rate Loans as heretofore contemplated), (i) such payment will not constitute a Loan and will not relieve the

Borrower of its obligation to reimburse such LC Disbursement and (ii) such Lender will be subrogated to its pro rata share of the applicable LC Issuing Bank's claim against the Borrower for such reimbursement. Promptly after the Administrative Agent receives any payment from the Borrower pursuant to this subsection, the Administrative Agent will distribute such payment to the applicable LC Issuing Bank or, if Lenders have made payments pursuant to this subsection to reimburse such LC Issuing Bank, then to such Lenders and such LC Issuing Bank as their interests may appear.

(l) *Obligations Absolute*. The Borrower's obligation to reimburse LC Disbursements as provided in Section 2.16(e) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (m) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (n) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (o) payment by any LC Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (p) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of set-off against, the Borrower's obligations hereunder. None of the Administrative Agent, the Lenders, the LC Issuing Banks and their respective Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any LC Issuing Bank; *provided* that the foregoing shall not excuse any LC Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such LC Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. In the absence of gross negligence or willful misconduct on the part of any LC Issuing Bank (as finally determined by a court of competent jurisdiction), such LC Issuing Bank shall be deemed to have exercised care in each such determination. Without limiting the generality of the foregoing, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable LC Issuing Bank may, in its sole discretion, either (A) accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or (B) refuse

to accept and make payment upon such documents if such documents do not strictly comply with the terms of such Letter of Credit.

(q) *Disbursement Procedures*. The applicable LC Issuing Bank shall, promptly after its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The applicable LC Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such LC Issuing Bank has made or will make an LC Disbursement pursuant thereto; *provided* that any failure to give or delay in giving such notice will not relieve the Borrower of its obligation to reimburse such LC Issuing Bank and the Lenders with respect to any such LC Disbursement.

(r) *Interim Interest*. Unless the Borrower reimburses an LC Disbursement in full on the day it is made, the unpaid amount thereof shall bear interest, for each day from and including the day on which such LC Disbursement is made to but excluding the day on which the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Base Rate Loans; *provided* that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to Section 2.16(e), then such amount shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the Base Rate for such day. Interest accrued pursuant to this subsection shall be for the account of the applicable LC Issuing Bank, except that a pro rata share of interest accrued on and after the day that any Lender reimburses such LC Issuing Bank for a portion of such LC Disbursement pursuant to Section 2.16(e) shall be for the account of such Lender.

(s) *Replacement of an LC Issuing Bank*. Any LC Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced LC Issuing Bank, and the successor LC Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement. At the time any such replacement becomes effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced LC Issuing Bank pursuant to Section 2.08(b). On and after the effective date of any such replacement, (t) the successor LC Issuing Bank will have all the rights and obligations of the replaced LC Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (u) references herein to the term "LC Issuing Bank" will be deemed to refer to such successor or to any previous LC Issuing Bank, or to such successor and all previous LC Issuing Banks, as the context shall require. After an LC Issuing Bank is replaced, it will remain a party hereto and will continue to have all the rights and obligations of an LC Issuing Bank under this Agreement with respect to Letters of Credit issued by it before such replacement, but will not be required to issue additional Letters of Credit.

(v) *Cash Collateralization*. If an Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans

has been accelerated, Lenders with LC Exposures representing more than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this subsection, the Borrower shall deposit in a Cash Collateral Account an amount in cash equal to 102% of the total LC Exposure as of such date plus any accrued and unpaid interest thereon; *provided* that the obligation to deposit such cash collateral will become effective immediately, and such deposit will become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (i) or (j) of Article 7. Any amount so deposited (including any earnings thereon) will be withdrawn from the Borrower's Cash Collateral Account by the Administrative Agent and applied to pay LC Reimbursement Obligations as they become due; *provided* that if at any time all Events of Default have been cured or waived, such amount, to the extent not theretofore so applied, will be returned to the Borrower upon its request.

Section 2.17. *Evidence of Debt*.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time.

(b) The Administrative Agent shall maintain accounts in which it shall record (c) the amount of each Loan made hereunder, the type thereof and each Interest Period (if any) applicable thereto, (d) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (e) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(f) The entries made in the accounts maintained pursuant to subsections (a) and (b) of this Section shall be *prima facie* evidence of the existence and amounts of the obligations recorded therein; *provided* that any failure by any Lender or the Administrative Agent to maintain such accounts or any error therein shall not affect the Borrower's obligation to repay the Loans in accordance with the terms of this Agreement.

(g) Any Lender may request that Loans made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note(s) payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note(s) and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 2.18. *Change in Control*. (a) If a Change in Control of the Borrower shall occur, the Borrower will, within one Business Day after the occurrence thereof, give the Administrative Agent notice thereof, and the Administrative Agent shall promptly notify each Lender thereof. Such notice shall describe in reasonable detail the facts and circumstances giving rise thereto and the date of such Change in Control and each Lender may, by notice to the Borrower and the Administrative Agent (a "**Termination Notice**") given not later than ten days after the date of such Change in Control, terminate its Commitment, which shall be terminated, and declare any Loans held by it (together with accrued interest thereon) and any other amounts payable hereunder for its account to be, and such Loans and such amounts shall become, due and payable, in each case on the day following delivery of such Termination Notice (or if such day is not a Business Day, the next succeeding Business Day), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

(b) If the Commitment of any Lender is terminated pursuant to this Section at a time when any Letter of Credit is outstanding, then (c) such Lender shall remain responsible to the applicable LC Issuing Bank with respect to such Letter of Credit to the same extent as if its Commitment had not terminated and (d) the Borrower shall pay to such Lender an amount in immediately available funds (which funds shall be held as collateral pursuant to arrangements satisfactory to such Lender) equal to such Lender's Percentage of the aggregate amount available for drawing under all Letters of Credit outstanding at such time.

Section 2.19. *Alternate Rate of Interest.* If before the beginning of any Interest Period for a Eurodollar Borrowing:

(i) deposits in dollars in the applicable amounts are not being offered by the Administrative Agent in the London interbank market for such Interest Period; or

(ii) Lenders having 50% or more of the aggregate principal amount of the Loans to be included in such Borrowing advise the Administrative Agent that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans for such Interest Period;

the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, (i) the obligations of the Lenders to make Eurodollar Loans, or to continue to convert outstanding Loans as or into Eurodollar Loans shall be suspended and (ii) each outstanding Eurodollar Loan shall be converted into a Base Rate Loan on the last day of the then current Interest Period applicable thereto. Unless the Borrower notifies the Administrative Agent, at least two Business Days before the date of any affected Borrowing for which a Notice of Borrowing has previously been

given that it elects not to borrow on such date, such Borrowing shall instead be made as a Base Rate Borrowing.

Section 2.20. *Increased Costs*. (a) If any Change in Law shall:

(iv) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any LC Issuing Bank;

(v) impose on any Lender or any LC Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein; or

(vi) subject any Recipient to any Taxes (other than (A) Indemnified Taxes (which are addressed in Section 2.22), (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its Loans, loan principal, Letters of Credit, Commitments, or other obligations, or its deposits, reserves, other liabilities or capital or liquidity attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make Eurodollar Loans) or to increase the cost to such Lender or such LC Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce any amount received or receivable by such Lender or such LC Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrower shall pay to such Lender or such LC Issuing Bank, as the case may be, such additional amount or amounts as will compensate it for such additional cost incurred or reduction suffered.

(b) If any Lender or any LC Issuing Bank determines that any Change in Law regarding capital requirements or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such LC Issuing Bank's capital or on the capital of such Lender's or such LC Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such LC Issuing Bank, to a level below that which such Lender or such LC Issuing Bank or such Lender's or such LC Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such LC Issuing Bank's policies and the policies of such Lender's or such LC Issuing Bank's holding company with respect to capital adequacy), then from time to time following receipt of the certificate referred to in subsection (c) of this Section, the Borrower shall pay to such Lender or such LC Issuing Bank, as the case may be, such additional amount or amounts as will compensate it or its holding company for any such reduction suffered.

(c) A certificate of a Lender or an LC Issuing Bank setting forth the amount or amounts necessary to compensate it or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. Each such certificate shall contain a representation and warranty on the part of the Lender to the effect that such Lender has complied with its obligations pursuant to Section 2.24 hereof in an effort to eliminate or reduce such amount. The Borrower shall pay such Lender or such LC Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay by any Lender or any LC Issuing Bank to demand compensation pursuant to this Section will not constitute a waiver of its right to demand such compensation; *provided* that the Borrower will not be required to compensate a Lender or an LC Issuing Bank pursuant to this Section for any increased cost or reduction incurred more than 180 days before it notifies the Borrower of the Change in Law giving rise to such increased cost or reduction and of its intention to claim compensation therefor. However, if the Change in Law giving rise to such increased cost or reduction is retroactive, then the 180-day period heretofore referred to will be extended to include the period of retroactive effect thereof.

Section 2.21. *Break Funding Payments.* If (a) any principal of any Eurodollar Loan is repaid on a day other than the last day of an Interest Period applicable thereto (including as a result of an Event of Default or a Change in Control), (b) any Eurodollar Loan is converted on a day other than the last day of an Interest Period applicable thereto, (c) the Borrower fails to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto, or (d) any Eurodollar Loan is assigned on a day other than the last day of an Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.24, then the Borrower shall compensate each Lender for its loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost and expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the end of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have begun on the date of such failure), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the beginning of such period, for dollar deposits of a comparable amount and period from other banks in the Eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 2.22. *Taxes*. (a) Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.22) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 2.22, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) The Credit Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(e) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising

therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.22(f)(ii)(A), (ii)(B) and (ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender

becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Regardless of whether a Lender complied with Section 1471(b) or 1472(b) of the Code, if a Lender fails to submit the completed documentation identified in paragraphs B and C of this subsection (completion of which will be determined by the Borrower and the Administrative Agent) in a timely manner, 30% tax may be withheld from all payments due such Lender as required by Section 1471(a) of the Code. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement. For purposes of determining withholding Taxes imposed under FATCA, from and after the effective date of the Amendment, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loan as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly

notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.22 (including by the payment of additional amounts pursuant to this Section 2.22), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.22 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) if such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Each party's obligations under this Section 2.22 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 2.23. *Payments Generally; Pro Rata Treatment; Sharing of Set-Offs*. (a) The Borrower shall make each payment required to be made by it under the Loan Documents (whether of principal, interest or fees, or reimbursement of LC Disbursements, or amounts payable under Section 2.20, 2.21 or 2.22(c) or otherwise) before the time expressly required under the relevant Loan Document for such payment (or, if no such time is expressly required, before 2:00 P.M. (Prevailing Eastern Time)), on the date when due, in immediately available funds, without set-off or counterclaim. Any amount received after such time on any day may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 500 Stanton Christiana Road, Ops 2 Floor 3, Newark, Delaware 19713-2107, except payments to be made directly to any LC Issuing Bank as expressly provided herein and except that payments pursuant to Sections 2.20,

2.21, 2.22 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payment received by it for the account of any other Person to the appropriate recipient promptly after receipt thereof. Whenever any payment of principal of, or interest on, Base Rate Loans or of fees shall be due on a day that is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. Whenever any payment of principal of, or interest on, Eurodollar Loans shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time. All payments under each Loan Document shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (c) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (d) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(e) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or any of its participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; *provided* that (f) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (g) the provisions of this subsection shall not apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of

this subsection shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(h) Unless, before the date on which any payment is due to the Administrative Agent for the account of one or more Lender Parties hereunder, the Administrative Agent receives from the Borrower notice that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance on such assumption, distribute to each relevant Lender Party the amount due to it. In such event, if the Borrower has not in fact made such payment, each Lender Party severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender Party with interest thereon, for each day from and including the day such amount is distributed to it to but excluding the day it repays the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(i) If any Lender fails to make any payment required to be made by it to the Administrative Agent or any LC Issuing Bank pursuant to this Agreement, the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such obligations until all such unsatisfied obligations are fully paid.

Section 2.24. *Lender's Obligation to Mitigate; Replacement of Lenders*. (a) If any Lender requests compensation under Section 2.20, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.22, then such Lender shall use all commercially reasonable efforts to mitigate or eliminate the amount of such compensation or additional amount, including by designating a different lending office for funding or booking its Loans hereunder or by assigning its rights and obligations hereunder to another of its offices, branches or affiliates; *provided* that no Lender shall be required to take any action pursuant to this Section 2.24(a) unless, in the judgment of such Lender, such designation or assignment or other action (i) would eliminate or reduce amounts payable pursuant to Section 2.20 or 2.22, as the case may be, in the future, (ii) would not subject such Lender to any unreimbursed cost or expense and (iii) would not otherwise be disadvantageous to such Lender. The Borrower shall pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.20, or if the Borrower is required to pay any additional amount to any Lender or any

Governmental Authority for the account of any Lender pursuant to Section 2.22, or if any Lender is a Specified Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Commitment is being assigned, the LC Issuing Banks), which consents shall not unreasonably be withheld or delayed, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.20 or payments required to be made pursuant to Section 2.22, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment cease to apply.

Section 2.25. *Defaulting Lenders.* If any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender pursuant to Section 2.08(a);

(b) the Commitment and Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification permitted to be effected by the Required Lenders pursuant to Section 9.02);

(c) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(ii) so long as no Default or Event of Default shall have occurred and be continuing, LC Exposure of such Defaulting Lender shall be automatically reallocated among the non-Defaulting Lenders in accordance with their respective Percentages but only to the extent the sum of all non-Defaulting Lenders' Credit Exposures plus such Defaulting Lender's LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments;

(iii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within three Business Days following notice by the Administrative Agent either (x) procure the reduction or termination of the Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) or (y) cash collateralize for the ratable benefit of the LC Issuing Banks only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) for so long as such LC Exposure is outstanding;

(iv) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.08(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(v) to the extent that the LC Exposure of the non-Defaulting Lenders are reallocated pursuant to clause (i) above, then the letter of credit fees payable to the Lenders pursuant to Section 2.08(b) shall to the same extent be adjusted in accordance with such non-Defaulting Lenders' Percentages; and

(vi) if all or any portion of such Defaulting Lender's LC Exposure is not reallocated, reduced, terminated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any LC Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.08(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable LC Issuing Bank until and to the extent that such LC Exposure is reallocated, reduced, terminated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, no LC Issuing Bank shall be required to issue, extend, renew or increase any Letter of Credit, unless the Defaulting Lender's then outstanding LC Exposure after giving effect thereto will be 100% covered by the Commitments of the non-Defaulting Lenders and/or prepaid, reduced, terminated and/or cash collateralized in accordance with Section 2.25(c), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.25(c)(i) (and such Defaulting Lender shall not participate therein).

If any LC Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its funding obligations under one or more other agreements in which such Lender commits to extend credit, such LC Issuing Bank shall not be required to issue, extend, renew or increase any Letter of Credit, unless such LC Issuing Bank shall have entered into arrangements with the Borrower or such Lender, reasonably satisfactory to such LC Issuing Bank to defease any risk to

such LC Issuing Bank in respect of such Lender hereunder relating to LC Exposure.

If the Administrative Agent, the Borrower and each LC Issuing Bank each agrees (such agreement not to be unreasonably withheld or delayed) that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine is necessary in order for such Lender to hold such Loans in accordance with its Percentage; *provided* that there shall be no retroactive effect on fees reallocated pursuant to Section 2.25(c)(iv) and (c)(v).

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender Parties that:

Section 3.01. *Organization; Powers*. The Borrower and each of its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted, except in the case of Subsidiaries to an extent that, in the aggregate, would not reasonably be expected to result in a Material Adverse Change.

Section 3.02. *Authorization; Enforceability.* The Financing Transactions to be entered into by the Borrower are within its corporate powers and have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan Document to which the Borrower is to be a party, when executed and delivered by the Borrower, will constitute, a legal, valid and binding obligation of the Borrower, in each case enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03. *Governmental Approvals; No Conflicts*. The Financing Transactions (i) do not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any order of any Governmental Authority, (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its properties, or give rise to a right thereunder to require the Borrower to make any payment, and (iv) will not result in the creation or imposition of any Lien on any property of the Borrower.

Section 3.04. *Financial Statements; No Material Adverse Change*. (i) The Borrower has heretofore furnished to the Lenders the Borrower's 2014 Form 10-K containing the audited consolidated balance sheet of the Borrower and its Subsidiaries as of December 31, 2014 and the related consolidated statements of income and cash flows for the Fiscal Year then ended, reported on by PricewaterhouseCoopers LLP, independent public accountants. Such financial statements present fairly, in all material respects, the consolidated financial position of the Borrower and its Subsidiaries as of such date and its consolidated results of operations and cash flows for such period in accordance with GAAP.

(b) Except as set forth in the Borrower's 2014 Form 10-K or the Borrower's Latest Form 10-Q there has been no Material Adverse Change since December 31, 2014.

Section 3.05. *Litigation and Environmental Matters*. (i) Except as set forth in the Borrower's 2014 Form 10-K or the Borrower's Latest Form 10-Q, as filed with the SEC pursuant to the Exchange Act, there is no action, suit, arbitration proceeding or other proceeding, inquiry or investigation, at law or in equity, before or by any arbitrator or Governmental Authority pending against the Borrower or any of its Subsidiaries or of which the Borrower has otherwise received official notice or which, to the knowledge of the Borrower, is threatened against the Borrower or any of its Subsidiaries (ii) as to which there is a reasonable possibility of an unfavorable decision, ruling or finding which would reasonably be expected to result in a Material Adverse Change or (iii) that involves any of the Loan Documents or the Financing Transactions.

(e) Except as set forth in the Borrower's 2014 Form 10-K or the Borrower's Latest Form 10-Q, the Borrower does not presently anticipate that remediation costs and penalties associated with any Environmental Law, to the extent not previously provided for, will result in a Material Adverse Change.

Section 3.06. *Taxes.* Each of the Borrower and its Subsidiaries has filed or caused to be filed all material tax returns that are required to be filed by it and has paid all taxes shown to be due and payable on said returns or on any material assessments made against it or any of its property and all other material taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any (x) the amount or validity of which are being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower and its Subsidiaries or (y) the failure to pay which would not reasonably be expected to result in a Material Adverse Change).

Section 3.07. *Investment Company Status; Margin Regulations.* The Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of purchasing or

carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System) or extending credit for the purpose of purchasing or carrying margin stock.

Section 3.08. *ERISA*. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Change.

Section 3.09. *Disclosure*. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Change. All of the reports, financial statements, certificates and other written information (other than projected financial information) that have been made available by or on behalf of the Borrower to the Arrangers, any Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or thereunder, are complete and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made; *provided* that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based on assumptions believed to be reasonable at the time.

Section 3.10. *Security Documents; Subsidiary Guarantees.* The Security Documents create valid security interests in the Collateral purported to be covered thereby, which security interests are and will remain perfected security interests, prior to all other Liens, other than Liens permitted under Section 6.01. Each of the representations and warranties made by the Borrower or any Subsidiary Guarantor in the Security Documents and Subsidiary Guarantees to which it is a party is true and correct in all material respects.

Section 3.11. *Processing of Receivables.* In the ordinary course of its business, each Credit Party processes its accounts receivable in a manner such that (i) each payment received by such Credit Party in respect of accounts receivables is allocated to a specifically identified invoice or invoices, which invoice or invoices corresponds to a particular account receivable owing to such Credit Party and (ii) if, at any time any accounts receivable to such Credit Party are included in a Permitted Supply Chain Financing, payments received in respect of those accounts receivable included in a Permitted Supply Chain Financing would be identifiable and separable from payments received in respect of accounts receivable not so included in a Permitted Supply Chain Financing.

Section 3.12. *Solvency.* Immediately after the Financing Transactions to occur on the Effective Date are consummated and after giving effect to the application of the proceeds of each Loan made on the Effective Date and after

giving effect to the application of the proceeds of each Loan made on any other date, (a) the fair value of the assets of the Borrower, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (b) the Borrower will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (c) the Borrower will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and proposed to be conducted after the Effective Date.

Section 3.13. *Collateral and Guarantee Requirement.* The Collateral and Guarantee Requirement shall have been satisfied as of the Effective Date.

Section 3.14. *Anti-Corruption Laws and Sanctions*. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or Sanctions applicable to the Borrower and its Subsidiaries.

Section 3.15. *Permitted Supply Chain Financings*. Borrower has supplied to the Administrative Agent a complete list of all Permitted Supply Chain Financings in effect as of the Effective Date.

Section 3.16. *Receivables Purchase Agreement.* As of the Effective Date, the Receivables Purchase Agreement has been terminated. No Receivables sold pursuant to, or otherwise subject to, the Receivables Purchase Documents that have not been re-conveyed to the Borrower on or prior to the date hereof are included in the Borrowing Base Certificate delivered pursuant to Section 4.01(k).

ARTICLE 4
CONDITIONS

Section 4.01. *Effective Date*. This Amended Agreement shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received counterparts hereof signed by the Borrower and each Lender (or, in the case of any party as to which an executed counterpart shall not have been received,

receipt by the Administrative Agent in form satisfactory to it of confirmation from such party that it has executed a counterpart hereof). Delivery of an executed counterpart of a signature page of this Amended Agreement by telecopy will be effective as delivery of a manually executed counterpart of this Amended Agreement.

(b) The Administrative Agent shall have received the favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of the General Counsel or an Assistant General Counsel of the Borrower, (c) which opinion is substantially in the form of Exhibit B and (d) covering such other matters relating to the Borrower, the Loan Documents or the Financing Transactions as the Required Lenders shall reasonably request. The Borrower requests such counsel to deliver such opinion.

(e) The Administrative Agent and the Collateral Agent shall have received such documents and certificates as the Agents or their counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization for and validity of the Financing Transactions and any other material legal matters relating to the Borrower, the Loan Documents or the Financing Transactions, all in form and substance satisfactory to the Agents and their counsel.

(f) The Administrative Agent and the Collateral Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in clauses (b), (c) and (d) of Section 4.02.

(g) The Borrower shall have paid (i) all principal, interest, fees and other amounts due and payable to the Departing Lenders and (ii) all accrued interest and fees under the Existing Credit Agreement to any lender party to the Existing Credit Agreement that is not a Departing Lender.

(h) The Borrower shall have paid all fees and other amounts due and payable to the Lender Parties on or before the Effective Date for which invoices have been presented to the Borrower at least three Business Days prior to the Effective Date, including, to the extent invoiced, all out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by the Borrower under the Loan Documents.

(i) The Administrative Agent (on behalf of the Lenders) shall have received not later than three Business Days prior to the Effective Date (or such later date as shall be acceptable to it), all documentation and other information about the Credit Parties as had been reasonably requested at least 10 Business Days prior to the Effective Date by the Administrative Agent (on behalf of the Lenders) that it reasonably determines is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act.

(j) The Administrative Agent shall have received the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Borrower and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the Administrative Agent that the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.01 or have been released.

(k) The Administrative Agent and the Collateral Agent shall have received evidence reasonably satisfactory to them that all insurance required by Section 5.05 is in effect.

(l) The Borrower and the Collateral Agent shall have executed and delivered the Borrower Security Agreement. The Lenders hereby instruct the Collateral Agent to execute the Borrower Security Agreement on their behalf.

(m) The Administrative Agent and the Lenders shall have received at least three Business Days prior to the Effective Date a Borrowing Base Certificate that calculates the Borrowing Base as of the last day of the month most recently ended prior to the date that is 30 days prior to the Effective Date.

(n) (i) The Receivables Purchase Agreement and the other Receivables Purchase Documents shall have been terminated (or contemporaneously upon the occurrence of the Effective Date will be terminated), (ii) all Liens on the assets of the Receivables SPV shall have been released (or contemporaneously upon the occurrence of the Effective Date will be released) and (iii) all outstanding Receivables conveyed by the Borrower to the Receivables SPV (or by the Receivables SPV to the "Purchasers" under (and as defined in) the Receivables Purchase Agreement prior to the Effective Date) shall have been re-conveyed to the Borrower (or contemporaneously upon the occurrence of the Effective Date will be re-conveyed) and (iv) the Administrative Agent shall have received such confirmation as it shall reasonably require of the foregoing (including a customary payoff and lien release letter in form and substance reasonably satisfactory to the Agent).

(o) The Borrower shall have executed and delivered to the Collateral Agent a Perfection Certificate dated as of the Effective Date.

Promptly after the Effective Date occurs, the Administrative Agent shall notify the Borrower and the Lenders thereof, and such notice shall be conclusive and binding. Notwithstanding the foregoing, this Amended Agreement shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) before 5:00 p.m., Prevailing Eastern Time, on July 31, 2015. Upon the Effective Date, the Existing Credit Agreement shall be automatically amended and restated to read in its entirety as set forth in this Amended Agreement; *provided* that the rights and obligations of the parties hereto with respect to periods prior to the Effective Date shall be governed by the

Existing Credit Agreement. Upon the Effective Date, the Administrative Agent shall make such reallocations, if any, of each Lender's Percentage of the total Credit Exposure as are necessary in order that the Credit Exposure with respect to such Lender reflects such Lender's Percentage of the total Credit Exposure under the Amended Agreement. The Borrower hereby agrees to compensate each Lender for any and all losses, costs, and expenses incurred by such Lender in connection with any sale or assignment of Eurodollar Loans necessary to effect the reallocation heretofore described on terms and in the manner set forth in Section 2.21 of the Existing Credit Agreement. Upon the Effective Date, automatically and without further action by any party hereto, (i) the Commitment of any Departing Lender shall be terminated, (ii) each Departing Lender will cease to be a Lender party to this Amended Agreement and (iii) all outstanding Loans and accrued fees and other amounts payable under the Existing Credit Agreement for the account of such Departing Lender shall be due and payable on the Effective Date. Nothing contained in this Amended Agreement or any other Loan Document shall constitute or be construed as a novation of any of the Obligations under the Existing Credit Agreement. The Lenders that are parties to the Existing Credit Agreement, comprising the "Required Lenders" as defined in the Existing Credit Agreement hereby waive any requirement of prior notice of termination of the Commitments (as defined in the Existing Credit Agreement) pursuant to Section 2.09 thereof and of prepayment of loans thereunder, to the extent necessary.

Section 4.02. *Conditions to Initial Utilization and Each Subsequent Utilization.* The obligation of each Lender to make a Loan on the occasion of any Borrowing (including the initial Borrowing) and the obligation of any LC Issuing Bank to issue, amend, renew or extend any Letter of Credit (including the initial Letter of Credit), are each subject to receipt of the Borrower's request therefor in accordance herewith and to the satisfaction of the following conditions:

(e) The Effective Date shall have occurred.

(f) Immediately before and after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(g) The representations and warranties of the Borrower set forth in the Loan Documents shall be true on and as of the date of such Borrowing or the date of issuance, amendment, renewal, or extension of such Letter of Credit, as applicable.

(h) Immediately after such Borrowing is made, or such Letter of Credit is issued, amended, renewed, or extended, as applicable, the Total Outstanding Amount will not exceed the Maximum Facility Availability.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the

Borrower on the date thereof as to the matters specified in clauses (b), (c) and (d) of this Section.

ARTICLE 5
AFFIRMATIVE COVENANTS

Until all the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or been cancelled and all LC Disbursements have been reimbursed, the Borrower covenants and agrees with the Lenders that:

Section 5.01. *Financial Statements and Other Information.* (i) The Borrower will furnish the following to the Administrative Agent (for delivery to each Lender):

(i) as soon as available and in any event within 90 days after the end of each Fiscal Year, its audited consolidated balance sheet as of the end of such Fiscal Year and the related statements of income and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by PricewaterhouseCoopers LLC or another "registered public accounting firm" as defined in Section 2 of the Sarbanes-Oxley Act of 2002 (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit except as permitted by the Exchange Act and the regulations promulgated thereunder) as presenting fairly in all material respects the financial position, results of operations and cash flows of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP;

(ii) as soon as available and in any event within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, its consolidated balance sheet as of the end of such Fiscal Quarter and the related statement of income for such Fiscal Quarter and statements of income and cash flows for the then elapsed portion of such Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by a Financial Officer as (x) reflecting all adjustments (which adjustments are normal and recurring unless otherwise disclosed) necessary for a fair presentation of the results for the period covered and (y) having been prepared in accordance with the applicable rules of the SEC;

(iii) as soon as available and in any event within 30 days after the end of each fiscal month (x) its shipment and average selling price data for such month and for the then elapsed portion of the Fiscal Year and (y) the additional monthly financial information described in (and

substantially in the form of) Schedule 5.01, certified as to accuracy by a Financial Officer;

(iv) concurrently with each delivery of financial statements under clause (i) or (ii), a certificate of a Financial Officer (x) certifying as to whether a Default has occurred and is continuing and, if a Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (y) setting forth reasonably detailed calculations demonstrating compliance with the applicable provisions of Section 6.03 and (z) identifying any change(s) in GAAP or in the application thereof that have become effective since the date of, and have had an effect on, the Borrower's most recent audited financial statements referred to in Section 3.04 or delivered pursuant to this Section (and, if any such change has become effective, specifying the effect of such change on the financial statements accompanying such certificate);

(v) no later than 45 days after the beginning of each Fiscal Year, a forecast of the following for each Fiscal Quarter of such Fiscal Year: (j) estimates of operating income, depreciation, EBITDA, interest expense, operating cash flow, Capital Expenditures and cash balances, (k) estimates of Eligible Receivables and (l) estimates of Eligible Inventory;

(i) promptly after the same become publicly available, copies of all periodic and other material reports and proxy statements filed by the Borrower or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC;

(ii) promptly upon the effectiveness of any material amendment or modification of, or any waiver of the rights of the Borrower or any of its Subsidiaries under any document evidencing any Permitted Supply Chain Financing, written notice of such amendment, modification or waiver describing in reasonable detail the purpose and substance thereof;

(iii) written notice of any change in the Borrower's Senior Debt Ratings by either Moody's or S&P; and

(iv) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower and its Subsidiaries, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request.

Information required to be delivered pursuant to this Section 5.01(a) shall be deemed to have been delivered on the date on which the Borrower provides

notice to the Administrative Agent that such information has been posted on the Borrower's website on the Internet at the website address listed on the signature pages hereof, at *http://sec.gov/idea/searchidea/companysearch_idea.html* or at another website identified in such notice and accessible by the Lenders without charge; *provided* that (i) such notice may be included in a certificate delivered pursuant to Section 5.01(a)(iv) and (ii) the Borrower shall deliver paper copies of the information referred to in Section 5.01(a)(i), Section 5.01(a)(ii) and Section 5.01(a)(vi) to the Administrative Agent for any Lender which requests such delivery.

(m) *Borrowing Base Reports*. The Borrower will furnish to the Administrative Agent and the Collateral Agent (and the Administrative Agent shall thereafter deliver to each Lender):

(i) as soon as available and in any event within 20 days after the last day of each calendar month, a completed Borrowing Base Certificate (accompanied by supporting documentation and supplemental reporting) calculating and certifying the Borrowing Base as of the end of such calendar month, signed on behalf of the Borrower by a Financial Officer and in form and substance satisfactory to the Collateral Agent; *provided* that such Borrowing Base Certificate (accompanied by supporting documentation and supplemental reporting) shall be furnished to the Administrative Agent and the Collateral Agent as soon as available and in any event within two Business Days after the end of each calendar week (each such weekly period deemed, for purposes hereof, to end on a Friday) at the end of which the Average Facility Availability is less than the greater of (x) 12.5% of the total aggregate Commitments and (y) $187,500,000; *provided* that if the Borrower is unable through commercially reasonable efforts to provide the reporting required by the foregoing proviso at the frequency specified, other information and reporting mutually acceptable to the Borrower, the Administrative Agent and the Collateral Agent shall be substituted; and

(ii) within two Business Days of any request therefor, such other information in such detail concerning the amount, composition, and manner of calculation of the Borrowing Base as any Lender may reasonably request.

(n) The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(i) the occurrence of any Default;

(ii) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Subsidiary that, if adversely determined, would reasonably be expected to result in a Material Adverse Change;

(iii) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Change; and

(iv) any other development that results in, or would reasonably be expected to result in, a Material Adverse Change.

Each notice delivered under this subsection shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.02. *Information Regarding Collateral*. (c) The Borrower will furnish or cause to be furnished to the Administrative Agent and the Collateral Agent prompt written notice of any change in (i) any Credit Party's corporate name or any trade name used to identify such Credit Party in the conduct of its business or any Credit Party's jurisdiction of organization, chief executive office, its principal place of business, or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (ii) any Credit Party's identity or corporate structure, (iii) any Credit Party's State Organizational Identification Number (or Charter Number) and (iv) any Credit Party's Federal Taxpayer Identification Number. The Borrower will not effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code and all other actions have been taken that are required so that such change will not at any time adversely affect the validity, perfection or priority of any Transaction Lien on any of the Collateral. The Borrower will also promptly notify the Administrative Agent and the Collateral Agent if any material portion of the Collateral is damaged or destroyed.

(d) Each year, at the time annual financial statements with respect to the preceding Fiscal Year are delivered pursuant to Section 5.01(a)(i), the Borrower will deliver to the Administrative Agent and the Collateral Agent a certificate of a Financial Officer and the chief legal officer (or other in-house counsel) of the Borrower (i) setting forth the information required pursuant to paragraphs 1 and 2 of the Perfection Certificate with respect to each Credit Party or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Effective Date or the date of the most recent certificate delivered pursuant to this subsection and (ii) certifying that all Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all re-filings, re-recordings and re-registrations, containing a description of the Collateral have been filed of record in each appropriate office in each jurisdiction identified pursuant to clause (i) to the extent necessary to protect and perfect the Transaction Liens for a period of at least 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period).

(e) If any Credit Party proposes to enter into a Permitted Supply Chain Financing, the Borrower will provide the Administrative Agent and the Collateral Agent written notice of such proposed entry (a "**Permitted Supply Chain Notice**") at least five Business Days prior to entering into such Permitted Supply Chain Financing. Each Permitted Supply Chain Notice will (i) identify the Account Debtor whose accounts payable are subject to such Permitted Supply Chain Financing (the "**Applicable Account Debtor**"), (ii) attach the purchase agreement or other documentation relating to such Permitted Supply Chain Financing and (iii) attach an updated Borrowing Base Certificate treating all Receivables of the Applicable Account Debtor as Ineligible Receivables hereunder, and, thereafter (until delivery of the next Borrowing Base Certificate pursuant to Section 5.01(b)), the Borrowing Base shall be determined based upon such updated Borrowing Base Certificate unless the Borrower notifies the Collateral Agent that the applicable Permitted Supply Chain Financing will not be consummated or that the applicable Permitted Supply Chain Financing has been terminated.

(f) If any Credit Party sells, transfers or otherwise disposes of any Collateral, (i) such Collateral shall thereafter be excluded from the Borrowing Base and (ii) if the Collateral so sold, transferred or otherwise disposed of constitutes more than 10% of the Borrowing Base at such time, the Borrower shall deliver to the Collateral Agent an updated Borrowing Base Certificate giving effect to such transaction.

(g) If any of the Senior Notes are outstanding after the date that is 91 days prior to the stated maturity date of such Senior Notes, the Borrower shall furnish to the Administrative Agent and the Collateral Agent (i) on a bi-weekly basis, reports in form and scope reasonably satisfactory to the Administrative Agent detailing the current Liquidity and (ii) on each Business Day, an email setting forth Liquidity as of such Business Day.

Section 5.03. *Existence; Conduct of Business*. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business; *provided* that the foregoing shall not prohibit (i) any merger, consolidation, liquidation or dissolution involving the Borrower which is expressly permitted under Section 6.02 or (ii) any other transaction which would not reasonably be expected to result in a Material Adverse Change.

Section 5.04. *Maintenance of Properties.* The Borrower will, and will cause each of its Subsidiaries to, maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

Section 5.05. *Insurance*. (iii) The Borrower and each of the Subsidiary Guarantors will maintain, at its (or their) sole cost and expense, insurance coverage (i) no less than the coverage described in Schedule 5.05 and (ii) otherwise with financially sound and reputable insurers (either with (A) a minimum A. M. Best rating of A-VII, provided, however, that if the insurance is provided by Borrower's captive insurance company the minimum rating only applies to the reinsurers or (B) with such other insurers as shall be reasonably acceptable to the Administrative Agent and the Collateral Agent) in such amounts, and with such deductibles, as are set forth on Schedule 5.05 hereof. If at any time the Borrower becomes aware that conditions and circumstances may have a material adverse effect on its ability to maintain (or cause to be maintained) such insurance coverage with the deductibles shown on Schedule 5.05 at favorable premiums, it shall immediately advise the Administrative Agent and the Collateral Agent in writing; *provided* that such notice must be given prior to the expiration of the relevant existing policy. Such notice shall include copies of any proposals from insurers regarding the insurance coverage in question as well as the Borrower's recommendations with respect thereto. The Administrative Agent shall promptly advise the Borrower of the requirements of the Administrative Agent (which requirements shall be determined in good faith by mutual agreement among the Administrative Agent and the Collateral Agent) regarding such insurance coverage, and the Borrower shall undertake all reasonable efforts to adhere to such requirements. If the Borrower fails to obtain or maintain the insurance coverage required pursuant to this Section 5.05 or to pay all premiums relating thereto, the Collateral Agent may at any time or times thereafter obtain and maintain such required insurance coverage and pay such premiums and take such other actions with respect thereto that the Collateral Agent deem reasonably advisable. The Collateral Agent shall not have any obligation to obtain insurance for the Borrower or any of its Subsidiaries or to pay any premiums therefor. By doing so, the Collateral Agent shall not be deemed to have waived any Default arising from failure of the Borrower to maintain (or cause to be maintained) such insurance or to pay (or cause to be paid) any premiums therefor. All sums so disbursed, including reasonable attorneys' fees, court costs and other charges related thereto, shall be payable on demand by the Borrower to the Administrative Agent and shall be additional obligations hereunder secured by the Collateral. The Collateral Agent reserves the right at any time upon any change in the Borrower's risk profile to require additional insurance coverages and limits of insurance to, in such Agents' reasonable opinion, adequately protect the interests of the Lender Parties in all or any portion of the Collateral.

(d) Property damage policies maintained with respect to any Collateral shall be endorsed or otherwise amended to include (i) a lenders' loss payable clause, in each case in favor of the Collateral Agent and providing for losses thereunder to be payable to the Collateral Agent or its designee as loss payee and (ii) a provision to the effect that none of the Administrative Agent and the Collateral Agent nor any other Lender Party shall be a coinsurer. Commercial general liability policies shall be endorsed to name the Collateral Agent as an

additional insured. Each such policy referred to in this subsection also shall provide that it shall not be canceled, modified or not renewed (x) by reason of nonpayment of premium except upon at least 10 days' prior written notice thereof by the insurer to the Collateral Agent (giving the Collateral Agent the right to cure defaults in the payment of premiums) or (y) for any other reason except upon at least 30 days' prior written notice thereof by the insurer to the Collateral Agent. The Borrower shall deliver to the Collateral Agent, prior to the cancellation, modification or nonrenewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Collateral Agent) together with evidence reasonably satisfactory to the Collateral Agent of payment of the premium therefor.

Section 5.06. *Casualty and Condemnation*. The Borrower will furnish to the Administrative Agent, the Collateral Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any Collateral or any part thereof or interest therein under power of eminent domain or by condemnation or similar proceeding.

Section 5.07. *Proper Records; Rights to Inspect and Appraise*. (iv) The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which complete and correct entries are made of all transactions relating to its business and activities. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent, the Collateral Agent or any Lender, at reasonable times and upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested. Any representatives of the Administrative Agent or any Lender shall comply with the Borrower's rules regarding safety and security while visiting the Borrower's facilities.

(b) [reserved].

(c) The Borrower will, and will cause each of its Subsidiaries to, permit the Collateral Agent and any representatives designated by it (including any consultants, accountants, lawyers and appraisers retained by the Collateral Agent) to conduct field exams and evaluations and appraisals of the assets included in the Borrowing Base and the Borrower's computation of the Borrowing Base, all at such reasonable times and as often as reasonably requested. The Borrower shall pay the reasonable and documented fees and expenses of employees of the Collateral Agent (including reasonable and customary internally allocated fees of such employees incurred in connection with periodic field exams, evaluations and internally allocated monitoring fees associated with the Collateral Agent's "collateral agent services group" or similar body), and the documented fees and expenses of any representatives (including any inventory appraisal firm) retained by the Collateral Agent to conduct any such inventory evaluation or appraisal, in

respect of (i) up to one such field exam performed by the Collateral Agent in any calendar year and up to one such inventory appraisal in any calendar year at any time when the Average Facility Availability is greater than or equal to the greater of (x) 15% of the total aggregate Commitments and (y) $200,000,000, *provided* that the Collateral Agent shall cause one inventory appraisal to be conducted every 12 months, except that the Collateral Agent may in its discretion elect to conduct less frequent inventory appraisals (but in no event less frequently than once per 24 months) so long as no Loans are outstanding (however, if a borrowing occurs when the most recent inventory appraisal was conducted more than 12 months prior to that borrowing, the Collateral Agent shall within 60 days cause an inventory appraisal to be conducted as of the last day of the calendar month most recently ended prior to the date of such borrowing), (ii) up to two such field exams performed by the Collateral Agent in any calendar year and up to two such inventory appraisals in any calendar year at any time when the Average Facility Availability is less than the greater of (x) 15% of the total aggregate Commitments and (y) $200,000,000, (iii) any number of such field exams performed by the Collateral Agent and any number of such inventory appraisals during the continuance of a Default or Event of Default, and (iv) any number of additional appraisals of the assets included in the Borrowing Base, all at such times and as often as reasonably requested, if the Collateral Agent, in its good faith judgment, reasonably believes that any circumstance or event (including a decline in steel prices) has materially affected the value of the Borrowing Base. The Collateral Agent and any representative designated by it to conduct such field exams, evaluations and appraisals shall, during any review, inspection or other activity performed at any of the Borrower's or any other Credit Party's plant sites, (x) be accompanied at all times by a plant safety representative (and the Borrower hereby agrees to cause such a plant safety representative to be available for such purpose at such reasonable hours as may be requested and upon reasonable prior notice) and (y) comply at all times with the Borrower's or such other Credit Party's rules regarding safety and security to the extent that the Collateral Agent or representative has been notified of such rules. In connection with any field exam or appraisal relating to the computation of the Borrowing Base, the Borrower shall make adjustments to the Borrowing Base (which may include maintaining additional reserves or modifying the eligibility criteria for components of the Borrowing Base) to the extent required by the Collateral Agent or the Required Lenders as a result of any such field exam or appraisal. The Collateral Agent shall furnish to the Administrative Agent (for delivery to each Lender) a copy of the final written field exam or appraisal report prepared in connection with such field exam or appraisal.

Section 5.08. *Compliance with Laws*. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws and ERISA and the respective rules and regulations thereunder) applicable to it or its property, other than such laws, rules or regulations (d) the validity or applicability of which the Borrower or any Subsidiary is contesting in good faith by appropriate

proceedings or (e) the failure to comply with which would not reasonably be expected to result in a Material Adverse Change. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 5.09. *Use of Proceeds and Letters of Credit.* The proceeds of the Loans will be used for the general corporate purposes (including working capital needs) of the Borrower. No part of the proceeds of any Loan will be used, directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Federal Reserve Board, including Regulations T, U, and X. Letters of Credit will be requested and used only to finance the general corporate purposes (including working capital needs) of the Borrower, and will not be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Federal Reserve Board, including regulations T, U and X. No part of the proceeds of any Loan will be used, directly or indirectly, by the Borrower (i) in violation of the U.S. Foreign Corrupt Practices Act, (ii) for the purpose of funding or financing any activities or business of or with any Person that is the subject of sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department or the U.S. Department of State, or in any Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 5.10. *Further Assurances*. (a) The Borrower will and will cause each other Credit Party to execute and deliver any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), that may be required under any applicable law, or that the Administrative Agent, the Collateral Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the Borrower's expense. The Borrower will provide to the Collateral Agent, from time to time upon request, evidence reasonably satisfactory to the Collateral Agent as to the perfection and priority of the Transaction Liens created or intended to be created by the Security Documents.

(b) If, on the date when all of the Commitments are terminated (whether pursuant to Section 2.10 or otherwise), any Letter of Credit remains outstanding, the Borrower shall deposit in the Cash Collateral Account on such date an amount in cash equal to 102% of the total LC Exposure as of such date plus any accrued and unpaid interest thereon. Any amount so deposited (including any earnings thereon) will be withdrawn from the Cash Collateral Account by the Administrative Agent and applied to pay LC Reimbursement Obligations as they become due; *provided* that at such time as all outstanding Letters of Credit have expired, and all LC Reimbursement Obligations (plus accrued and unpaid interest thereon) have been paid in full, such amount, to the extent not therefore applied, shall be returned to the Borrower.

ARTICLE 6
NEGATIVE COVENANTS

Until all the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or been cancelled and all LC Disbursements have been reimbursed, the Borrower covenants and agrees with the Lenders that:

Section 6.01. *Liens*. The Borrower will not, and will not permit any of its Subsidiaries to, create or permit to exist any Lien on any property now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except the following:

(h) Permitted Liens;

(i) any Lien on any property of the Borrower or any Subsidiary existing on the date hereof and (in the case of any such Lien that (x) secures Debt or (y) arises outside the ordinary course of business) listed in Schedule 6.01; *provided* that (j) such Lien shall not apply to any other property of the Borrower or any Subsidiary and (k) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(l) any Lien existing on any property or asset before the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that first becomes a Subsidiary after the date hereof before the time such Person becomes a Subsidiary; *provided* that (m) such Lien is not initially created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (n) such Lien will not apply to any other property or asset of the Borrower or any Subsidiary and (o) such Lien will secure only those obligations which it secures on the date of such acquisition or the date such Person first becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding (or committed) principal amount thereof;

(p) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; *provided* that (q) such Liens and the Debt secured thereby are incurred before or within 180 days after such acquisition or the completion of such construction or improvement, (r) the Debt secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and (s) such Liens will not apply to any other property of the Borrower or any Subsidiary;

(t) Liens to secure a Debt owing to the Borrower or a Subsidiary;

(u) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by a Lien permitted by any of clause (c), (d) or (e) of this Section; *provided* that such Debt is not increased (except by the amount of

fees, expenses and premiums required to be paid in connection with such refinancing, extension, renewal or refunding) and is not secured by any additional assets;

(v) Liens securing Debt arising out of, and sales of accounts receivable as part of, a Permitted Supply Chain Financing;

(w) Liens securing Industrial Revenue Bond Obligations issued for the benefit of the Borrower;

(x) Liens on assets of Foreign Subsidiaries securing obligations of Foreign Subsidiaries;

(y) Liens not otherwise permitted by the foregoing clauses of this Section 6.01 on assets other than Inventory or Receivables of the Borrower or a Domestic Subsidiary; *provided* that neither the aggregate book value of the assets subject to such Liens nor the aggregate principal amount of Debt and other obligations secured thereby shall exceed 10% of Consolidated Net Tangible Assets (in each case determined at the time of incurrence); and

(z) Liens granted by the Borrower or any Subsidiary Guarantor pursuant to the Loan Documents.

Section 6.02. *Fundamental Changes*. The Borrower will not (v) consolidate or merge with or into any other Person or (vi) sell, lease or otherwise transfer, directly or indirectly, all or substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole, to any other Person; *provided* that the Borrower may permit any corporation to be merged into the Borrower or may consolidate with or merge into or sell or otherwise (except by lease) dispose of its assets as an entirety or substantially as an entirety to any solvent corporation organized in the United States of America which expressly assumes in writing reasonably satisfactory to the Administrative Agent the due and punctual payment of the principal of and interest on the Loans and the due and punctual performance of the obligations of the Borrower hereunder and under any promissory note delivered pursuant to Section 2.17(d) hereunder, if (x) after giving effect to such consolidation, merger or other disposition, no Default shall have occurred and be continuing and (y) any such disposition shall not release the corporation that originally executed this Agreement as the borrower from its liability as obligor hereunder or under any promissory note delivered pursuant to Section 2.17(d) hereunder.

Section 6.03. *Financial Covenant.* The Borrower will not permit the Fixed Charge Coverage Ratio to be less than 1.00:1.00; *provided* that compliance with this Section 6.03 shall be required only at such times as Facility Availability is less than the greater of (x) 10% of the total aggregate Commitments and (y) $150,000,000.

Section 6.04. *Sale of Receivables*. The Borrower will not, and will not permit any Credit Party to, sell, transfer, or otherwise dispose of any Receivables owned by the Borrower or any Credit Party in connection with any financing or factoring transaction other than (x) in connection with a Permitted Supply Chain Financing and (y) a sale of Ineligible Receivables in the ordinary course of business in connection with the collection thereof.

ARTICLE 7
EVENTS OF DEFAULT

If any of the following events ("**Events of Default**") shall occur:

(f) the Borrower shall fail to pay any principal of any Loan or any LC Reimbursement Obligation when the same shall become due, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(g) the Borrower shall fail to pay when due any interest on any Loan or any fee or other amount (except an amount referred to in clause (a)) payable under any Loan Document, and such failure shall continue unremedied for a period of five Business Days;

(h) any representation, warranty or certification made or deemed made by or on behalf of the Borrower in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect when made or deemed made and, if the circumstances giving rise to such false or misleading representation or warranty are susceptible to being cured in all material respects, such false or misleading representation or warranty shall not be cured in all material respects for five days after the earlier to occur of (i) the date on which an officer of the Borrower shall obtain knowledge thereof or (j) the date on which written notice thereof shall have been given to the Borrower by the Administrative Agent;

(k) the Borrower shall fail to observe or perform any covenant or agreement contained in Section 5.01(a)(i) or (ii), Section 5.01(c), Section 5.02(c), Sections 5.04 through 5.06, Section 5.09, Section 5.10 or in Article 6;

(l) the Borrower shall fail to observe or perform (i) any covenant or agreement contained in Section 5.01(b) or Section 5.02(d) and such failure shall continue for three days after the earlier of notice of such failure to the Borrower from the Administrative Agent or knowledge of such failure by an officer of the Borrower, or (ii) any covenant or agreement contained in Section 5.01(a)(iii), Sections 5.01(a)(v) through 5.01(a)(viii), Section 5.02(a) or Section 5.02(b) and such failure shall continue for 10 days after the earlier of notice of such failure to

the Borrower from the Administrative Agent or knowledge of such failure by an officer of the Borrower;

(m) the Borrower shall fail to observe or perform any provision of any Loan Document (other than those failures covered by clauses (a), (b), (d) and (e) of this Article 7) and such failure shall continue for 30 days after the earlier of notice of such failure to the Borrower from the Administrative Agent or knowledge of such failure by an officer of the Borrower;

(n) the Borrower or any of its Subsidiaries shall fail to make a payment or payments (whether of principal or interest and regardless of amount) in respect of any Material Debt when the same shall become due or within any applicable grace period;

(o) any event or condition occurs that (p) results in acceleration of the maturity of any Material Debt or (q) enables or permits the holder or holders of Material Debt or any trustee or agent on its or their behalf to cause any Material Debt to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, before its scheduled maturity but in the case of any event described in this clause (ii), only after the lapse of a cure period, equal to the greater of five Business Days or the cure period specified in the instrument governing such Material Debt; *provided* that this Section 7(h) shall not apply to (x) acceleration of the Convertible Notes or (y) the holders of the Convertible Notes (or any trustee or agent on their behalf) having the right to cause the Convertible Notes to be accelerated or to require the prepayment, repurchase, redemption or defeasance of the Convertible Notes, in each case to the extent arising directly from U.S. Steel Canada being the subject of a proceeding for relief of debtors under any bankruptcy, insolvency or reorganization proceeding under the laws of Canada or any province thereof.

(r) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (s) liquidation, reorganization or other relief in respect of the Borrower or any of its Significant Subsidiaries or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (t) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Significant Subsidiaries or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(u) the Borrower or any of its Significant Subsidiaries shall (v) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (w) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (i), (x) apply for or consent to the

appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any the Borrower or any of its Significant Subsidiaries or for a substantial part of its assets, (y) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (z) make a general assignment for the benefit of creditors or (aa) take any action for the purpose of effecting any of the foregoing;

(bb) the Borrower or any of its Significant Subsidiaries shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(cc) one or more judgments for the payment of money in an aggregate amount exceeding $100,000,000 shall be rendered against the Borrower or any of its Significant Subsidiaries and shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any asset of the Borrower or any of its Significant Subsidiaries to enforce any such judgment;

(dd) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Change;

(ee) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Credit Party not to be, a valid and perfected Lien on all or a substantial part of the Collateral, with the priority required by the applicable Security Document, except as a result of (i) a sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents or (ii) a permitted release of the applicable Collateral in accordance with the terms of the Loan Documents; or

(ff) any Subsidiary Guarantee of a Subsidiary Guarantor shall cease for any reason to be in full force and effect, unless such Subsidiary Guarantee is released pursuant to the release provisions contained therein;

then, and in every such event (except an event with respect to the Borrower described in clause (i) or (j) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all

of which are waived by the Borrower; and in the case of any event with respect to the Borrower described in clause (i) or (j) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are waived by the Borrower. Additionally, and without limiting the generality of the foregoing, on each Business Day during a Sweep Period (as defined in the Borrower Security Agreement), the Collateral Agent shall apply funds on deposit in the Cash Collateral Account in accordance with Section 5(f) of the Borrower Security Agreement.

ARTICLE 8
THE AGENTS

Section 8.01. *Appointment and Authorization.* Each Lender and LC Issuing Bank irrevocably appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to such Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Collateral Agent shall have the sole and exclusive authority to (a) act as collateral agent for the Secured Parties for purposes of perfecting and administering Liens under the Loan Documents, and for all other purposes stated therein, (b) manage, supervise or otherwise deal with Collateral and (c) take any enforcement action or otherwise exercise any rights or remedies with respect to any Collateral under the Loan Documents, applicable law or otherwise. The Collateral Agent alone shall be authorized to determine whether any Receivables or Inventory constitute Eligible Receivables or Eligible Inventory, or whether to impose or release any Availability Reserve, which determinations and judgments, if exercised in good faith, shall exonerate the Collateral Agent from liability to any Lender, any LC Issuing Bank or other Person for any error in judgment.

Section 8.02. *Administrative Agent and Affiliates.* JPMorgan Chase Bank, N.A. shall have the same rights and powers under this Agreement as any other Lender or LC Issuing Bank and may exercise or refrain from exercising the same as though it were not the Administrative Agent or the Collateral Agent, and JPMorgan Chase Bank, N.A. and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or affiliate of the Borrower as if it were not the Administrative Agent or the Collateral Agent hereunder.

Section 8.03. *Action by Administrative Agent.* The obligations of each Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, none of the Agents shall be required to take any action with respect to any Default, except as expressly provided in Article 7.

Section 8.04. *Consultation with Experts.* The Agents may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

Section 8.05. *Liability of Agents.* None of the Agents nor any of their respective affiliates nor any of their respective directors, officers, agents, or employees shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Lenders or such other number of Lenders as may be expressly required hereunder or (ii) in the absence of its own gross negligence or willful misconduct. None of the Agents nor any of their respective affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing or issuance of a Letter of Credit hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article 4, except receipt of items required to be delivered to an Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, any promissory note issued pursuant to Section 2.17(d) or any other instrument or writing furnished in connection herewith. No Agent shall incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a Lender wire, telex, facsimile, electronic transmission or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

Section 8.06. *Credit Decision.* Each Lender and each LC Issuing Bank acknowledges that it has, independently and without reliance upon any Agent or any other Lender or LC Issuing Bank, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and LC Issuing Bank also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or LC Issuing Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

Section 8.07. *Successor Administrative Agent.* Any Agent may resign at any time by giving notice thereof to the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent gives notice of resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a commercial Lender organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $50,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the

rights and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent.

Section 8.08. *Agents' Fees.* The Borrower shall pay to each Agent for its own account fees in the amounts and at the times previously agreed upon between the Borrower and such Agent.

Section 8.09. *Sub-Agents and Related Parties*. Each Agent may perform any and all its duties and exercise its rights and powers by or through one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding Sections of this Article shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to activities in connection with the syndication of the credit facilities provided for herein as well as activities as an Agent hereunder.

Section 8.10. *Other Agents.* Nothing in this Agreement shall impose any duty or liability whatsoever on any Agent (other than the Administrative Agent or the Collateral Agent) in its capacity as an Agent.

Section 8.11. *Collateral and Guarantee Matters*. Each Secured Party irrevocably authorizes and instructs the Collateral Agent to do the following:

(h) release any Lien on any property granted to or held by Collateral Agent under any Loan Document (i) upon the satisfaction of the Release Conditions, (ii) that is sold or transferred or to be sold or transferred as part of or in connection with any sale, transfer or other disposition not prohibited by the Loan Documents to a Person that is not a Credit Party (including release of any Collateral subject to a Permitted Supply Chain Financing), (iii) that does not constitute (or ceases to constitute) Collateral, (iv) if the property subject to such Lien is owned by a Subsidiary Guarantor, upon the release of such Subsidiary Guarantor from its guarantee otherwise in accordance with the Loan Documents, (v) otherwise in accordance with Section 12 of the Borrower Security Agreement (or the corresponding provision of any other Security Agreement) or (vi) if approved, authorized or ratified in writing by the percentage of Lenders required by Section 9.02; and

(i) release any Subsidiary Guarantor from its guarantee of the Secured Obligations (i) upon the consummation of any permitted transaction or series of related transactions if as a result thereof such Subsidiary Guarantor ceases to be a Subsidiary of the Borrower and/or (ii) upon the satisfaction of the Release Conditions.

Section 8.12. *Secured Parties*. By accepting the benefits of the Security Document, each Secured Party, regardless of whether a signatory to this Agreement, shall be deemed to have agreed to the terms contained in this Article 8 and in Section 11 of the Borrower Security Agreement (and any corresponding provision in any other Security Agreement).

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Notices*. (e) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(vi) if to the Borrower, to it at 600 Grant Street, 61st Floor, Pittsburgh, Pennsylvania 15219, Attention of Senior Vice President Finance & Risk Management (Facsimile No. (412) 433-1167), with a copy to the Borrower, to it at 600 Grant Street, Room 1311, Pittsburgh, Pennsylvania 15219, Attention of the Assistant Treasurer - Finance & Risk Management (Facsimile No.(412) 433-4765);

(vii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., 500 Stanton Christiana Road, Ops 2 Floor 3, Newark, Delaware 19713-2107, attention of Michelle Carey (Facsimile: (302) 634-1417; Email: michelle.x.carey@jpmorgan.com); with a copy to (i) Peter Predun, 383 Madison Avenue, FL 24, New York, New York 10179 (Facsimile: (212) 270-5100; Email: peter.predun@jpmorgan.com) and (ii) Daniella Negron, 383 Madison Avenue, FL 24, New York, New York 10179 (Facsimile: (212) 270-5100; Email: daniella.negron@jpmorgan.com);

(viii) if to the Collateral Agent, to JPMorgan Chase Bank, N.A., 500 Stanton Christiana Road, Ops 2 Floor 3, Newark, Delaware 19713-2107, attention of Michelle Carey (Facsimile: (302) 634-1417; Email: michelle.x.carey@jpmorgan.com); with a copy to (i) Peter Predun, 383 Madison Avenue, FL 24, New York, New York 10179 (Facsimile: (212) 270-5100; Email: peter.predun@jpmorgan.com) and (ii) Daniella Negron, 383 Madison Avenue, FL 24, New York, New York 10179 (Facsimile: (212) 270-5100; Email: daniella.negron@jpmorgan.com); Borrowing Base Certificates shall also be sent, to (i) ib.cbc@jpmchase.com and (ii) brittany.s.stark@jpmorgan.com;

(ix) if to JPMorgan Chase Bank, N.A. as LC Issuing Bank, to it at 10420 Highland Manor Drive, Floor 4, Mail Code FL3-2414, Tampa, Florida 33610-9128 (Facsimile No. (813) 432-6337), Attn: Standby Letter of Credit Unit;

(x) if to any other Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

(f) The Administrative Agent, the Collateral Agent, or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

(g) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the Administrative Agent and the Borrower. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement will be deemed to have been given on the date of receipt.

Section 9.02. *Waivers; Amendments*. (c) No failure or delay by any Lender Party in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Lender Parties under the Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by subsection (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, neither the making of a Loan nor the issuance, amendment, renewal or extension of a Letter of Credit shall be construed as a waiver of any Default, regardless of whether any Lender Party had notice or knowledge of such Default at the time.

(d) No Loan Document or provision thereof may be waived, amended or modified except, in the case of this Agreement, by an agreement or agreements in writing entered into by the Borrower and the Required Lenders or, in the case of any other Loan Document, by an agreement or agreements in writing entered into by the parties thereto with the consent of the Required Lenders; *provided* that no such agreement shall:

(xi) increase the Commitment of any Lender without its written consent;

(xii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fee payable hereunder, without the written consent of each Lender Party affected thereby;

(xiii) postpone the maturity of any Loan, or the required date of any mandatory payment of principal (including pursuant to Section 2.11(b)), or the required date of reimbursement of any LC Disbursement, or any date for the payment of any interest or fee payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender Party affected thereby;

(xiv) change (x) the definition of "Additional Secured Obligations" or "Percentage" or Section 2.23 hereof or (y) the definition of "Secured Bi-Lateral Letter of Credit Obligations", "Secured Cash Management Obligations", "Secured Derivative Obligations" or "Secured Vendor Financing Obligations" (or any component definitions used in the foregoing) or Section 7(a) or 7(b) of the Security Agreement, without the written consent of each Lender adversely affected thereby;

(xv) change any provision of this Section or the percentage set forth in the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to take any action thereunder, without the written consent of each Lender;

(xvi) except as otherwise expressly permitted pursuant to the Security Agreement, release all or substantially all of the Collateral from the Transaction Liens, without the written consent of each Lender;

(xvii) (e) increase the advance rate percentages used in the definitions of "**Available Inventory**" and "**Available Receivables**" without the written consent of each Lender, or (A) change standards of eligibility from those specified herein in a manner that causes the Borrowing Base to be increased without the written consent of Lenders having aggregate Credit Exposures representing at least 75% of the sum of all Credit Exposures at such time;

(ii) unless signed by a Designated Lender or its Designating Lender, subject such Designated Lender to any additional obligation or affect its rights hereunder (unless the rights of all the Lenders are similarly affected); or

(iii) except as otherwise expressly permitted pursuant to the terms of the Loan Documents, release any Subsidiary Guarantor, without the written consent of the Collateral Agent and the Required Lenders; and

provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent or any LC Issuing Bank without its prior written consent; and *provided further* that neither (x) a reduction or termination of Commitments pursuant to Section 2.09 or 2.18, nor (y) an increase in

Commitments pursuant to Section 2.15, constitutes an amendment, waiver or modification for purposes of this Section 9.02.

(f) Notwithstanding the foregoing, if the Required Lenders enter into or consent to any waiver, amendment or modification pursuant to subsection (b) of this Section, no consent of any other Lender will be required if, when such waiver, amendment or modification becomes effective, (g) the Commitment of each Lender not consenting thereto terminates and (h) all amounts owing to it or accrued for its account hereunder are paid in full.

(i) Notwithstanding the foregoing, Subsidiary Guarantee Agreements shall be terminated and Collateral shall be released from the Transaction Liens from time to time as necessary to effect any sale of assets (including the sale of a Subsidiary Guarantor) permitted by the Loan Documents, and the Administrative Agent shall (at the Borrower's expense) execute and deliver all release documents reasonably requested to evidence such release.

Section 9.03. *Expenses; Indemnity; Damage Waiver*. (d) The Borrower shall pay (iv) all reasonable and documented out-of-pocket expenses incurred by the Arrangers, the Administrative Agent and their respective Affiliates, including the reasonable fees, charges and disbursements of Davis Polk & Wardwell LLP, special counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of the Loan Documents and any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (v) all reasonable and documented out-of-pocket expenses incurred by any LC Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (vi) all out-of-pocket expenses incurred by any Lender Party, including the fees, charges and disbursements of any counsel for any Lender Party, in connection with the enforcement or protection of its rights in connection with the Loan Documents (including its rights under this Section), the Letters of Credit or the Loans, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Letters of Credit or the Loans.

(e) The Borrower shall indemnify each of the Lender Parties and their respective Related Parties (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any other agreement or instrument contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Financing Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the

LC Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not comply with the terms of such Letter of Credit, as determined in accordance with Section 2.16(f)), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property currently or formerly owned or operated by the Borrower or any Subsidiary or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless whether any Indemnitee is a party thereto; *provided* that (i) such indemnity shall not be available to any Indemnitee to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from such Indemnitee's gross negligence or willful misconduct; (ii) such indemnity shall not be available to any Indemnitee for losses, claims, damages, liabilities or related expenses arising out of a proceeding in which such Indemnitee and the Borrower are adverse parties involving a material breach by an Indemnitee to the extent that the Borrower prevails on the merits, as determined by a court of competent jurisdiction in a final and non-appealable judgment (it being understood that nothing in this Agreement shall preclude a claim or suit by the Borrower against any Indemnitee for such Indemnitee's failure to perform any of its obligations to the Borrower under the Loan Documents); (iii) the Borrower shall not, in connection with any such proceeding or related proceedings in the same jurisdiction and in the absence of conflicts of interest, be liable for the fees and expenses of more than one law firm at any one time for the Indemnitees (which law firm shall be selected (x) by mutual agreement of the Administrative Agent and the Borrower or (y) if no such agreement has been reached following the Administrative Agent's good faith consultation with the Borrower with respect thereto, by the Administrative Agent in its sole discretion); (iv) each Indemnitee shall give the Borrower (x) prompt notice of any such action brought against such Indemnitee in connection with a claim for which it is entitled to indemnity under this Section and (y) an opportunity to consult from time to time with such Indemnitee regarding defensive measures and potential settlement; and (v) the Borrower shall not be obligated to pay the amount of any settlement entered into without its written consent (which consent shall not be unreasonably withheld or delayed). In the case of an investigation, litigation or proceeding to which the indemnity in this Section applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its equity holders or creditors or an Indemnitee, whether or not an Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereby are consummated.

(f) To the extent that the Borrower fails to pay any amount required to be paid by it to any Agent or any LC Issuing Bank under subsection (a) or (b) of this Section, each Lender severally agrees to pay to such Agent or such LC Issuing Bank, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is

sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent or such LC Issuing Bank in its capacity as such. For purposes hereof, a Lender's "**pro rata share**" shall be determined based on its share of the sum of the total Credit Exposures.

(g) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Financing Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(h) All amounts due under this Section shall be payable within five Business Days after written demand therefor.

Section 9.04. *Successors and Assigns*. (v) The provisions of this Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the LC Issuing Bank that issues any Letter of Credit), except that (vi) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (vii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (except the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any LC Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly provided herein, the Related Parties of the Lender Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(f) Any Lender may assign to one or more assignees (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) all or a portion of its rights and obligations under this Agreement (including all or a portion of any Commitment it has at the time and any Loans at the time owing to it); *provided* that:

(iii) except in the case of an assignment to a Lender or a Lender Affiliate, the Borrower must give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed); *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 5 Business Days after having received notice thereof;

(iv) the Administrative Agent must give its prior written consent (which consent shall not be unreasonably withheld or delayed);

(v) each LC Issuing Bank must give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed);

(vi) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(vii) unless each of the Borrower and the Administrative Agent otherwise consent, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date on which the relevant Assignment is delivered to the Administrative Agent) shall not be less than $5,000,000; *provided* that this clause (v) shall not apply to an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans;

(viii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment, together with a processing and recordation fee of $3,500; and

(ix) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent a completed Administrative Questionnaire; and

provided further that any consent of the Borrower otherwise required under this subsection shall not be required if an Event of Default has occurred and is continuing. Subject to acceptance and recording thereof pursuant to subsection (d) of this Section, from and after the effective date specified in each Assignment, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment, be released from its obligations under this Agreement (and, in the case of an Assignment covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.20, 2.21, 2.22 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (e) of this Section.

(g) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in New York City a copy of each Assignment delivered to it and a register for the recordation of the names and

addresses of the Lenders, their respective Commitments and the principal amounts of the Loans and LC Disbursements owing to each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive (absent manifest error), and the parties hereto may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any party hereto at any reasonable time and from time to time upon reasonable prior notice.

(h) Upon its receipt of a duly completed Assignment executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), any processing and recordation fee referred to in, and payable pursuant to, subsection (b) of this Section and any written consent to such assignment required by subsection (b) of this Section, the Administrative Agent shall accept such Assignment and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this subsection.

(i) Any Lender may, without the consent of the Borrower or any other Lender Party, sell participations to one or more banks or other entities (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) ("**Participants**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided* that (j) such Lender's obligations under this Agreement shall remain unchanged, (k) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower and the other Lender Parties shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii) or (iii) of the first proviso to Section 9.02(b) that affects such Participant. Subject to subsection (f) of this Section, each Participant shall be entitled to the benefits of Sections 2.20, 2.21 and 2.22 (subject to the requirements and limitations therein, including the requirements under 2.22(f) (it being understood that the documentation required under Section 2.22(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.09 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.23(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the

Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(l) A Participant shall not be entitled to receive any greater payment under Section 2.20 or 2.22 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.22 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.22(f) as though it were a Lender.

(m) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or a central bank, and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.05. *Designated Lenders*. (a) Subject to the provisions of this Section 9.05(a), any Lender may from time to time elect to designate an Eligible Designee to provide all or a portion of the Loans to be made by such Lender pursuant to this Agreement; *provided* that such designation shall not be effective unless the Borrower and the Administrative Agent consent thereto. When a Lender and its Eligible Designee shall have signed an agreement substantially in the form of Exhibit H hereto and the Borrower and the Administrative Agent shall have signed their respective consents thereto, such Eligible Designee shall become a Designated Lender for purposes of this Agreement. The Designating Lender shall thereafter have the right to permit such Designated Lender to provide all or a portion of the loans to be made by such Designating Lender pursuant to

Section 2.01 and the making of such Loans or portions thereof shall satisfy the obligation of the Designating Lender to the same extent, and as if, such Loans or portion thereof were made by the Designating Lender. As to any Loans or portion thereof made by it, each Designated Lender shall have all the rights that a Lender making such Loans or portion thereof would have had under this Agreement and otherwise; *provided* that (x) its voting rights under this Agreement shall be exercised solely by its Designating Lender and (y) its Designating Lender shall remain solely responsible to the other parties hereto for the performance of its obligations under this Agreement, including its obligations in respect of the Loans or portion thereof made by it. No additional promissory note shall be required to evidence Loans or portions thereof made by a Designated Lender; and the Designating Lender shall be deemed to hold any promissory note issued pursuant to Section 2.17(d) as agent for its Designated Lender to the extent of the Loans or portion thereof funded by such Designated Lender. Each Designating Lender shall act as administrative agent for its Designated Lender and give and receive notices and other communications on its behalf. Any payments for the account of any Designated Lender shall be paid to its Designating Lender as administrative agent for such Designated Lender and neither the Borrower nor the Administrative Agent shall be responsible for any Designating Lender's application of such payments. In addition, any Designated Lender may (i) with notice to, but without the prior written consent of, the Borrower or the Administrative Agent, assign all or portions of its interest in any Loans to its Designating Lender or to any financial institutions consented to by the Borrower and the Administrative Agent providing liquidity and/or credit facilities to or for the account of such Designated Lender to support the funding of Loans or portions thereof made by such Designated Lender and (ii) disclose on a confidential basis any non-public information relating to its Loans or portions thereof to any rating agency, commercial paper dealer or provider of any guarantee, surety, credit or liquidity enhancement to such Designated Lender.

(b) Each party to this Agreement agrees that it will not institute against, or join any other Person in instituting against, any Designated Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any federal or state bankruptcy or similar law, for one year and a day after all outstanding senior indebtedness of such Designated Lender is paid in full. The Designating Lender for each Designated Lender agrees to indemnify, save, and hold harmless each other party hereto for any loss, cost, damage, and expense arising out of its inability to institute any such proceeding against such Designated Lender. This Section 9.05(b) shall survive the termination of this Agreement.

Section 9.06. *Survival.* All covenants, agreements, representations and warranties made by the Borrower in the Loan Documents and in certificates or other instruments delivered in connection with or pursuant to the Loan Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and

the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Lender Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as any principal of or accrued interest on any Loan or any fee or other amount payable hereunder is outstanding and unpaid or any Letter of Credit is outstanding or any Commitment has not expired or terminated. The provisions of Sections 2.20, 2.21, 2.22 and 9.03 and Article 8 shall survive and remain in full force and effect regardless of the consummation of the Financing Transactions, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

Section 9.07. *Counterparts; Integration*. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to any Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.08. *Severability.* If any provision of any Loan Document is invalid, illegal or unenforceable in any jurisdiction then, to the fullest extent permitted by law, (i) such provision shall, as to such jurisdiction, be ineffective to the extent (but only to the extent) of such invalidity, illegality or unenforceability, (ii) the other provisions of the Loan Documents shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Lender Parties in order to carry out the intentions of the parties thereto as nearly as may be possible and (iii) the invalidity, illegality or unenforceability of any such provision in any jurisdiction shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.

Section 9.09. *Right of Set-off*. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any obligations of the Borrower now or hereafter existing hereunder and held by such Lender, irrespective of whether or not such Lender shall have made any demand hereunder and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of set-off) that such Lender may have.

Section 9.10. *Governing Law; Jurisdiction; Consent to Service of Process.* (j) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(k) Each party to this Agreement irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any relevant appellate court, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each party hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that any party may otherwise have to bring any action or proceeding relating to any Loan Document against another party or its properties in the courts of any jurisdiction with respect to enforcement of judgments or actions taken in respect of the Collateral.

(l) Each party irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in subsection (b) of this Section. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action, or proceeding in any such court.

(m) Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in any Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

Section 9.11. *WAIVER OF JURY TRIAL*. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR ANY TRANSACTION CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE CASE OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO

THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.12. *Headings*. Article and Section headings and the Table of Contents herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.13. *Confidentiality*. Each Lender Party agrees to maintain the confidentiality of the Information (hereinafter defined), except that Information may be disclosed (e) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (f) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (g) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (after, to the extent feasible, giving the Borrower an opportunity to lawfully object to such production), (h) to any other party to this Agreement, (i) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to any Loan Document or the enforcement of any right thereunder, (j) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (iii) any rating agency when required by it or (iv) the CUSIP Bureau or any similar organization, (k) with the consent of the Borrower or (l) to the extent such Information either (m) becomes publicly available other than as a result of a breach of this Section or (n) becomes available to any Lender Party on a non-confidential basis from a source other than the Borrower. For the purposes of this Section, "**Information**" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to any Lender Party on a non-confidential basis prior to disclosure by the Borrower (it being understood, for the avoidance of doubt, that "Information" shall exclude any information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry); *provided* that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Additionally, the Borrower agrees to maintain the confidentiality of any information relating to a rate provided by the Administrative Agent or any Reference Bank pursuant to the definition of "London Interbank Offered Rate" (a "**Reference Rate**"), except (a) to its directors, officers, employees, advisors or Affiliates on a confidential and need-to-know basis in connection herewith, (b) as consented to by the Administrative Agent or such Reference Bank, as applicable or (c) as required by

law (including securities laws and GAAP), regulation, judicial or governmental order, subpoena or other legal process or is requested or required by any governmental or regulatory authority or exchange (in which case the Borrower agrees to inform the Administrative Agent or such Reference Bank, as applicable, promptly thereof prior to such disclosure, unless the Borrower is prohibited from giving such notice). Notwithstanding the foregoing, the Borrower may disclose to other financial institutions which provide or may potentially provide financial services to the Borrower or any of its Subsidiaries only the average of all Reference Rates submitted as provided in connection with this Agreement.

Section 9.14. *USA PATRIOT Act Notice.* Each Lender (whether a party hereto on the date hereof or hereafter) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), it is required to obtain, verify and record information that identifies the Credit Parties, which information includes the name and address of the Credit Parties and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Credit Parties in accordance with the USA PATRIOT Act and to provide notice of these requirements, and this notice shall satisfy such notice requirements of the USA PATRIOT Act.

Section 9.15. *No Fiduciary Duty*. The Borrower agrees that in connection with all aspects of the Loans and Letters of Credit contemplated by this Agreement and any communications in connection therewith, the Borrower and its Subsidiaries, on the one hand, and the Agents, the Lenders, the LC Issuing Banks and their Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agents, the Lenders, the LC Issuing Banks or their Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications. The Borrower acknowledges that the Agents, the Lenders, the LC Issuing Banks and their Affiliates may have economic interests that conflict with those of the Borrower and its Subsidiaries and Affiliates.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year set forth in the first paragraph of this Agreement.

UNITED STATES STEEL CORPORATION

By: /s/ L.T. Brockway

Name: L.T. Brockway

Title: Senior Vice President Finance & Chief Risk Officer

Website Address: www.ussteel.com

JPMORGAN CHASE BANK, N.A., as Administrative Agent,
LC Issuing Bank, Collateral Agent and Lender

By: /s/ Peter Predun

Name: Peter Predun

Title: Executive Director

Barclays Bank PLC

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Vice President

Bank of America, N.A.

By: /s/ Matthew Bourgeois

Name: Matthew Bourgeois

Title: Senior Vice President

WELLS FARGO BANK, N.A., as a Lender

By: /s/ Todd R. Nakamoto
Name: Todd R. Nakamoto
Title: Duly Authorized Signer

The Bank of Nova Scotia

By: /s/ Rafael Tobon

Name: Rafael Tobon

Title: Director

PNC BANK, NATIONAL ASSOCIATION

By: /s/ David B. Gookin

Name: David B. Gookin

Title: Executive Vice President

CITIZENS BANK OF PENNSYLVANIA

By: /s/ Philip R. Medsger

Name: Philip R. Medsger

Title: Senior Vice President

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By: /s/ Doreen Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Sean MacGregor
Name: Sean MacGregor
Title: Authorized Signatory

GOLDMAN SACHS BANK USA

By: /s/ Ryan Durkin

Name: Ryan Durkin

Title: Authorized Signatory

Morgan Stanley Bank, N.A.

By: /s/ Michael King

Name: Michael King

Title: Authorized Signatory

ROYAL BANK OF CANADA

By: /s/ Philippe Pepin

Name: Philippe Pepin

Title: Authorized Signatory

SUNTRUST BANK

By: /s/ Seth Meier
Name: Seth Meier
Title: Director

Citibank, N.A.

By: /s/ Brendan Mackay

Name: Brendan Mackay

Title: Director & Vice President

THE BANK OF NEW YORK MELLON

By: /s/ William M. Feathers

Name: William M. Feathers

Title: Vice President

THE HUNTINGTON NATIONAL BANK,
a national banking association

By: /s/ Diana L. Guzzo

Name: Diana L. Guzzo

Title: V.P.

SOCIETE GENERALE

By: /s/ Emmanuel Chesneau

Name: Emmanuel Chesneau

Title: Managing Director

Commerzbank AG, New York and Grand Cayman Branches

By: /s/ Kiuli Chan
Name: Kiuli Chan
Title: Director

By: /s/ Diane Pockaj
Name: Diane Pockaj
Title: Managing Director

The Northern Trust Company

By: /s/ Andrew D. Holtz

Name: Andrew D. Holtz

Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Matthew Kasper

Name: Matthew Kasper

Title: Vice President

BMO Harris Bank, N.A.

By: /s/ Kara Goodwin

Name: Kara Goodwin

Title: Managing Director

ING Bank N.V. Dublin Branch

By: /s/ Maurice Kenny

Name: Maurice Kenny

Title: Director

By: /s/ Sean Hassett

Name: Sean Hassett

Title: Director

Exhibit 10.2

AMENDED AND RESTATED SECURITY AGREEMENT

dated as of
July 27, 2015

between

UNITED STATES STEEL CORPORATION

and

JPMORGAN CHASE BANK, N.A.
as Collateral Agent

TABLE OF CONTENTS

AMENDED AND RESTATED SECURITY AGREEMENT

AMENDED AND RESTATED SECURITY AGREEMENT dated as of July 27, 2015 (this "**Agreement**") between United States Steel Corporation, a Delaware corporation (together with its successors, the "**Borrower**") and JPMorgan Chase Bank, N.A., as Collateral Agent.

WHEREAS, (i) the Borrower and certain other parties thereto are parties to a Second Amended and Restated Credit Agreement dated as of July 20, 2011 (as amended or otherwise modified prior to the date hereof, the "**Existing Credit Agreement**") and (ii) the Borrower and the Collateral Agent and certain other parties thereto are entering into the Credit Agreement (hereinafter defined), that amends and restates the Existing Credit Agreement, and pursuant to which the Borrower intends to borrow funds and obtain letters of credit for the purposes set forth therein;

WHEREAS, the Borrower and the Collateral Agent are parties to the Security Agreement dated as of June 12, 2009 (as amended by Amendment No. 1 dated as of July 20, 2011 and as further amended or otherwise modified prior to the date hereof, the "**Existing Security Agreement**");

WHEREAS, the parties hereto desire to amend and restate the Existing Security Agreement as provided in this Agreement;

WHEREAS, it is a condition to effectiveness of the Credit Agreement that the Borrower enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Existing Security Agreement is amended and restated in its entirety as follows:

SECTION 1. *Definitions.*

(a) *Terms Defined in Credit Agreement*. Terms defined in the Credit Agreement and not otherwise defined in this Agreement have the meanings given to them in the Credit Agreement.

(b) *Terms Defined in UCC*. As used herein, each of the following terms has the meaning specified in the UCC:

Term	**UCC**
Account	9-102
Authenticate	9-102
Chattel Paper	9-102
Deposit Account	9-102
Document	9-102
General Intangible	9-102
Instrument	9-102
Inventory	9-102
Letter-of-Credit Right	9-102
Supporting Obligation	9-102

(c) *Additional Definitions*. The following additional terms, as used herein, have the following meanings:

"**Administrative Agent**" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent under the Loan Documents, and its successors in such capacity.

"**Agreement**" has the meaning set forth in the preamble to this Agreement.

"**Article 9**" means Article 9 of the UCC.

"**Bi-Lateral Letter of Credit**" means any letter of credit issued by a Bi-Lateral Letter of Credit Lender for the account of the Borrower, including all Existing Bi-Lateral Letters of Credit.

"**Bi-Lateral Letter of Credit Lender**" means any Person that is a Lender or Lender Affiliate as of both (i) the date of issuance (or amendment, renewal or extension) of the applicable Bi-Lateral Letter of Credit and (ii) the date of designation of the applicable Bi-Lateral Letter of Credit Obligation as a "Secured Bi-Lateral Letter of Credit Obligation" pursuant to Section 20.

"**Bi-Lateral Letter of Credit Obligation**" means any reimbursement obligation or other payment obligation of the Borrower owing to any Bi-Lateral

Letter of Credit Lender in connection with any Bi-Lateral Letter of Credit issued by such Bi-Lateral Letter of Credit Lender.

"**Blocked Account**" means each of the Lockbox Accounts, the Collection Accounts or any other Deposit Account, in each case that has been subjected to a Blocked Account Agreement pursuant to Section 5(b).

"**Blocked Account Agreement**" means, with respect to any account, a blocked account agreement in favor of the Collateral Agent, all in form and substance reasonably satisfactory to the Collateral Agent.

"**Borrower**" has the meaning set forth in the preamble to this Agreement.

"**Cash Collateral Account**" has the meaning set forth in Section 5.

"**Cash Management Obligation**" means the liability of the Borrower owing to any Person which is a Lender or Lender Affiliate as of the date of designation of such Cash Management Obligation as a Secured Cash Management Obligation pursuant to Section 20 arising out of (a) the execution or processing of electronic transfers of funds by automatic clearing house transfer, wire transfer or otherwise to or from the deposit accounts of the Borrower now or hereafter maintained with such Lender or Lender Affiliate, (b) the acceptance for deposit or the honoring for payment of any check, draft or other item with respect to any such deposit accounts, (c) purchasing card, debit card or credit card arrangements offered by such Lender or Lender Affiliate and (d) any other deposit, disbursement, and cash management services afforded to the Borrower by such Lender or Lender Affiliate.

"**Collateral**" means all property, whether now owned or hereafter acquired, on which a Lien is granted or purports to be granted to the Collateral Agent pursuant to the Security Documents.

"**Collateral Agent**" means JPMorgan Chase Bank, N.A., in its capacity as Collateral Agent for the Secured Parties under the Security Documents, and its successors in such capacity.

"**Collection Account**" means each deposit account listed on Schedule I hereto under the heading "Collection Accounts" and any other collection account established by the Lien Grantor into which collections on Pledged Receivables are deposited or into which amounts collected in any Lockbox Account are transferred.

"**Contracts**" means all General Intangibles related to the sale, lease, exchange, or other disposition of Inventory, whether or not performed and whether or not subject to termination upon a contingency or at the option of any party thereto.

"**Credit Agreement**" means the Third Amended and Restated Credit Agreement dated as of July 27, 2015 among the Borrower, the Lenders party thereto, the LC Issuing Banks party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent.

"**Derivative Contract**" means, with respect to any Derivative Obligation, the written contract evidencing such Derivative Obligation.

"**Derivative Obligation**" means any obligation of the Borrower in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions, in each case owing to any Person that was a Lender or Lender Affiliate on the trade date for such Derivative Obligation (or an assignee of such Person).

"**Earn Out Condition**" means the following condition for terminating a Sweep Period: Facility Availability shall have been greater than the greater of (x) the amount that is 10% of the aggregate amount of the Commitments and (y) $150,000,000 for 60 consecutive days.

"**Eligible Transferee**" means any Person that is not a Subsidiary of the Borrower that purchases, or receives as collateral, Receivables from any Credit Party in connection with a Permitted Supply Chain Financing.

"**Event of Default**" means any Event of Default as defined in the Credit Agreement and any similar event with respect to any Secured Derivative Obligation that permits the acceleration of the maturity thereof (or an equivalent remedy).

"**Existing Bi-Lateral Letters of Credit**" means each of the letters of credit set forth on Schedule II hereto.

"**First Secured Derivative Obligations**" means the Derivative Obligations that are designated by the Borrower as "First Secured Derivative Obligations" pursuant to Section 20. For the avoidance of doubt, unless the context otherwise requires, any reference herein to the "amount" or the "principal amount" of a First Secured Derivative Obligation shall refer to then current Mark-to-Market Value of such First Secured Derivative Obligation.

"**Lien Grantor**" means the Borrower.

"**Liquid Investment**" means (i) direct obligations of the United States or any agency thereof, (ii) obligations guaranteed by the United States or any agency thereof, (iii) money market funds that invest solely in obligations described in clauses (i) and (ii) of this definition, (iv) time deposits and money market deposit accounts issued by or guaranteed by or placed with a Lender, and (v) fully collateralized repurchase agreements for securities described in clause (i) or (ii) entered into with a Lender, *provided* in each case that such Liquid Investment (x) matures within 30 days after it is first included in the Collateral and (y) is in a form, and is issued and held in a manner, that in the reasonable judgment of the Collateral Agent permits appropriate measures to have been taken to perfect security interests therein.

"**Liquidated Secured Obligation**" means at any time any Secured Obligation (or portion thereof) that is not an Unliquidated Secured Obligation at such time.

"**Lockbox Accounts**" means each deposit account listed on Schedule I hereto under the heading "Lockbox Accounts" and any other lockbox account established by the Lien Grantor into which collections on Pledged Receivables are deposited.

"**Mark-to-Market Value**" means, at any date with respect to any Derivative Obligation, the lesser of (i) the amount that would be payable by the Borrower if the applicable Derivative Contract were terminated at such time in circumstances in which the Borrower was the defaulting party, taking into account the effect of any enforceable netting arrangement between the parties to such Derivative Contract with respect to mutual obligations in respect of other Secured Derivative Obligations between such parties and (ii) the amount stated in the applicable Derivative Contract to be the maximum amount which can be asserted as a secured claim against the Collateral.

"**Opinion of Counsel**" means a written opinion of legal counsel (who may be counsel to the Lien Grantor or other counsel, in either case approved by the Collateral Agent, which approval shall not be unreasonably withheld) addressed and delivered to the Collateral Agent.

"**own**" refers to the possession of sufficient rights in property to grant a security interest therein as contemplated by UCC Section 9-203, and "acquire" refers to the acquisition of any such rights.

"**Perfection Certificate**" means a certificate from the Lien Grantor substantially in the form of Exhibit A, completed and supplemented with the schedules contemplated thereby to the reasonable satisfaction of the Collateral Agent, and signed by an officer of the Lien Grantor.

"**Permitted Liens**" means (i) the Transaction Liens and (ii) any other Liens on the Collateral permitted to be created or assumed or to exist pursuant to the Credit Agreement, including such Liens arising in connection with Permitted Supply Chain Financings.

"**Pledged**", when used in conjunction with any type of asset, means at any time an asset of such type that is included (or that creates rights that are included) in the Collateral at such time.

"**Post-Petition Interest**" means any interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of the Lien Grantor (or would accrue but for the operation of applicable bankruptcy or insolvency laws), whether or not such interest is allowed or allowable as a claim in any such proceeding.

"**Proceeds**" means all proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or other realization upon, any Collateral, including all claims of the Lien Grantor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral.

"**Receivables**" means all Accounts owned by the Lien Grantor and all other rights, titles or interests which, in accordance with GAAP would be included in receivables on its balance sheet (including any such Accounts and/or rights, titles or interests that might be characterized as Chattel Paper, Instruments or General Intangibles under the Uniform Commercial Code in effect in any jurisdiction), in each case arising from the sale, lease, exchange or other disposition of Inventory, and all of the Lien Grantor's rights to any goods, services or other property related to any of the foregoing (including returned or repossessed goods and unpaid seller's rights of rescission, replevin, reclamation and rights to stoppage in transit), and all collateral security and supporting obligations of any kind given by any Person with respect to any of the foregoing.

"**Related Additional Documents**" means the documentation governing the Secured Bi-Lateral Letter of Credit Obligations, the Secured Cash Management Obligations, the Secured Derivative Obligations, and the Secured Vendor Financing Obligations.

"**Related Documents**" means the Credit Agreement, any promissory notes issued pursuant to Section 2.17(d) of the Credit Agreement, the Security Documents, and the Subsidiary Guarantee Agreements.

"**Related Parties**" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and its Affiliates.

"**Release Conditions**" means the following conditions for terminating all the Transaction Liens:

(i) all Commitments under the Credit Agreement shall have expired or been terminated;

(ii) all Liquidated Secured Obligations shall have been paid in full; and

(iii) no Unliquidated Secured Obligation shall remain outstanding or such Unliquidated Secured Obligation shall be cash collateralized to an extent and in a manner reasonably satisfactory to each affected Secured Party.

"**Second Secured Derivative Obligations**" means all Secured Derivative Obligations that are not First Secured Derivative Obligations. For the avoidance of doubt, unless the context otherwise requires, any reference herein to the "amount" or the "principal amount" of a Second Secured Derivative Obligation shall refer to then current Mark-to-Market Value of such Second Secured Derivative Obligation.

"**Secured Agreement**", when used with respect to any Secured Obligation, refers collectively to each instrument, agreement or other document that sets forth obligations of the Lien Grantor and/or rights of the holder with respect to such Secured Obligation.

"**Secured Bi-Lateral Letter of Credit Obligations**" means the Bi-Lateral Letter of Credit Obligations that are designated by the Borrower as "Secured Bi-Lateral Letter of Credit Obligations" pursuant to Section 20.

"**Secured Cash Management Obligations**" means the Cash Management Obligations that are designated by the Borrower as "Secured Cash Management Obligations" pursuant to Section 20.

"**Secured Derivative Obligations**" means the Derivative Obligations that are designated by the Borrower as additional Secured Obligations pursuant to Section 20.

"**Secured Loan Obligations**" means all principal of all Loans and LC Reimbursement Obligations outstanding from time to time under the Credit Agreement, all interest (including Post-Petition Interest) on such Loans and LC

Reimbursement Obligations and all other amounts now or hereafter payable by the Borrower pursuant to the Loan Documents.

"**Secured Obligations**" means the Secured Loan Obligations, the Secured Derivative Obligations, the Secured Bi-Lateral Letter of Credit Obligations, the Secured Cash Management Obligations and the Secured Vendor Financing Obligations.

"**Secured Parties**" means the holders from time to time of the Secured Obligations, and "Secured Party" means any of them as the context may require.

"**Secured Vendor Financing Obligations**" means the Vendor Financing Obligations that are designated by the Borrower as "Secured Vendor Financing Obligations" pursuant to Section 20.

"**Security Documents**" means this Agreement and all other supplemental or additional security agreements, control agreements, or similar instruments delivered pursuant to the Loan Documents.

"**Sweep Period**" means (i) the period that begins on the first date on which Facility Availability is less than or equal to the greater of (x) the amount that is 10% of the aggregate amount of the Commitments and (y) $150,000,000, and ends on the first date when all Release Conditions are satisfied, or, solely with respect to the initial Sweep Period, any earlier date on which the Earn Out Condition shall have been satisfied; and (ii) each period that begins upon the occurrence of (x) an Event of Default described in Section 7(a), Section 7(i), Section 7(j) or Section 7(k) of the Credit Agreement, or (y) an Event of Default caused by the Borrower's failure to perform the covenant contained in Section 6.03 of the Credit Agreement, and ends when no Event of Default is continuing; provided that, except in the case of a Sweep Period that begins upon the occurrence of any Event of Default described in Section 7(a), Section 7(i), Section 7(j) or Section 7(k) of the Credit Agreement with respect to the Borrower (which Sweep Period shall commence automatically upon the occurrence of such Event of Default), no Sweep Period shall be deemed to have commenced unless and until the Collateral Agent shall have so determined and shall have so notified the Borrower.

"**Transaction Liens**" means the Liens granted by the Lien Grantor under the Security Documents.

"**Transferred Receivables**" means any Receivables that have been sold, contributed or otherwise transferred to an Eligible Transferee in connection with a Permitted Supply Chain Financing that is permitted under the Credit Agreement.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of New York;*provided* that, if perfection or the effect of

perfection or non-perfection or the priority of any Transaction Lien on any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Unliquidated Secured Obligation**" means, at any time, any Secured Obligation (or portion thereof) that is contingent in nature or unliquidated at such time, including any Secured Obligation that is:

(i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it;

(ii) any other obligation (including any guarantee) that is contingent in nature at such time; or

(iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

"**Vendor Financing Facility**" means any arrangement among the Borrower and a Vendor Financing Lender whereby the Vendor Financing Lender makes payment on behalf of the Borrower of amounts payable by the Borrower to its suppliers and vendors.

"**Vendor Financing Lender**" means any Person which is a Lender or Lender Affiliate as of both (i) the date of effectiveness of the applicable Vendor Financing Facility and (ii) the date of designation of the applicable Vendor Financing Obligation as a "Secured Vendor Financing Obligation" pursuant to Section 20.

"**Vendor Financing Obligation**" means any payment obligation of the Borrower owing to any Vendor Financing Lender arising in connection with any Vendor Financing Facility.

(d) *Terms Generally*. The definitions of terms herein (including those incorporated by reference to the UCC or to another document) apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun includes the corresponding masculine, feminine, and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements

or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement and (e) the word "property" shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. *Grant of Transaction Liens.*

(a) In order to secure the Secured Obligations, the Lien Grantor grants to the Collateral Agent for the benefit of the Secured Parties a continuing security interest in all the following property of the Lien Grantor, whether now owned or existing or hereafter acquired or arising and regardless of where located, subject to the exceptions set forth in Section 2(b):

(i) all Inventory;

(ii) all Receivables;

(iii) all Contracts;

(iv) all Blocked Accounts, all Collection Accounts, all Lockbox Accounts and the Cash Collateral Account, and all cash, cash equivalents or other assets on deposit therein or credited thereto;

(v) all books and records (including customer lists, credit files, computer programs, printouts and other computer materials and records) of the Lien Grantor pertaining to any of its Collateral;

(vi) all General Intangibles, Documents, Instruments, Chattel Paper and insurance proceeds relating to the Collateral described in the foregoing clauses (i) through (v); and

(vii) all other Proceeds of the Collateral described in the foregoing clauses (i) through (vi).

(b) The Collateral shall not include Transferred Receivables.

(c) With respect to each right to payment or performance included in the Collateral from time to time, the Transaction Lien granted therein includes a continuing security interest in all right, title and interest of the Lien Grantor in and to (i) any Supporting Obligation that supports such payment or performance and (ii) any Lien that (x) secures such right to payment or performance or (y) secures any such Supporting Obligation.

(d) The Transaction Liens are granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or transfer or in any way affect or modify, any obligation or liability of the Lien Grantor with respect to any of the Collateral or any transaction in connection therewith.

SECTION 3. *General Representations and Warranties.* The Lien Grantor represents and warrants that:

(a) The Lien Grantor is duly organized, validly existing and in good standing under the laws of the jurisdiction identified as its jurisdiction of organization in its Perfection Certificate.

(b) The Lien Grantor has good and marketable title to all its Collateral (subject to exceptions that are, in the aggregate, not material), free and clear of any Lien other than Permitted Liens.

(c) The Lien Grantor has not performed any acts that would prevent the Collateral Agent from enforcing any of the provisions of the Security Documents or that would reasonably be expected to limit the Collateral Agent in any such enforcement. The Lien Grantor has not authorized or entered into any financing statement, security agreement, mortgage or similar or equivalent document or instrument covering all or part of the Collateral owned by such Lien Grantor nor is it aware that any such document or instrument is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect or record a Lien on such Collateral, except financing statements, mortgages or other similar or equivalent documents with respect to Permitted Liens. After the Effective Date, no Collateral owned by such Lien Grantor will be in the possession or under the control of any other Person having a Lien thereon, other than a Permitted Lien.

(d) The Transaction Liens on all Collateral owned by the Lien Grantor (i) have been validly created, (ii) will attach to each item of such Collateral on the Effective Date (or, if such Lien Grantor first obtains rights thereto on a later date, on such later date) and (iii) when so attached, will secure all the Secured Obligations.

(e) The Lien Grantor has delivered a Perfection Certificate to the Collateral Agent. The information set forth therein is correct and complete as of the Effective Date. After the Effective Date, the Collateral Agent or the Administrative Agent may obtain, at the Lien Grantor's expense, a file search report from each UCC filing office listed in its Perfection Certificate, showing the filing made at such filing office to perfect the Transaction Liens on the Collateral.

(f) The Transaction Liens constitute perfected security interests in the Collateral owned by the Lien Grantor to the extent that a security interest therein may be perfected by filing pursuant to the UCC, prior to all Liens and rights of

others therein except Permitted Liens. No registration, recordation, or filing with any governmental body, agency, or official is required in connection with the execution or delivery of the Security Documents or is necessary for the validity or enforceability thereof or for the perfection of the Transaction Liens pursuant to the UCC or for the enforcement of the Transaction Liens pursuant to the UCC.

(g) The Lien Grantor has taken, and will continue to take, all actions necessary under the UCC to perfect its interest in any Receivables purchased or otherwise acquired by it, as against its assignors and creditors of its assignors.

(h) The Lien Grantor's Collateral is insured as required by the Credit Agreement.

(i) Any Inventory produced by the Lien Grantor has or will have been produced in compliance with the applicable requirements of the Fair Labor Standards Act, as amended.

SECTION 4. *Further Assurances; General Covenants.* The Lien Grantor covenants as follows:

(a) The Lien Grantor will, from time to time, at its own expense, execute, deliver, authorize, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action (including (x) any filing of financing or continuation statements under the UCC and (y) subject to Section 5(b), causing any lockbox, collection or similar account into which payments with respect to Receivables then owned by the Lien Grantor will be received to be subjected to Blocked Account Agreements) that from time to time may be reasonably necessary or desirable, or that the Collateral Agent may reasonably request, in order to:

(i) create, preserve, perfect, confirm or validate the Transaction Liens on the Collateral;

(ii) enable the Collateral Agent and the other Secured Parties to obtain the full benefits of the Security Documents; or

(iii) enable the Collateral Agent to exercise and enforce any of its rights, powers and remedies with respect to any of the Collateral.

To the extent permitted by applicable law, the Lien Grantor authorizes the Collateral Agent to execute and file such financing statements or continuation statements as may be necessary or appropriate to reflect the security interests granted by this Agreement. The Collateral Agent shall provide the Lien Grantor with copies of any such financing statements and continuation statements. The Lien Grantor agrees that a photocopy or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement to the extent

permitted by law. The Lien Grantor constitutes the Collateral Agent its attorney-in-fact to execute and file all filings required or so requested for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; and such power, being coupled with an interest, shall be irrevocable until all the Transaction Liens granted by the Lien Grantor terminate pursuant to Section 12. The Borrower will pay the reasonable and documented out-of-pocket costs of, or incidental to, any recording or filing of any financing or continuation statements or other documents recorded or filed pursuant hereto.

(b) The Lien Grantor will not (i) change its name or structure as a corporation, or (ii) change its location (determined as provided in UCC Section 9-307) unless it shall have given the Collateral Agent prior notice thereof and delivered an Opinion of Counsel with respect thereto in accordance with Section 4(c).

(c) Within 10 days after it takes any action contemplated by Section 4(b), the Lien Grantor, at its own expense, will cause to be delivered to the Collateral Agent an Opinion of Counsel, in form and substance reasonably satisfactory to the Collateral Agent, to the effect that (i) all financing statements and amendments or supplements thereto, continuation statements and other documents required to be filed or recorded in order to perfect and protect the Transaction Liens against all creditors of and purchasers from the Lien Grantor after it takes such action (except any applicable continuation statements specified in such Opinion of Counsel that are to be filed more than six months after the date thereof) have been filed or recorded in each office necessary for such purpose, (ii) all fees and taxes, if any, payable in connection with such filings or recordings have been paid in full and (iii) except as otherwise agreed by the Required Lenders, such action will not adversely affect the perfection or priority of the Transaction Lien on any Collateral to be owned by the Lien Grantor after it takes such action or the accuracy of the Lien Grantor's representations and warranties herein relating to such Collateral.

(d) The Lien Grantor will not sell, lease, exchange, assign or otherwise dispose of, or grant any option with respect to, any of its Collateral; *provided* that the Lien Grantor may do any of the foregoing unless (i) doing so would breach a covenant in the Credit Agreement (including, for the avoidance of doubt, the last sentence of Section 5.02(c) of the Credit Agreement) or (ii) an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Lien Grantor that its right to do so is terminated, suspended or otherwise limited. Concurrently with any sale or other disposition (except a lease) permitted by the foregoing *proviso*, the Transaction Liens on the assets sold or disposed of (but not in any Proceeds arising from such sale or disposition) will cease immediately without any action by the Collateral Agent or any other Secured Party. The Collateral Agent will, at the Borrower's expense, execute and deliver to the Lien Grantor such documents as the Lien Grantor shall reasonably request

to evidence the fact that any asset so sold or disposed of is no longer subject to a Transaction Lien.

(e) The Lien Grantor will use commercially reasonable efforts to cause to be collected from its Account Debtors, when due, all amounts owing under its Receivables (including delinquent Receivables, which will be collected in accordance with lawful collection procedures) and will apply all amounts collected thereon, forthwith upon receipt thereof, to the outstanding balances of such Receivables. Subject to the rights of the Collateral Agent hereunder if an Event of Default shall have occurred and be continuing, the Lien Grantor may allow in the ordinary course of business as adjustments to amounts owing under its Receivables (but without limiting the effect of the definition of "Ineligible Receivables" contained in the Credit Agreement) (i) any extension or renewal of the time or times for payment, or settlement for less than the total unpaid balance, that the Lien Grantor finds appropriate in accordance with sound business judgment and (ii) refunds or credits, all in the ordinary course of business and consistent with the Lien Grantor's historical collection practices. The costs and expense (including attorney's fees) of collection, whether incurred by the Lien Grantor or the Collateral Agent, shall be paid by the Lien Grantor. If an Event of Default shall have occurred and be continuing, the Lien Grantor will, if requested to do so by the Collateral Agent, promptly notify (and the Lien Grantor authorizes the Collateral Agent to so notify) each Account Debtor in respect of its Receivables that such Receivables have been assigned to the Collateral Agent hereunder, and that any payments due or to become due in respect of such Receivables are to be made directly to the Collateral Agent.

(f) The Lien Grantor will, promptly upon request, provide to the Collateral Agent all information and evidence concerning the Collateral that the Collateral Agent may reasonably request from time to time to enable it to enforce the provisions of the Security Documents.

(g) From time to time upon request by the Collateral Agent, the Lien Grantor will, at its own expense, cause to be delivered to the Secured Parties an Opinion of Counsel reasonably satisfactory to the Collateral Agent as to such matters relating to the transactions contemplated hereby as the Collateral Agent may reasonably request.

SECTION 5. *Cash Collateral Account; Blocked Accounts.* (a) If and when required for purposes hereof, the Collateral Agent will establish an account (the "**Cash Collateral Account**"), in the name and under the exclusive control of the Collateral Agent, into which all amounts owned by the Lien Grantor that are to be deposited therein pursuant to the Loan Documents shall be deposited from time to time.

(b) At all times after the Effective Date, the Lien Grantor shall maintain a cash management system that is reasonably satisfactory to the Collateral Agent.

Not later than 60 days after the Effective Date (or such longer period as the Borrower and the Collateral Agent may agree), the Lien Grantor shall cause each of its Lockbox Accounts and Collection Accounts to be subject to a Blocked Account Agreement. Commencing not later than the date that is 60 days after the Effective Date, the Lien Grantor shall cause all Pledged Receivables to be payable only to a Blocked Account. In addition, on each day on which collections of Pledged Receivables are received in any Lockbox Account, the Borrower shall cause such collections to be transferred from the applicable Lockbox Account to a Collection Account. If the Lien Grantor receives collections in respect of Pledged Receivables other than in a Blocked Account on or after the date that is 60 days after the Effective Date, the Lien Grantor shall immediately cause such collections to be deposited into a Blocked Account.

(c) Upon the occurrence and during the continuation of an Event of Default or if a Sweep Period shall have occurred and be continuing, the Collateral Agent may at any time thereafter give notice to any applicable depositary bank that the Collateral Agent is exercising its rights under the applicable Blocked Account Agreements to do any or all of the following: (i) to have the exclusive control of the Blocked Accounts and to exercise exclusive dominion and control over the funds and other assets deposited therein, (ii) to have the proceeds that are sent to the Blocked Accounts redirected pursuant to the Collateral Agent's instructions, (iii) cause all amounts on deposit in any Blocked Account to be transferred to the Cash Collateral Account, (iv) subject to clause (d), retain all cash and investments then held in any Blocked Account or the Cash Collateral Account and liquidate any or all investments held therein, and (v) to take any or all other actions permitted under the applicable Blocked Account Agreement. Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent may also withdraw any amounts contained in a Blocked Account or the Cash Collateral Account and apply such amounts as provided in Section 7. The Lien Grantor hereby agrees that if the Collateral Agent at any time takes any action set forth in the preceding sentence, the Collateral Agent shall have exclusive control of the proceeds (including collections) of all Pledged Receivables and the Lien Grantor further agrees to take any other action that the Collateral Agent may reasonably request to transfer such control.

(d) During any Sweep Period (i) all amounts held in the Cash Collateral Account (other than amounts deposited therein pursuant to Section 2.11(b), Section 2.16(j) or Section 5.10(b) of the Credit Agreement as cash collateral for the LC Exposure) shall be applied on a daily basis to the outstanding principal balance of the Base Rate Loans or, if applicable, as provided in Section 7 and (ii) following repayment in full of all outstanding Base Rate Loans pursuant to clause (i), any remaining amounts held in the Cash Collateral Account shall continue to be held in the Cash Collateral Account and (other than amounts deposited therein pursuant to Section 2.11(b), Section 2.16(j) or Section 5.10(b) of the Credit Agreement as cash collateral for the LC Exposure) shall be applied to the

outstanding principal balance of maturing Eurodollar Loans upon expiration of the Interest Periods applicable thereto.

(e) Unless (x) a Sweep Period shall have occurred and be continuing, (y) an Event of Default shall have occurred and be continuing and the Required Lenders shall have instructed the Collateral Agent to stop withdrawing amounts from the Cash Collateral Account pursuant to this subsection or (z) the maturity of the Loans shall have been accelerated pursuant to Article 7 of the Credit Agreement or pursuant to the proviso to the definition of "Termination Date" contained in the Credit Agreement (or otherwise), the Collateral Agent shall withdraw amounts from the Cash Collateral Account (other than amounts required to be deposited in the Cash Collateral Account pursuant to Section 2.11(b), 2.16(j) or Section 5.10(b) of the Credit Agreement) and remit such amounts to, or as directed by, the Borrower from time to time.

(f) Funds held in any Blocked Account or the Cash Collateral Account may, until withdrawn or otherwise applied pursuant hereto, be invested and reinvested in such Liquid Investments as the Borrower shall request from time to time; provided that, if an Event of Default shall have occurred and be continuing, the Collateral Agent may select such Liquid Investments.

(g) If immediately available cash on deposit in any Blocked Account or the Cash Collateral Account is not sufficient to make any distribution or withdrawal to be made pursuant hereto, the Collateral Agent will cause to be liquidated, as promptly as practicable, such investments held in or credited to such account as shall be required to obtain sufficient cash to make such distribution or withdrawal and, notwithstanding any other provision hereof, such distribution or withdrawal shall not be made until such liquidation has taken place.

SECTION 6. *Remedies upon Event of Default.* (a) If an Event of Default shall have occurred and be continuing, the Collateral Agent may exercise (or cause its sub-agents to exercise) any or all of the remedies available to it (or to such sub-agents) under the Security Documents.

(b) Without limiting the generality of the foregoing, if an Event of Default shall have occurred and be continuing, the Collateral Agent may exercise on behalf of the Secured Parties all the rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) with respect to any Collateral and, in addition, the Collateral Agent may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, withdraw all cash held in the Cash Collateral Account or any Blocked Account and apply such cash as provided in Section 7 and, if there shall be no such cash or if such cash shall be insufficient to pay all the Secured Obligations in full, sell, lease, license or otherwise dispose of the Collateral or any part thereof. Notice of any such sale or other disposition shall be given to the Lien Grantor as required by Section 9.

(c) Without limiting the generality of the foregoing, during any Sweep Period, the Collateral Agent may (i) exercise all of the remedies described in Section 5(f) and (ii) cause all amounts constituting Collateral that are held in any lockbox, collection or other account of the Lien Grantor then subject to an effective Blocked Account Agreement to be transferred on a daily basis to the Cash Collateral Account.

SECTION 7. *Application of Proceeds.* (a) If an Event of Default shall have occurred and be continuing, the Collateral Agent may apply (i) any cash held in the Cash Collateral Account and (ii) the proceeds of any sale or other disposition of all or any part of the Collateral, in the following order of priorities:

first, to pay the expenses of such sale or other disposition, including reasonable compensation to agents of and counsel for the Collateral Agent, and all expenses, liabilities and advances incurred or made by the Collateral Agent in connection with the Security Documents, and any other amounts then due and payable to the Collateral Agent pursuant to Section 8 or to any Agent pursuant to the Credit Agreement;

second, to pay the unpaid principal of the Secured Obligations (other than the Secured Bi-Lateral Letter of Credit Obligations, the Secured Cash Management Obligations, the Secured Vendor Financing Obligations and the Second Secured Derivative Obligations) ratably (or to provide for the payment thereof pursuant to Section 7(b)), until payment in full of the principal of all such Secured Obligations (other than the Secured Bi-Lateral Letter of Credit Obligations, the Secured Cash Management Obligations, the Secured Vendor Financing Obligations and Second Secured Derivative Obligations) shall have been made (or so provided for);

third, to pay ratably all interest (including Post-Petition Interest) on the Secured Obligations (other than the Secured Bi-Lateral Letter of Credit Obligations, the Secured Cash Management Obligations, the Secured Vendor Financing Obligations and the Secured Derivative Obligations) and all commitment and other fees payable under the Related Documents, until payment in full of all such interest and fees shall have been made;

fourth, to pay all other Secured Obligations (other than the Secured Bi-Lateral Letter of Credit Obligations, the Secured Cash Management Obligations, the Secured Vendor Financing Obligations and the Secured Derivative Obligations) ratably (or to provide for the payment thereof pursuant to Section 7(b)), until payment in full of all such other Secured Obligations (other than the Secured Bi-Lateral Letter of Credit Obligations, the Secured Cash Management Obligations, the Secured Vendor Financing Obligations and the Secured Derivative Obligations) shall have been made (or so provided for);

fifth, to pay ratably the unpaid principal of the Secured Bi-Lateral Letter of Credit Obligations, the Secured Cash Management Obligations, and the Secured Vendor Financing Obligations (or to provide payment therefor pursuant to Section 7(b)), until payment in full of the principal of all Secured Bi-Lateral Letter of Credit Obligations, Secured Cash Management Obligations and Secured Vendor Financing Obligations shall have been made (or so provided for);

sixth, to pay ratably all interest (including Post-Petition Interest) on the Secured Bi-Lateral Letter of Credit Obligations, the Secured Cash Management Obligations, the Secured Vendor Financing Obligations and the First Secured Derivative Obligations, until payment in full of all such interest has been made;

seventh, to pay ratably all the unpaid principal of the Second Secured Derivative Obligations;

eighth, to pay ratably all interest on the Second Secured Derivative Obligations; and

finally, to pay to the Lien Grantor, or as a court of competent jurisdiction may direct, any surplus then remaining from the proceeds of the Collateral owned by it.

The Collateral Agent may make such distributions hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

Notwithstanding anything to the contrary herein, the parties hereto agree that the unpaid principal (i.e., the Mark-to-Market Value) of the First Secured Derivative Obligations shall be paid, ratably with the unpaid principal of other Secured Obligations (other than Second Secured Derivative Obligations, Secured Bi-Lateral Letter of Credit Obligations, Secured Cash Management Obligations and Secured Vendor Financing Obligations), pursuant to clause second; provided that if on the date of any application of cash or proceeds in accordance with this Section 7(a), the aggregate Mark-to-Market Value of First Secured Derivative Obligations exceeds an amount equal to the difference of $150,000,000 less the aggregate Mark-to-Market Value of First Secured Derivative Obligations previously paid pursuant to this Section 7(a) and Section 7(a) of any other Security Agreement (such difference, the "**Available Derivative Amount**" at such date), then: (x) the Secured Obligations payable pursuant to clause second shall be the Mark-to-Market Value of First Secured Derivative Obligations in an aggregate amount equal to the Available Derivative Amount at such date (which Available Derivative Amount shall represent and be comprised of a ratable portion (the "**Permitted Ratable Portion**") of the Mark-to-Market Value of each First Secured Derivative Obligation), and (y) the portion of the Mark-to-Market Value of each First Secured Derivative Obligation that is in excess of the Permitted Ratable Portion referred to in clause (x) (and is therefore not paid ratably with the unpaid principal of Secured Obligations pursuant to clause second) shall, for all

purposes of this Section 7(a), be treated as and deemed to be unpaid principal of a Second Secured Derivative Obligation, and shall be paid, ratably with the unpaid principal of all other Second Secured Derivative Obligations, Secured Bi-Lateral Letter of Credit Obligations, Secured Cash Management Obligations and Secured Vendor Financing Obligations, pursuant to clause fifth.

(b) If at any time any portion of any monies collected or received by the Collateral Agent would, but for the provisions of this Section 7(b), be payable pursuant to Section 7(a) in respect of an Unliquidated Secured Obligation, the Collateral Agent shall not apply any monies to pay such Unliquidated Secured Obligation but instead shall request the holder thereof, at least 10 days before each proposed distribution hereunder, to notify the Collateral Agent as to the maximum amount of such Unliquidated Secured Obligation if then ascertainable (*e.g.*, in the case of a letter of credit, the maximum amount available for subsequent drawings thereunder). If the holder of such Unliquidated Secured Obligation does not notify the Collateral Agent of the maximum ascertainable amount thereof at least two Domestic Business Days before such distribution, such Unliquidated Secured Obligation will not be entitled to share in such distribution. If such holder does so notify the Collateral Agent as to the maximum ascertainable amount thereof, the Collateral Agent will allocate to such holder a portion of the monies to be distributed in such distribution, calculated as if such Unliquidated Secured Obligation were outstanding in such maximum ascertainable amount. However, the Collateral Agent will not apply such portion of such monies to pay such Unliquidated Secured Obligation, but instead will hold such monies or invest such monies in Liquid Investments. All such monies and Liquid Investments and all proceeds thereof will constitute Collateral hereunder, but will be subject to distribution in accordance with this Section 7(b) rather than Section 7(a). The Collateral Agent will hold all such monies and Liquid Investments and the net proceeds thereof in trust until all or part of such Unliquidated Secured Obligation becomes a Liquidated Secured Obligation, whereupon the Collateral Agent at the request of the relevant Secured Party will apply the amount so held in trust to pay such Liquidated Secured Obligation; *provided* that, if the other Secured Obligations theretofore paid pursuant to the same clause of Section 7(a) (*i.e.*, clause *second*, *fourth* or *fifth*) were not paid in full, the Collateral Agent will apply the amount so held in trust to pay the same percentage of such Liquidated Secured Obligation as the percentage of such other Secured Obligations theretofore paid pursuant to the same clause of Section 7(a). If (i) the holder of such Unliquidated Secured Obligation shall advise the Collateral Agent that no portion thereof remains in the category of an Unliquidated Secured Obligation and (ii) the Collateral Agent still holds any amount held in trust pursuant to this Section 7(b)in respect of such Unliquidated Secured Obligation (after paying all amounts payable pursuant to the preceding sentence with respect to any portions thereof that became Liquidated Secured Obligations), such remaining amount will be applied by the Collateral Agent in the order of priorities set forth in Section 7(a).

(c) In making the payments and allocations required by this Section, the Collateral Agent may rely upon information supplied to it pursuant to Section 11(g). All distributions made by the Collateral Agent pursuant to this Section shall be final (except in the case of manifest error) and the Collateral Agent shall have no duty to inquire as to the application by any Secured Party of any amount distributed to it.

SECTION 8. *Fees and Expenses; Indemnification.* (a) The Lien Grantor will forthwith upon demand pay to the Collateral Agent:

(i) the amount of any taxes that the Collateral Agent may have been required to pay by reason of the Transaction Liens or to free any Collateral from any other Lien thereon;

(ii) the amount of any and all reasonable and documented out-of-pocket expenses, including transfer taxes and reasonable and documented fees and expenses of counsel and other experts, that the Collateral Agent may incur in connection with (x) the administration or enforcement of the Security Documents, including such expenses as are incurred to preserve the value of the Collateral or the validity, perfection, rank or value of any Transaction Lien, (y) the collection, sale or other disposition of any Collateral or (z) the exercise by the Collateral Agent of any of its rights or powers under the Security Documents;

(iii) the amount of any fees that the Lien Grantor shall have agreed in writing to pay to the Collateral Agent and that shall have become due and payable in accordance with such written agreement; and

(iv) the amount required to indemnify the Collateral Agent for, or hold it harmless and defend it against, any loss, liability or expense (including the reasonable and documented fees and expenses of its counsel and any experts or sub-agents appointed by it hereunder) incurred or suffered by the Collateral Agent in connection with the Security Documents, except to the extent that such loss, liability or expense arises from the Collateral Agent's gross negligence or willful misconduct or a breach of any duty that the Collateral Agent has under this Agreement (after giving effect to Sections 10 and 11).

Any such amount not paid to the Collateral Agent on demand will bear interest for each day thereafter until paid at a rate per annum equal to the sum of 2.00% plus the Base Rate for such day plus the Applicable Rate that would, in the absence of an Event of Default, be applicable to the Base Rate Loans for such day.

(b) If any transfer tax, documentary stamp tax or other tax is payable in connection with any transfer or other transaction provided for in the Security

Documents, the Lien Grantor will pay such tax and provide any required tax stamps to the Collateral Agent or as otherwise required by law.

SECTION 9. *Authority to Administer Collateral.* The Lien Grantor irrevocably appoints the Collateral Agent its true and lawful attorney, with full power of substitution, in the name of the Lien Grantor, any Secured Party or otherwise, for the sole use and benefit of the Secured Parties, but at the Lien Grantor's expense, to the extent permitted by law to exercise, at any time and from time to time while an Event of Default shall have occurred and be continuing, all or any of the following powers with respect to all or any of the Collateral (to the extent necessary to pay the Secured Obligations in full):

(a) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due upon or by virtue thereof,

(b) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto,

(c) to sell, lease, license or otherwise dispose of the same or the proceeds or avails thereof, as fully and effectually as if the Collateral Agent were the absolute owner thereof, and

(d) to extend the time of payment of any or all thereof and to make any allowance or other adjustment with reference thereto;

provided that, except in the case of Collateral that is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Collateral Agent will give the Lien Grantor at least ten days' prior written notice of the time and place of any public sale thereof or the time after which any private sale or other intended disposition thereof will be made. Any such notice shall (i) contain the information specified in UCC Section 9-613, (ii) be Authenticated and (iii) be sent to the parties required to be notified pursuant to UCC Section 9-611(c); *provided* that, if the Collateral Agent fails to comply with this sentence in any respect, its liability for such failure shall be limited to the liability (if any) imposed on it as a matter of law under the UCC.

SECTION 10. *Limitation on Duty in Respect of Collateral.* Beyond the exercise of reasonable care in the custody and preservation thereof, the Collateral Agent will have no duty as to any Collateral in its possession or control or in the possession or control of any sub-agent or bailee or any income therefrom or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Collateral Agent will be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equal to that which it accords its own property, and will not be liable or responsible for any loss or damage to any Collateral, or for any diminution in the value thereof, by reason of any act or

omission of any sub-agent or bailee selected by the Collateral Agent in good faith or by reason of any act or omission by the Collateral Agent pursuant to instructions from the Administrative Agent, except to the extent that such liability arises from the Collateral Agent's gross negligence or willful misconduct.

SECTION 11. *General Provisions Concerning the Collateral Agent.* (a) *Authority*. The Collateral Agent is authorized to take such actions and to exercise such powers as are delegated to the Collateral Agent by the terms of the Security Documents, together with such actions and powers as are reasonably incidental thereto.

(b) *Coordination with Secured Parties*. To the extent requested to do so by any Secured Party, the Collateral Agent will promptly notify such Secured Party of each notice or other communication received by the Collateral Agent hereunder and/or deliver a copy thereof to such Secured Party. As to any matters not expressly provided for herein (including (i) the timing and methods of realization upon the Collateral and (ii) the exercise of any power that the Collateral Agent may, but is not expressly required to, exercise under any Security Document), the Collateral Agent shall act or refrain from acting in accordance with written instructions from the Required Lenders or, in the absence of such instructions, in accordance with its discretion (subject to the following provisions of this Section).

(c) *Rights and Powers as a Secured Party*. The Person serving as the Collateral Agent shall, in its capacity as a Secured Party, have the same rights and powers as any other Secured Party and may exercise the same as though it were not the Collateral Agent. Such Person and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower, any of its Subsidiaries or their respective Affiliates as if it were not the Collateral Agent hereunder.

(d) *Limited Duties and Responsibilities*. The Collateral Agent shall not have any duties or obligations under the Security Documents except those expressly set forth therein. Without limiting the generality of the foregoing, (a) the Collateral Agent shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (b) the Collateral Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Security Documents that the Collateral Agent is required in writing to exercise by the Required Lenders, and (c) except as expressly set forth in the Security Documents, the Collateral Agent shall not have any duty to disclose, and shall not be liable for any failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Collateral Agent or any of its Affiliates in any capacity. The Collateral Agent shall not be liable for any action

taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02 of the Credit Agreement) or in the absence of its own gross negligence or willful misconduct. The Collateral Agent shall not be responsible for the existence, genuineness, or value of any Collateral or for the validity, perfection, priority, or enforceability of any Transaction Lien, whether impaired by operation of law or by reason of any action or omission to act on its part under the Security Documents. The Collateral Agent shall be deemed not to have knowledge of any Event of Default unless and until written notice thereof is given to the Collateral Agent by the Borrower or a Secured Party, and the Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Security Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Security Document, (iv) the validity, enforceability, effectiveness or genuineness of any Security Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in any Security Document.

(e) *Authority to Rely on Certain Writings, Statements, and Advice*. The Collateral Agent shall be entitled to rely on, and shall not incur any liability for relying on, any notice, request, certificate, consent, statement, instrument, document, or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Collateral Agent also may rely on any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (who may be counsel for the Borrower or any of its Subsidiaries), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountant or expert. The Collateral Agent may rely conclusively on advice from the Administrative Agent as to whether at any time (i) an Event of Default under the Credit Agreement has occurred and is continuing, (ii) the maturity of the Loans has been accelerated or (iii) any proposed action is permitted or required by the Credit Agreement.

(f) *Sub-Agents and Related Parties*. The Collateral Agent may perform any of its duties and exercise any of its rights and powers through one or more sub-agents appointed by it. The Collateral Agent and any such sub-agent may perform any of its duties and exercise any of its rights and powers through its Related Parties. The exculpatory provisions of Section 10 and this Section shall apply to any such sub-agent and to the Related Parties of the Collateral Agent and any such sub-agent.

(g) *Information as to Secured Obligations and Actions by Secured Parties*. For all purposes of the Security Documents, including determining the amounts of the Secured Obligations and whether a Secured Obligation is an Unliquidated Secured Obligation or not, or whether any action has been taken under any Secured Agreement, the Collateral Agent will be entitled to rely on information from (i) the Administrative Agent for information as to the Lenders, the Administrative Agent or the Collateral Agent, their Secured Obligations and actions taken by them, (ii) any Secured Party for information as to its Secured Obligations and actions taken by it, to the extent that the Collateral Agent has not obtained such information from the foregoing sources, and (iii) the Borrower, to the extent that the Collateral Agent has not obtained information from the foregoing sources.

(h) Within two Business Days after it receives or sends any notice referred to in this subsection, the Collateral Agent shall send to the Administrative Agent and each Secured Party requesting notice thereof, copies of any notice given by the Collateral Agent to the Lien Grantor, or received by it from the Lien Grantor; *provided* that such Secured Party has, at least five Business Days prior thereto, delivered to the Collateral Agent a written notice (i) stating that it holds one or more Secured Obligations and wishes to receive copies of such notices and (ii) setting forth its address, facsimile number and e-mail address to which copies of such notices should be sent.

(i) The Collateral Agent may refuse to act on any notice, consent, direction or instruction from the Administrative Agent or any Secured Parties or any agent, trustee or similar representative thereof that, in the Collateral Agent's opinion, (i) is contrary to law or the provisions of any Security Document, (ii) may expose the Collateral Agent to liability (unless the Collateral Agent shall have been indemnified, to its reasonable satisfaction, for such liability by the Secured Parties that gave, or instructed the Agent to give, such notice, consent, direction or instruction) or (iii) is unduly prejudicial to Secured Parties not joining in such notice, consent, direction or instruction.

(j) *Resignation; Successor Collateral Agent*. Subject to the appointment and acceptance of a successor Collateral Agent as provided in this subsection, the Collateral Agent may resign at any time by notifying the Secured Parties and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Lien Grantor, to appoint a successor Collateral Agent. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may, on behalf of the Secured Parties, appoint a successor Collateral Agent which shall be a bank with an office in the United States, or an Affiliate of any such bank. Upon acceptance of its appointment as Collateral Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights,

powers, privileges and duties of the retiring Collateral Agent hereunder, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Lien Grantor to a successor Collateral Agent shall be the same as those payable to its predecessor unless otherwise agreed by the Lien Grantor and such successor. After the Collateral Agent's resignation hereunder, the provisions of this Section and Section 10 shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent.

SECTION 12. *Termination of Transaction Liens; Release of Collateral.*

(a) The Transaction Liens shall terminate when all the Release Conditions are satisfied.

(b) The Transaction Liens (x) with respect to any Pledged Receivables shall terminate when such Receivables have become Transferred Receivables and (y) with respect to any other Collateral shall terminate upon the sale of such Collateral to a Person other than a Credit Party in a transaction not prohibited by the Credit Agreement. In each case, such termination shall not require the consent of any Secured Party, and the Collateral Agent and any third party shall be fully protected in relying on a certificate of the Lien Grantor as to whether any Pledged Receivables qualify as Transferred Receivables (including whether the transfer thereof is permitted under the Credit Agreement and this Agreement).

(c) If the Borrower delivers a certificate pursuant to Section 12(b) stating that any Pledged Receivables qualify as Transferred Receivables, the Collateral Agent and any third party shall be fully protected in relying on such certificate as conclusive proof that the Transferred Receivables are not Collateral.

(d) At any time before the Transaction Liens terminate, the Collateral Agent may, at the written request of the Lien Grantor, (i) release any Collateral (but not all or substantially all of the Collateral) with the prior written consent of the Required Lenders or (ii) release all or substantially all of the Collateral with the prior written consent of all the Lenders.

(e) Upon any termination of a Transaction Lien or release of Collateral, the Collateral Agent will, at the expense of the Lien Grantor, execute and deliver to the Lien Grantor such documents as the Lien Grantor shall reasonably request to evidence the termination of such Transaction Lien or the release of such Collateral, as the case may be. Each Secured Party consents to the Collateral Agent's delivery of, and hereby directs the Collateral Agent to deliver, such release documents.

SECTION 13. *Notices.* Each notice, request or other communication given to any party hereunder shall be in writing and be sent to the following addresses:

(a) in the case of the Lien Grantor:

United States Steel Corporation
600 Grant Street, 61st Floor
Pittsburgh, Pennsylvania 15219
Attention: Senior Vice President Finance & Chief Risk Officer
Facsimile: (412) 433-1167

with a copy to:

United States Steel Corporation
600 Grant Street, Room 1311
Pittsburgh, Pennsylvania 15219|
Attention: Assistant Treasurer - Finance & Risk Management
Facsimile: (412) 433-4765

(b) in the case of the Collateral Agent:

J.P. Morgan Chase Bank, N.A.
500 Stanton Christiana Road, Ops 2 Floor 3
Newark, Delaware 19713-2107
Attention: Michelle Carey
Facsimile: (302) 634-1417
E-mail: michelle.x.carey@jpmorgan.com

with a copy to:

J.P. Morgan Chase Bank, N.A.
383 Madison Avenue, FL 24
New York, New York 10179
Attention: Peter Predun
Facsimile: (212) 270-5100
E-mail: peter.predun@jpmorgan.com

J.P. Morgan Chase Bank, N.A.
383 Madison Avenue, FL 24
New York, New York 10179
Attention: Daniella Negron
Facsimile: (212) 270-5100
E-mail: daniella.negron@jpmorgan.com

(c) in the case of any Lender, to the Collateral Agent to be forwarded to such Lender at its address or facsimile number specified in or pursuant to Section 9.01 of the Credit Agreement; or

(d) in the case of any Secured Party requesting notice under Section 11(h), such address, facsimile number, or e-mail address as such party may hereafter specify for the purpose by notice to the Collateral Agent.

All notices and other communications given to any party hereto in accordance with the terms of this Agreement shall be deemed to have been given on the date of receipt. Any party may change its address, facsimile number and/or e-mail address for purposes of this Section by giving notice of such change to the Collateral Agent and the Lien Grantor in the manner specified in this Section 13.

SECTION 14. *No Implied Waivers; Remedies Not Exclusive.* No failure by the Collateral Agent or any Secured Party to exercise, and no delay in exercising and no course of dealing with respect to, any right or remedy under any Related Document shall operate as a waiver thereof; nor shall any single or partial exercise by the Collateral Agent or any Secured Party of any right or remedy under any Related Document preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies specified in the Related Documents are cumulative and are not exclusive of any other rights or remedies provided by law.

SECTION 15. *Successors and Assigns.* This Agreement is for the benefit of the Collateral Agent and the Secured Parties. If all or any part of any Secured Party's interest in any Secured Obligation is assigned or otherwise transferred, the transferor's rights hereunder, to the extent applicable to the obligation so transferred, shall be automatically transferred with such obligation. This Agreement shall be binding on the Lien Grantor and its successors and assigns.

SECTION 16. *Amendments and Waivers.* Neither this Agreement nor any provision hereof may be waived, amended, modified or terminated except pursuant to an agreement or agreements in writing entered into by the parties hereto, with the consent of such Lenders and/or Agents as are required to consent thereto under Section 9.02(b) of the Credit Agreement.

SECTION 17. *Choice of Law.* This Agreement shall be construed in accordance with and governed by the laws of the State of New York, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than the State of New York are governed by the laws of such jurisdiction.

SECTION 18. *WAIVER OF JURY TRIAL.* EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY SECURITY DOCUMENT OR ANY TRANSACTION CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE CASE OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 19. *Severability.* If any provision of any Security Document is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions of the Security Documents shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Collateral Agent and the Secured Parties in order to carry out the intentions of the parties thereto as nearly as may be possible and (ii) the invalidity or unenforceability of such provision in such jurisdiction shall not affect the validity or enforceability thereof in any other jurisdiction.

SECTION 20. *Additional Secured Obligations.* (a) Subject to the requirements set forth in clauses (b) and (c) of this Section 20, the Borrower from time to time may designate (i) any Derivative Obligation as a "Secured Derivative Obligation", (ii) any Bi-Lateral Letter of Credit Obligation as a "Secured Bi-Lateral Letter of Credit Obligation", (iii) any Cash Management Obligation as a "Secured Cash Management Obligation" or (iv) any Vendor Financing Obligation as a "Secured Vendor Financing Obligation", for purposes hereof by delivering to the Collateral Agent a certificate signed by a Financial Officer (an "**Additional Secured Obligation Certificate**") that (A) identifies (1) in the case of Derivative

Obligations, such Derivative Obligation and the related Derivative Contract (including the name and address of the counterparty thereto, the notional principal amount thereof and the expiration date thereof), (2) in the case of Bi-Lateral Letter of Credit Obligations, such Bi-Lateral Letter of Credit Obligation and the related Bi-Lateral Letter of Credit (including the name and address of the issuer of such Bi-Lateral Letter of Credit), (3) in the case of Cash Management Obligations, such Cash Management Obligation (including the name and address of the provider of the related cash management services) and (4) in the case of Vendor Financing Obligations, such Vendor Financing Obligation and the Related Additional Documents, (B) if with respect to a Derivative Obligation, (x) states that such Derivative Obligation has been entered into in the course of the ordinary business practice of the Borrower and not for speculative purposes, (y) specifies, as of the date such Derivative Obligation is entered into (or, if later, the date on which the related Additional Secured Obligation Certificate is delivered) (and after giving effect to its designation as a First Secured Derivative Obligation or Second Secured Derivative Obligation hereunder, as the case may be), the aggregate Mark-to-Market Value of all Secured Derivative Obligations then currently designated as "First Secured Derivative Obligations" pursuant to this Section 20 and (z) specifies (subject to the requirements of clause (c)) whether such Derivative Obligation will be designated as a First Secured Derivative Obligation or a Second Secured Derivative Obligation, (C) if with respect to a Bi-Lateral Letter of Credit Obligation, states the aggregate face amount of all Secured Bi-Lateral Letter of Credit Obligations (after giving effect to its designation as a Secured Bi-Lateral Letter of Credit Obligation) and (D) if with respect to a Vendor Financing Obligation, states the maximum committed principal amount (or non-interest amount payable) in respect of such Vendor Financing Obligations (after giving effect to its designation as a Secured Vendor Financing Obligation).

(b) No (i) Derivative Obligation shall be designated as a "Secured Derivative Obligation", (ii) Bi-Lateral Letter of Credit Obligation shall be designated as a "Secured Bi-Lateral Letter of Credit Obligation", (iii) Cash Management Obligation shall be designated as a "Secured Cash Management Obligation" or (iv) Vendor Financing Obligation shall be designated as a "Secured Vendor Financing Obligation", in each case unless (and the Borrower shall certify in the relevant Additional Secured Obligation Certificate that): (A) at or prior to the time the relevant Related Additional Documents were entered into, the Borrower and the Lender or Lender Affiliate party thereto expressly agreed in writing that the applicable obligations would constitute a "Secured Obligation" entitled to the benefits of the Security Documents and (B) the Lender or Lender Affiliate party thereto shall have delivered a notice to the Collateral Agent (or, in the case of a Lender Affiliate, an instrument in form and substance reasonably satisfactory to the Collateral Agent) to the effect set forth in subclause (A) of this clause (b), and acknowledging and agreeing to be bound by the terms of this Agreement with respect to such Derivative Obligation, Bi-Lateral Letter of Credit

Obligation, Cash Management Obligation or Vendor Financing Obligation, as applicable.

(c) Notwithstanding anything to the contrary herein, (x) no Secured Derivative Obligation shall be designated as a First Secured Derivative Obligation hereunder unless (and the Borrower shall certify in the relevant Additional Secured Obligation Certificate that): (i) as of the date such Derivative Obligation is entered into (and after giving effect to its designation as a First Secured Derivative Obligation), the aggregate Mark-to-Market Value of all Secured Derivative Obligations then currently designated as First Secured Derivative Obligations shall not exceed $150,000,000, (ii) at or prior to the time the relevant Derivative Contract was executed, the Borrower and the Lender or Lender Affiliate party thereto expressly agreed in writing that such Derivative Obligation would be designated as a First Secured Derivative Obligation entitled to the benefits of the Security Documents, (y) no Bi-Lateral Letter of Credit Obligation shall be designated as a Secured Bi-Lateral Letter of Credit Obligation hereunder unless (and the Borrower shall certify in the Additional Secured Obligation Certificate that) as of the date of such designation (and after giving effect to its designation as a Secured Bi-Lateral Letter of Credit Obligation), the aggregate undrawn face amount of all Bi-Lateral Letters of Credit the reimbursement or other payment obligations of which constitute Secured Bi-Lateral Letter of Credit Obligations shall not exceed $100,000,000 and (z) no Vendor Financing Obligation shall be designated as a Secured Vendor Financing Obligation hereunder unless (and the Borrower shall certify in the Additional Secured Obligation Certificate that) as of the date of such designation (and after giving effect to its designation as a Secured Vendor Financing Obligation), the maximum committed principal amount (or non-interest amount payable) of Secured Vendor Financing Obligations shall not exceed $250,000,000.

(d) Anything to the contrary contained herein notwithstanding, the Existing Bi-Lateral Letters of Credit shall be and be deemed to be Secured Bi-Lateral Letters of Credit for all purposes hereunder and under the other Loan Documents, without the necessity of delivering an Additional Secured Obligation Certificate or any other documentation.

SECTION 21. *Amendment and Restatement.* This Agreement amends and restates the Existing Security Agreement. All liens, claims, rights, titles, interests and benefits created and granted by the Existing Security Agreement shall continue to exist, remain valid and subsisting, shall not be impaired or released hereby, shall remain in full force and effect and are hereby affirmed, renewed, extended, carried forward and conveyed as security for the Secured Obligations.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

UNITED STATES STEEL CORPORATION

By: /s/ L.T. Brockway
Name: L.T. Brockway
Title: Senior Vice President Finance & Chief Risk Officer

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent

By: /s/ Peter Predun

Name: Peter Predun

Title: Executive Director

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Mario Longhi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Steel Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 29, 2015

/s/ Mario Longhi

Mario Longhi

President and Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, David B. Burritt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Steel Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 29, 2015

/s/ David B. Burritt

David B. Burritt
Executive Vice President
and Chief Financial Officer

Exhibit 32.1

CHIEF EXECUTIVE OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

I, Mario Longhi, President and Chief Executive Officer of United States Steel Corporation, certify that:

(1) The Quarterly Report on Form 10-Q of United States Steel Corporation for the period ending June 30, 2015, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of United States Steel Corporation.

/s/ Mario Longhi

Mario Longhi

President and Chief Executive Officer

July 29, 2015

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to United States Steel Corporation and will be retained by United States Steel Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CHIEF FINANCIAL OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

I, David B. Burritt, Executive Vice President and Chief Financial Officer of United States Steel Corporation, certify that:

(1) The Quarterly Report on Form 10-Q of United States Steel Corporation for the period ending June 30, 2015, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of United States Steel Corporation.

/s/ David B. Burritt

David B. Burritt
Executive Vice President
and Chief Financial Officer

July 29, 2015

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to United States Steel Corporation and will be retained by United States Steel Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 95

United States Steel Corporation
Mine Safety Disclosure
(Unaudited)

For the quarter ended June 30, 2015

Mine (Federal Mine Safety and Health Administration (MSHA) ID)	Total # of Significant & Substantial violations under §104(a) [a]	Total # of orders under §104(b) [a]	Total # of unwarrantable failure citations and orders under §104(d) [a]	Total # of violations under §110(b)(2) [a]	Total # of orders under §107(a) [a]	Total dollar value of proposed assessments from MSHA	Total # of mining related fatalities	Received Notice of Pattern of Violations under §104(e) [a] (yes/no)?	Received Notice of Potential to have Pattern under §104(e) [a] (yes/no)?	Total # of Legal Actions Pending with the Mine Safety and Health Review Commission as of Last Day of Period [b]	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Mt. Iron (2100820, 2100282)	31	1	3	—	—	$76,683	—	no	no	85	9	—
Keewatin (2103352)	19	1	—	—	—	$39,603	—	no	no	44	16	—

[a] References to Section numbers are to sections of the Federal Mine Safety and Health Act of 1977.

[b] Includes all legal actions pending before the Federal Mine Safety and Health Review Commission, together with the Administrative Law Judges thereof, for each of our iron ore operations. These actions may have been initiated in prior quarters. All of the legal actions were initiated by us to contest citations, orders or proposed assessments issued by the Federal Mine Safety and Health administration, and if we are successful, may result in the reduction or dismissal of those citations, orders or assessments. As of the last day of the period, all 129 legal actions were to contest citations and proposed assessments.