

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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2018

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
(State or other
jurisdiction of
incorporation)

1-16811
(Commission
File Number)

25-1897152
(IRS Employer
Identification No.)

600 Grant Street, Pittsburgh, PA
(Address of principal executive offices)

15219-2800
(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, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer P Accelerated filer ___ Non-accelerated filer ___ Smaller reporting company ___ Emerging growth company^(a) ___
(Do not check if a smaller reporting company)

^(a) If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ___

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 April 23, 2018 – 176,794,374 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 Section 27 of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “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” in our Annual Report on Form 10-K for the year ended December 31, 2017, 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)

Three Months Ended
March 31,

(Dollars in millions, except per share amounts)	2018	2017
Net sales:		
Net sales	\$ 2,821	\$ 2,412
Net sales to related parties (Note 20)	328	313
Total (Note 5)	<u>3,149</u>	<u>2,725</u>
Operating expenses (income):		
Cost of sales (excludes items shown below)	2,808	2,559
Selling, general and administrative expenses	78	81
Depreciation, depletion and amortization	128	137
Earnings from investees	(3)	(4)
Restructuring and other charges (Note 21)	—	33
Net loss (gain) on disposal of assets	1	(1)
Total	<u>3,012</u>	<u>2,805</u>
Earnings (loss) before interest and income taxes	137	(80)
Interest expense	50	58
Interest income	(5)	(4)
Loss on debt extinguishment (Note 9)	46	—
Other financial costs	10	9
Net periodic benefit cost (other than service cost) (Note 3) ^(a)	17	18
Net interest and other financial costs (Note 9)	<u>118</u>	<u>81</u>
Earnings (loss) before income taxes	19	(161)
Income tax provision (Note 11)	1	19
Net earnings (loss)	<u>18</u>	<u>(180)</u>
Less: Net earnings attributable to noncontrolling interests	—	—
Net earnings (loss) attributable to United States Steel Corporation	\$ 18	\$ (180)
Earnings (loss) per common share (Note 12):		
Earnings (loss) per share attributable to United States Steel Corporation stockholders:		
-Basic	\$ 0.10	\$ (1.03)
-Diluted	\$ 0.10	\$ (1.03)

^(a) Represents postretirement benefit expense as a result of the adoption of Accounting Standards Update 2017-07, *Compensation - Retirement Benefits* on January 1, 2018.

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

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

(Dollars in millions)	Three Months Ended March 31,	
	2018	2017
Net earnings (loss)	\$ 18	\$ (180)
Other comprehensive income (loss), net of tax:		
Changes in foreign currency translation adjustments	40	23
Changes in pension and other employee benefit accounts	46	46
Derivative financial instruments	(16)	—
Total other comprehensive income, net of tax	70	69
Comprehensive income (loss) including noncontrolling interest	88	(111)
Comprehensive income attributable to noncontrolling interest	—	—
Comprehensive income (loss) attributable to United States Steel Corporation	\$ 88	\$ (111)

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

UNITED STATES STEEL CORPORATION
CONSOLIDATED BALANCE SHEET
(Unaudited)

(Dollars in millions)	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents (Note 6)	\$ 1,372	\$ 1,553
Receivables, less allowance of \$28 and \$28	1,347	1,173
Receivables from related parties (Note 20)	219	206
Inventories (Note 13)	1,824	1,738
Other current assets	68	85
Total current assets	4,830	4,755
Property, plant and equipment	15,298	15,086
Less accumulated depreciation and depletion	10,941	10,806
Total property, plant and equipment, net	4,357	4,280
Investments and long-term receivables, less allowance of \$12 and \$11	491	480
Intangibles – net (Note 7)	165	167
Deferred income tax benefits (Note 11)	56	56
Other noncurrent assets	127	124
Total assets	\$ 10,026	\$ 9,862
Liabilities		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 2,077	\$ 2,096
Accounts payable to related parties (Note 20)	97	74
Payroll and benefits payable	326	347
Accrued taxes	131	132
Accrued interest	47	69
Current portion of long-term debt (Note 15)	281	3
Total current liabilities	2,959	2,721
Long-term debt, less unamortized discount and debt issuance costs (Note 15)	2,571	2,700
Employee benefits	728	759
Deferred income tax liabilities (Note 11)	6	6
Deferred credits and other noncurrent liabilities	323	355
Total liabilities	6,587	6,541
Contingencies and commitments (Note 22)		
Stockholders' Equity (Note 18):		
Common stock (176,794,413 and 176,424,554 shares issued) (Note 12)	177	176
Treasury stock, at cost (33,917 shares and 1,203,344 shares)	(1)	(76)
Additional paid-in capital	3,895	3,932
Retained earnings	142	133
Accumulated other comprehensive loss (Note 19)	(775)	(845)
Total United States Steel Corporation stockholders' equity	3,438	3,320
Noncontrolling interests	1	1
Total liabilities and stockholders' equity	\$ 10,026	\$ 9,862

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)	Three Months Ended March 31,	
	2018	2017
Increase (decrease) in cash, cash equivalents and restricted cash		
Operating activities:		
Net earnings (loss)	\$ 18	\$ (180)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, depletion and amortization	128	137
Restructuring and other charges (Note 21)	—	33
Loss on debt extinguishment (Note 9)	46	—
Provision for doubtful accounts	—	1
Pensions and other postretirement benefits	22	14
Deferred income taxes (Note 11)	—	2
Net loss (gain) on disposal of assets	1	(1)
Distributions received, net of equity investees earnings	(3)	(4)
Changes in:		
Current receivables	(169)	(146)
Inventories	(76)	(140)
Current accounts payable and accrued expenses	(24)	116
Income taxes receivable/payable	(8)	15
Bank checks outstanding	4	(1)
All other, net	(38)	19
Net cash used in operating activities	(99)	(135)
Investing activities:		
Capital expenditures	(208)	(47)
Investments, net	—	(1)
Net cash used in investing activities	(208)	(48)
Financing activities:		
Issuance of long-term debt, net of financing costs (Note 15)	640	—
Repayment of long-term debt (Note 15)	(538)	—
Dividends paid	(9)	(9)
Receipt from exercise of stock options	30	12
Taxes paid for equity compensation plans (Note 10)	(6)	(7)
Net cash provided by (used in) financing activities	117	(4)
Effect of exchange rate changes on cash	10	1
Net decrease in cash, cash equivalents and restricted cash	(180)	(186)
Cash, cash equivalents and restricted cash at beginning of year (Note 6)	1,597	1,555
Cash, cash equivalents and restricted cash at end of period (Note 6)	\$ 1,417	\$ 1,369

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 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 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, 2017, which should be read in conjunction with these financial statements.

2. New Accounting Standards

In February 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* (ASU 2018-02). ASU 2018-02 allows a reclassification from Accumulated Other Comprehensive Income to Retained Earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act (the 2017 Act). The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and for interim periods therein. Early adoption of ASU 2018-02 is permitted. U. S. Steel is currently assessing the impact of the ASU, but does not believe this ASU will have a material impact on its overall Consolidated Financial Statements.

On February 25, 2016, the FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 supersedes prior lease accounting guidance. Under ASU 2016-02, for operating leases, a lessee should recognize in its statement of financial position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term; recognize a single lease cost, which is allocated over the lease term, generally on a straight line basis, and classify all cash payments within operating activities in the statement of cash flows. For financing leases, a lessee is required to recognize a right-of-use asset and a lease liability; recognize interest on the lease liability separately from amortization of the right-of-use asset, and classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the lease liability within operating activities in the statement of cash flows. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities. In addition, at the inception of a contract, an entity should determine whether the contract is or contains a lease. ASU 2016-02 is effective for public entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, using a modified retrospective approach. U. S. Steel is evaluating the financial statement implications of adopting ASU 2016-02, which will include recognizing the lease liability and related right-of-use asset on our balance sheet.

3. Recently Adopted Accounting Standards

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* (ASU 2017-12), which amends and simplifies hedge accounting guidance so that companies could more accurately present the economic effects of risk management activities in the financial statements. ASU 2017-12 is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years with early adoption permitted. U. S. Steel adopted the provisions of ASU 2017-12 on January 1, 2018. The adoption did not result in a material impact to our financial results; however, we expanded our use of hedge accounting effective January 1, 2018 as well as our disclosures of derivative activity. See Note 14 for further details.

On May 10, 2017, the FASB issued ASU 2017-09, *Compensation – Stock Compensation: Scope of Modification Accounting* (ASU 2017-09). The amendments included in ASU 2017-09 provide guidance about which changes to the terms and conditions of a share-based payment award require an entity to apply modification accounting.

The amendments in this update will be applied prospectively to an award modified on or after the adoption date. On January 1, 2018, U. S. Steel adopted the provisions of ASU 2017-09 and the adoption did not have an impact on its Consolidated Financial Statements.

On March 10, 2017, the FASB issued ASU 2017-07, *Compensation - Retirement Benefits* (ASU 2017-07). ASU 2017-07 requires an employer who offers defined benefit and postretirement benefit plans to report the service cost component of the net periodic benefit cost in the same line item or items as other compensation cost arising from services rendered by employees during the period. The other components of net periodic benefit costs are required to be presented on a retrospective basis in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. The ASU also allows for the service cost component of net periodic benefit cost to be eligible for capitalization into inventory when applicable. ASU 2017-07 was effective for periods beginning after December 15, 2017, including interim periods within those annual periods; early adoption was permitted. U. S. Steel adopted ASU 2017-07 on January 1, 2018. U. S. Steel has historically capitalized the service cost component of net periodic benefit cost into inventory, when applicable, and will continue to do so prospectively.

The effect of the retrospective presentation change related to the net periodic benefit cost of our defined benefit pension and other post-employment benefits (OPEB) plans on our consolidated statement of operations was as follows:

Statement of Operations (In millions)	Three Months Ended March 31, 2017		
	As Revised	Previously Reported	Effect of Change Higher/(Lower)
Cost of Sales	\$ 2,559	\$ 2,561	\$ (2)
Selling, general and administrative expenses	81	97	(16)
Net periodic benefit cost (other than service cost)	18	—	18

On November 17, 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (ASU 2016-18). The ASU reduced diversity in practice in the classification and presentation of changes in restricted cash on the statement of cash flows by including restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. On January 1, 2018, U. S. Steel adopted the provisions of ASU 2016-18 using a retrospective transition method. As a result, the Change in Restricted Cash, Net line that was included in the Investing Activities section of the Consolidated Statement of Cash Flows has been eliminated as changes in restricted cash are now included in the beginning-of-period and end-of-period total cash, cash equivalents and restricted cash amounts. Expanded disclosures have been included, which describe the components of cash shown on the Company's Consolidated Statements of Cash Flows. See Note 6 for further details.

On August 26, 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* (ASU 2016-15). ASU 2016-15 reduced diversity in practice in how certain transactions are classified in the statement of cash flows by addressing eight specific cash receipt and cash payment issues. On January 1, 2018, U. S. Steel adopted the provisions of ASU 2016-15 using a retrospective transition method. As a result, all payments to extinguish debt will now be presented as cash outflows from financing activities on our Consolidated Statement of Cash Flows in accordance with ASU 2016-15. U. S. Steel has historically presented make-whole premiums as cash outflows from operating activities. The other cash receipt and cash payment items addressed in ASU 2016-15 did not have an impact on the Company's Consolidated Statement of Cash Flows. Since there were no payments to extinguish debt during the three months ended March 31, 2017, there was no retrospective adjustment to our Consolidated Statement of Cash Flows. Additionally, the Company has elected to use the cumulative earnings approach as defined in ASU 2016-15 to classify distributions received from equity method investees.

On May 28, 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09). ASU 2014-09 and its related amendments (Revenue Recognition Standard) outline a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and superseded most previous revenue recognition guidance. On January 1, 2018, U. S. Steel adopted the Revenue Recognition Standard using the full retrospective method. Generally, U. S. Steel's performance obligations are satisfied, control of our products is transferred, and revenue is recognized at a single point in time. The adoption did not

have a financial statement impact to U. S. Steel but did result in expanded disclosures. See Note 5 for further details.

4. Segment Information

U. S. Steel has three reportable segments: Flat-Rolled Products (Flat-Rolled), which consists of the following three commercial entities that directly interact with our customers and service their needs: (1) automotive solutions, (2) consumer solutions, and (3) industrial, service center and mining solutions; 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 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. Earnings (loss) before interest and income taxes for reportable segments and Other Businesses does not include net interest and other financial costs (income), income taxes, and certain other items that management believes are not indicative of future results.

The accounting principles applied at the operating segment level in determining earnings (loss) before interest and income taxes are generally the same as those applied at the consolidated financial statement level. 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 the three months ended March 31, 2018 and 2017 are:

(In millions) Three Months Ended March 31, 2018	Customer Sales	Intersegment Sales	Net Sales	Earnings (loss) from investees	Earnings (loss) before interest and income taxes
Flat-Rolled	\$ 2,046	\$ 57	\$ 2,103	\$ 2	\$ 33
USSE	823	1	824	—	110
Tubular	266	—	266	1	(27)
Total reportable segments	3,135	58	3,193	3	116
Other Businesses	14	31	45	—	11
Reconciling Items and Eliminations	—	(89)	(89)	—	10
Total	\$ 3,149	\$ —	\$ 3,149	\$ 3	\$ 137

Three Months Ended March 31, 2017					
Flat-Rolled	\$ 1,865	\$ 21	\$ 1,886	\$ 3	\$ (88)
USSE	673	13	686	—	87
Tubular	171	—	171	1	(57)
Total reportable segments	2,709	34	2,743	4	(58)
Other Businesses	16	30	46	—	13
Reconciling Items and Eliminations	—	(64)	(64)	—	(35)
Total	\$ 2,725	\$ —	\$ 2,725	\$ 4	\$ (80)

The following is a schedule of reconciling items to consolidated earnings (loss) before interest and income taxes:

(In millions)	Three Months Ended March 31,	
	2018	2017
Items not allocated to segments:		
Granite City Works adjustment to temporary idling charges	10	—
Loss on shutdown of certain tubular assets ^(a)	—	(35)
Total reconciling items	\$ 10	\$ (35)

^(a) Included in Restructuring and other charges in the Consolidated Statement of Operations. See Note 21 to the Consolidated Financial Statements.

5. Revenue

Revenue is generated primarily from contracts to produce, ship and deliver steel products, and to a lesser extent, to deliver raw materials such as iron ore pellets, to deliver coke by-products and for railroad services and real estate sales. Generally, U. S. Steel's performance obligations are satisfied, control of our products is transferred, and revenue is recognized at a single point in time, when title transfers to our customer for product shipped or services are provided. Revenues are recorded net of any sales incentives. Shipping and other transportation costs charged to customers are treated as fulfillment activities and are recorded in both revenue and cost of sales at the time control is transferred to the customer. Costs related to obtaining sales contracts are incidental and are expensed when incurred. As customers are invoiced at the time title transfers and U. S. Steel's right to consideration is unconditional at that time, U. S. Steel does not maintain contract asset balances. Additionally, U. S. Steel does not maintain contract liability balances, as performance obligations are satisfied prior to customer payment for product. U. S. Steel offers industry standard payment terms that typically require payment from our customers 30 days after title transfers.

U. S. Steel has three reportable segments: Flat-Rolled, USSE and Tubular. Flat-Rolled primarily generates revenue from sheet and coated product sales to North American customers. Flat-Rolled also sells iron ore pellets and coke making by-products. USSE sells slabs, sheet, strip mill plate, coated products and spiral welded pipe to customers primarily in the Eastern European market. Tubular sells seamless and electric resistance welded (ERW) steel casing and tubing (commonly known as oil country tubular goods or OCTG), standard and line pipe and mechanical tubing and primarily serves customers in the oil, gas and petrochemical markets. Revenue from our railroad and real estate businesses is reported in the Other Businesses category in our segment reporting structure. The following tables disaggregate our revenue by product for each of our reportable business segments for the three months ended March 31, 2018 and 2017, respectively:

Net Sales by Product

(In millions) Three Months Ended March 31, 2018	Flat-Rolled	USSE	Tubular	Other Businesses	Total
Semi-finished	\$ 9	\$ 37	\$ —	\$ —	\$ 46
Hot-rolled sheets	572	353	—	—	925
Cold-rolled sheets	639	98	—	—	737
Coated sheets	706	297	—	—	1,003
Tubular products	—	12	259	—	271
All Other ^(a)	120	26	7	14	167
Total	\$ 2,046	\$ 823	\$ 266	\$ 14	\$ 3,149

^(a) Consists primarily of sales of raw materials and coke making by-products.

(In millions) Three Months Ended March 31, 2017	Flat-Rolled	USSE	Tubular	Other Businesses	Total
Semi-finished	\$ 1	\$ 27	\$ —	\$ —	\$ 28
Hot-rolled sheets	420	309	—	—	729
Cold-rolled sheets	606	79	—	—	685
Coated sheets	748	235	—	—	983
Tubular products	—	9	162	—	171
All Other ^(a)	90	14	9	16	129
Total	\$ 1,865	\$ 673	\$ 171	\$ 16	\$ 2,725

^(a) Consists primarily of sales of raw materials and coke making by-products.

6. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within U. S. Steel's Consolidated Balance Sheets that sum to the total of the same amounts shown in the Consolidated Statement of Cash Flows:

(In millions)	March 31, 2018	March 31, 2017
Cash and cash equivalents	\$ 1,372	\$ 1,326
Restricted cash in other current assets	6	2
Restricted cash in other noncurrent assets	39	41
Total cash, cash equivalents and restricted cash	\$ 1,417	\$ 1,369

Amounts included in restricted cash represent cash balances which are legally or contractually restricted, primarily for environmental capital expenditure projects and insurance purposes.

7. Intangible Assets

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

(In millions)	Useful Lives	As of March 31, 2018			As of December 31, 2017		
		Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	22 Years	\$ 132	\$ 66	\$ 66	\$ 132	\$ 64	\$ 68
Patents	10-15 Years	22	5	17	22	5	17
Other	4-20 Years	15	8	7	15	8	7
Total amortizable intangible assets		\$ 169	\$ 79	\$ 90	\$ 169	\$ 77	\$ 92

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

Amortization expense was \$2 million and \$3 million in the three months ended March 31, 2018 and March 31, 2017, respectively. The estimated future amortization expense of identifiable intangible assets during the next five years is \$6 million for the remaining portion of 2018, \$9 million in each year from 2019 to 2021, and \$8 million in 2022.

In addition, the carrying amount of acquired water rights with indefinite lives as of March 31, 2018 and December 31, 2017 totaled \$75 million. The acquired water rights are tested for impairment annually in the third quarter, or whenever events or circumstances indicate the carrying value may not be recoverable. U. S. Steel performed a quantitative impairment evaluation of its acquired water rights during the third quarter of 2017. Based on the results of the evaluation, the water rights were not impaired.

8. Pensions and Other Benefits

The following table reflects the components of net periodic benefit cost for the three months ended March 31, 2018 and 2017:

(In millions)	Pension Benefits		Other Benefits	
	2018	2017	2018	2017
Service cost	\$ 13	\$ 12	\$ 4	\$ 4
Interest cost	58	59	23	23
Expected return on plan assets	(90)	(97)	(20)	(16)
Amortization of prior service cost	—	—	7	7
Amortization of actuarial net loss	38	37	1	1
Net periodic benefit cost, excluding below	19	11	15	19
Multiemployer plans	14	15	—	—
Settlement, termination and curtailment losses ^(a)	—	4	—	—
Net periodic benefit cost	\$ 33	\$ 30	\$ 15	\$ 19

^(a) During the first three months of 2017, the non-qualified pension plan incurred settlement charges of approximately \$4 million due to lump sum payments for certain individuals.

Employer Contributions

During the first three months of 2018, U. S. Steel made cash payments of \$14 million to the Steelworkers' Pension Trust and \$2 million of pension payments not funded by trusts.

During the first three months of 2018, cash payments of \$9 million were made for other postretirement benefit payments not funded by trusts.

Company contributions to defined contribution plans totaled \$11 million and \$9 million for the three months ended March 31, 2018 and 2017, respectively.

9. Net Interest and Other Financial Costs

Net interest and other financial costs includes interest expense (net of capitalized interest), interest income, financing costs, net periodic benefit costs (other than service costs) related to pension and OPEB plans, and foreign currency derivative and remeasurement gains and losses. During the three months ended March 31, 2018 and 2017, net foreign currency losses of \$4 million and \$5 million, respectively were recorded in other financial costs. Additionally, during the three months ended March 31, 2018, there was a loss on debt extinguishment recognized of \$46 million. There was no debt extinguishment during the three months ended March 31, 2017.

See Note 14 for additional information on U. S. Steel's use of derivatives to mitigate its foreign currency exchange rate exposure.

10. 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 2005 Plan) and the 2016 Omnibus Incentive Compensation Plan (the Omnibus Plan), which are more fully described in Note 14 of the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2017. On April 26, 2016, the Company's stockholders approved the Omnibus Plan and authorized the Company to issue up to 7,200,000 shares of U. S. Steel common stock under the Omnibus Plan. The Company's stockholders authorized the issuance of an additional 6,300,000 shares under the Omnibus Plan on April 25, 2017. While the awards that were previously granted under the 2005 Plan remain outstanding, all future awards will be granted under the Omnibus Plan. As of March 31, 2018, there were 10,808,964 shares available for future grants under the Omnibus Plan.

Recent grants of stock-based compensation consist of stock options, restricted stock units, total shareholder return (TSR) performance awards and return on capital employed (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 were issued from treasury stock. Beginning in 2018, shares of common stock are issued from authorized, but unissued stock. The following table is a general summary of the awards made under the Omnibus Plan during the first quarter of 2018 and 2017. There were no stock options granted during the first quarter of 2018.

Grant Details	2018		2017	
	Shares ^(a)	Fair Value ^(b)	Shares ^(a)	Fair Value ^(b)
Stock Options	—	\$ —	564,360	\$ 18.32
Restricted Stock Units	450,240	\$ 43.99	291,490	\$ 39.03
Performance Awards ^(c)				
TSR	70,470	\$ 63.87	121,240	\$ 49.52
ROCE ^(d)	236,220	\$ 43.99	—	\$ —

^(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) The ROCE awards granted in 2017 are not shown in the table above, because they were granted in cash.

U. S. Steel recognized pretax stock-based compensation expense in the amount of \$7 million and \$10 million in the three month periods ended March 31, 2018 and 2017, respectively.

As of March 31, 2018, total future compensation expense related to nonvested stock-based compensation arrangements was \$40 million, and the weighted average period over which this expense is expected to be recognized is approximately 1 year.

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. The stock options generally vest ratably over a three-year service period and have a term of ten years.

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 awarded as part of annual grants generally vest ratably over three years. Their fair value is the market price of the underlying common stock on the date of grant. Restricted stock units granted in connection with new-hire or retention grants generally cliff vest three years from the date of the grant.

TSR performance awards may vest at the end of a three-year performance period if U. S. Steel's total shareholder return compared to the total shareholder return of a peer group of companies over the three-year performance period meets performance criteria. 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.

11. Income Taxes

Tax provision

For the three months ended March 31, 2018 and 2017, we recorded a tax provision of \$1 million on our pretax earnings of \$19 million and a tax provision of \$19 million on our pretax loss of \$161 million, respectively. The tax provision reflects a tax benefit for the release of a portion of the valuation allowance due to pretax income.

The tax provision for the first three months of 2018 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 2018 pretax results for U.S. and foreign income or loss vary from estimates applied herein, the actual tax provision or benefit recognized in 2018 could be materially different from the forecasted amount used to estimate the tax provision for the three months ended March 31, 2018.

Deferred taxes

Each quarter U. S. Steel analyzes the likelihood that our deferred tax assets will be realized. A valuation allowance is recorded if, based on the weight of all available positive and negative evidence, it is more likely than not that some portion, or all, of the deferred tax asset may not be realized.

At March 31, 2018, U. S. Steel reviewed all available positive and negative evidence and determined that it is more likely than not that all of its net domestic deferred tax asset may not be realized.

U. S. Steel will continue to monitor the realizability of its deferred tax assets on a quarterly basis taking into consideration, among other items, the uncertainty regarding the Company's continued ability to generate domestic income in the near term. In the future, if we determine that realization is more likely than not for deferred tax assets with a valuation allowance, the related valuation allowance will be reduced, and we will record a non-cash benefit to earnings.

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 ASC Topic 740 on income taxes. As of both March 31, 2018 and December 31, 2017, the total amount of gross unrecognized tax benefits was \$42 million. The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$7 million as of March 31, 2018 and \$6 million as of December 31, 2017.

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 both March 31, 2018 and December 31, 2017, U. S. Steel had accrued liabilities of \$6 million for interest and penalties related to uncertain tax positions.

12. Earnings and Dividends Per Common Share

Earnings (Loss) Per Share Attributable to United States Steel Corporation Stockholders

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

Diluted earnings (loss) per common share assumes the exercise of stock options, the vesting of restricted stock units and performance awards, provided in each case the effect is dilutive.

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

(Dollars in millions, except per share amounts)	Three Months Ended March 31,	
	2018	2017
Earnings (loss) attributable to United States Steel Corporation stockholders	\$ 18	\$ (180)
Weighted-average shares outstanding (in thousands):		
Basic	176,157	174,242
Effect of stock options, restricted stock units and performance awards	2,132	—
Adjusted weighted-average shares outstanding, diluted	178,289	174,242
Basic earnings (loss) per common share	\$ 0.10	\$ (1.03)
Diluted earnings (loss) per common share	\$ 0.10	\$ (1.03)

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

(In thousands)	Three Months Ended March 31,	
	2018	2017
Securities granted under the 2016 Omnibus Incentive Compensation Plan, as amended	1,982	8,162

Dividends Paid Per Share

The dividend for the first quarter of 2018 and 2017 was five cents per common share.

13. Inventories

Inventories are carried at the lower of cost or market for last-in, first-out (LIFO) inventories and lower of cost and net realizable value for first-in, first-out (FIFO) method inventories. The LIFO method is the predominant method of inventory costing in the United States. The FIFO method is the predominant inventory costing method in Europe. At March 31, 2018 and December 31, 2017, the LIFO method accounted for 73 percent and 75 percent of total inventory values, respectively.

(In millions)	March 31, 2018	December 31, 2017
Raw materials	\$ 555	\$ 527
Semi-finished products	827	796
Finished products	385	356
Supplies and sundry items	57	59
Total	\$ 1,824	\$ 1,738

Current acquisition costs were estimated to exceed the above inventory values by \$726 million and \$802 million at March 31, 2018 and December 31, 2017, respectively. As a result of the liquidation of LIFO inventories, cost of sales increased and earnings (loss) before income and income taxes decreased by \$2 million and \$6 million in the three months ended March 31, 2018 and March 31, 2017, respectively.

Inventory includes \$41 million and \$42 million of land held for residential/commercial development as of March 31, 2018 and December 31, 2017, respectively.

14. Derivative Instruments

U. S. Steel is exposed to foreign currency exchange rate risks in our European operations. USSE's revenues are primarily in euros and costs are primarily in euros and U.S. dollars. U. S. Steel uses foreign exchange

forward sales contracts (foreign exchange forwards) 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 contracts as hedges. Therefore, changes in their fair value are recognized immediately in the Consolidated Statements of Operations. We mitigate the risk of concentration of counterparty credit risk by purchasing our forwards from several counterparties.

From time to time U. S. Steel may use fixed-price forward physical purchase contracts to partially manage our exposure to price risk related to the purchases of natural gas, zinc and tin used in the production process. Generally, forward physical purchase contracts qualify for the normal purchase and normal sales exceptions described in ASC Topic 815 and are not subject to mark-to-market accounting. U. S. Steel also uses financial swaps to protect from the commodity price risk associated with purchases of natural gas, zinc and tin (commodity purchase swaps). Commodity purchase swaps did not have a significant impact on the Company's financial results and were classified as cash flow hedges in prior periods (their impacts are included in our expanded tabular disclosure below). Effective January 1, 2018, U. S. Steel adopted the provisions of ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The cumulative effect of the adoption of ASU 2017-12 was not material to U. S. Steel's financial results. See Note 3 for additional information on the recently adopted accounting standard.

Financial swaps are also used to partially manage the sales price of certain hot-rolled coil and iron ore pellet contract sales (sales swaps). In prior periods, we did not elect hedge accounting for these financial swaps and changes in their fair value were immediately recognized in earnings. Effective January 1, 2018, U. S. Steel elected to designate its hot-rolled coil sales swaps as cash flow hedges. See the tabular disclosure below for further details.

In accordance with the guidance in ASC Topic 820 on fair value measurements and disclosures, the fair value of our foreign exchange forwards, commodity purchase swaps and sales swaps 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.

The table below shows the outstanding swap quantities used to hedge forecasted purchases and sales as of March 31, 2018 and March 31, 2017:

Hedge Contracts	Classification	March 31, 2018	March 31, 2017
Natural gas (in mmbtus)	Commodity purchase swaps	17,711,000	13,956,000
Tin (in metric tons)	Commodity purchase swaps	690	720
Zinc (in metric tons)	Commodity purchase swaps	10,627	62,685
Hot-rolled coils (in tons)	Sales swaps	78,000	84,000
Iron ore pellets (in metric tons)	Sales swaps	—	430,000
Foreign currency (in thousands of dollars)	Foreign exchange forwards	\$ 303,000	\$ 182,500

The following summarizes the fair value amounts included in our Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017:

(In millions) Designated as Hedging Instruments	Balance Sheet Location	March 31, 2018	December 31, 2017
Sales swaps	Accounts payable	\$ 9	\$ —
Commodity purchase swaps	Accounts receivable	1	4
Commodity purchase swaps	Accounts payable	6	2
Commodity purchase swaps	Investments and long-term receivables	—	1
Commodity purchase swaps	Other long-term liabilities	2	1
Not Designated as Hedging Instruments			
Sales swaps	Accounts payable	—	2
Commodity purchase swaps	Accounts payable	—	1
Foreign exchange forwards	Accounts payable	11	11

The table below summarizes the effect of hedge accounting on Accumulated Other Comprehensive Income (AOCI) and amounts reclassified from AOCI into earnings for the three months ended March 31, 2018 and 2017:

(In millions)	Gain (Loss) on Derivatives in AOCI		Location of Reclassification from AOCI ^(a)	Amount of Gain (Loss) Recognized in Income	
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
Sales swaps ^(b)	\$ (9)	\$ —	Net sales	\$ —	\$ —
Commodity purchase swaps	(7)	—	Cost of sales ^(c)	5	2

^(a) The earnings impact of our hedging instruments substantially offsets the earnings impact of the related hedged items since ineffectiveness is less than \$1 million.

^(b) U. S. Steel has elected hedge accounting for hot-rolled coil sales swaps prospectively on January 1, 2018. Iron ore pellet sales swaps are not classified as hedges.

^(c) Costs for commodity purchase swaps are recognized in cost of sales as products are sold.

The table below summarizes the impact of derivative activity where hedge accounting has not been elected on our Consolidated Statements of Operations for the three months ended March 31, 2018 and 2017:

(In millions)	Consolidated Statement of Operations Location	Amount of Gain (Loss) Recognized in Income	
		March 31, 2018	March 31, 2017
Sales swaps ^(a)	Net sales	\$ (1)	\$ 4
Commodity purchase swaps	Cost of sales	1	4
Foreign exchange forwards	Other financial costs	(6)	(2)

^(a) U. S. Steel has elected hedge accounting for hot-rolled coil sales swaps prospectively on January 1, 2018. Iron ore pellet sales swaps are not classified as hedges.

At current contract values, \$5 million and \$9 million currently in AOCI as of March 31, 2018 will be recognized as an increase in cost of sales and a decrease in net sales, respectively, over the next year as related hedged items are recognized in earnings. The maximum derivative contract duration for commodity purchase swaps is two years and the maximum duration for sales swaps is one year.

15. Debt

(In millions)	Interest Rates %	Maturity	March 31, 2018	December 31, 2017
2037 Senior Notes	6.650	2037	\$ 350	\$ 350
2026 Senior Notes	6.250	2026	650	—
2025 Senior Notes	6.875	2025	750	750
2021 Senior Secured Notes ^(a)	8.375	2021	281	780
2020 Senior Notes	7.375	2020	432	432
Environmental Revenue Bonds	5.750 - 6.875	2019 - 2042	400	400
Fairfield Caster Lease		2022	24	24
Other capital leases and all other obligations		2019	1	1
Fourth Amended and Restated Credit Agreement	Variable	2023	—	—
Third Amended and Restated Credit Agreement	Variable	2020	—	—
USSK Credit Agreement	Variable	2021	—	—
USSK credit facilities	Variable	2018	—	—
Total Debt			<u>2,888</u>	<u>2,737</u>
Less unamortized discount and debt issuance costs			36	34
Less short-term debt and long-term debt due within one year ^(a)			<u>281</u>	<u>3</u>
Long-term debt			<u>\$ 2,571</u>	<u>\$ 2,700</u>

^(a) The \$281 million balance due on the 2021 Senior Secured Notes is included within Short-term debt and long-term debt due within one year as of March 31, 2018. All of the 2021 Senior Secured Notes were redeemed on April 12, 2018.

To the extent not otherwise discussed below, information concerning the senior notes and other listed obligations can be found in Note 16 of the audited financial statements in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Senior Secured Note Tender and Redemption

In March 2018, pursuant to a cash tender offer, U. S. Steel repurchased approximately \$499 million aggregate principal amount of its outstanding 8.375% Senior Secured Notes due 2021 (2021 Senior Secured Notes). The aggregate cash outflow from the tender was approximately \$538 million, which included \$39 million in premiums. The remaining approximately \$281 million aggregate principal amount of 2021 Senior Secured Notes were redeemed on April 12, 2018 (see Note 24 for details).

Issuance of Senior Notes due 2026

In March 2018, U. S. Steel issued \$650 million aggregate principal amount of 6.250% Senior Notes due March 15, 2026 (2026 Senior Notes). U. S. Steel received net proceeds from the offering of approximately \$640 million after fees of approximately \$10 million related to the underwriting and third party expenses. The net proceeds from the issuance of the 2026 Senior Notes, together with cash on hand, were used to tender or otherwise redeem all of our 2021 Senior Secured Notes as discussed above.

The 2026 Senior Notes are senior and unsecured obligations that rank equally in right of payment with all of our other existing and future senior and unsecured indebtedness. U. S. Steel will pay interest on the notes semi-annually in arrears on March 15th and September 15th of each year, commencing on September 15, 2018.

Similar to our other senior notes, the indenture governing the 2026 Senior Notes restricts our ability to create certain liens, to enter into sale leaseback transactions and to consolidate, merge, transfer or sell all, or substantially all of our assets. It also contains provisions requiring the purchase of the 2026 Senior Notes upon a change of control under certain specified circumstances, as well as other customary provisions.

U. S. Steel may redeem the 2026 Senior Notes, in whole or in part, at our option at any time, or from time to time, on or after March 15, 2021 at the redemption price for such notes set forth below as a percentage of the principal amount, plus accrued and unpaid interest, if any, to, but excluding the redemption date, if redeemed during the twelve-month period beginning March 15 of the years indicated below:

Year	Redemption Price
2021	103.125 %
2022	101.563 %
2023 and thereafter	100.000 %

At any time prior to March 15, 2021, U. S. Steel may also redeem up to 35% of the original aggregate principal amount of the 2026 Senior Notes at 106.25%, plus accrued and unpaid interest, if any, but excluding the applicable date of redemption, with proceeds from equity offerings.

Fourth Amended and Restated Credit Agreement

On February 26, 2018, U. S. Steel entered into the Fourth Amended and Restated Credit Agreement (Credit Facility Agreement), replacing the Company's Third Amended and Restated Credit Agreement. The Credit Facility Agreement maintains the facility size of \$1.5 billion and extends the maturity date to 2023.

As of March 31, 2018, there were no amounts drawn under the \$1.5 billion Credit Facility Agreement. U. S. Steel must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Credit Facility Agreement is less than the greater of 10 percent of the total aggregate commitments and \$150 million. Based on the most recent four quarters as of March 31, 2018, we would have met this covenant. If we are unable to meet this covenant in future periods, the amount available to the Company under this facility would be reduced by \$150 million.

The Credit Facility 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. The Credit Facility Agreement expires in February 2023. 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 Credit Facility Agreement. Borrowings are secured by liens on certain North American inventory and trade accounts receivable.

The Credit Facility Agreement permits incurrence of additional secured debt up to 17.5% of Consolidated Net Tangible Assets.

U. S. Steel Košice (USSK) credit facilities

At March 31, 2018, USSK had no borrowings under its €200 million (approximately \$247 million) unsecured revolving credit facility (the USSK Credit Agreement). The USSK Credit Agreement contains certain USSK financial covenants, including maximum Leverage, maximum Net Debt to Tangible Net Worth, and minimum Interest Coverage ratios as defined in the USSK Credit Agreement. 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 March 31, 2018, USSK had full availability under the USSK Credit Agreement. The USSK Credit Agreement expires in July 2021.

At March 31, 2018, USSK had no borrowings under its €40 million and €10 million unsecured credit facilities (collectively, approximately \$62 million) and the availability was approximately \$60 million due to approximately \$2 million of customs and other guarantees outstanding. The €40 million credit facility expires in December 2018. Currently, the €10 million credit facility also expires in December 2018, but can be extended one additional year to the final maturity date at the mutual consent of USSK and its lender.

Each of these facilities bear interest at the applicable inter-bank offer rate plus a margin and contain customary terms and conditions.

Change in control event

If there is a change in control of U. S. Steel, the following may occur: (a) debt obligations totaling \$2,463 million as of March 31, 2018 may be declared due and payable; (b) the Credit Facility Agreements and the USSK

Credit Agreement may be terminated and any amounts outstanding declared due and payable; and (c) U. S. Steel may be required to either purchase the leased Fairfield Works slab caster for \$26 million or provide a letter of credit to secure the remaining obligation.

16. **Asset Retirement Obligations**

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

(In millions)	March 31, 2018		December 31, 2017	
Balance at beginning of year	\$	69	\$	79
Obligations settled		(1)		(8)
Change in estimate of obligations		—		(6)
Foreign currency translation effects		—		2
Accretion expense		1		2
Balance at end of period	\$	69	\$	69

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.

17. **Fair Value of Financial Instruments**

The carrying value of cash and cash equivalents, current accounts and notes receivable, accounts payable, bank checks outstanding, and accrued interest included in the Consolidated Balance Sheet approximate fair value. See Note 14 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 liabilities that were not carried at fair value at March 31, 2018 and December 31, 2017.

(In millions)	March 31, 2018		December 31, 2017	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial liabilities:				
Long-term debt ^(a)	\$ 2,631	\$ 2,546	\$ 2,851	\$ 2,678

(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 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 22.

18. Statement of Changes in Stockholders' Equity

The following table reflects the first three months of 2018 and 2017 reconciliation of the carrying amount of total equity, equity attributable to U. S. Steel and equity attributable to noncontrolling interests:

Three Months Ended March 31, 2018 (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	\$ 3,321	\$ 133	\$ (845)	\$ 176	\$ (76)	\$ 3,932	\$ 1
Comprehensive income (loss):							
Net earnings	18	18					
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	46		46				
Currency translation adjustment	40		40				
Employee stock plans	39			1	75	(37)	
Dividends paid on common stock	(9)	(9)					
Other	(16)		(16)				
Balance at March 31, 2018	\$ 3,439	\$ 142	\$ (775)	\$ 177	\$ (1)	\$ 3,895	\$ 1

Three Months Ended March 31, 2017 (In millions)	Total	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Common Stock	Treasury Stock	Paid-in Capital	Non- Controlling Interest
Balance at beginning of year	\$ 2,275	\$ (250)	\$ (1,497)	\$ 176	\$ (182)	\$ 4,027	\$ 1
Comprehensive income (loss):							
Net loss	(180)	(180)					
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	46		46				
Currency translation adjustment	23		23				
Employee stock plans	14				63	(49)	
Dividends paid on common stock	(9)					(9)	
Other	5	5					
Balance at March 31, 2017	\$ 2,174	\$ (425)	\$ (1,428)	\$ 176	\$ (119)	\$ 3,969	\$ 1

19. Reclassifications from Accumulated Other Comprehensive Income (AOCI)

(In millions) ^(a)	Pension and Other Benefit Items	Foreign Currency Items	Unrealized Gain (Loss) on Derivatives	Total
Balance at December 31, 2017	\$ (1,309)	\$ 463	\$ 1	\$ (845)
Other comprehensive income before reclassifications	92	40	(13)	119
Amounts reclassified from AOCI ^(b)	(46)	—	(3)	(49)
Net current-period other comprehensive income	46	40	(16)	70
Balance at March 31, 2018	\$ (1,263)	\$ 503	\$ (15)	\$ (775)

(a) Amounts do not reflect a tax benefit as a result of a full valuation allowance on our domestic deferred tax assets.

(b) See table below for further details.

(In millions) ^(a)	Details about AOCI components	Amount reclassified from AOCI Three Months Ended March 31,	
		2018	2017
	Amortization of pension and other benefit items		
	Prior service costs ^(b)	\$ (7)	\$ (7)
	Actuarial losses ^(b)	(39)	(38)
	Settlement, termination and curtailment gains ^(b)	—	(4)
	Total pensions and other benefits items	(46)	(49)
	Derivative reclassifications to Consolidated Statements of Operations	(3)	—
	Total before tax	(49)	(49)
	Tax benefit ^(c)	—	—
	Net of tax	\$ (49)	\$ (49)

(a) Amounts in parentheses indicate decreases in AOCI.

(b) These AOCI components are included in the computation of net periodic benefit cost (see Note 8 for additional details).

(c) Amounts do not reflect a tax benefit as a result of a full valuation allowance on our domestic deferred tax assets.

20. Transactions with Related Parties

Net sales to related parties and receivables from related parties primarily reflect sales of raw materials and steel products to equity investees and U. S. Steel Canada Inc. (USSC) after the Canada Companies' Creditor Arrangement Act (CCA) filing on September 16, 2014, but before the sale to an affiliate of Bedrock Industries Group LLC (Bedrock) on June 30, 2017. Generally, transactions are conducted under long-term contractual arrangements. Related party sales and service transactions were \$328 million and \$313 million for the three months ended March 31, 2018 and 2017, respectively.

Purchases from related parties for outside processing services provided by equity investees and USSC after the CCA filing on September 16, 2014, but before the sale to Bedrock, amounted to \$7 million and \$14 million for the three months ended March 31, 2018 and 2017, respectively. Purchases of iron ore pellets from related parties amounted to \$17 million and \$36 million for the three months ended March 31, 2018 and 2017 respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company, LLC (PRO-TEC) of \$93 million and \$72 million at March 31, 2018 and December 31, 2017, respectively for invoicing and receivables collection services provided by U. S. Steel on PRO-TEC's behalf. 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 totaled \$4 million and \$2 million at March 31, 2018 and December 31, 2017, respectively.

21. Restructuring and Other Charges

Restructuring charges recorded during the three months ended March 31, 2018 were immaterial. Cash payments were made related to severance and exit costs of \$14 million.

During the three months ended March 31, 2017, the Company recorded a net restructuring charge of approximately \$33 million, which consists of charges of \$35 million related to the permanent shutdown of the No. 6 Quench & Temper Mill at Lorain Tubular Operations and a favorable adjustment of \$2 million primarily associated with a change in estimate for previously recorded environmental costs. Cash payments were made related to severance and exit costs of \$11 million.

Charges for restructuring and ongoing cost reduction initiatives are recorded in the period U. S. Steel 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 are reported in restructuring and other charges in the Consolidated Statements of Operations.

The activity in the accrued balances incurred in relation to restructuring and other cost reduction programs during the three months ended March 31, 2018 were as follows:

(in millions)	Employee Related Costs	Exit Costs	Total
Balance at December 31, 2017	\$ 4	\$ 34	\$ 38
Cash payments/utilization	(1)	(13)	(14)
Balance at March 31, 2018	\$ 3	\$ 21	\$ 24

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

(in millions)	March 31, 2018	December 31, 2017
Accounts payable	\$ 14	\$ 26
Payroll and benefits payable	2	4
Deferred credits and other noncurrent liabilities	8	8
Total	\$ 24	\$ 38

22. 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 and the costs are reasonably estimable.

Asbestos matters – As of March 31, 2018, U. S. Steel was a defendant in approximately 773 active cases involving approximately 3,320 plaintiffs. The vast majority of these cases involve multiple defendants. At December 31, 2017, U. S. Steel was a defendant in approximately 820 cases involving approximately 3,315 plaintiffs. About 2,547, or approximately 77 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.

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, 2015	3,455	415	275	3,315
December 31, 2016	3,315	225	250	3,340
December 31, 2017	3,340	275	250	3,315
March 31, 2018	3,315	70	75	3,320

Historically, asbestos-related claims against U. S. Steel fall into three 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)	Three Months Ended March 31, 2018	
Beginning of period	\$	179
Accruals for environmental remediation deemed probable and reasonably estimable		1
Obligations settled		(1)
End of period	\$	179

Accrued liabilities for remediation activities are included in the following Consolidated Balance Sheet lines:

(In millions)	March 31, 2018		December 31, 2017	
Accounts payable	\$	29	\$	29
Deferred credits and other noncurrent liabilities		150		150
Total	\$	179	\$	179

Expenses related to remediation are recorded in cost of sales and were immaterial for both three month periods ended March 31, 2018 and March 31, 2017. It is not currently 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 15 to 30 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* - Projects which are still in the 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/or cost estimates cannot be determined. Therefore, significant costs, in addition to the accrued liabilities for these projects, are reasonably possible. There are six environmental remediation projects where additional costs for completion are not currently estimable, but could be material. These projects are at Fairfield Works, Lorain Tubular, USS-POSCO Industries (UPI), the Fairless Plant, Cherryvale Zinc and the former steelmaking plant at Joliet, Illinois. As of March 31, 2018, accrued liabilities for these projects totaled \$1 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 \$30 million to \$50 million.
- (2) *Significant Projects with Defined Scope* - Projects with significant accrued liabilities with a defined scope. As of March 31, 2018, there are three significant projects with defined scope greater than or equal to \$5 million each, with a total accrued liability of \$135 million. These projects are Gary Resource Conservation and Recovery Act (RCRA) (accrued liability of \$25 million), the former Geneva facility (accrued liability of \$63 million), and the former Duluth facility St. Louis River Estuary (accrued liability of \$47 million).
- (3) *Other Projects with a Defined Scope* - Projects with relatively small accrued liabilities for which we believe that, while additional costs are possible, they are not likely to be significant, and also include those projects for which we do not yet possess sufficient information to estimate potential costs to U. S. Steel. There are two 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 March 31, 2018 was \$4 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 each have an accrued liability of less than \$1 million each. The total accrued liability for these projects at March 31, 2018 was approximately \$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 \$22 million at March 31, 2018 and were based on known scopes of work.

Administrative and Legal Costs – As of March 31, 2018, U. S. Steel had an accrued liability of \$8 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.

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 three months of 2018 and 2017, such capital expenditures totaled \$13 million and \$11 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.

EU Environmental Requirements - Under the Emission Scheme (ETS), USSK's final allocation of free allowances for the Phase III period, which covers the years 2013 through 2020 is 48 million allowances. Based on projected future production levels, we started to purchase allowances in the third quarter of 2017 to meet the annual compliance submission in the future. As of March 31, 2018, we have purchased 7.5 million European Union Allowances (EUA) totaling €59 million (approximately \$73 million). On March 26, 2018, we surrendered 9.2 million EUA's to fulfill the 2017 obligation. We estimate a shortfall of approximately 16 million allowances for the Phase III period. However, due to a number of variables such as the future market value of allowances, future production levels and future emissions intensity levels, we cannot reliably estimate the full cost of complying with the ETS regulations at this time.

The EU's Industry Emission Directive will require implementation of EU determined best available techniques (BAT) for Iron and Steel production to reduce environmental impacts as well as compliance with BAT associated emission levels. Our most recent broad estimate of future capital expenditures for projects to comply with or go beyond BAT requirements is €138 million (approximately \$170 million) over the 2017 to 2020 period. There are ongoing efforts to seek EU grants to fund a portion of these capital expenditures. The actual amount spent will depend largely upon the amount of EU incentive grants received. See Item 2. Management's Discussion

and Analysis of Financial Condition and Results of Operations, Environmental Matters, Litigation and Contingencies, Slovak Operations.

Due to other EU legislation, BAT for Large Combustion Plants (LCP), we are 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. The new requirements for LCP resulted in the construction of a new boiler and certain upgrades to our existing boilers. In January 2014, the operation of USSK's boilers was approved by the European Commission (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 emissions ceilings for each category of emissions (total suspended particulate, sulfur dioxide (SO₂), and nitrogen oxide (NO_x)) for both stacks within the power plant. The allowable amount of discharged emissions will decrease each year until mid 2020. An emission ceiling will be a limiting factor for future operation of the 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, carbon dioxide (CO₂) emissions and operating, maintenance and waste disposal costs once completed. The construction of the new boiler is complete with a total final installed cost of €128 million (approximately \$158 million). Reconstruction of the existing boiler with a projected cost of €54 million (approximately \$66 million) is in progress. The total remaining to be spent on the existing boiler project is projected to be €3 million (approximately \$3 million), with the final inspection expected to be completed in October 2018. 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 the boiler projects are completed.

Guarantees – The maximum guarantees of the indebtedness of unconsolidated entities of U. S. Steel totaled \$4 million at March 31, 2018.

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 \$11 million at March 31, 2018). 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 \$186 million as of March 31, 2018, 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 the Credit Facility Agreement. 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 \$45 million and \$44 million at March 31, 2018 and December 31, 2017, respectively.

Capital Commitments – At March 31, 2018, U. S. Steel's contractual commitments to acquire property, plant and equipment totaled \$485 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 2018	2019	2020	2021	2022	Later Years	Total
\$533	\$421	\$319	\$312	\$301	\$1,189	\$3,075

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 15 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 a minimum volume of the expected targeted annual production of the heat recovery coke plant, and U. S. Steel is obligated to purchase the coke from Gateway at the contract price. As of March 31, 2018, if U. S. Steel were to terminate the agreement, it may be obligated to pay in excess of \$180 million.

Total payments relating to unconditional purchase obligations were \$161 million and \$140 million for the three months ended March 31, 2018 and 2017, respectively.

23. **Significant Equity Investments**

Summarized unaudited income statement information for our significant equity investments for the three months ended March 31, 2018 and 2017 is reported below (amounts represent 100% of investee financial information):

(In millions)	2018		2017	
Net sales	\$	261	\$	262
Cost of sales		235		233
Operating income		15		18
Net earnings		12		16
Net earnings attributable to significant equity investments		12		16

U. S. Steel's portion of the equity in net earnings of the significant equity investments above was \$8 million and \$10 million for the three months ended March 31, 2018 and 2017, respectively, which is included in the earnings from investees line on the Consolidated Statement of Operations.

24. **Subsequent Event**

On April 12, 2018, approximately \$281 million in aggregate principal amount of the Company's 2021 Senior Secured Notes was redeemed. This amount represents all of the outstanding principal on the 2021 Senior Secured Notes following the issuer cash tender offer that was conducted in March 2018. U. S. Steel incurred a \$25 million loss on debt extinguishment associated with this redemption.

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

RESULTS OF OPERATIONS

Net sales by segment for the three months ended March 31, 2018 and 2017 are set forth in the following table:

(Dollars in millions, excluding intersegment sales)	Three Months Ended March 31,		% Change
	2018	2017	
Flat-Rolled Products (Flat-Rolled)	\$ 2,046	\$ 1,865	10 %
U. S. Steel Europe (USSE)	823	673	22 %
Tubular Products (Tubular)	266	171	56 %
Total sales from reportable segments	3,135	2,709	16 %
Other Businesses	14	16	(13)%
Net sales	\$ 3,149	\$ 2,725	16 %

Management's analysis of the **percentage change in net sales** for U. S. Steel's reportable business segments for the three months ended March 31, 2018 versus the three months ended March 31, 2017 is set forth in the following table:

Three Months Ended March 31, 2018 versus Three Months Ended March 31, 2017

	Steel Products ^(a)					Net Change
	Volume	Price	Mix	FX ^(b)	Coke & Other ^(c)	
Flat-Rolled	5%	12%	(9)%	—%	2%	10%
USSE	1%	5%	— %	15%	1%	22%
Tubular	30%	24%	— %	—%	2%	56%

^(a) Excludes intersegment sales

^(b) Foreign currency translation effects

^(c) Includes sales of coke and scrap inventory

Net sales were \$3,149 million in the three months ended March 31, 2018, compared with \$2,725 million in the same period last year. The increase in sales for the Flat-Rolled segment primarily reflect higher average realized prices (increase of \$21 per net ton), notably for hot-rolled products, and increased shipments, including substrate to our Tubular segment (increase of 130 thousand net tons), partially offset by an unfavorable impact on product mix as a result of increased sales of hot-rolled products. The increase in sales for the USSE segment was primarily due to the strengthening of the euro versus the U.S. dollar in the three months ended March 31, 2018 compared to the same period last year and higher average realized euro-based prices (increase of €17 per net ton). The increase in sales for the Tubular segment primarily reflect a favorable impact on volume as a result of the restart of its Lone Star Tubular operations in April of 2017 (increase of 35 thousand net tons) as well as higher average realized prices (increase of \$290 per net ton) as a result of improved market conditions.

Pension and other benefits costs

Pension and other benefit costs (other than service cost) are reflected within net interest and other financial costs and the service cost component is reflected within cost of sales in the Consolidated Statements of Operations.

Defined benefit and multiemployer pension plan costs included in cost of goods sold totaled \$27 million in both of the three months ended March 31, 2018 and March 31, 2017.

Costs related to defined contribution plans totaled \$10 million and \$11 million for the three months ended March 31, 2018 and 2017, respectively.

Other benefit expense included in cost of sales totaled \$4 million in both of the three months ended March 31, 2018 and March 31, 2017.

Selling, general and administrative expenses

Selling, general and administrative expenses were \$78 million in the three months ended March 31, 2018, compared to \$81 million in the three months ended March 31, 2017.

Operating configuration update

In March 2018, U. S. Steel announced that it will restart the "B" blast furnace and steelmaking facilities at its Granite City Works facility, which will enable the Company to support anticipated increased demand for steel produced in the United States as a result of recent actions in the Section 232 investigation into steel imports. The restart is expected to occur in the second quarter of 2018.

In March 2017, U. S. Steel made the strategic decision to permanently shut down and relocate the Lorain #6 Quench & Temper Mill as a result of the challenging market conditions for tubular products.

U. S. Steel will continue to evaluate potential strategic and organizational opportunities, which may include the acquisition, divestiture or consolidation of assets. We continue to focus on strategically maintaining and spending cash (including capital investments under our asset revitalization program), in order to invest in areas consistent with our long-term strategy, and are considering various possibilities, including exiting lines of business and the sale of certain assets, that we believe would further that goal and ultimately result in a stronger balance sheet and greater stockholder value. The Company will pursue opportunities based on its long-term strategy, and what the Board of Directors determines to be in the best interests of the Company's stockholders at the time.

Better operating performance in our Flat-Rolled segment, coupled with relatively stable market conditions during 2017 and 2018, have resulted in improved segment results in recent quarters. As we continue with the implementation of our asset revitalization program, described below, and increase investment in our facilities, we expect the sustainable improvements in safety, quality, delivery and costs we are targeting to position us to succeed over the long term, and support future growth initiatives.

Asset Revitalization

As part of our long-term strategy, the Board of Directors approved a \$2 billion multi-year asset revitalization program focused on our Flat-Rolled segment. Management evaluated performance in the key industries we serve, and developed projects across multiple Flat-Rolled segment assets with a focus on continuous improvement in safety, quality, delivery and cost. The Company views this program as essential to improving predictability and our ability to compete effectively in the industry. As we revitalize our assets, we expect to increase profitability, productivity, and operational stability, and reduce volatility.

The asset revitalization program includes projects to address short-term operational and maintenance enhancements as well as larger initiatives. The projects vary in scope and cost. The investments specifically address issues that are critical to delivering quality products to our customers in a timely manner.

The identified projects and schedule may change to address our customers' needs, current and future economic operating conditions, and risks identified in the production cycle. Through the multi-year asset revitalization program, we expect to make total capital investments of \$1.5 billion, which consist of capital investments in our iron making facilities, steel making facilities, hot rolling facilities, and finishing facilities. The Company plans to fund the program through cash generated from operations and cash on hand.

The benefits of the asset revitalization program are evident after just one year, as we have achieved performance improvements from assets in which we have invested. We continue to experience operational challenges on assets we have not yet fully addressed. We expect further improvements in performance as we execute the remainder of our structured asset revitalization program.

Restructuring and Other Charges

Restructuring charges recorded during the three months ended March 31, 2018 were immaterial. Cash payments were made related to severance and exit costs of \$14 million.

During the three months ended March 31, 2017, the Company recorded a net restructuring charge of approximately \$33 million, which consists of charges of \$35 million related to the permanent shutdown of the No. 6 Quench & Temper Mill at Lorain Tubular Operations and a favorable adjustment of \$2 million primarily associated with a change in estimate for previously recorded environmental costs. Cash payments were made related to severance and exit costs of \$11 million.

Charges for restructuring and ongoing cost reduction initiatives are recorded in the period U. S. Steel 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 are reported in the restructuring and other charges in the Consolidated Statements of Operations.

Earnings (loss) before interest and income taxes by segment for the three months ended March 31, 2018 and 2017 is set forth in the following table:

(Dollars in millions)	Three Months Ended March 31,		% Change
	2018	2017	
Flat-Rolled	\$ 33	\$ (88)	138 %
USSE	110	87	26 %
Tubular	(27)	(57)	53 %
Total earnings (loss) from reportable segments	116	(58)	300 %
Other Businesses	11	13	(15)%
Segment earnings (loss) before interest and income taxes	127	(45)	382 %
Items not allocated to segments:			
Granite City Works adjustment to temporary idling charges	10	—	100 %
Loss on shutdown of certain tubular assets	—	(35)	100 %
Total earnings (loss) before interest and income taxes	\$ 137	\$ (80)	271 %

Segment results for Flat-Rolled

	Three Months Ended March 31,		% Change
	2018	2017	
Earnings (loss) before interest and taxes (\$ millions)	\$ 33	\$ (88)	138%
Gross margin	9%	3%	6%
Raw steel production (mnt)	2,784	2,714	3%
Capability utilization	66%	65%	1%
Steel shipments (mnt)	2,534	2,404	5%
Average realized steel price per ton	\$ 740	\$ 719	3%

The increase in Flat-Rolled results for the three months ended March 31, 2018 compared to the same period in 2017 resulted from higher average realized prices (approximately \$70 million) as a result of improved market conditions, increased shipments, including substrate to our Tubular segment (approximately \$55 million), decreased spending for maintenance and other operating costs (approximately \$30 million) and lower energy costs (approximately \$20 million). These changes were partially offset by higher raw materials costs (approximately \$50 million).

Gross margin for the three months ended March 31, 2018 compared to the same period in 2017 increased primarily as a result of higher average realized prices due to improved contract and spot market prices as well as lower operating costs.

Segment results for USSE

	Three Months Ended March 31,		% Change
	2018	2017	
Earnings before interest and taxes (\$ millions)	\$ 110	\$ 87	26%
Gross margin	17%	17%	—%
Raw steel production (mnt)	1,292	1,258	3%
Capability utilization	105%	102%	3%
Steel shipments (mnt)	1,127	1,109	2%
Average realized steel price per ton	\$ 707	\$ 594	19%

The increase in USSE results for the three months ended March 31, 2018 compared to the same period in 2017 was primarily due to the strengthening of the euro versus the U.S. dollar in the three months ended March 31, 2018 compared to the same period last year (approximately \$45 million) and higher average realized euro-based prices (approximately \$35 million). These changes were partially offset by an unfavorable first-in-first-out (FIFO) inventory impact (approximately \$40 million) and increased costs for carbon dioxide (CO₂) emission allowances (approximately \$10 million).

Segment results for Tubular

	Three Months Ended March 31,		% Change
	2018	2017	
Loss before interest and taxes (\$ millions)	\$ (27)	\$ (57)	53%
Gross margin	(4)%	(19)%	15%
Steel shipments (mnt)	179	144	24%
Average realized steel price per ton	\$ 1,387	\$ 1,097	26%

The increase in Tubular results for the three months ended March 31, 2018 as compared to the same period in 2017 was primarily due to higher average realized prices as a result of improved market conditions (approximately \$40 million), partially offset by increased operating costs primarily attributable to a planned outage (approximately \$15 million).

Gross margin for the three months ended March 31, 2018 compared to the same period in 2017 increased primarily due to higher average realized prices as a result of improved market conditions.

Results for Other Businesses

Other Businesses had income of \$11 million in the three months ended March 31, 2018, compared to income of \$13 million in the three months ended March 31, 2017.

Items not allocated to segments

We recorded a \$10 million favorable adjustment in the three months ended March 31, 2018 related to **Granite City Works temporary idling charges** as a result of the decision to restart the "B" blast furnace and steelmaking facilities at this facility in 2018.

We recorded a \$35 million **loss on the shut down of certain tubular assets** in the three months ended March 31, 2017 as a result of the permanent shut down and relocation of the No. 6 Quench & Temper Mill at Lorain Tubular Operations.

Net interest and other financial costs

(Dollars in millions)	Three Months Ended March 31,		% Change
	2018	2017	
Interest expense	\$ 50	\$ 58	(14)%
Interest income	(5)	(4)	25 %
Loss on debt extinguishment	46	—	100 %
Other financial costs	10	9	11 %
Net periodic benefit cost (other than service cost)	17	18	(6)%
Total net interest and other financial costs	\$ 118	\$ 81	46 %

During the three months ended March 31, 2018, U. S. Steel issued \$650 million aggregate principal amount of 2026 Senior Notes and repurchased through a tender offer approximately \$499 million of its 2021 Senior Secured Notes for an aggregate cash outflow of approximately \$538 million, which included \$39 million in premiums. The loss on debt extinguishment line in the table above includes \$39 million in premiums and \$7 million in unamortized debt issuance costs which were written off in connection with the extinguishment of debt. For further information, see Note 15 to the Consolidated Financial Statements.

The increase in net interest and other financial costs in the three months ended March 31, 2018 as compared to the same period last year is primarily due to a loss on debt extinguishment as described above, partially offset by reduced interest expense due to our improved debt profile.

The net periodic benefit cost (other than service cost) components of pension and other benefit costs are reflected in the table above, and remained consistent in the three months ended March 31, 2018 as compared to the same period last year.

Total net periodic pension cost, including service cost and multiemployer plans, is expected to total approximately \$135 million in 2018. Total other benefits costs, including service cost, in 2018 are expected to total approximately \$60 million. The pension cost projection includes approximately \$54 million of contributions to the Steelworkers Pension Trust.

The **income tax provision** was \$1 million in the three months ended March 31, 2018 compared to a provision of \$19 million in the three months ended March 31, 2017. The tax provision reflects a tax benefit for the release of a portion of the valuation allowance due to pretax income.

On December 22, 2017, the Tax Cuts and Jobs Act (the 2017 Act) was signed into law. The 2017 Act includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest, allows for the expensing of capital expenditures, and puts into effect the migration from a worldwide system of taxation to a territorial system, among other things. We continue to examine the impact the 2017 Act may have on our Company, and we do not expect the new provisions to have a material impact on the 2018 effective tax rate due to our current corporate tax structure and our net operating losses. However, we do expect a reduction in cash taxes paid in 2018 and future years due to the elimination of the Alternative Minimum Tax.

For further information on income taxes see Note 11 to the Consolidated Financial Statements.

Net earnings attributable to United States Steel Corporation was \$18 million in the three months ended March 31, 2018, compared to net loss of \$180 million in the three months ended March 31, 2017. The changes primarily reflect the factors discussed above.

BALANCE SHEET

Accounts receivable increased by \$187 million from year-end 2017 primarily due to higher average realized prices as well as increased shipment volumes across all of our segments.

Inventories increased by \$86 million from year-end 2017 primarily as a result of increased operating levels and higher raw materials prices across all of our segments.

Payroll and benefits payable decreased by \$21 million from year-end 2017 primarily due to profit-based incentive payments related to 2017 financial performance that were paid in March of 2018.

Current portion of long-term debt increased by \$278 million from year-end 2017 primarily due to the reclassification from long-term to short-term of approximately \$281 million aggregate principal amount of our 2021 Senior Secured Notes during the first quarter of 2018. The \$281 million of 8.375% 2021 Senior Secured Notes were redeemed in April of 2018.

Long-term debt decreased by \$129 million from year-end 2017 primarily due to the tender of approximately \$499 million of our 2021 Senior Secured Notes in March of 2018 and reclassification of the remaining \$281 million to short-term debt, partially offset by the issuance of \$650 million aggregate principal amount of our 2026 Senior Notes in March 2018. For additional information, see Note 15 to the Consolidated Financial Statements.

CASH FLOW

Net cash used in operating activities was \$99 million for the three months ended March 31, 2018 compared to net cash used in operating activities of \$135 million in the same period last year. The increase in cash from operations is primarily due to stronger financial results, partially offset by changes in working capital period over period.

Changes in working capital can vary significantly depending on factors such as the 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 March 31, 2018 and 2017 are as follows:

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2018	2017	2018	2017
Accounts Receivable Turnover	2.1	2.1	8.5	8.4
Inventory Turnover	1.6	1.6	6.3	5.5

The increase in the inventory turnover approximates 8 days for the twelve months ended March 31, 2018 as compared to March 31, 2017 and is primarily due to an increase in cost of goods sold mainly attributable to higher raw materials costs across all of our segments.

The last-in, first-out (LIFO) inventory method is the predominant method of inventory costing in the United States. At March 31, 2018 and March 31, 2017, the LIFO method accounted for 73 percent and 70 percent of total inventory values, respectively. In the U.S., management monitors inventory realizability by comparing the LIFO cost of inventory with the replacement cost of inventory. To the extent the replacement cost (i.e., market value) of inventory is lower than the LIFO cost of inventory, management will write the inventory down. As of March 31, 2018 and December 31, 2017 the replacement cost of the inventory was higher by approximately \$726 million and \$802 million, respectively. Additionally, based on the Company's latest internal forecasts and its inventory requirements, management does not believe there will be significant permanent LIFO liquidations that would impact earnings for the remainder of 2018.

Our cash conversion cycle for the first quarter of 2018 remained consistent with the fourth quarter of 2017 as shown below:

Cash Conversion Cycle	2018		2017	
	\$ millions	Days	\$ millions	Days
Accounts receivable, net ^(a)	\$ 1,566	42	\$ 1,379	43
+ Inventories ^(b)	\$ 1,824	57	\$ 1,738	58
- Accounts Payable and Other Accrued Liabilities ^(c)	\$ 2,164	69	\$ 2,163	71
= Cash Conversion Cycle ^(d)		30		30

^(a) Calculated as Average Accounts Receivable, net divided by total Net Sales multiplied by the number of days in the period.

^(b) Calculated as Average Inventory divided by total Cost of Sales multiplied by the number of days in the period.

^(c) Calculated as Average Accounts Payable and Other Accrued Liabilities less bank checks outstanding and other current liabilities divided by total Cost of Sales multiplied by the number of days in the period.

^(d) Calculated as Accounts Receivable Days plus Inventory Days less Accounts Payable Days.

The cash conversion cycle is a non-generally accepted accounting principles (non-GAAP) financial measure. We believe the cash conversion cycle is a useful measure in providing investors with information regarding our cash management performance and is a widely accepted measure of working capital management efficiency. The cash conversion cycle should not be considered in isolation or as an alternative to other GAAP metrics as an indicator of performance.

Capital expenditures for the three months ended March 31, 2018, were \$208 million, compared with \$47 million in the same period in 2017. Flat-rolled capital expenditures were \$176 million and included spending for the Gary Works blast furnace reline and skip incline replacement, Minntac open pit equipment, Mon Valley sulfur dioxide (SO₂) boiler stack, Great Lakes Works Basic Oxygen Process (BOP) truss off gas main replacement, Gary Works blast furnace repairs and various other infrastructure, environmental and strategic projects. Tubular capital expenditures of \$11 million primarily related to Offshore Operations threading line and swage extension, as well as various other strategic capital projects. USSE capital expenditures of \$21 million consisted of spending for a boiler house upgrade, coke oven gas desulfurization ammonia still and boilers, steel shop ladle metallurgy dedusting and various other infrastructure and environmental projects.

U. S. Steel's contractual commitments to acquire property, plant and equipment at March 31, 2018, totaled \$485 million.

Capital expenditures for 2018 are expected to total approximately \$900 million and remain focused largely on strategic, infrastructure and environmental projects, as well as asset revitalization of our equipment to improve our operating reliability and efficiency, and product quality and cost by focusing on investments in our North American Flat-Rolled segment.

Issuance of long-term debt, net of financing costs, totaled \$640 million in the three months ended March 31, 2018. During the three months ended March 31, 2018, U. S. Steel issued \$650 million aggregate principal amount of 2026 Senior Notes. U. S. Steel received net proceeds from the offering of approximately \$640 million after fees of approximately \$10 million related to underwriting and third party expenses. For further information, see Note 15 to the Consolidated Financial Statements.

Repayment of long-term debt totaled \$538 million in the three months ended March 31, 2018. During the three months ended March 31, 2018, U. S. Steel repurchased through a tender offer approximately \$499 million of its then outstanding \$780 million 2021 Senior Secured Notes and paid premiums of \$39 million for the tender. For further information, see Note 15 to the Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes U. S. Steel's liquidity as of March 31, 2018:

(Dollars in millions)			
	Cash and cash equivalents	\$	1,372
	Amount available under \$1.5 Billion Credit Facility Agreement		1,500
	Amount available under USSK credit facilities		307
	Total estimated liquidity	\$	3,179

As of March 31, 2018, \$362 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.

On February 26, 2018, U. S. Steel entered into the Credit Facility Agreement, replacing its Third Amended and Restated Credit Agreement. The Credit Facility Agreement maintains the facility size of \$1.5 billion and extends the maturity date to 2023.

As of March 31, 2018, there were no amounts drawn under the \$1.5 billion Credit Facility Agreement. U. S. Steel must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Credit Facility Agreement is less than the greater of 10 percent of the total aggregate commitments and \$150 million. Based on the four quarters as of March 31, 2018, we have met this covenant. If we are unable to meet this covenant in future periods, the amount available to the Company under this facility would be reduced by \$150 million.

At March 31, 2018, USSK had no borrowings under its €200 million (approximately \$247 million) unsecured revolving credit facility (the USSK Credit Agreement). The USSK Credit Agreement contains certain USSK financial covenants as well as other customary terms and conditions. At March 31, 2018, USSK had full availability under the USSK Credit Agreement. Currently, the USSK Credit Agreement expires in July 2021.

At March 31, 2018, USSK had no borrowings under its €40 million and €10 million unsecured credit facilities (collectively approximately \$62 million) and the aggregate availability was approximately \$60 million due to approximately \$2 million of customs and other guarantees outstanding. The €40 million credit facility expires in December 2018. Currently, the €10 million credit facility also expires in December 2018, but can be extended one additional year to the final maturity date at the mutual consent of USSK and its lender.

In March 2018, U. S. Steel issued \$650 million aggregate principal amount of 2026 Senior Notes. U. S. Steel received net proceeds from the offering of approximately \$640 million after fees of approximately \$10 million related to the underwriting and third party expenses. The net proceeds from the issuance of the 2026 Senior Notes, together with cash on hand, were used to repurchase all of our outstanding 2021 Senior Secured Notes (see Note 15 to the Consolidated Financial Statements, "Debt" for further details). U. S. Steel will pay interest on the notes semi-annually in arrears on March 15th and September 15th of each year, commencing on September 15, 2018.

For the twelve months ended March 31, 2018, the Non-Guarantor Subsidiaries (as defined in the Indenture governing the 2021 Senior Secured Notes), which consist principally of our tubular subsidiaries and our foreign subsidiaries, including USSK, represented approximately 40% of our net sales, 49% of our operating income and 44% of our adjusted earnings (loss) before interest, income taxes, depreciation, depletion and amortization (EBITDA) on a consolidated basis. As of March 31, 2018, the Non-Guarantor Subsidiaries represented 42% of our total assets and had \$1.4 billion of total liabilities on a consolidated basis, including trade payables but excluding intercompany liabilities, all of which would be structurally senior to the 2021 Senior Secured Notes.

We may from time to time seek to retire or repurchase our outstanding long-term debt through open market purchases, privately negotiated transactions, exchange transactions, redemptions or otherwise. Such purchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, 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 \$186 million of liquidity sources for financial assurance purposes as of March 31, 2018. Increases in certain of these commitments which use collateral are reflected within cash, cash equivalents and restricted cash on the Consolidated Statement of Cash Flows.

At March 31, 2018, in the event of a change in control of U. S. Steel, the following may occur: (a) debt obligations totaling \$2,463 million as of March 31, 2018 may be declared due and payable; (b) the Credit Facility Agreements and the USSK Credit Agreement may be terminated and any amounts outstanding declared due and payable; and (c) U. S. Steel may be required to either repurchase the leased Fairfield slab caster for \$26 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 March 31, 2018. 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 2018 are expected to be for capital expenditures, including asset revitalization, employee benefits and operating costs, which includes purchases of raw materials. We finished the first quarter of 2018 with \$1,372 million of cash and cash equivalents and \$3.2 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, repurchase of debt, share buyback, 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.

Environmental Matters, Litigation and Contingencies

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.

Our U.S. facilities are subject to environmental laws applicable in the U.S., including the Clean Air Act (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.

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 CAA obligations and similar obligations in Europe.

Midwest Plant Incident

On April 11, 2017, there was a process waste water release at our Midwest Plant (Midwest) in Portage, Indiana that impacted a water outfall that discharges to Burns Waterway near Lake Michigan. U. S. Steel identified the source of the release and made the necessary repairs. We determined that all repairs were safely working as intended and, on April 14, 2017, resumed operations in a controlled, phased and highly monitored approach with extensive input from participating government agencies. The Company has since implemented substantial operational, process and notification improvements at Midwest. The Company has been presented with cost reimbursements, loss of use and penalty requests from the involved governmental agencies. Separately, the Company was placed on notice of potential citizens' enforcement suits regarding the April 2017 incident and other historical alleged Clean Water Act and Permit violations at Midwest. In January of 2018, The Surfrider Foundation and the City of Chicago initiated suits in the Northern District of Indiana alleging such violations. On April 2, 2018 the United States and the State of Indiana initiated a separate action against the Company and lodged a Consent Decree negotiated between U. S. Steel and the relevant governmental agencies consisting of all material terms to resolve the Clean Water Act and National Pollutant Discharge Elimination System (NPDES) violations at the Midwest Plant. The Surfrider Foundation and the City of Chicago agreed to stay their actions pending finalization of the Consent Decree which is currently open to public comment.

Slovak Operations

A Memorandum of Understanding (MOU) was signed in March 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. Although there are many conditions and uncertainties regarding the grants, including matters controlled by the European Union (EU), the value of these incentives as stated in the MOU could be as much as €75 million (approximately \$92 million). We expect the total amount of EU funds will be as much as €85 million (approximately \$105 million). The final grant value will depend on actual project spending and eligible costs. The MOU expired in March 2018; however, USSK will continue to receive the incentive funding for the approved BAT projects through their completion.

The EU's Industry Emission Directive requires 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 were required to be in compliance with the iron and steel BAT by March 8, 2016, unless specific exceptions or extensions were granted by the Slovak environmental authority. USSK updated existing operating permits for different facilities involved in producing iron and steel in the plant in accordance with the new BAT requirements. Through this process for some facilities, USSK has obtained extensions from the 2016 compliance deadline in order to meet or exceed the BAT requirements. Compliance with stricter emission limits going beyond BAT requirements makes us eligible for EU funding support and prepares us for any further tightening of environmental protection standards. Our most recent broad estimate of likely capital expenditures for projects to comply with or go beyond the BAT requirements is €138 million (approximately \$170 million) over the 2017 to 2020 time period.

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 funding intensity under these programs currently ranges from 55 percent of defined eligible costs on a project under the standard state scheme to 90 percent on an approved ad hoc scheme to improve the air quality in the Košice region of Slovakia. Based on our list of projects that comprise the approximate €138 million (approximately \$170 million) of spending noted, we currently believe we will be eligible to receive up to €85 million (approximately \$105 million) of incentive grants. This could potentially reduce our net cash expenditures to approximately €53 million (approximately \$65 million). The actual amount of capital spending will be dependent upon, among other things, the actual amount of incentive grants received.

We also believe there will be increased operating costs associated with these projects, such as increased energy and maintenance costs. We are currently unable to reliably estimate what the increase in operating costs will be as many projects are still in the development stage.

On March 28, 2017, the Regional Court in Košice issued an ex parte judicial lien on USSK's real property to plaintiffs in an ongoing legal case. Following a decision of the Supreme Court, which reversed and remanded the lien petition to the Regional Court, the lien has been removed. The Regional Court, which had originally issued the ex parte judicial lien, has decided that the imposition of a lien is not warranted and has not re-imposed the lien. The underlying case is still ongoing.

For further discussion of laws applicable in Slovakia and the EU and their impact on USSK, see Note 22 to the Consolidated Financial Statements, "Contingencies and Commitments - Environmental Matters, EU Environmental Requirements."

New and Emerging Environmental Regulations

United States and European Greenhouse Gas Emissions Regulations

Future compliance with CO₂ 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. On March 28, 2017, President Trump signed Executive Order 13783 instructing the Environmental Protection Agency (EPA) to review the Clean Power Plan. On October 16, 2017,

the EPA proposed to repeal the Clean Power Plan after reviewing the plan pursuant to President Trump's executive order. Any repeal and/or replacement of the Clean Power Plan is likely to be challenged by various proponents of the plan, such as environmental groups and certain states. Any impacts to our operations as a result of any future greenhouse gas regulations are not estimable at this time since the matter is unsettled. In any case, to the extent expenditures associated with any greenhouse gas regulation, as with all costs, are not ultimately reflected in the prices of U. S. Steel's products and services, operating results will be reduced. In addition, on April 2, 2018, EPA Administrator Scott Pruitt signed a notice in which the EPA withdrew from its prior January 12, 2017 Final Determination regarding greenhouse gas emission standards for model year (MY) 2022-2025 light duty vehicles. In the April 2, 2018 notice, the EPA provided its new determination that the greenhouse gas emission standards for MY 2022-2025 light duty vehicles are not appropriate in light of the record before the EPA and, therefore, the standards should be revised. The EPA, in partnership with the National Highway Traffic Safety Administration, will initiate a notice and comment rulemaking in a forthcoming Federal Register notice to further consider appropriate standards for MY 2022-2025 light-duty vehicles. California and other states have threatened to sue the EPA over the Agency's withdrawal of the prior determination. There were no material changes in U. S. Steel's exposure to European Greenhouse Gas Emissions regulations since December 31, 2017.

United States - Air

The CAA imposes stringent limits on air emissions with a federally mandated operating permit program and civil and criminal enforcement sanctions. The CAA requires, among other things, the regulation of hazardous air pollutants through the development and promulgation of National Emission Standards for Hazardous Air Pollutants (NESHAP) and Maximum Achievable Control Technology (MACT) Standards. The EPA has developed various industry-specific MACT standards pursuant to this requirement. The CAA requires the EPA to promulgate regulations establishing emission standards for each category of Hazardous Air Pollutants. The EPA also must conduct risk assessments on each source category that is already subject to MACT standards and determine if additional standards are needed to reduce residual risks.

While our operations are subject to several different categories of NESHAP and MACT standards, the principal impact of these standards on U. S. Steel operations includes those that are specific to coke making, iron making, steel making and iron ore processing.

The EPA is currently in the process of completing a Residual Risk and Technology Review of the Integrated Iron and Steel MACT regulations, Coke MACT regulations, and Taconite Iron Ore Processing MACT regulations as required by the CAA. The EPA is under a court order to complete the Residual Risk and Technology Review of the Integrated Iron and Steel regulations no later than March 13, 2020; and to complete the Residual Risk and Technology Review of the Taconite Iron Ore Processing Regulations by June 30, 2020. Because the EPA has not completed its review, any impacts related to the EPA's review of these standards cannot be estimated at this time.

On March 12, 2018, the New York State Department of Environmental Conservation (DEC) submitted a CAA Section 126 petition to the EPA. In the petition, the DEC asserts that stationary sources from the following nine states are interfering with attainment or maintenance of the 2008 and 2015 ozone National Ambient Air Quality Standards (NAAQS) in New York state: Illinois, Indiana, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Virginia, and West Virginia. DEC is requesting the EPA to require sources of nitrogen oxides in the nine states to reduce such emissions. Under the CAA, the EPA has 60-days to approve or deny the petition. While the EPA has not published its response to the petition, EPA approval of the petition could potentially result in increased capital and operating costs to our operations in the states identified in the petition.

The CAA also requires the EPA to develop and implement NAAQS for criteria pollutants, which include, among others, particulate matter (PM) - consisting of PM₁₀ and PM_{2.5}, lead, carbon monoxide, nitrogen dioxide, SO₂, and ozone. SO₂ is the NAAQS criteria pollutant of most concern to the Company at this time.

In June 2010, the EPA significantly lowered the primary NAAQS for SO₂ from 140 parts per billion (ppb) on a 24-hour basis to an hourly standard of 75 ppb. Subsequently, the EPA designated the areas in which Great Lakes Works and Mon Valley Works facilities are located as nonattainment with the 2010 standard for the SO₂ NAAQS. The non-attainment designation requires the facilities to implement operational and/or capital improvements to demonstrate attainment with the 2010 standard. In addition, the EPA is currently evaluating the attainment status for all other areas as required by a Consent Decree that the EPA entered with the Sierra Club and the Natural Resources Defense Council in March 2015 pursuant to a lawsuit filed by the non-governmental organizations. U. S. Steel is working with the relevant regulatory agencies in completing the evaluation process as required by the Consent Decree. While U. S. Steel has

determined that it will face increased capital, operating and compliance costs, the operational and financial impact of the SO₂ NAAQS is not estimated to be material at this time.

In October 2015, the EPA lowered the NAAQS for ozone from 75 ppb to 70 ppb. The EPA has designated certain areas in which we operate as nonattainment with the 2008 ozone standard. In addition, some areas in which we operate have been recommended as nonattainment with the 2015 ozone standard by the respective states. The EPA has yet to act on the nonattainment designation recommendations. On November 16, 2017, the EPA published its initial designations for areas that the EPA is designating as attainment/unclassifiable. The rule lists most areas in which U. S. Steel operates as attainment/unclassifiable. The EPA has yet to publish a notice regarding areas that it intends to designate as nonattainment. In response to a petition presented by a coalition of environmental organizations, on March 12, 2018, the Northern District of California Court ordered the EPA to promulgate 2015 ozone NAAQS designations for the remainder of the country (except an area surrounding San Antonio, Texas) by April 30, 2018. Because nonattainment designations and any implementation plans to bring the ozone nonattainment areas into attainment have yet to be proposed or developed, the operational and financial impact of the ozone NAAQS cannot be reasonably estimated at this time.

On December 14, 2012, the EPA lowered the annual standard for PM_{2.5} from 15 micrograms per cubic meter (ug/m³) to 12 ug/m³, and retained the PM_{2.5} 24-hour and PM₁₀ NAAQS rules. In December 2014, the EPA designated some areas in which U. S. Steel operates as nonattainment with the 2012 annual PM_{2.5} standard. On April 6, 2018, the EPA published a notice that Pennsylvania, California and Idaho failed to submit a State Implementation Plan (SIP) to demonstrate attainment with the 2012 fine particulate standard by the deadline established by the CAA. As a result of the notice, Pennsylvania, in which we operate, is required to submit a SIP to the EPA no later than November 7, 2019 to avoid sanctions. Because it is early in the SIP development stages, any impacts to U. S. Steel cannot be reasonably estimated at this time.

In 2010, the EPA retained the annual nitrogen dioxide NAAQS standard, but created a new 1-hour NAAQS and established new data reduction and monitoring requirements. While the EPA has classified all areas as being in attainment or unclassifiable, it is requiring implementation of a network of monitoring stations to assess air quality. Until the network is implemented and further designations are made, the impact on operations at U. S. Steel facilities cannot be reasonably estimated at this time.

Environmental Remediation

In the United States, U. S. Steel has been identified as a potentially responsible party (PRP) at seven sites under CERCLA as of March 31, 2018. Of these, there are two sites where information requests have been received or there are other indications that U. S. Steel may be a PRP under CERCLA, but where sufficient information is not presently available to confirm the existence of liability or to make a reasonable estimate with respect to any potential liabilities. There are also 18 additional sites where U. S. Steel may be liable for remediation costs in excess of \$100,000 under other environmental statutes, both federal and state, or where private parties are seeking to impose liability on U. S. Steel for remediation costs through discussions or litigation. At many of these sites, U. S. Steel is one of a number of parties involved and the total cost of remediation, as well as U. S. Steel's share, is frequently dependent upon the outcome of ongoing investigations and remedial studies. U. S. Steel accrues for environmental remediation activities when the responsibility to remediate is probable and the amount of associated costs is reasonably estimable. As environmental remediation matters proceed toward ultimate resolution or as remediation obligations arise, charges in excess of those previously accrued may be required.

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

The total accrual for such liabilities at March 31, 2018 was \$179 million. These amounts exclude liabilities related to asset retirement obligations, disclosed in Note 16 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.

OFF-BALANCE SHEET ARRANGEMENTS

U. S. Steel did not enter into any new material off-balance sheet arrangements during the first quarter of 2018.

GUIDANCE

We are beginning the second year of our asset revitalization program and we are already seeing benefits from the investments in our assets. It is prudent for us to anticipate the possibility of continued operational volatility for those assets yet to be revitalized. We remain focused on managing operating volatility to ensure we take care of our customers, and the restart of steel making at Granite City will increase our ability to do so. While there is uncertainty about how exclusion requests related to Section 232 will be resolved, we continue to invest in revitalizing our assets and developing innovative customer solutions. We are confident we will deliver our 2020 performance objectives.

Currently, we are experiencing operational challenges at our steelmaking facility at Great Lakes Works that we expect will have an unfavorable EBITDA impact of approximately \$30 million on second quarter results. We currently believe that second quarter 2018 adjusted EBITDA will be approximately \$400 million, and full-year 2018 adjusted EBITDA will be approximately \$1.7 - \$1.8 billion.

Please refer to the table below for the reconciliation of Guidance net earnings to adjusted EBITDA.

UNITED STATES STEEL CORPORATION			
RECONCILIATION OF ADJUSTED EBITDA GUIDANCE			
	Quarter Ended June 30 2018	Year Ended Dec. 31 2018 (Low end of range)	Year Ended Dec. 31 2018 (High end of range)
(Dollars in millions)			
Reconciliation to Projected Adjusted EBITDA Included in Guidance			
Projected net earnings attributable to United States Steel Corporation included in Guidance	\$ 190	\$ 855	\$ 955
Estimated income tax expense	20	40	40
Estimated net interest and other financial costs	67	320	320
Estimated depreciation, depletion and amortization	123	495	495
Granite City Works adjustment to temporary idling charges	—	(10)	(10)
Projected adjusted EBITDA included in Guidance	\$ 400	\$ 1,700	\$ 1,800

We present earnings (loss) before interest, income taxes, depreciation and amortization (EBITDA) and adjusted EBITDA, which are non-GAAP measures, as additional measurements to enhance the understanding of our operating performance. We believe that EBITDA, considered along with net earnings (loss), is a relevant indicator of trends relating to our operating performance and provides management and investors with additional information for comparison of our operating results to the operating results of other companies.

Adjusted EBITDA is a non-GAAP measure that excludes the effects of restructuring charges and significant temporary idling charges. We present adjusted EBITDA to enhance the understanding of our ongoing operating performance and established trends affecting our core operations, by excluding the effects of items such as restructuring charges and significant temporary idling charges that can obscure underlying trends. U. S. Steel's management considers adjusted EBITDA as an alternative measure of operating performance and not as an alternative measure of the Company's liquidity. U. S. Steel's management considers adjusted EBITDA useful to investors by facilitating a comparison of our operating performance to the operating performance of our competitors. Additionally, the presentation of adjusted EBITDA provides insight into management's view and assessment of the Company's ongoing operating performance, because management does not consider the adjusting items when evaluating the Company's financial performance or in preparing the Company's annual financial Guidance. Adjusted EBITDA should not be considered a substitute for net earnings (loss) or other financial measures as computed in accordance with U.S. GAAP and is not necessarily comparable to similarly titled measures used by other companies.

INTERNATIONAL TRADE

U. S. Steel continues to face competition from foreign steel producers, many of which are heavily subsidized by their governments and dump steel into our markets. Trade-distorting policies and practices, coupled with global steel overcapacity, impact pricing in our markets and influence the Company's ability to compete on a level playing field. U. S. Steel continues to lead the industry in efforts to address dumped and subsidized steel imports that injure the Company, our workers, and our country's national and economic security.

On April 19, 2017, the U.S. Department of Commerce (DOC) initiated an investigation under Section 232 of the Trade Expansion Act of 1962 to determine the effects of steel imports on U.S. national security. On May 24, 2017, U. S. Steel testified at the DOC public hearing and remained active throughout the investigation. On January 11, 2018, the DOC submitted its investigation report to the President. On March 8, 2018, the President signed Proclamation 9705 imposing 25 percent tariffs on steel imports from all countries except for Canada and Mexico. On March 19, 2018, the DOC published the requirements and process for companies to request and oppose product exclusions from the 25 percent tariff. Companies have 30 days from the publication of an exclusion request to submit opposition comments, and each request should be adjudicated in roughly 90 days. On March 22, 2018, the President signed Proclamation 9711 temporarily exempting steel imports from Argentina, Australia, Brazil, Canada, the European Union (EU), Mexico, and South Korea from the 25 percent tariffs until May 1, 2018. The U.S. Trade Representative and DOC are currently negotiating possible quotas in lieu of tariffs with certain foreign countries. On April 5, 2018, the U.S. Court of International Trade (CIT) denied Russian steel producer and exporter Severstal's request for a temporary restraining order against the imposition of the 25 percent tariffs. The CIT is now considering the merits of Severstal's constitutional challenge to the 25 percent tariffs. On April 9, 2018, China challenged the Section 232 action by filing requests for consultation with the United States at the World Trade Organization (WTO). China, the EU, India, and Turkey have also requested consultations regarding the Section 232 action under the WTO's Agreement on Safeguards.

U. S. Steel continues to be actively engaged in relevant administrative reviews, five-year reviews, and appeals of the 54 antidumping (AD) and countervailing duty (CVD) orders covering products U. S. Steel produces before the DOC, U.S. International Trade Commission (USITC), the CIT, and the U.S. Court of Appeals for the Federal Circuit.

On December 5, 2017, in response to circumvention petitions filed by U. S. Steel and other domestic steel producers in September 2016, the DOC preliminarily found that imports of cold-rolled and galvanized steel made from Chinese substrate are covered by the AD/CVD orders on such imports from China. As a result of the preliminary determination, U.S. imports of cold-rolled steel from Vietnam made from Chinese hot-rolled steel are subject to 522.23% cash deposit requirements and U.S. imports of galvanized steel from Vietnam made from Chinese hot- or cold-rolled steel are subject to 238.48% cash deposit requirements, both retroactive to November 4, 2016. The DOC's final circumvention determinations are expected May 3, 2018.

In April 2016, U. S. Steel launched a case under Section 337 of the Tariff Act of 1930 against several Chinese producers and their distributors. The complaint alleged three causes of action: 1) illegal conspiracy to fix prices and control output and export volumes; 2) the theft of trade secrets through industrial espionage; and 3) circumvention of duties by false labeling of the steel's origin and transshipment (FDO). On May 26, 2016, the USITC instituted an investigation on all three causes of action. On February 15, 2017, U. S. Steel voluntarily withdrew the trade secrets claim preserving its right to resurrect the claim when additional information becomes available. On October 2, 2017, the Administrative Law Judge assigned to the case terminated the FDO claim. On March 19, 2018, the USITC terminated the price fixing claim. The entire claim was officially terminated on April 9, 2018. The Company has elected not to pursue an appeal.

On December 12, 2016, China filed a complaint at the WTO against the U.S. and the EU alleging that the U.S. and EU are violating their treaty obligations by continuing to use the non-market economy (NME) methodology for price comparisons in antidumping duty investigations and reviews. On April 3, 2017, the DOC issued a notice requesting comments and information on whether China should continue to be treated as a NME country under U.S. AD laws. U. S. Steel and other domestic producers submitted comments to the DOC on May 10, 2017. On October 26, 2017, the DOC issued a memorandum concluding that it will continue to use the NME methodology for AD proceedings involving imports from China because the state continues to fundamentally distort China's economy. China then requested additional consultations with the U.S. regarding its WTO complaint. The outcome of these WTO disputes may impact U.S. AD orders on Chinese goods, including many steel products.

U. S. Steel continually assesses the impact of imports and global excess capacity 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.

NEW ACCOUNTING STANDARDS

See Notes 2 and 3 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, 2017.

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 March 31, 2018. 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 March 31, 2018, 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 March 31,	
	2018	2017
SEGMENT EARNINGS (LOSS) BEFORE INTEREST AND INCOME TAXES:		
Flat-Rolled	\$ 33	\$ (88)
U. S. Steel Europe	110	87
Tubular	(27)	(57)
Total reportable segments	116	(58)
Other Businesses	11	13
Items not allocated to segments:		
Granite City Works adjustment to temporary idling charges	10	—
Loss on shutdown of certain tubular assets	—	(35)
Total earnings (loss) before interest and income taxes	\$ 137	\$ (80)
CAPITAL EXPENDITURES		
Flat-Rolled	\$ 176	\$ 25
U. S. Steel Europe	21	14
Tubular	11	7
Other Businesses	—	1
Total	\$ 208	\$ 47
OPERATING STATISTICS		
Average realized price: (\$/net ton) ^(a)		
Flat-Rolled	\$ 740	\$ 719
U. S. Steel Europe	707	594
Tubular	1,387	1,097
Steel Shipments: ^{(a)(b)}		
Flat-Rolled	2,534	2,404
U. S. Steel Europe	1,127	1,109
Tubular	179	144
Intersegment Shipments: ^(b)		
Flat-Rolled to Tubular	67	—
U. S. Steel Europe to Flat-Rolled	—	22
Raw Steel Production: ^(b)		
Flat-Rolled	2,784	2,714
U. S. Steel Europe	1,292	1,258
Raw Steel Capability Utilization: ^(c)		
Flat-Rolled	66%	65%
U. S. Steel Europe	105%	102%

^(a) Excludes intersegment transfers.

^(b) Thousands of net tons.

^(c) Based on annual raw steel production capability of 17.0 million net tons for Flat-Rolled and 5.0 million net tons for USSE.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

GENERAL LITIGATION

In April 2016, U. S. Steel launched a case under Section 337 of the Tariff Act of 1930 against several Chinese producers and their distributors. The complaint alleged three causes of action: 1) illegal conspiracy to fix prices and control output and export volumes; 2) the theft of trade secrets through industrial espionage; and 3) circumvention of duties by false labeling of the steel's origin and transshipment (FDO). On May 26, 2016, the USITC instituted an investigation on all three causes of action. On February 15, 2017, U. S. Steel voluntarily withdrew the trade secrets claim preserving its right to resurrect the claim when additional information becomes available. On October 2, 2017, the Administrative Law Judge (ALJ) assigned to the case terminated the FDO claim. On March 19, 2018, the USITC terminated the price fixing claim. The entire claim was officially terminated on April 9, 2018. The Company has elected not to pursue an appeal.

On April 11, 2017, there was a process waste water release at our Midwest Plant (Midwest) in Portage, Indiana that impacted a water outfall that discharges to Burns Waterway near Lake Michigan. U. S. Steel identified the source of the release and made the necessary repairs. We determined that all repairs were safely working as intended and, on April 14, 2017, resumed operations in a controlled, phased and highly monitored approach with extensive input from participating government agencies. The Company has since implemented substantial operational, process and notification improvements at Midwest. The Company has been presented with cost reimbursements, loss of use and penalty requests from the involved governmental agencies. Separately, the Company was placed on notice of potential citizens' enforcement suits regarding the April 2017 incident and other historical alleged Clean Water Act and Permit violations at Midwest. In January of 2018, The Surfrider Foundation and the City of Chicago initiated suits in the Northern District of Indiana alleging such violations. On April 2, 2018 the United States and the State of Indiana initiated a separate action against the Company and lodged a Consent Decree negotiated between U. S. Steel and the relevant governmental agencies consisting of all material terms to resolve the Clean Water Act and NPDES violations at the Midwest Plant. The Surfrider Foundation and the City of Chicago agreed to stay their actions pending finalization of the Consent Decree which is currently open to public comment.

On August 9, 2017, the Minnesota Pollution Control Agency (MPCA) issued rulemaking proposals to replace the current sulfate standard with an equation-based standard. As part of the rulemaking process, an ALJ was appointed to preside over public hearings and comments. The Company and others challenged the standards and presented evidence that the standards were unsupported by science and that the MPCA failed to consider associated costs as part of the rulemaking process. On January 9, 2018, the ALJ rejected the MPCA's proposals, concluding that the MPCA failed to comply with state law requirements for drafting and adopting a new standard, that portions of the rule were unsupported by the MPCA's evidence and that the MPCA proposal was unconstitutional due to vagueness. On March 28, 2018, the MPCA submitted comments to the Chief ALJ seeking revisions to these determinations.

On October 2, 2017, an Amended Shareholder Class Action Complaint was filed in Federal Court in the Western District of Pennsylvania consolidating previously-filed actions. Separately, four related shareholder derivative lawsuits were filed in State and Federal courts in Pittsburgh, Pennsylvania. The underlying consolidated class action lawsuit alleges that U. S. Steel, certain current and former officers, an upper level manager of the Company and the financial Underwriters who participated in the August 2016 secondary public offering violated federal securities laws in making false statements and/or failing to discover and disclose material information regarding the financial condition of the Company. The lawsuit claims that this conduct caused a prospective class of plaintiffs to sustain damages during the period from January 27, 2016 to April 25, 2017 as a result of the prospective class purchasing the Company's common stock at artificially inflated prices and/or suffering losses when the price of the common stock dropped. The derivative lawsuits generally make the same allegations against the same officers and also allege that certain current and former members of the Board of Directors failed to exercise appropriate control and oversight over the Company and were unjustly compensated. They seek to recover losses that were allegedly sustained. The Company is vigorously defending these matters.

ENVIRONMENTAL PROCEEDINGS

The following is a summary of the proceedings of U. S. Steel that were pending or contemplated as of March 31, 2018, under federal and state environmental laws. Information about specific sites where U. S. Steel is or has been engaged

in significant clean up or remediation activities is also summarized below. Except as described herein, it is not possible to accurately predict the ultimate outcome of these matters.

CERCLA Remediation Sites

Claims under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) 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.

As of March 31, 2018, U. S. Steel has received information requests or been identified as a PRP at a total of seven CERCLA sites, two of which have liabilities that have not been 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 at the other five sites will be between \$100,000 and \$1 million for four of the sites, and over \$5 million for one site as described below.

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 the MPCA in 1985 and a Record of Decision signed by MPCA in 1989. U. S. Steel has submitted a feasibility study that includes remedial measures to address contaminated sediments in the St. Louis River Estuary and several other Operable Units that could impact the Estuary if not addressed.

While work continues on completion of the remedial design and educating the public and key stakeholders on the details of the plan, there has been no material change in the status of the project during the three months ended March 31, 2018. Additional study, investigation, design, oversight costs, and implementation of U. S. Steel's preferred remedial alternatives on the upland property and Estuary are currently estimated as of March 31, 2018 at approximately \$47 million.

RCRA and Other Remediation Sites

U. S. Steel may be liable for remediation costs under other environmental statutes, both federal and state, or where private parties are seeking to impose liability on U. S. Steel for remediation costs through discussions or litigation. There are 18 such sites where remediation is being sought involving amounts in excess of \$100,000. Based on currently available information, which is in many cases preliminary and incomplete, management believes that liability for cleanup and remediation costs in connection with 8 sites have potential costs between \$100,000 and \$1 million per site, 5 sites may involve remediation costs between \$1 million and \$5 million per site and 5 sites are estimated to or could have, costs for remediation, investigation, restoration or compensation in excess of \$5 million per site.

For more information on the status of remediation activities at U. S. Steel's significant sites, see the discussions related to each site below.

Gary Works

On October 23, 1998, the Environmental Protection Agency (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 Resource Conservation and Recovery Act (RCRA) Facility Investigation (RFI), a Corrective Measures Study (CMS) and Corrective Measure Implementation. While work continues on several items, there has been no material change in the status of the project during the three months ended March 31, 2018. 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 \$25 million as of March 31, 2018, based on our current estimate of known remaining costs.

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). 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). While preliminary approval of the conceptual CAMU design has been granted by the UDEQ, there has been no material change in the status of the project during the three months ended March 31, 2018. U. S. Steel has an accrued liability of approximately \$63 million as of March 31, 2018, for our estimated share of the remaining costs of remediation.

USS-POSCO Industries (UPI)

A joint venture in Pittsburg, California between subsidiaries of U. S. Steel and POSCO, UPI's facilities were previously owned and operated solely by U. S. Steel which retains primary responsibility for the existing environmental conditions. Work continues to monitor the impacts of the remedial plan implemented in 2016 to address groundwater impacts from trichloroethylene at SWMU 4. Evaluations continue for the three SWMUs known as the Northern Boundary 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 California Department of Toxic Substances Control. As such, there has been no material change in the status of the project during the three months ended March 31, 2018. As of March 31, 2018, approximately \$1 million has been accrued for ongoing environmental studies, investigations and remedy monitoring. Significant additional costs associated with this site are possible and are referenced in Note 22 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) in December 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, with the approval of the EPA, assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works. While work continues on different aspects of the program, there has been no material change in the status of the project during the three months ended March 31, 2018. In total, the accrued liability for remaining work under the Corrective Action Program, was approximately \$257,000 at March 31, 2018. Significant additional costs associated with this site are possible and are referenced in Note 22 to the Consolidated Financial Statements "Contingencies and Commitments - Environmental Matters - Remediation Projects - Projects with Ongoing Study and Scope Development."

Fairless Plant

In April 1993, U. S. Steel entered into a consent order with the EPA pursuant to RCRA, under which U. S. Steel would perform Interim Measures (IM), an RFI and CMS at our Fairless Plant. A Phase I RFI Final Report was submitted in September of 1997. With EPA's agreement, in lieu of conducting subsequent phases of the RFI and the CMS, U. S. Steel has been working through the Pennsylvania Department of Environmental Protection Act 2 Program to characterize and remediate facility parcels for redevelopment. While work continues on these items, there has been no material change in the status of the project during the three months ended March 31, 2018. As of March 31, 2018, the accrued liability to maintain the interim measures, and clear properties through the Act 2 process is approximately \$340,000. Significant additional costs associated with this site are possible and are referenced in Note 22 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 and the Ohio Environmental Protection Agency (OEPA) commenced discussions about RCRA Corrective Action at Lorain Tubular Operations. A Phase I RFI on the identified SWMUs and Areas of Contamination was submitted in March 2012. While discussions continue with OEPA on the Phase II RFI report that addresses additional investigations of soil, site wide groundwater and the pipe mill lagoon, there has been no material change in the status of the project during the three months ended March 31, 2018. As of March 31, 2018, costs to complete additional projects are estimated to be approximately \$101,000. Significant additional costs associated with this site are possible and are referenced in Note 22 to the Consolidated Financial Statements "Contingencies and Commitments - Environmental Matters - Remediation Projects - Projects with Ongoing Study and Scope Development."

Joliet Works

The 50-acre parcel at the former Joliet Works is enrolled in the Illinois Environmental Protection Agency's (IEPA) voluntary Site Remediation Program (the Program). The Program requires investigation and establishment of cleanup objectives followed by submission/approval of a Remedial Action Plan to meet those objectives. The 50-acre parcel was divided into four (4) subareas with remedial activities completed in 2015 for three (3) of the subareas. While work continues to define the requirements for further investigation of the remaining subarea, there has been no material change in the status of the project during the three months ended March 31, 2018. U. S. Steel has an accrued liability of \$287,000 as of March 31, 2018. Significant additional costs associated with this site are possible and are referenced in Note 22 to the Consolidated Financial Statements "Contingencies and Commitments - Environmental Matters - Remediation Projects - Projects with Ongoing Study and Scope Development."

Cherryvale (KS) Zinc

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 of the site proper was essentially completed in 2007. The Consent Order was amended on May 3, 2013, to require investigation (but not remediation) of potential contamination beyond the boundary of the former zinc smelting operation. On November 22, 2016, KDHE approved a State Cooperative Final Agency Decision Statement that identified the remedy selected to address potential contamination beyond the boundary of the former zinc smelting site. Work continues on finalizing the Removal Action Design Plan as well as institutional controls required under the Plan. As of March 31, 2018, an accrual of approximately \$349,000 remains available for addressing these outstanding issues. Significant additional costs associated with this site are possible and are referenced in Note 22 to the Consolidated Financial Statements "Contingencies and Commitments - Environmental Matters - Remediation Projects - Projects with Ongoing Study and Scope Development."

South Works

On August 29, 2017, U. S. Steel was notified by the U.S. Coast Guard of a sheen on the water in the North Vessel Slip at our former South Works in Chicago, Illinois. U. S. Steel has been working with the IEPA under their voluntary Site Remediation Program since 1993 to evaluate the condition of the property including the North Vessel Slip. The result of this cooperative effort has been the issuance of a series of "No Further Remediation" (NFR) notices to U. S. Steel including one specific to the North Vessel Slip. U. S. Steel has notified the IEPA of the potential changed condition and is working closely with the IEPA and the U. S. Coast Guard to determine the source of the sheen and options to address the issue. U. S. Steel has an accrued liability of \$50,000 as of March 31, 2018.

Air Related Matters

Great Lakes Works

In June 2010, the EPA significantly lowered the primary National Ambient Air Quality Standards (NAAQS) for SO₂ from 140 parts per billion (ppb) on a 24-hour basis to an hourly standard of 75 ppb. Based upon the 2009-2011 ambient air monitoring data, the EPA designated the area in which Great Lakes Works is located as nonattainment with the 2010 SO₂ NAAQS.

As result, the Michigan Department of Environmental Quality (MDEQ) must submit a SIP to the EPA that demonstrates that the entire nonattainment area (and not just the monitor) will be in attainment by October 2018 by using conservative air dispersion modeling. U. S. Steel met with MDEQ on multiple occasions and had offered reduction plans to MDEQ but the parties could not agree to a plan. MDEQ, instead promulgated Rule 430 which was solely directed at U. S. Steel. The Company challenged Rule 430 before the Michigan Court of Claims who by Order dated October 4, 2017, granted the Company's motion for summary disposition voiding Rule 430 finding that it violated rule-making provisions of the Michigan Administrative Procedures Act and Michigan Constitution. Since Rule 430 has been invalidated, EPA has indicated that it would promulgate a Federal Implementation Plan (FIP). Because development of the FIP is in the early stages, the impacts of the nonattainment designation to the Company are not estimable at this time.

On January 31, 2018, U. S. Steel received a Violation Notice from MDEQ in which MDEQ alleges that U. S. Steel exceeded the applicable six-minute opacity standard at the B2 Blast Furnace Casthouse on October 25, 2017. U. S. Steel responded to the notice on February 21, 2018. No penalty has been assessed.

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. While the resolution of the matter is uncertain at this time, it is not anticipated that the resolution will be material to U. S. Steel.

Granite City Works

In October 2015, Granite City Works received a Violation Notice from IEPA in which the IEPA alleges that U. S. Steel violated the emission limits for nitrogen oxides (NOx) and volatile organic compounds from the Basic Oxygen Furnace Electrostatic Precipitator Stack. In addition, the IEPA alleges that U. S. Steel exceeded its natural gas usage limit at its CoGeneration Boiler. U. S. Steel responded to the notice and is currently discussing resolution of the matter with IEPA.

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 FIP that applies to taconite facilities in Minnesota. The FIP establishes and requires emission limits and the use of low NOx reduction technology on indurating furnaces as Best Available Retrofit Technology. While U. S. Steel installed low NOx burners on three furnaces at Minntac and is currently obligated to install low NOx burners on the two other furnaces at Minntac pursuant to existing agreements and permits, the rule would require the installation of a low NOx burner 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 \$25 to \$30 million. In 2013, U. S. Steel filed a petition for administrative reconsideration to the EPA and a petition for judicial review of the 2013 FIP and denial of the Minnesota SIP to the Eighth Circuit. In April 2016, the EPA promulgated a revised FIP with the same substantive requirements for U. S. Steel. In June 2016, U. S. Steel filed a petition for administrative reconsideration of the 2016 FIP to the EPA and a petition for judicial review of the 2016 FIP before the Eighth Circuit Court of Appeals. While the proceedings regarding the petition for judicial review of the 2013 FIP remained stayed, oral arguments regarding the petition for judicial review of the 2016 FIP were heard by the Eighth Circuit Court of Appeals on November 15, 2017. Thus, both petitions for judicial review remain with the Eighth Circuit. On December 4, 2017, EPA published a notification in the Federal Register in which the EPA denied U. S. Steel's administrative petitions for reconsideration and stay of the 2013 FIP and 2016 FIP. On February 1, 2018, U. S. Steel filed a petition for judicial review of EPA's denial of the administrative petitions for reconsideration to the 8th Circuit Court of Appeals. U. S. Steel continues to defend its petitions while pursuing a resolution that would include an equitable revision to the FIP.

Mon Valley Works

On November 9, 2017, EPA Region III and Allegheny County Health Department (ACHD) jointly issued a Notice of Violation (NOV) regarding the Company's Edgar Thomson facility in Braddock, PA. In addition, on November 20, 2017, ACHD issued a separate, but related NOV to the Company regarding the Edgar Thomson facility. In the NOVs, based upon their inspections and review of documents collected throughout the last two years, the agencies allege that the Company has violated the Clean Air Act by exceeding the allowable visible emission standards from certain operations during isolated events. In addition, the agencies allege that the Company has violated certain maintenance, reporting,

and recordkeeping requirements. U. S. Steel met with EPA Region III and ACHD on December 18, 2017. EPA Region III and ACHD have issued a Clean Air Act Section 114 Request to U. S. Steel as part of its investigation. U. S. Steel is in the process of responding to the request and continues to cooperate with the authorities. U. S. Steel continues to negotiate a potential resolution of the matter.

On March 2, 2018, U. S. Steel received an Administrative Order from the ACHD, in which ACHD alleges that U. S. Steel did not comply with its emission limits for SO₂ at the C Battery Quench Tower during a stack test that occurred in November 2017. To date, no penalty has been assessed. U. S. Steel is currently reviewing relevant information regarding the process and test. U. S. Steel will meet with ACHD to discuss resolution.

On March 12, 2018, U. S. Steel received an Administrative Order from the ACHD, in which ACHD alleges that U. S. Steel violated applicable visible emission standards from coke plant lids, doors, and offtakes at its Clairton facility during the third quarter of 2017. In the Order, ACHD assesses a civil penalty of \$490,125. U. S. Steel met with ACHD on April 3, 2018 to discuss resolution and continues to work toward settlement.

On April 4, 2018, U. S. Steel received an Enforcement Order from the ACHD, in which the Department alleges that during two separate incidents that were to have occurred in February and March 2016, U. S. Steel conducted certain asbestos-related activities without a license or permit and otherwise in violation of Federal and County regulations. According to the Order, the allegations are based on ACHD's review of OSHA's records regarding the same alleged incidents that U. S. Steel resolved with OSHA in 2016. In the Order, ACHD assesses a penalty of \$263,575. U. S. Steel is currently reviewing the Enforcement Order. U. S. Steel plans to discuss resolution with ACHD.

ASBESTOS LITIGATION

As of March 31, 2018, U. S. Steel was a defendant in approximately 773 active cases involving approximately 3,320 plaintiffs. The vast majority of these cases involve multiple defendants. At December 31, 2017, U. S. Steel was a defendant in approximately 820 active cases involving approximately 3,315 plaintiffs. About 2,547, or approximately 77 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.

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, 2015	3,455	415	275	3,315
December 31, 2016	3,315	225	250	3,340
December 31, 2017	3,340	275	250	3,315
March 31, 2018	3,315	70	75	3,320

Historically, asbestos-related claims against U. S. Steel fall into three 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

None.

Item 6. EXHIBITS

10.1	<u>Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (Annual Grant)</u>
10.2	<u>Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (Retention Grant)</u>
10.3	<u>Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement (TSR Grant)</u>
10.4	<u>Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement (ROCE Grant)</u>
10.5	<u>Administrative Procedures for the Executive Management Annual Compensation Incentive Program under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan as approved on February 27, 2018</u>
10.6	<u>United States Steel Deferred Compensation Program for Non-Employee Directors, as amended April 24, 2018</u>
31.1	<u>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.</u>
31.2	<u>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.</u>
32.1	<u>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.</u>
32.2	<u>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.</u>
95	<u>Mine Safety Disclosure required under Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.</u>
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

April 27, 2018

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.

**United States Steel Corporation 2016 Omnibus Incentive Compensation Plan
Restricted Stock Unit Grant Agreement**

United States Steel Corporation, a Delaware Corporation (herein called the "Corporation"), grants to the employee of the employing company identified below (the "Participant") the number of Restricted Stock Units ("RSUs") set forth below, each of which is a bookkeeping entry representing the equivalent in value of one share of the class of common stock of the Corporation set forth below:

Name of Participant:	PARTICIPANT NAME
Name of Employing Company on Date Hereof:	(the company recognized by the Corporation as employing the Participant)
Number of RSUs Granted:	# RSUs
Date of Grant:	GRANT DATE

By accepting this Award in any manner and within the time period prescribed by the Corporation, the Participant agrees that (1) these RSUs are granted under and governed by the terms and conditions of the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, as the same may be amended from time to time (the "Plan") and the provisions of this Restricted Stock Unit Grant Agreement, including (i) the Terms and Conditions contained herein, (ii) if applicable to the Participant under Section 11 hereof, the Confidentiality and Proprietary Rights Agreement attached as Exhibit A and the Non-Competition Agreement attached as Exhibit B, and (iii) any special provisions for the Participant's country of residence set out on Exhibit C (collectively, the "Agreement"), (2) he or she has reviewed the Plan and the Agreement in their entirety, and (3) he or she has had an opportunity to obtain the advice of counsel prior to accepting this Award and fully understands all provisions of the Plan and the Agreement.

United States Steel Corporation

By: _____
Authorized Officer

Terms and Conditions

- Award:** The Corporation has granted to the Participant the number of RSUs set forth in this Agreement. Each RSU represents the right to receive one share of the Corporation's common stock (a "Share") on the date specified in Section 6 below in settlement of each RSU that has vested as provided in Sections 3, 4 or 5 below. Unless and until the RSUs are vested in the manner set forth in Section 3, 4 or 5 below, the Participant will have no right to settlement of any such RSUs or any right to receive any Shares. Prior to settlement of any vested RSUs, such RSUs will represent an unsecured obligation of the Corporation, payable (if at all) only from the general assets of the Corporation.
- Restriction Period:** The restriction period with regard to the RSUs shall commence on the date the RSUs are granted and end on the date the RSUs are settled as provided in Section 6 below. During the restriction period, the Participant shall not sell, transfer, assign, pledge or otherwise encumber or dispose of any portion of the RSUs, and any attempt to sell, transfer, assign, pledge or encumber any portion of the RSUs prior to the end of the restriction period shall have no effect. During the restriction period, the Participant shall not be entitled to vote any Shares that may be received upon settlement of any vested RSUs and shall not receive dividends paid on those Shares. The Participant shall be entitled to receive dividend equivalents in cash; provided, however, the dividend equivalents shall not vest or be paid to the Participant unless and to the extent the underlying RSUs vest as provided in Section 3, 4 or 5 of this Agreement.
- Change in Control:** If the Participant's employment is terminated within two years following a Change in Control involuntarily (except for Cause) or, in the case of a Participant designated by the Corporation as executive management at the time of the Change in Control ("Executive Management"), voluntarily for Good Reason, each unvested RSU will immediately vest, except as otherwise determined by the Corporation with respect to any Participant who is not Executive Management.
- Termination of Employment:** The full unvested Number of RSUs Granted will immediately vest upon the Participant's death during employment or upon Termination of employment due to becoming Disabled or on or after attainment of Normal Retirement Age, and a prorated Number of RSUs Granted that are scheduled to vest during the current Vesting Year will vest upon Termination of employment on or after attainment of Early Retirement Age or Termination under circumstances which would qualify the Participant for benefits under a severance plan of the Corporation based upon the number of complete months worked during the Vesting Year in which such Termination of employment occurs. Except as provided in Section 3, in this Section 4 and in Section 5, all unvested RSUs will be forfeited automatically upon any other Termination of employment (including but not limited to any voluntary termination by the Participant or any Termination by the Corporation or the Employing Company for Cause or without Cause), such forfeiture being without consideration or without further action required of the Corporation or Employing Company.
- Vesting:** Subject to Sections 3 and 4, the RSUs shall vest as follows: (a) upon the first anniversary of the Date of Grant, one-third of the Number of RSUs Granted shall vest, provided that the Participant is employed by an Employing Company on such anniversary, (b) upon the second anniversary of the Date of Grant, an additional one-third of the Number of RSUs Granted shall vest, provided that the Participant is employed by an Employing Company on such anniversary, and (c) upon the third anniversary of the Date of Grant, the remaining one-third of the Number of RSUs Granted shall vest, provided that the Participant is employed by an Employing Company on such anniversary. All fractional unvested RSUs, if any, resulting from the ratable vesting shall vest as whole RSUs upon the latest vesting date.

Except as provided in Sections 3 and 4 of this Agreement, notwithstanding any other terms or conditions of the Plan or this Agreement to the contrary, in the event of the Participant's Termination of employment, regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any, the Participant's right to vest in the RSUs, if any, will terminate effective as of the date that the Participant is no longer actively employed by an Employing Company and will not be extended by any notice period (i.e., active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any). The Committee shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of the RSUs.

6. Settlement: RSUs that have vested shall be paid in Shares, along with any dividend equivalents with respect to those vested RSUs, within 45 days after the applicable vesting date, provided, however, that any RSUs that vest as a result of attainment of Normal Retirement Age shall be paid as if those RSUs had vested pursuant to Section 5, subject to Section 16 hereof. The Corporation shall have no obligation to issue Shares unless and until the Participant has satisfied any applicable tax withholding obligations pursuant to Section 12 below and such issuance otherwise complies with all applicable law. Upon vesting and settlement of the RSUs, Shares shall be delivered free of all restrictions on transferability or forfeiture except for restrictions required by applicable laws and/or regulations, and issued in the Participant's name (or, in the event of the Participant's death prior to such termination or such issuance, to the Participant's estate) for the number of Shares subject to vested RSUs. The Participant shall not be entitled to delivery of any portion of the Shares until the corresponding portion of the RSUs has vested.

7. Adjustments and Recoupment: The number of RSUs awarded is subject to adjustment as provided in Section 8 of the Plan. The Participant shall be notified of such adjustment and such adjustment shall be binding upon the Corporation and the Participant. This Award shall be administered in accordance with, and is subject to, any recoupment policies and provisions prescribed by the Plan; including but not limited to Section 7.07 thereof and all clawback and recoupment policies or provisions required by law from time to time. In its sole discretion, the Committee shall have the authority to amend, waive or apply the terms of any clawback or recoupment policies or provisions, to the extent necessary or advisable to comply with applicable laws, as determined by the Committee.

8. Interpretation and Amendments: This Award, the vesting and delivery of RSUs and the issuance of Shares upon vesting are subject to, and shall be administered in accordance with, the provisions of the Plan, as the same may be amended by the Committee from time to time, provided that no amendment may, without the consent of the Participant, affect the rights of the Participant under this Award in a materially adverse manner. For purposes of the foregoing sentence, an amendment that affects the tax treatment of the RSUs or that is necessary to comply with securities or other laws applicable to the issuance of Shares shall not be considered as affecting the Participant's rights in a materially adverse manner. All capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Plan. In the event of a conflict between the Plan and this Agreement, unless this Agreement specifies otherwise, the Plan shall control.

9. Compliance with Laws: The obligations of the Corporation and the rights of the Participant are subject to all applicable laws, rules and regulations including, without limitation, the U.S. Securities Exchange Act of 1934, as amended; the U.S. Securities Act of 1933, as amended; the U.S. Internal Revenue Code of 1986, as amended; and any other applicable U.S. and foreign laws. No Shares will be issued or delivered to the Participant under the Plan unless and until there has been compliance with such applicable laws.

10. Acceptance of Award: This Award is contingent on the Participant's acceptance of the Award in the manner and within the time period established by the Corporation. The Award shall be forfeited without further action by the Corporation and shall not be payable if it is not accepted by the Participant in the manner and within the time period established by the Corporation.

11. Confidentiality and Non-Competition: If a Participant is employed in the United States or Canada in a position below the rank of Vice President on the Date of Grant, then the Participant agrees and understands that (a) by accepting this Award the Participant shall be bound by and subject to the terms of the Confidentiality and Proprietary Rights Agreement attached to this Agreement and incorporated herein as Exhibit A and the terms and conditions of the Non-Competition Agreement attached to this Agreement and incorporated herein as Exhibit B, and (b) notwithstanding any other terms or conditions of the Plan or this Agreement to the contrary, in addition to any other remedies available at law, all unvested RSUs will be forfeited immediately and without further action by the Corporation in the event the Participant fails to comply with or breaches any of the obligations and restrictions under Exhibits A or B of this Agreement.

12. Withholding Taxes: The Participant acknowledges that, regardless of any action taken by the Corporation or the Employing Company, the ultimate liability for any or all income tax, social security, payroll tax, payment on account or other tax-related withholding or liability in connection with any aspect of the RSUs, including the grant, vesting, or settlement of the RSUs or the subsequent sale of Shares ("Tax-Related Items") is and remains his or her responsibility and may exceed the amount withheld by the Corporation or the Employing Company. Furthermore, the Participant acknowledges that the Corporation and/or the Employing Company (a) make no representations or undertakings regarding the treatment of any Tax-Related Items; and (b) do not commit to and are under no obligation to structure the terms of the grant of the RSUs or any aspect of the Participant's participation in the Plan to reduce or eliminate his or her liability for Tax-Related Items or to achieve any particular tax result. Further, if the Participant has become subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that the Corporation and/or the Employing Company (or former Employing Company, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Participant shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employing Company to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Corporation and/or the Employing Company, or their respective agents, at their discretion, to satisfy the obligations with regard to all applicable Tax-Related Items by one or a combination of the following methods: (1) withholding from Participant's wages or other cash compensation paid to Participant by the Corporation and/or the Employing Company; (2) withholding from proceeds of the sale of Shares issued upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Corporation (on Participant's behalf pursuant to this authorization) through such means as the Corporation may determine in its sole discretion (whether through a broker or otherwise); or (3) withholding in Shares to be issued upon vesting of the RSUs. If the Corporation gives the Participant the power to choose the withholding method, and the Participant does not make a choice, then the Corporation will at its discretion withhold in Shares as stated in alternative (3) herein.

To avoid negative accounting treatment, the Corporation may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the Corporation withholds at a rate other than the minimum statutory rate,

such as the maximum withholding rate, then the refund of any over-withheld amount shall be paid in cash and the Participant will have no entitlement to the Common Stock equivalent. If the Tax-Related Items are satisfied by withholding in Shares issuable upon vesting of the RSUs, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. Finally, the Participant shall pay to the Corporation or the Employing Company, any amount of Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan. The Participant understands that no Shares or proceeds from the sale of Shares shall be delivered to Participant, notwithstanding the lapse of the restrictions on the RSUs, unless and until the Participant shall have satisfied any obligation for Tax-Related Items with respect thereto.

Notwithstanding anything in this Section 12 to the contrary, if the RSUs are considered nonqualified deferred compensation subject to Section 409A, the fair market value of the Shares withheld together with the amount of cash withheld may not exceed the liability for Tax-Related Items.

13. Nature of the Award: Nothing herein shall be construed as giving the Participant any right to be retained in the employ of an Employing Company or affect any right which the Employing Company may have to terminate the employment of such Participant. Further, by accepting this grant of RSUs, the Participant acknowledges that:

- (a) the Plan is established voluntarily by the Corporation, it is discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by its terms;
- (b) the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- (c) all decisions with respect to future RSU grants, if any, will be at the sole discretion of the Committee or its delegate, as applicable;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the RSUs and the Shares subject to the RSUs are extraordinary items which do not constitute compensation of any kind for services of any kind rendered to the Corporation or to the Employing Company, and which are outside the scope of the Participant's employment contract, if any;
- (f) the RSUs and the Shares subject to the RSUs are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, dismissal, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Corporation or the Employing Company or any Subsidiary or affiliate of the Corporation;
- (g) the RSUs and the Shares subject to the RSUs are not intended to replace any pension rights or compensation;
- (h) the grant of RSUs will not be interpreted to form an employment contract or relationship with the Corporation, the Employing Company or any Subsidiary or affiliate of the Corporation;
- (i) the future value of the Shares underlying the RSUs is unknown, indeterminable and cannot be predicted with certainty;
- (j) no claim or entitlement to compensation or damages arises from forfeiture of the RSUs resulting from termination of the Participant's employment by the Corporation or the Employing Company (for any reason whether or not in breach of applicable labor laws or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the RSUs to which the Participant is not otherwise entitled, the Participant irrevocably agrees never to institute any claim against the Corporation or the Employing Company, waives his or her ability, if any, to bring any such claim, and releases the Corporation and the Employing Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;
- (k) it is the Participant's sole responsibility to investigate and comply with any applicable exchange control laws in connection with the issuance and delivery of Shares pursuant to the vesting of the RSUs;
- (l) the Corporation and the Employing Company are not providing any tax, legal or financial advice, nor are the Corporation or the Employing Company making any recommendations regarding the Participant's participation in the Plan or the Participant's acquisition or sale of the Shares underlying the RSUs;
- (m) the Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan;
- (n) unless otherwise provided in the Plan or by the Corporation in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Corporation; and
- (o) the following provisions apply only if the Participant is providing services outside the United States:
 - (i) the RSU and Shares subject to the RSU are not part of normal or expected compensation or salary for any purpose;
 - and
 - (ii) the Participant acknowledges and agrees that neither the Corporation, the Employing Company nor any Subsidiary or affiliate of the Corporation shall be liable for any foreign exchange rate fluctuation between the local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

14. Data Privacy: The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this document by and among, as applicable, any Employing Company and the Corporation for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Employing Company and the Corporation hold certain personal information about the Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Corporation, details of all RSUs or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in Participant's favor, as the Employing Company and/or the Corporation deems necessary for the purpose of implementing, administering and managing the Plan ("Data"). The Participant acknowledges and understands that Data may be transferred to any broker as designated by the Corporation and any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country or elsewhere, and that the recipient's country may have different, including less stringent, data privacy laws and protections than the Participant's country. The Participant understands that the Corporation may transfer Participant's Data to the United States, which is not considered by some countries to have data protection laws equivalent to the laws in Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the recipients to receive, possess, use,

retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares acquired upon vesting of the RSUs. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant further understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke consent, the Participant's employment status or service and career with the Employing Company will not be adversely affected. The Participant understands, however, that refusing or withdrawing his or her consent may affect his or her ability to realize benefits from the RSUs or otherwise participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

15. Electronic Delivery: The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Corporation or another third party designated by the Corporation. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Corporation intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Corporation. The Participant consents to the electronic delivery of the Plan documents and the Agreement. The Participant acknowledges that he or she may receive from the Corporation a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Corporation by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Corporation or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Corporation of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

16. Code Section 409A: It is the intent that the vesting or the payments of RSUs set forth in this Agreement shall either qualify for exemption from or comply with the requirements of Section 409A, and any ambiguities herein will be interpreted to so comply. The Corporation reserves the right, to the extent the Corporation deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all vesting or settlements provided under this Agreement are made in a manner that qualifies for exemption from or complies with Section 409A; provided, however, that the Corporation makes no representation that the vesting or settlement of RSUs provided under this Agreement will be exempt from Section 409A and makes no undertaking to preclude Section 409A from applying to the vesting or settlement of RSUs provided under this Agreement. In the event that any payment to a U.S. taxpayer or Participant otherwise subject to U.S. taxation, with respect to an RSU is considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of the Participant's termination if the Participant is a "specified employee" under Section 409A of the Code upon his separation from service.

17. Severability: In the event that any provision in this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

18. Language: If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. Governing Law and Venue: This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of laws thereof. For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania, and agree that such litigation shall be conducted in the courts of Allegheny County, Pennsylvania, or the federal courts for the United States for the Western District of Pennsylvania, where this grant is made and/or to be performed.

20. Exhibit C: Notwithstanding any provisions in this Agreement, the RSUs shall be subject to any special terms and conditions set forth in Exhibit C to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in Exhibit C, the special terms and conditions for such country will apply to the Participant, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

21. Insider Trading Restrictions/Market Abuse Laws: The Participant acknowledges that, depending on the Participant's country of residence, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell Shares or rights to Shares (e.g., RSUs) under the Plan during such times as the Participant is considered to have "inside information" regarding the Corporation (as defined by any applicable laws in the Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy maintained by the Corporation. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.

22. Imposition of Other Requirements: The Corporation reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

23. Headings: Headings of paragraphs and sections used in this Agreement are for convenience only and are not part of this Agreement, and must not be used in construing it.

24. Waiver: The Participant acknowledges that a waiver by the Corporation of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

25. Definitions: In addition to the capitalized terms defined in the Plan, the following terms as used herein shall have the following meanings when used with initial capital letters:

- (a) "Early Retirement Age" shall mean the Participant's (1) attainment of age 55 and completion of ten (10) years of service with the Corporation or an Employing Company, or (2) completion of thirty (30) years of service with the Corporation or an Employing Company.
- (b) "Normal Retirement Age" shall mean, with respect only to a Participant who is a U.S. employee and is not a participant in the United States Steel Corporation Supplemental Pension Program, the later of (1) six (6) months following the Date of Grant, or (2) the earlier of (i) attainment of age 65, or (ii) attainment or age 60 and completion of five (5) years of service with the Corporation or an Employing Company.
- (c) "Termination" shall mean the applicable employee's termination of employment. For purposes of this Agreement, (i) for U.S. taxpayers, Termination and words of similar effect shall be construed consistent with a "separation from service" under Section 409A of the Code to the extent required by Section 409A of the Code, and (ii) for non-U.S. taxpayers, Termination and words of similar effect shall mean that the Participant is no longer actively employed by an Employing Company, without regard to any notice period (i.e., active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any).
- (d) "Vesting Year" shall mean, with respect to the period prior to the third anniversary of the Date of Grant, each one-year period commencing on the Date of Grant or the first or second anniversary thereof, as applicable, and ending on the next following anniversary of the Date of Grant.

EXHIBIT A

Confidentiality and Proprietary Rights Agreement

This Confidentiality and Proprietary Rights Agreement (“**Agreement**”) is attached as Exhibit A to, and incorporated as a part of, the United States Steel Corporation Restricted Stock Unit Grant Agreement (“**RSU Agreement**”) and is applicable to the Participant named in the RSU Agreement to the extent provided in Section 11 of the RSU Agreement. For purposes of this Agreement, United States Steel Corporation and its subsidiaries or affiliates are described as the “**Employer**” or “**Company**”, the Participant named in the RSU Agreement is described as the “**Employee**”, and the Employer and the Employee are collectively referred to herein as the “**Parties**”.

1. Protection of Confidential Information.

(a) **Confidential Information.** The Employee understands and acknowledges that during the course of employment by the Employer, the Employee will have access to and learn about non-public, confidential, secret, and proprietary documents, materials, data, and other information, in tangible and intangible form, of and relating to the Employer and its businesses and existing and prospective customers, suppliers, investors, and other associated third parties (“**Confidential Information**”).

For purposes of this Agreement, Confidential Information is broadly defined in the Company policy on Protection of Confidential Information and includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, transactions, negotiations, know-how, trade secrets, computer programs, applications, databases, manuals, records, articles, supplier information, vendor information, financial information, legal information, marketing information, pricing information, credit information, design information, payroll information, staffing information, personnel information, developments, internal controls, sales information, algorithms, product plans, designs, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes and results, specifications, manufacturing information of the Employer or its businesses or any existing or prospective customer, supplier, investor, or other associated third party, or of any other person or entity that has entrusted information to the Employer in confidence.

Confidential Information shall not include information that is generally available to and known by the public, provided that such disclosure to the public is through no direct or indirect fault of the Employee or person(s) acting on the Employee's behalf.

(b) **Disclosure and Use Restrictions.**

(i) **Employee agrees:**

(A) **to treat all Confidential Information as strictly confidential and to use such Confidential Information only for the benefit of the Company and as required by Employee's job responsibilities;**

(B) **not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever not having a need to know and authority to know and use the Confidential Information in connection with the business of the Employer and, in any event, not to anyone outside of the direct employ of the Employer except as required in the performance of any of the Employee's authorized employment duties to the Employer and only after execution of a confidentiality agreement (such as a Non-Disclosure Agreement) by the third party with whom Confidential Information will be shared;**

(C) **not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Employer, except as required in the performance of any of the Employee's authorized employment duties to the Employer or with the prior consent of an authorized officer acting on behalf of the Employer in each instance; and**

(D) **to return all copies of Confidential Information, and any other property of Employer, to Employer upon termination of employment.**

(ii) **The Employee understands and acknowledges that the Employee's obligations under this Agreement with regard to any particular Confidential Information shall commence immediately upon his acceptance of the RSU Agreement and shall continue during and after the termination of Employee's employment by the Employer, until such time as such Confidential Information has become public knowledge other than as a result of the Employee's breach of this Agreement or breach by those acting in concert with the Employee or on the Employee's behalf.**

(c) **Permitted Disclosures.** Employee understands that the foregoing confidentiality provisions do not prohibit Employee from providing truthful information in good faith to any federal or state governmental agency, entity or official investigating an alleged violation of federal or state law or regulation or when Employee makes other disclosures that are protected under the whistleblower provisions of federal or state law. The Employee acknowledges receipt of Employer's policy regarding Reports by Employees of Illegal or Unethical Conduct setting forth Employer's reporting policy for a suspected violation of law; and the Protection of Confidential Information policy setting forth permissible disclosure of trade secrets if reporting alleged violations of law.

2. **Protection of Proprietary Rights.**

(a) **Work Product.** The Employee acknowledges and agrees that all writings, works of authorship, technology, inventions, discoveries, ideas and other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived, or reduced to practice by the Employee, individually or jointly with others, during the period of the Employee's employment by the Employer, and relating in any way to the business or contemplated business, research, or development of the Employer and all printed, physical, and electronic copies, all improvements, rights, and claims related to the foregoing, and other tangible embodiments thereof (collectively, "**Work Product**"), as well as any and all rights in and to copyrights, trade secrets, trademarks (and related goodwill), patents, and other intellectual property rights therein arising in any jurisdiction throughout the world and all related rights of priority under international conventions with respect thereto, including all pending and future applications and registrations therefor, and continuations, divisions, continuations-in-part, reissues, extensions, and renewals thereof (collectively, "**Intellectual Property Rights**"), shall be the sole and exclusive property of the Employer. The Employee further acknowledges that the Employee has been provided a copy of the U. S. Steel Patent Rules and the Employee agrees to be bound by and adhere to the U. S. Steel Patent Rules.

(b) **Work Made for Hire; Assignment.** The Employee acknowledges that, by reason of being employed by the Employer at the relevant times, to the extent permitted by law, all of the Work Product consisting of copyrightable subject matter is "work made for hire" as defined in the Copyright Act of 1976 (17 U.S.C. § 101), and such copyrights are therefore owned by the Employer. To the extent that the foregoing does not apply, the Employee hereby irrevocably assigns to the Employer, for no additional consideration, the Employee's entire right, title and interest in and to all Work Product and Intellectual Property Rights therein, including the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto throughout the world.

(c) **Further Assurances; Power of Attorney.** During and after the Employee's employment, the Employee agrees to reasonably cooperate with the Employer to (i) apply for, obtain, perfect, and transfer to the Employer the Work Product and Intellectual Property Rights in the Work Product in any jurisdiction in the world; and (ii) maintain, protect, and enforce the same, including, without limitation, executing and delivering to the Employer any and all applications, oaths, declarations, affidavits, waivers, assignments, and other documents and instruments as shall be requested by the Employer. The Employee hereby irrevocably grants the Employer power of attorney to execute and deliver any such documents on the Employee's behalf in the Employee's name and to do all other lawfully permitted acts to transfer the Work Product to the Employer and further the transfer, issuance, prosecution, and maintenance of all Intellectual Property Rights therein, to the full extent permitted by law, if the Employee does not promptly cooperate with the Employer's request (without limiting the rights the Employer shall have in such circumstances by operation of law). The power of attorney is coupled with an interest and shall not be impacted by the Employee's subsequent incapacity.

(d) **Moral Rights.** To the extent any copyrights are assigned under this Agreement, the Employee hereby irrevocably waives, to the extent permitted by applicable law, any and all claims the Employee may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" with respect to all Work Product and all Intellectual Property Rights therein.

(e) **No License.** The Employee understands that this Agreement does not, and shall not be construed to, grant the Employee any license or right of any nature with respect to any Work Product or Intellectual Property Rights or any Confidential Information, materials, software, or other tools made available to the Employee by the Employer.

3. **Security.** The Employee agrees to comply with all Employer security and access policies and procedures, including but not limited to the Code of Ethical Business Conduct, the policy on Use and Protection of Company Computer Systems and Intellectual Property, the policy on Protection of Confidential Information, and Cyber Security Procedure A026 regarding Acceptable Use of Computing Resources.

4. **CERTIFICATION.** BY ACCEPTING THIS AGREEMENT, EMPLOYEE CERTIFIES THAT EMPLOYEE: (A) HAS NOT AND WILL NOT USE OR DISCLOSE TO THE COMPANY ANY CONFIDENTIAL INFORMATION AND/OR TRADE SECRETS BELONGING TO OTHERS, INCLUDING ANY PRIOR EMPLOYERS; (B) WILL NOT USE ANY PRIOR INVENTIONS MADE BY EMPLOYEE AND WHICH THE COMPANY IS NOT LEGALLY ENTITLED TO LEARN OF OR USE; AND (C) IS NOT SUBJECT TO ANY PRIOR AGREEMENTS THAT WOULD PREVENT EMPLOYEE FROM FULLY PERFORMING HIS OR HER DUTIES FOR THE COMPANY.

5. **Acknowledgment.** Nothing in this Agreement shall alter the at-will status of the employment relationship between the Employer and the Employee, pursuant to which either the Employer or the Employee may terminate the employment relationship at any time, with or without cause, and with or without notice.

6. **Remedies.** The Employee acknowledges that the Employer's Confidential Information and the Employer's ability to reserve it for the exclusive knowledge and use of the Employer is of great competitive importance and commercial value to the Employer, and that improper use or disclosure of the Confidential Information by the Employee will cause irreparable harm to the Employer, for which remedies at law will not be adequate. In the event of a breach or threatened breach by the Employee of any of the provisions of this Agreement, the Employee hereby consents and agrees that the Employer shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

7. **Protections for Affiliates and Subsidiaries.** This Agreement is intended to benefit all Company subsidiaries and affiliates for which Employee performs services, has customer contact, or about which Employee receives Confidential Information. Therefore, any subsidiary or affiliate of Employer that may be adversely affected by a breach may enforce this Agreement regardless of which entity employs Employee at the time.

8. **Successors and Assigns.**

(a) The Employer may assign this Agreement to any subsidiary or corporate affiliate, or to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all the business or assets of the Employer. This Agreement shall inure to the benefit of the Employer and permitted successors and assigns.

(b) No Assignment by the Employee. The Employee may not assign this Agreement or any part hereof. Any purported assignment by the Employee shall be null and void from the initial date of purported assignment.

9. **Governing Law.** This Agreement, for all purposes, shall be construed in accordance with the laws of Pennsylvania without regard to conflicts-of-law principles.

10. **Entire Agreement.** Unless specifically provided herein, this Agreement contains all the understandings and representations between the Employee and the Employer pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

11. **Modification and Waiver.** No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by a duly authorized officer of the Employer (other than the Employee). No waiver by either of the Parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the Parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

12. **Severability.** If any portion of this Agreement shall be held unenforceable, the parties agree that a court of competent jurisdiction may modify the agreement (by adding or removing language) or sever unenforceable provisions in order to render this Agreement enforceable to the fullest extent permitted by law.

13. **Captions.** Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

EXHIBIT B

Non-Competition Agreement

This Non-Competition Agreement (“**Agreement**”) is attached as Exhibit B to, and incorporated as a part of, the United States Steel Corporation Restricted Stock Unit Grant Agreement (“**RSU Agreement**”) and is applicable to the Participant named in the RSU Agreement to the extent provided in Section 11 of the RSU Agreement. For purposes of this Agreement, United States Steel Corporation and its subsidiaries or affiliates are described as the “**Employer**” or “**Company**”, the Participant named in the RSU Agreement is described as the “**Employee**”, “**me**” or “**I**”, and the Employer and the Employee are collectively referred to herein as the “**Parties**”.

1. **Definitions.**

- (a) “Competing Products” means products or services sold by the Company, or any prospective product or service the Company took steps to develop for which I had any responsibility during the 24 months preceding the termination of my employment.
- (b) “Restricted Territory” means the geographic territory (i) within sixty miles of the area in which I worked or (ii) over which I had responsibility or (iii) that the nature and scope of my duties could have affected, during the 24 months preceding the termination of my employment, whichever is greatest. Restricted territory may be national or global depending on the nature of my duties and the knowledge acquired in the performance of those duties.

2. **Non-Competition.** During my employment and for 12 months after termination of my employment for any reason, I will not directly or indirectly, on behalf of myself or in conjunction with any other person or entity:

- (a) own any business (other than less than 5% ownership in a publicly traded company) that sells Competing Products in the Restricted Territory;
or
- (b) work in the Restricted Territory for any person or entity that sells Competing Products, in any role.

3. **Non-Solicitation of Customers & Employees.** During my employment and for 12 months after termination of my employment, I will not directly or indirectly, on behalf of myself or in conjunction with any other person or entity:

- (a) solicit or accept business from any customer or prospective customer of the Company with whom I had contact during the last 24 months of my employment, for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company; or
- (b) solicit or hire any employee or independent contractor of the Company, who worked for the Company during the 6 months preceding termination of my employment, to work for me or my new employer.

For purposes of this section, solicit means:

- (a) Any comments, conduct or activity that would influence a customer’s decision to continue doing business with the Company, regardless of who initiates contact;
and/or
- (b) Any comments, conduct or activity that would influence an employee’s decision to resign his employment with the Company or accept employment with my new company, regardless of who initiates contact.

4. **Acknowledgment.** Nothing in this Agreement shall alter the at-will status of the employment relationship between the Employer and the Employee, pursuant to which either the Employer or the Employee may terminate the employment relationship at any time, with or without cause, and with or without notice.

5. **Change of Position.** If the Employer changes Employee’s position or title with the Employer, or transfers Employee from one affiliate to another, this Agreement and Employee’s obligations hereunder will remain in force.

6. **Protections for Affiliates and Subsidiaries.** This Agreement is intended to benefit all Company subsidiaries and affiliates for which Employee performs services, has customer contact, or about which Employee receives Confidential Information. Therefore, any subsidiary or affiliate of Employer that may be adversely affected by a breach may enforce this Agreement regardless of which entity employs Employee at the time.

7. **Successors and Assigns.**

- (a) The Employer may assign this Agreement to any subsidiary or corporate affiliate, or to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all the business or assets of the Employer. This Agreement shall inure to the benefit of the Employer and permitted successors and assigns.
- (b) No Assignment by the Employee. The Employee may not assign this Agreement or any part hereof. Any purported assignment by the Employee shall be null and void from the initial date of purported assignment.

8. **Governing Law.** This Agreement, for all purposes, shall be construed in accordance with the laws of Pennsylvania without regard to conflicts-of-law principles.
9. **Injunctive Relief and Attorney's Fees.** Employee agrees that in the event Employee breaches this Agreement, the Company will be irreparably harmed and entitled to an injunction restraining any further breach, in addition to any other rights to which it is entitled. Further, Employee will be responsible for all attorneys' fees, costs and expenses incurred by the Company to enforce this Agreement. Additionally, any time periods for restrictions set forth in Paragraph 2 above will be extended by an amount of time equal to the duration of any time period during which Employee is in violation of this Agreement.
10. **Entire Agreement.** Unless specifically provided herein, this Agreement contains all the understandings and representations between the Employee and the Employer pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.
11. **Modification and Waiver.** No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by a duly authorized officer of the Employer (other than the Employee). No waiver by either of the Parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the Parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.
12. **Severability.** If any portion of this Agreement shall be held unenforceable, the parties agree that a court of competent jurisdiction may modify the Agreement (by adding or removing language) or sever unenforceable provisions in order to render this Agreement enforceable to the fullest extent permitted by law.
13. **Captions.** Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

EXHIBIT C

Additional Terms and Conditions of the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement

TERMS AND CONDITIONS

This Exhibit C includes additional terms and conditions that govern the RSUs granted to the Participant under the Plan if he or she works or resides in one of the countries listed below. If the Participant is a citizen or resident of a country other than that in which the Participant is currently working or transfers employment to another country after the RSUs are granted, the Corporation shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant. Certain capitalized terms used but not defined in this Exhibit C have the meanings set forth in the Plan and/or the Agreement.

NOTIFICATIONS

This Exhibit C also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the laws in effect in the applicable countries as of February 2018. Such laws are often complex and change frequently. As a result, the Corporation strongly recommends that the Participant not rely on the information in this Exhibit C as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that the Participant vests in the RSUs or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Corporation is not in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident of a country other than that in which the Participant is currently working or transfers employment to another country after the RSUs are granted, the information contained herein may not be applicable.

CANADA

TERMS AND CONDITIONS

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for the Participant to receive a cash payment in settlement of the RSUs upon vesting and the RSUs are payable in Shares only.

Securities Law Commitment on Sale of Shares. As a condition of the grant of RSUs and the issuance of Shares upon vesting of the RSUs, the Participant undertakes to only sell, trade or otherwise dispose of any Shares issued to the Participant under the Plan in accordance with applicable Canadian securities laws. Under current laws, this means that the Participant will need to sell any Shares issued under the Plan using the services of a broker or dealer that is registered under Canadian provincial or territorial securities legislation. The Participant will not be permitted to sell, trade or otherwise dispose of his or her Shares through the Corporation's designated U.S. plan broker, Fidelity Investments, unless such sale, trade or disposal can be executed in accordance with applicable securities laws. As legal requirements may be subject to change, Grantees are encouraged to seek specific advice about their individual situation before taking any action with respect to securities issued to them under the Plan.

By accepting this RSU, the Participant expressly agrees that he or she will consult with a personal legal advisor to address any questions that may arise regarding compliance with this requirement. The Participant understands and agrees that he or she will be liable for any failure to comply with the foregoing provision.

The following provisions will apply if the Participant is a resident of Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, this Exhibit C and all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement relatif à la langue utilisée: *Les parties reconnaissent avoir exigé la rédaction en anglais de l'accord, cette pièce C, y ainsi que de tous documents, avis donnés et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement aux présentes.*

Data Privacy. This provision supplements Section 14 of the Agreement:

The Participant hereby authorizes the Corporation and the Employing Company and their respective representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Corporation and any Subsidiary or affiliate and the Committee to disclose and discuss the Plan with their respective advisors. The Participant further authorizes the Corporation and any Subsidiary or affiliate to record such information and to keep such information in the Participant's employee file.

NOTIFICATIONS

Foreign Asset/Account Reporting Information. Canadian residents are required to report any foreign property (e.g., Shares acquired under the Plan and possibly RSUs) on form T1135 (Foreign Income Verification Statement) if the total cost of their foreign property exceeds C\$100,000 at any time

in the year. It is Participant's responsibility to comply with these reporting obligations, and Participant is encouraged to consult his or own personal tax advisor in this regard.

GERMANY

NOTIFICATIONS

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bankshank*) electronically using the "General Statistics Reporting Portal" ("*Allgemeines Meldeportal Statistik*") available via Bundesbank's website (www.bundesbank.de). It is the sole responsibility of the Participant to make such report.

Securities Disclaimer. The grant of the RSUs is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Germany.

SLOVAK REPUBLIC

NOTIFICATIONS

Foreign Assets Reporting Information. If the Participant permanently resides in the Slovak Republic and, apart from being employed, carries on business activities as an independent entrepreneur (in Slovakian, podnikateľ), the Participant will be obligated to report his or her foreign assets (including any foreign securities such as Shares acquired under the Plan) to the National Bank of Slovakia if the value of the foreign assets exceeds €2,000,000. These reports must be submitted on a monthly basis by the 15th day of the respective calendar month, as well as on a quarterly basis by the 15th day of the calendar month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia's website at www.nbs.sk.

Furthermore, if the above preconditions are met (i.e., permanent residence in the Slovak Republic and entrepreneurial activities in addition to the employment), the Participant will be obliged to report certain additional information under Section 34b of Act No. 566/1992 Coll. on National Bank of Slovakia as amended. This information is mostly of general nature and contains personal identification data of the Participant - place and date of birth, birth certificate number, academic degree, etc., as well as telephone and fax number and e-mail address of the Participant, if any.

Securities Disclaimer. The grant of the RSUs is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in the Slovak Republic.

Personal Data Protection. The national identification number (in Slovak: rodné číslo) may be used for identification of the Participant only if required to achieve the determined purpose of processing. It is forbidden to make the national identification number public; the only exception is when the data subject made the national identification number public by itself.

UNITED KINGDOM

NOTIFICATIONS

Securities Disclosure. This Agreement is not an approved prospectus for the purposes of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA") and no offer of transferable securities to the public (for the purposes of section 102B of FSMA) is being made in connection with the Plan. The Plan and the RSUs are exclusively available in the UK to bona fide employees and former employees and any other UK subsidiary of the Corporation.

Taxation. The RSUs are not intended to be qualified for purposes of taxation or National Insurance Contributions applicable in the United Kingdom.

EUROPEAN UNION AND EUROPEAN ECONOMIC AREA

For Participants who reside in the European Union or the European Economic Area, the following provisions replace the Data Privacy provisions in Section 14 of the Agreement.

Data Collected and Purposes of Collection. The Participant understands that the Corporation, acting as controller, as well as the Employing Subsidiary, may collect, to the extent permissible under applicable law, certain personal information about the Participant, including name, home address and telephone number, information necessary to process payment of RSUs (e.g., mailing address for a check payment or bank account wire transfer information), date of birth, social insurance number or other identification number, salary, nationality, job title, employment location, any capital shares or directorships held in the Corporation (but only where needed for legal or tax compliance), any other information necessary to process mandatory tax withholding and reporting, details of all RSUs granted, canceled, vested, unvested or outstanding in Participant's favor, and where applicable service termination date and reason for termination (e.g., for "Cause" (as defined by Plan) or other than for Cause) (all such personal information is referred to as "Data"). The Data is collected from the Participant, the Employing Subsidiary, and from the Corporation, for the exclusive purpose of implementing, administering and managing the Plan pursuant to the terms of this Agreement. The legal basis (that is, the legal justification) for processing the Data is to perform the Agreement. The Data must be provided in order for the Participant to participate in the Plan and for the parties to the Agreement to perform their respective obligations thereunder. If the Participant does not provide Data, he or she will not be able to participate in the Plan and become a party to the Agreement.

Transfers and Retention of Data. The Participant understands that the Employing Subsidiary will transfer Data to the Corporation for purposes of plan administration. The Corporation and the Employing Subsidiary may also transfer the Participant's Data to other service providers (such as accounting firms, payroll processing firms or tax firms), as may be selected by the Corporation in the future, to assist the Corporation with the implementation, administration and management of the Agreement. The Participant understands that the recipients of the Data may be located in the

United States, a country that does not benefit from an adequacy decision issued by the European Commission. Where a recipient is located in a country that does not benefit from an adequacy decision, the transfer of the Data to that recipient will be made pursuant to European Commission-approved standard contractual clauses, a copy of which may be obtained at data.protection@sk.uss.com. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's rights and obligations under the Agreement, and for the duration of the relevant statutes of limitations, which may be longer than the term of the Agreement.

The Participant's Rights in Respect of Data. The Corporation will take steps in accordance with applicable legislation to keep Data accurate, complete and up-to-date. The Participant is entitled to have any inadequate, incomplete or incorrect Data corrected (that is, rectified). The Participant also has the right to request access to the Participant's Data as well as additional information about the processing of that Data. Further, the Participant is entitled to object to the processing of Data or have his or her Data erased, under certain circumstances. As from 25 May 2018, and subject to conditions set forth in applicable law, the Participant is entitled to (i) restrict the processing of the Participant's Data so that it is stored but not actively processed (e.g., while the Corporation assesses whether the Participant is entitled to have Data erased) and (ii) receive a copy of the Data provided pursuant to the Agreement or generated by the Participant, in a common machine-readable format. To exercise the Participant's rights, he or she may contact the local human resources representative. The Participant may also contact the relevant data protection supervisory authority, as he or she has the right to lodge a complaint. The data protection officer may be contacted at data.protection@sk.uss.com.

**United States Steel Corporation 2016 Omnibus Incentive Compensation Plan
Restricted Stock Unit Grant Agreement**

United States Steel Corporation, a Delaware Corporation (herein called the "Corporation"), grants to the employee of the employing company identified below (the "Participant") the number of Restricted Stock Units ("RSUs") set forth below, each of which is a bookkeeping entry representing the equivalent in value of one share of the class of common stock of the Corporation set forth below:

Name of Participant:	PARTICIPANT NAME
Name of Employing Company on Date Hereof:	(the company recognized by the Corporation as employing the Participant)
Number of RSUs Granted:	# RSUs
Date of Grant:	GRANT DATE

By accepting this Award in any manner and within the time period prescribed by the Corporation, the Participant agrees that (1) these RSUs are granted under and governed by the terms and conditions of the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, as the same may be amended from time to time (the "Plan") and the provisions of this Restricted Stock Unit Grant Agreement, including (i) the Terms and Conditions contained herein, (ii) if applicable to the Participant under Section 11 hereof, the Confidentiality and Proprietary Rights Agreement attached as Exhibit A and the Non-Competition Agreement attached as Exhibit B, and (iii) any special provisions for the Participant's country of residence set out on Exhibit C (collectively, the "Agreement"), (2) he or she has reviewed the Plan and the Agreement in their entirety, and (3) he or she has had an opportunity to obtain the advice of counsel prior to accepting this Award and fully understands all provisions of the Plan and the Agreement.

United States Steel Corporation

By: _____
Authorized Officer

Terms and Conditions

1. **Award:** The Corporation has granted to the Participant the number of RSUs set forth in this Agreement. Each RSU represents the right to receive one share of the Corporation's common stock (a "Share") on the date specified in Section 6 below in settlement of each RSU that has vested as provided in Sections 3, 4 of 5, below. Unless and until the RSUs are vested in the manner set forth in Section 3, 4 or 5 below, the Participant will have no right to settlement of any such RSUs or any right to receive any Shares. Prior to settlement of any vested RSUs, such RSUs will represent an unsecured obligation of the Corporation, payable (if at all) only from the general assets of the Corporation.

2. **Restriction Period:** The restriction period with regard to the RSUs shall commence on the date the RSUs are granted and end on the date the RSUs are settled as provided in Section 6, below. During the restriction period, the Participant shall not sell, transfer, assign, pledge or otherwise encumber or dispose of any portion of the RSUs, and any attempt to sell, transfer, assign, pledge or encumber any portion of the RSUs prior to the end of the restriction period shall have no effect. During the restriction period, the Participant shall not be entitled to vote any Shares that may be received upon settlement of any vested RSUs and shall not receive dividends paid on those Shares. The Participant shall be entitled to receive dividend equivalents in cash; provided, however, the dividend equivalents shall not vest or be paid to the Participant unless and to the extent the underlying RSUs vest as provided in Section 3, 4 or 5 of this Agreement.

3. **Change in Control:** If the Participant's employment is terminated within two years following a Change in Control involuntarily (except for Cause) or, in the case of a Participant designated by the Corporation as executive management at the time of the Change in Control ("Executive Management"), voluntarily for Good Reason, each unvested RSU will immediately vest, except as otherwise determined by the Corporation with respect to any Participant who is not Executive Management.

4. **Termination of Employment:** The full unvested Number of RSUs Granted will immediately vest upon the Participant's death during employment or upon Termination of employment due to becoming Disabled, and a prorated Number of RSUs Granted that are scheduled to vest will vest upon a Termination of employment under circumstances which would qualify the Participant for benefits under a severance plan of the Corporation based upon the number of complete months worked during the three-year vesting period commencing on the Date of Grant. Unvested RSUs will be forfeited automatically upon any other Termination of employment (including but not limited to any voluntary termination by the Participant or any Termination by the Corporation or the Employing Company for Cause or without Cause), such forfeiture being without consideration or without further action required of the Corporation or Employing Company.

5. **Vesting:** Subject to Sections 3 and 4, in order to vest in the RSUs, the Participant must continue as an active employee of an Employing Company for three years from the Date of Grant, subject to the Employing Company's right to terminate the Participant's employment at any time for any reason. The

RSUs shall vest on the three-year anniversary of the Date of Grant, provided that the Participant is continuously employed by an Employing Company through such anniversary.

Except as provided in Sections 3 and 4 of this Agreement, notwithstanding any other terms or conditions of the Plan or this Agreement to the contrary, in the event of the Participant's Termination of employment, regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any, the Participant's right to vest in the RSUs, if any, will terminate effective as of the date that the Participant is no longer actively employed by an Employing Company and will not be extended by any notice period (i.e., active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of the RSUs.

6. **Settlement:** RSUs that have vested shall be paid in Shares, along with any dividend equivalents with respect to those vested RSUs, within 45 days after the vesting date. The Corporation shall have no obligation to issue Shares unless and until the Participant has satisfied any applicable tax withholding obligations pursuant to Section 12 below and such issuance otherwise complies with all applicable law. Upon vesting and settlement of the RSUs, Shares shall be delivered free of all restrictions on transferability or forfeiture except for restrictions required by applicable laws and/or regulations and issued in the Participant's name (or, in the event of the Participant's death prior to such termination or such issuance, to the Participant's estate) for the number of Shares subject to vested RSUs. The Participant shall not be entitled to delivery of any portion of the Shares until the corresponding portion of the RSUs has vested.

7. **Adjustments and Recoupment:** The number of RSUs awarded is subject to adjustment as provided in Section 8 of the Plan. The Participant shall be notified of such adjustment and such adjustment shall be binding upon the Corporation and the Participant. This Award shall be administered in accordance with, and is subject to, any recoupment policies and provisions prescribed by the Plan, including but not limited to Section 7.07 thereof and all clawback and recoupment policies or provisions required by law from time to time. In its sole discretion, the Committee shall have the authority to amend, waive or apply the terms of any clawback or recoupment policies or provisions to the extent necessary or advisable to comply with applicable laws, as determined by the Committee.

8. **Interpretation and Amendments:** This Award, the vesting and delivery of RSUs and the issuance of Shares upon vesting are subject to, and shall be administered in accordance with, the provisions of the Plan, as the same may be amended by the Committee from time to time, provided that no amendment may, without the consent of the Participant, affect the rights of the Participant under this Award in a materially adverse manner. For purposes of the foregoing sentence, an amendment that affects the tax treatment of the RSUs or that is necessary to comply with securities or other laws applicable to the issuance of Shares shall not be considered as affecting the Participant's rights in a materially adverse manner. All capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Plan. In the event of a conflict between the Plan and this Agreement, unless this Agreement specifies otherwise, the Plan shall control.

9. **Compliance with Laws:** The obligations of the Corporation and the rights of the Participant are subject to all applicable laws, rules and regulations including, without limitation, the U.S. Securities Exchange Act of 1934, as amended; the U.S. Securities Act of 1933, as amended; the U.S. Internal Revenue Code of 1986, as amended; and any other applicable U.S. and foreign laws. No Shares will be issued or delivered to the Participant under the Plan unless and until there has been compliance with such applicable laws.

10. **Acceptance of Award:** This Award is contingent on the Participant's acceptance of the Award in the manner and within the time period established by the Corporation. The Award shall be forfeited without further action by the Corporation and shall not be payable if it is not accepted by the Participant in the manner and within the time period established by the Corporation.

11. **Confidentiality and Non-Competition:** If a Participant is employed in the United States or Canada in a position below the rank of Vice President on the Date of Grant, then the Participant agrees and understands that (a) by accepting this Award the Participant shall be bound by and subject to the terms of the Confidentiality and Proprietary Rights Agreement attached to this Agreement and incorporated herein as Exhibit A and the terms and conditions of the Non-Competition Agreement attached to this Agreement and incorporated herein as Exhibit B, and (b) notwithstanding any other terms or conditions of the Plan or this Agreement to the contrary, in addition to any other remedies available at law, all unvested RSUs will be forfeited immediately and without further action by the Corporation in the event the Participant fails to comply with or breaches any of the obligations and restrictions under Exhibits A or B of this Agreement.

12. **Withholding Taxes:** The Participant acknowledges that, regardless of any action taken by the Corporation or the Employing Company, the ultimate liability for any or all income tax, social security, payroll tax, payment on account or other tax-related withholding or liability in connection with any aspect of the RSUs, including the grant, vesting, or settlement of the RSUs or the subsequent sale of Shares ("Tax-Related Items"), is and remains his or her responsibility and may exceed the amount withheld by the Corporation or the Employing Company. Furthermore, the Participant acknowledges that the Corporation and/or the Employing Company (a) make no representations or undertakings regarding the treatment of any Tax-Related Items; and (b) do not commit to and are under no obligation to structure the terms of the grant of the RSUs or any aspect of the Participant's participation in the Plan to reduce or eliminate his or her liability for Tax-Related Items or to achieve any particular tax result. Further, if the Participant has become subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that the Corporation and/or the Employing Company (or former Employing Company, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Participant shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employing Company to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Corporation and/or the Employing Company, or their respective agents, at their discretion, to satisfy the obligations with regard to all applicable Tax-Related Items by one or a combination of the following methods: (1) withholding from Participant's wages or other cash compensation paid to Participant by the Corporation and/or the Employing Company; (2) withholding from proceeds of the sale of Shares issued upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Corporation (on Participant's behalf pursuant to this authorization) through such means as the Corporation may determine in its sole discretion (whether through a broker or otherwise); or (3) withholding in Shares to be issued upon vesting of the RSUs. If the Corporation gives the Participant the power to choose the withholding method, and the Participant does not make a choice, then the Corporation will at its discretion withhold in Shares as stated in alternative (3) herein.

To avoid negative accounting treatment, the Corporation may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the Corporation withholds at a rate other than the minimum statutory rate, such as the maximum withholding rate, then the refund of any over-withheld amount shall be paid in cash and the Participant will have no entitlement to the Common Stock equivalent. If the Tax-Related Items are satisfied by withholding in Shares issuable upon vesting of the RSUs, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. Finally, the Participant shall pay to the Corporation or the Employing Company, any amount of Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan. The Participant understands that no Shares or proceeds from the sale of Shares shall be delivered to Participant, notwithstanding the lapse of the restrictions on the RSUs, unless and until the Participant shall have satisfied any obligation for Tax-Related Items with respect thereto.

Notwithstanding anything in this Section 12 to the contrary, if the RSUs are considered nonqualified deferred compensation subject to Section 409A, the fair market value of the Shares withheld together with the amount of cash withheld may not exceed the liability for Tax-Related Items.

13. Nature of the Award: Nothing herein shall be construed as giving the Participant any right to be retained in the employ of an Employing Company or affect any right which the Employing Company may have to terminate the employment of such Participant. Further, by accepting this grant of RSUs, the Participant acknowledges that:

- (a) the Plan is established voluntarily by the Corporation, it is discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by its terms;
- (b) the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- (c) all decisions with respect to future RSU grants, if any, will be at the sole discretion of the Committee or its delegate, as applicable;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the RSUs and the Shares subject to the RSUs are extraordinary items which do not constitute compensation of any kind for services of any kind rendered to the Corporation or to the Employing Company, and which are outside the scope of the Participant's employment contract, if any;
- (f) the RSUs and the Shares subject to the RSUs are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, dismissal, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Corporation or the Employing Company or any Subsidiary or affiliate of the Corporation;
- (g) the RSUs and the Shares subject to the RSUs are not intended to replace any pension rights or compensation;
- (h) the grant of RSUs will not be interpreted to form an employment contract or relationship with the Corporation, the Employing Company or any Subsidiary or affiliate of the Corporation;
- (i) the future value of the Shares underlying the RSUs is unknown, indeterminable and cannot be predicted with certainty;
- (j) no claim or entitlement to compensation or damages arises from forfeiture of the RSUs resulting from termination of the Participant's employment by the Corporation or the Employing Company (for any reason whether or not in breach of applicable labor laws or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the RSUs to which the Participant is not otherwise entitled, the Participant irrevocably agrees never to institute any claim against the Corporation or the Employing Company, waives his or her ability, if any, to bring any such claim, and releases the Corporation and the Employing Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;
- (k) it is the Participant's sole responsibility to investigate and comply with any applicable exchange control laws in connection with the issuance and delivery of Shares pursuant to the vesting of the RSUs;
- (l) the Corporation and the Employing Company are not providing any tax, legal or financial advice, nor are the Corporation or the Employing Company making any recommendations regarding the Participant's participation in the Plan or the Participant's acquisition or sale of the Shares underlying the RSUs;
- (m) the Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan;
- (n) unless otherwise provided in the Plan or by the Corporation in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Corporation; and
- (o) the following provisions apply only if the Participant is providing services outside the United States:
 - (i) the RSU and Shares subject to the RSU are not part of normal or expected compensation or salary for any purpose; and
 - (ii) the Participant acknowledges and agrees that neither the Corporation, the Employing Company nor any Subsidiary or affiliate of the Corporation shall be liable for any foreign exchange rate fluctuation between the local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

14. Data Privacy: The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this document by and among, as applicable, any Employing Company and the Corporation for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Employing Company and the Corporation hold certain personal information about the Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Corporation, details of all RSUs or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in Participant's favor, as the Employing Company and/or the Corporation deems necessary for the purpose of implementing, administering and managing the Plan ("Data"). The Participant acknowledges and understands that Data may be transferred to any broker as designated by the Corporation and any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the

Participant's country or elsewhere, and that the recipient's country may have different, including less stringent, data privacy laws and protections than the Participant's country. The Participant understands that the Corporation may transfer Participant's Data to the United States, which is not considered by some countries to have data protection laws equivalent to the laws in Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares acquired upon vesting of the RSUs. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant further understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke consent, the Participant's employment status or service and career with the Employing Company will not be adversely affected. The Participant understands, however, that refusing or withdrawing his or her consent may affect his or her ability to realize benefits from the RSUs or otherwise participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

15. Electronic Delivery: The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Corporation or another third party designated by the Corporation. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Corporation intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Corporation. The Participant consents to the electronic delivery of the Plan documents and the Agreement. The Participant acknowledges that he or she may receive from the Corporation a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Corporation by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Corporation or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Corporation of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

16. Code Section 409A: It is the intent that the vesting or the payments of RSUs set forth in this Agreement shall either qualify for exemption from or comply with the requirements of Section 409A, and any ambiguities herein will be interpreted to so comply. The Corporation reserves the right, to the extent the Corporation deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all vesting or settlements provided under this Agreement are made in a manner that qualifies for exemption from or complies with Section 409A; provided, however, that the Corporation makes no representation that the vesting or settlement of RSUs provided under this Agreement will be exempt from Section 409A and makes no undertaking to preclude Section 409A from applying to the vesting or settlement of RSUs provided under this Agreement. In the event that any payment to a U.S. taxpayer or Participant otherwise subject to U.S. taxation, with respect to an RSU is considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of the Participant's termination if the Participant is a "specified employee" under Section 409A of the Code upon his separation from service.

17. Severability: In the event that any provision in this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

18. Language: If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. Governing Law and Venue: This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of laws thereof.

For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania, and agree that such litigation shall be conducted in the courts of Allegheny County, Pennsylvania, or the federal courts for the United States for the Western District of Pennsylvania, where this grant is made and/or to be performed.

20. Exhibit C: Notwithstanding any provisions in this Agreement, the RSUs shall be subject to any special terms and conditions set forth in Exhibit C to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in Exhibit C, the special terms and conditions for such country will apply to the Participant, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

21. Insider Trading Restrictions/Market Abuse Laws: The Participant acknowledges that, depending on the Participant's country of residence, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell Shares or rights to Shares (e.g., RSUs) under the Plan during such times as the Participant is considered to have "inside information" regarding the Corporation (as defined by any applicable laws in the Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy maintained by the Corporation. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.

22. Imposition of Other Requirements: The Corporation reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

23. Headings: Headings of paragraphs and sections used in this Agreement are for convenience only and are not part of this Agreement, and must not be used in construing it.

24. Waiver: The Participant acknowledges that a waiver by the Corporation of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

25. Definitions: In addition to the capitalized terms defined in the Plan, the following terms as used herein shall have the following meanings when used with initial capital letters:

- a) "Termination" shall mean the applicable employee's termination of employment. For purposes of this Agreement, (i) for U.S. taxpayers, Termination and words of similar effect shall be construed consistent with a "separation from service" under Section 409A of the Code to the extent required by Section 409A of the Code, and (ii) for non-U.S. taxpayers, Termination and words of similar effect shall mean that the Participant is no longer actively employed by an Employing Company, without regard to any notice period (i.e., active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any).

EXHIBIT A

Confidentiality and Proprietary Rights Agreement

This Confidentiality and Proprietary Rights Agreement (“**Agreement**”) is attached as Exhibit A to, and incorporated as a part of, the United States Steel Corporation Restricted Stock Unit Grant Agreement (“**RSU Agreement**”) and is applicable to the Participant named in the RSU Agreement to the extent provided in Section 11 of the RSU Agreement. For purposes of this Agreement, United States Steel Corporation and its subsidiaries or affiliates are described as the “**Employer**” or “**Company**”, the Participant named in the RSU Agreement is described as the “**Employee**”, and the Employer and the Employee are collectively referred to herein as the “**Parties**”.

1. Protection of Confidential Information.

(a) **Confidential Information.** The Employee understands and acknowledges that during the course of employment by the Employer, the Employee will have access to and learn about non-public, confidential, secret, and proprietary documents, materials, data, and other information, in tangible and intangible form, of and relating to the Employer and its businesses and existing and prospective customers, suppliers, investors, and other associated third parties (“**Confidential Information**”).

For purposes of this Agreement, Confidential Information is broadly defined in the Company policy on Protection of Confidential Information and includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, transactions, negotiations, know-how, trade secrets, computer programs, applications, databases, manuals, records, articles, supplier information, vendor information, financial information, legal information, marketing information, pricing information, credit information, design information, payroll information, staffing information, personnel information, developments, internal controls, sales information, algorithms, product plans, designs, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes and results, specifications, manufacturing information of the Employer or its businesses or any existing or prospective customer, supplier, investor, or other associated third party, or of any other person or entity that has entrusted information to the Employer in confidence.

Confidential Information shall not include information that is generally available to and known by the public, provided that such disclosure to the public is through no direct or indirect fault of the Employee or person(s) acting on the Employee's behalf.

(b) **Disclosure and Use Restrictions.**

(i) **Employee agrees:**

(A) **to treat all Confidential Information as strictly confidential and to use such Confidential Information only for the benefit of the Company and as required by Employee's job responsibilities;**

(B) **not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever not having a need to know and authority to know and use the Confidential Information in connection with the business of the Employer and, in any event, not to anyone outside of the direct employ of the Employer except as required in the performance of any of the Employee's authorized employment duties to the Employer and only after execution of a confidentiality agreement (such as a Non-Disclosure Agreement) by the third party with whom Confidential Information will be shared;**

(C) **not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Employer, except as required in the performance of any of the Employee's authorized employment duties to the Employer or with the prior consent of an authorized officer acting on behalf of the Employer in each instance; and**

(D) **to return all copies of Confidential Information, and any other property of Employer, to Employer upon termination of employment.**

(ii) **The Employee understands and acknowledges that the Employee's obligations under this Agreement with regard to any particular Confidential Information shall commence immediately upon his acceptance of the RSU Agreement and shall continue during and after the termination of Employee's employment by the Employer, until such time as such Confidential Information has become public knowledge other than as a result of the Employee's breach of this Agreement or breach by those acting in concert with the Employee or on the Employee's behalf.**

(c) **Permitted Disclosures.** Employee understands that the foregoing confidentiality provisions do not prohibit Employee from providing truthful information in good faith to any federal or state governmental agency, entity or official investigating an alleged violation of federal or state law or regulation or when Employee makes other disclosures that are protected under the whistleblower provisions of federal or state law. The Employee acknowledges receipt of Employer's policy regarding Reports by Employees of Illegal or Unethical Conduct setting forth Employer's reporting policy for a suspected violation of law; and the Protection of Confidential Information policy setting forth permissible disclosure of trade secrets if reporting alleged violations of law.

2. **Protection of Proprietary Rights.**

(a) **Work Product.** The Employee acknowledges and agrees that all writings, works of authorship, technology, inventions, discoveries, ideas and other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived, or reduced to practice by the Employee, individually or jointly with others, during the period of the Employee's employment by the Employer, and relating in any way to the business or contemplated business, research, or development of the Employer and all printed, physical, and electronic copies, all improvements, rights, and claims related to the foregoing, and other tangible embodiments thereof (collectively, "**Work Product**"), as well as any and all rights in and to copyrights, trade secrets, trademarks (and related goodwill), patents, and other intellectual property rights therein arising in any jurisdiction throughout the world and all related rights of priority under international conventions with respect thereto, including all pending and future applications and registrations therefor, and continuations, divisions, continuations-in-part, reissues, extensions, and renewals thereof (collectively, "**Intellectual Property Rights**"), shall be the sole and exclusive property of the Employer. The Employee further acknowledges that the Employee has been provided a copy of the U. S. Steel Patent Rules and the Employee agrees to be bound by and adhere to the U. S. Steel Patent Rules.

(b) **Work Made for Hire; Assignment.** The Employee acknowledges that, by reason of being employed by the Employer at the relevant times, to the extent permitted by law, all of the Work Product consisting of copyrightable subject matter is "work made for hire" as defined in the Copyright Act of 1976 (17 U.S.C. § 101), and such copyrights are therefore owned by the Employer. To the extent that the foregoing does not apply, the Employee hereby irrevocably assigns to the Employer, for no additional consideration, the Employee's entire right, title and interest in and to all Work Product and Intellectual Property Rights therein, including the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto throughout the world.

(c) **Further Assurances; Power of Attorney.** During and after the Employee's employment, the Employee agrees to reasonably cooperate with the Employer to (i) apply for, obtain, perfect, and transfer to the Employer the Work Product and Intellectual Property Rights in the Work Product in any jurisdiction in the world; and (ii) maintain, protect, and enforce the same, including, without limitation, executing and delivering to the Employer any and all applications, oaths, declarations, affidavits, waivers, assignments, and other documents and instruments as shall be requested by the Employer. The Employee hereby irrevocably grants the Employer power of attorney to execute and deliver any such documents on the Employee's behalf in the Employee's name and to do all other lawfully permitted acts to transfer the Work Product to the Employer and further the transfer, issuance, prosecution, and maintenance of all Intellectual Property Rights therein, to the full extent permitted by law, if the Employee does not promptly cooperate with the Employer's request (without limiting the rights the Employer shall have in such circumstances by operation of law). The power of attorney is coupled with an interest and shall not be impacted by the Employee's subsequent incapacity.

(d) **Moral Rights.** To the extent any copyrights are assigned under this Agreement, the Employee hereby irrevocably waives, to the extent permitted by applicable law, any and all claims the Employee may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" with respect to all Work Product and all Intellectual Property Rights therein.

(e) **No License.** The Employee understands that this Agreement does not, and shall not be construed to, grant the Employee any license or right of any nature with respect to any Work Product or Intellectual Property Rights or any Confidential Information, materials, software, or other tools made available to the Employee by the Employer.

3. **Security.** The Employee agrees to comply with all Employer security and access policies and procedures, including but not limited to the Code of Ethical Business Conduct, the policy on Use and Protection of Company Computer Systems and Intellectual Property, the policy on Protection of Confidential Information, and Cyber Security Procedure A026 regarding Acceptable Use of Computing Resources.

4. **CERTIFICATION.** BY ACCEPTING THIS AGREEMENT, EMPLOYEE CERTIFIES THAT EMPLOYEE: (A) HAS NOT AND WILL NOT USE OR DISCLOSE TO THE COMPANY ANY CONFIDENTIAL INFORMATION AND/OR TRADE SECRETS BELONGING TO OTHERS, INCLUDING ANY PRIOR EMPLOYERS; (B) WILL NOT USE ANY PRIOR INVENTIONS MADE BY EMPLOYEE AND WHICH THE COMPANY IS NOT LEGALLY ENTITLED TO LEARN OF OR USE; AND (C) IS NOT SUBJECT TO ANY PRIOR AGREEMENTS THAT WOULD PREVENT EMPLOYEE FROM FULLY PERFORMING HIS OR HER DUTIES FOR THE COMPANY.

5. **Acknowledgment.** Nothing in this Agreement shall alter the at-will status of the employment relationship between the Employer and the Employee, pursuant to which either the Employer or the Employee may terminate the employment relationship at any time, with or without cause, and with or without notice.

6. **Remedies.** The Employee acknowledges that the Employer's Confidential Information and the Employer's ability to reserve it for the exclusive knowledge and use of the Employer is of great competitive importance and commercial value to the Employer, and that improper use or disclosure of the Confidential Information by the Employee will cause irreparable harm to the Employer, for which remedies at law will not be adequate. In the event of a breach or threatened breach by the Employee of any of the provisions of this Agreement, the Employee hereby consents and agrees that the Employer shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

7. **Protections for Affiliates and Subsidiaries.** This Agreement is intended to benefit all Company subsidiaries and affiliates for which Employee performs services, has customer contact, or about which Employee receives Confidential Information. Therefore, any subsidiary or affiliate of Employer that may be adversely affected by a breach may enforce this Agreement regardless of which entity employs Employee at the time.

8. **Successors and Assigns.**

(a) The Employer may assign this Agreement to any subsidiary or corporate affiliate, or to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all the business or assets of the Employer. This Agreement shall inure to the benefit of the Employer and permitted successors and assigns.

(b) No Assignment by the Employee. The Employee may not assign this Agreement or any part hereof. Any purported assignment by the Employee shall be null and void from the initial date of purported assignment.

9. **Governing Law.** This Agreement, for all purposes, shall be construed in accordance with the laws of Pennsylvania without regard to conflicts-of-law principles.

10. **Entire Agreement.** Unless specifically provided herein, this Agreement contains all the understandings and representations between the Employee and the Employer pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

11. **Modification and Waiver.** No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by a duly authorized officer of the Employer (other than the Employee). No waiver by either of the Parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the Parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

12. **Severability.** If any portion of this Agreement shall be held unenforceable, the parties agree that a court of competent jurisdiction may modify the agreement (by adding or removing language) or sever unenforceable provisions in order to render this Agreement enforceable to the fullest extent permitted by law.

13. **Captions.** Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

EXHIBIT B

Non-Competition Agreement

This Non-Competition Agreement (“**Agreement**”) is attached as Exhibit B to, and incorporated as a part of, the United States Steel Corporation Restricted Stock Unit Grant Agreement (“**RSU Agreement**”) and is applicable to the Participant named in the RSU Agreement to the extent provided in Section 11 of the RSU Agreement. For purposes of this Agreement, United States Steel Corporation and its subsidiaries or affiliates are described as the “**Employer**” or “**Company**”, the Participant named in the RSU Agreement is described as the “**Employee**”, “**me**” or “**I**”, and the Employer and the Employee are collectively referred to herein as the “**Parties**”.

1. Definitions.

- (a) “Competing Products” means products or services sold by the Company, or any prospective product or service the Company took steps to develop for which I had any responsibility during the 24 months preceding the termination of my employment.
- (b) “Restricted Territory” means the geographic territory (i) within sixty miles of the area in which I worked or (ii) over which I had responsibility or (iii) that the nature and scope of my duties could have affected, during the 24 months preceding the termination of my employment, whichever is greatest. Restricted territory may be national or global depending on the nature of my duties and the knowledge acquired in the performance of those duties.

2. Non-Competition. During my employment and for 12 months after termination of my employment for any reason, I will not directly or indirectly, on behalf of myself or in conjunction with any other person or entity:

- (a) own any business (other than less than 5% ownership in a publicly traded company) that sells Competing Products in the Restricted Territory;
or
- (b) work in the Restricted Territory for any person or entity that sells Competing Products, in any role.

3. Non-Solicitation Of Customers & Employees. During my employment and for 12 months after termination of my employment, I will not directly or indirectly, on behalf of myself or in conjunction with any other person or entity:

- (a) solicit or accept business from any customer or prospective customer of the Company with whom I had contact during the last 24 months of my employment, for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company; or
- (b) solicit or hire any employee or independent contractor of the Company, who worked for the Company during the 6 months preceding termination of my employment, to work for me or my new employer.

For purposes of this section, solicit means:

- (a) Any comments, conduct or activity that would influence a customer’s decision to continue doing business with the Company, regardless of who initiates contact;
and/or
- (b) Any comments, conduct or activity that would influence an employee’s decision to resign his employment with the Company or accept employment with my new company, regardless of who initiates contact.

4. Acknowledgment. Nothing in this Agreement shall alter the at-will status of the employment relationship between the Employer and the Employee, pursuant to which either the Employer or the Employee may terminate the employment relationship at any time, with or without cause, and with or without notice.

5. Change of Position. If the Employer changes Employee’s position or title with the Employer, or transfers Employee from one affiliate to another, this Agreement and Employee’s obligations hereunder will remain in force.

6. Protections for Affiliates and Subsidiaries. This Agreement is intended to benefit all Company subsidiaries and affiliates for which Employee performs services, has customer contact, or about which Employee receives Confidential Information. Therefore, any subsidiary or affiliate of Employer that may be adversely affected by a breach may enforce this Agreement regardless of which entity employs Employee at the time.

7. Successors and Assigns.

- (a) The Employer may assign this Agreement to any subsidiary or corporate affiliate, or to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all the business or assets of the Employer. This Agreement shall inure to the benefit of the Employer and permitted successors and assigns.
- (b) No Assignment by the Employee. The Employee may not assign this Agreement or any part hereof. Any purported assignment by the Employee shall be null and void from the initial date of purported assignment.

8. **Governing Law.** This Agreement, for all purposes, shall be construed in accordance with the laws of Pennsylvania without regard to conflicts-of-law principles.
9. **Injunctive Relief and Attorney's Fees.** Employee agrees that in the event Employee breaches this Agreement, the Company will be irreparably harmed and entitled to an injunction restraining any further breach, in addition to any other rights to which it is entitled. Further, Employee will be responsible for all attorneys' fees, costs and expenses incurred by the Company to enforce this Agreement. Additionally, any time periods for restrictions set forth in Paragraph 2 above will be extended by an amount of time equal to the duration of any time period during which Employee is in violation of this Agreement.
10. **Entire Agreement.** Unless specifically provided herein, this Agreement contains all the understandings and representations between the Employee and the Employer pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.
11. **Modification and Waiver.** No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by a duly authorized officer of the Employer (other than the Employee). No waiver by either of the Parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the Parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.
12. **Severability.** If any portion of this Agreement shall be held unenforceable, the parties agree that a court of competent jurisdiction may modify the Agreement (by adding or removing language) or sever unenforceable provisions in order to render this Agreement enforceable to the fullest extent permitted by law.
13. **Captions.** Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

EXHIBIT C

Additional Terms and Conditions of the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement

TERMS AND CONDITIONS

This Exhibit C includes additional terms and conditions that govern the RSUs granted to the Participant under the Plan if he or she works or resides in one of the countries listed below. If the Participant is a citizen or resident of a country other than that in which the Participant is currently working or transfers employment to another country after the RSUs are granted, the Corporation shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant. Certain capitalized terms used but not defined in this Exhibit C have the meanings set forth in the Plan and/or the Agreement.

NOTIFICATIONS

This Exhibit C also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the laws in effect in the applicable countries as of February 2018. Such laws are often complex and change frequently. As a result, the Corporation strongly recommends that the Participant not rely on the information in this Exhibit C as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that the Participant vests in the RSUs or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Corporation is not in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident of a country other than that in which the Participant is currently working or transfers employment to another country after the RSUs are granted, the information contained herein may not be applicable.

CANADA

TERMS AND CONDITIONS

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for the Participant to receive a cash payment in settlement of the RSUs upon vesting and the RSUs are payable in Shares only.

Securities Law Commitment on Sale of Shares. As a condition of the grant of RSUs and the issuance of Shares upon vesting of the RSUs, the Participant undertakes to only sell, trade or otherwise dispose of any Shares issued to the Participant under the Plan in accordance with applicable Canadian securities laws. Under current laws, this means that the Participant will need to sell any Shares issued under the Plan using the services of a broker or dealer that is registered under Canadian provincial or territorial securities legislation. The Participant will not be permitted to sell, trade or otherwise dispose of his or her Shares through the Corporation's designated U.S. plan broker, Fidelity Investments, unless such sale, trade or disposal can be executed in accordance with applicable securities laws. As legal requirements may be subject to change, Participants are encouraged to seek specific advice about their individual situation before taking any action with respect to securities issued to them under the Plan.

By accepting this RSU, the Participant expressly agrees that he or she will consult with a personal legal advisor to address any questions that may arise regarding compliance with this requirement. The Participant understands and agrees that he or she will be liable for any failure to comply with the foregoing provision.

The following provisions will apply if the Participant is a resident of Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, this Exhibit C and all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement relatif à la langue utilisée: Les parties reconnaissent avoir exigé la rédaction en anglais de l'accord, cette pièce C, y ainsi que de tous documents, avis donnés et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement aux présentes.

Data Privacy. This provision supplements Section 14 of the Agreement:

The Participant hereby authorizes the Corporation and the Employing Company and their respective representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Corporation and any Subsidiary or affiliate and the Committee to disclose and discuss the Plan with their respective advisors. The Participant further authorizes the Corporation and any Subsidiary or affiliate to record such information and to keep such information in the Participant's employee file.

NOTIFICATIONS

Foreign Asset/Account Reporting Information. Canadian residents are required to report any foreign property (e.g., Shares acquired under the Plan and possibly RSUs) on form T1135 (Foreign Income Verification Statement) if the total cost of their foreign property exceeds C\$100,000 at any time in the year.

It is Participant's responsibility to comply with these reporting obligations, and Participant is encouraged to consult his or own personal tax advisor in this regard.

GERMANY

NOTIFICATIONS

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*) electronically using the "General Statistics Reporting Portal" ("*Allgemeines Meldeportal Statistik*") available via Bundesbank's website (www.bundesbank.de). It is the sole responsibility of the Participant to make such report.

Securities Disclaimer. The grant of the RSUs is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Germany.

SLOVAK REPUBLIC

NOTIFICATIONS

Foreign Assets Reporting Information. If the Participant permanently resides in the Slovak Republic and, apart from being employed, carries on business activities as an independent entrepreneur (in Slovakian, *podnikateľ*), the Participant will be obligated to report his or her foreign assets (including any foreign securities such as Shares acquired under the Plan) to the National Bank of Slovakia if the value of the foreign assets exceeds €2,000,000. These reports must be submitted on a monthly basis by the 15th day of the respective calendar month, as well as on a quarterly basis by the 15th day of the calendar month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia's website at www.nbs.sk.

Furthermore, if the above preconditions are met (i.e., permanent residence in the Slovak Republic and entrepreneurial activities in addition to the employment), the Participant will be obliged to report certain additional information under Section 34b of Act No. 566/1992 Coll. on National Bank of Slovakia as amended. This information is mostly of general nature and contains personal identification data of the Participant - place and date of birth, birth certificate number, academic degree, etc., as well as telephone and fax number and e-mail address of the Participant, if any.

Securities Disclaimer. The grant of the RSUs is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in the Slovak Republic.

Personal Data Protection. The national identification number (in Slovak: *rodné číslo*) may be used for identification of the Participant only if required to achieve the determined purpose of processing. It is forbidden to make the national identification number public; the only exception is when the data subject made the national identification number public by itself.

UNITED KINGDOM

NOTIFICATIONS

Securities Disclosure. This Agreement is not an approved prospectus for the purposes of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA") and no offer of transferable securities to the public (for the purposes of section 102B of FSMA) is being made in connection with the Plan. The Plan and the RSUs are exclusively available in the UK to bona fide employees and former employees and any other UK subsidiary of the Corporation.

Taxation. The RSUs are not intended to be qualified for purposes of taxation or National Insurance Contributions applicable in the United Kingdom.

EUROPEAN UNION AND EUROPEAN ECONOMIC AREA

For Participants who reside in the European Union or the European Economic Area, the following provisions replace the Data Privacy provisions in Section 14 of the Agreement.

Data Collected and Purposes of Collection. The Participant understands that the Corporation, acting as controller, as well as the Employing Subsidiary, may collect, to the extent permissible under applicable law, certain personal information about the Participant, including name, home address and telephone number, information necessary to process payment of RSUs (e.g., mailing address for a check payment or bank account wire transfer information), date of birth, social insurance number or other identification number, salary, nationality, job title, employment location, any capital shares or directorships held in the Corporation (but only where needed for legal or tax compliance), any other information necessary to process mandatory tax withholding and reporting, details of all RSUs granted, canceled, vested, unvested or outstanding in Participant's favor, and where applicable service termination date and reason for termination (e.g., for "Cause" (as defined by Plan) or other than for Cause) (all such personal information is referred to as "Data"). The Data is collected from the Participant, the Employing Subsidiary, and from the Corporation, for the exclusive purpose of implementing, administering and managing the Plan pursuant to the terms of this Agreement. The legal basis (that is, the legal justification) for processing the Data is to perform the Agreement. The Data must be provided in order for the Participant to participate in the Plan and for the parties to the Agreement to perform their respective obligations thereunder. If the Participant does not provide Data, he or she will not be able to participate in the Plan and become a party to the Agreement.

Transfers and Retention of Data. The Participant understands that the Employing Subsidiary will transfer Data to the Corporation for purposes of plan administration. The Corporation and the Employing Subsidiary may also transfer the Participant's Data to other service providers (such as accounting firms, payroll processing firms or tax firms), as may be selected by the Corporation in the future, to assist the Corporation with the implementation, administration and management of the Agreement. The Participant understands that the recipients of the Data may be located in the United States, a country that does not

benefit from an adequacy decision issued by the European Commission. Where a recipient is located in a country that does not benefit from an adequacy decision, the transfer of the Data to that recipient will be made pursuant to European Commission-approved standard contractual clauses, a copy of which may be obtained at data.protection@sk.uss.com. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's rights and obligations under the Agreement, and for the duration of the relevant statutes of limitations, which may be longer than the term of the Agreement.

The Participant's Rights in Respect of Data. The Corporation will take steps in accordance with applicable legislation to keep Data accurate, complete and up-to-date. The Participant is entitled to have any inadequate, incomplete or incorrect Data corrected (that is, rectified). The Participant also has the right to request access to the Participant's Data as well as additional information about the processing of that Data. Further, the Participant is entitled to object to the processing of Data or have his or her Data erased, under certain circumstances. As from 25 May 2018, and subject to conditions set forth in applicable law, the Participant is entitled to (i) restrict the processing of the Participant's Data so that it is stored but not actively processed (e.g., while the Corporation assesses whether the Participant is entitled to have Data erased) and (ii) receive a copy of the Data provided pursuant to the Agreement or generated by the Participant, in a common machine-readable format. To exercise the Participant's rights, he or she may contact the local human resources representative. The Participant may also contact the relevant data protection supervisory authority, as he or she has the right to lodge a complaint. The data protection officer may be contacted at data.protection@sk.uss.com.

**United States Steel Corporation 2016 Omnibus Incentive Compensation Plan
Performance Share Award Grant Agreement**

United States Steel Corporation, a Delaware Corporation (herein called the "Corporation"), grants to the employee of the employing company identified below (the "Participant") a Performance Share Award representing the right to receive a specified number of shares of the common stock of the Corporation ("Shares") set forth below, which right, if payable, shall be paid in Shares:

Name of Participant:	PARTICIPANT NAME
Name of Employing Company	(the company recognized by the Corporation
on Date Hereof:	as employing the Participant)
Target Number of Shares	
Subject to Award:	# SHARES
Maximum Number of Shares	
Subject to Award:	(Two times the Number of Shares Subject to the Award)
Performance Period:	January 1, 2018 through December 31, 2020
Performance Goals:	(See Exhibit A, attached)
Date of Grant:	GRANT DATE

By accepting this Award in any manner and within the time period prescribed by the Corporation, the Participant agrees that (1) this Performance Share Award is granted under and governed by the terms and conditions of the Corporation's 2016 Omnibus Incentive Compensation Plan, as amended from time to time (the "Plan"), and the Terms and Conditions contained herein including the Performance Goals set forth in Exhibit A attached hereto and the special provisions for the Participant's country of residence, if any, attached hereto as Exhibit B (collectively, the "Agreement"), (2) he or she has reviewed the Plan and the Agreement in their entirety, and (3) he or she has had an opportunity to obtain the advice of counsel prior to accepting this Award and fully understands all provisions of the Plan and the Agreement.

United States Steel Corporation

By: _____
Authorized Officer

Terms and Conditions

1. **Grant of Performance Share Award:** The Performance Period for purposes of determining whether the Performance Goals have been met shall be the three-year Performance Period specified herein. The Performance Goals for purposes of determining whether, and the extent to which, the Performance Share Award is earned and payable are set forth in Exhibit A to this Agreement. Subject to the provisions of this Agreement, the Performance Share Award shall become payable, if vested, following the Committee's determination and certification after the end of the Performance Period, as to whether and the extent to which the Performance Goals have been achieved; provided that the Committee retains no discretion to reduce or increase Performance Share Awards that become payable as a result of performance measured against the Performance Goals.

2. **Payment of Award:** If and to the extent the Performance Share Award is vested, earned and payable, the Corporation shall cause a stock certificate to be issued in the Participant's name, for no cash consideration, for the number of shares of common stock of the Corporation determined by the Committee to be payable pursuant to paragraph 1 hereof. Payment shall be made following the end of the Performance Period and certification by the Committee, and in no event more than two and one-half months following the end of the calendar year in which the Performance Period ends, except as otherwise provided in Section 11. No dividends or dividend equivalents shall be payable with respect to the Performance Share Award before the Performance Goal has been achieved and the Performance Share Award has been determined to be earned.

3. **Transferability:** The Participant shall not sell, transfer, assign, pledge or otherwise encumber or dispose of any portion of the Performance Share Award and the right to receive Shares, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Shares prior to the payment, if at all, of a stock certificate in the name of the Participant shall have no effect, regardless of whether voluntary, involuntary, by operation of law or otherwise.

4. **Change in Control:** Notwithstanding anything to the contrary stated herein, in the case of a Change in Control of the Corporation, (a) the Performance Period shall automatically end on the business day immediately preceding the closing date of the Change in Control, (b) the actual performance for the abbreviated Performance Period shall be measured against the established Performance Goals, the performance criteria shall be deemed satisfied only to the extent the actual performance was achieved (the "Achieved Performance Share Award"), and the balance of the Performance Share Award, if any, shall be forfeited, and (c) the

Achieved Performance Share Award shall remain subject to forfeiture until the third anniversary of the Date of Grant of this Performance Share Award if the Participant's employment is terminated after the Change in Control but before the third anniversary of the Date of Grant; provided, however, notwithstanding Section 5, (i) if the Participant's employment is terminated by the Corporation other than for Cause or is terminated voluntarily by the Participant for Good Reason in the case of participants designated as executive management at the time of the Change in Control ("Executive Management"), within 24 months following a Change in Control, then, except as otherwise determined by the Corporation if the Participant is not Executive Management, the Achieved Performance Share Award shall not be forfeited upon such Termination; rather, the Achieved Performance Share Award shall vest immediately upon the termination, (ii) if the Participant's employment is terminated by reason of death, due to the Participant becoming Disabled, or following attainment of Normal Retirement Age, then the Achieved Performance Share Award shall not be forfeited upon such Termination; rather, the Achieved Performance Share Award shall vest immediately upon such Termination; and (iii) if the Participant's employment is terminated following attainment of Early Retirement Age, then a prorated portion of the Achieved Performance Share Award will vest, based upon the number of complete months worked during the original Performance Period in relation to the number of whole months in the original Performance Period and the remainder shall be forfeited.

5. **Vesting:** To vest in this Performance Share Award, the Participant must continue as an active employee of an Employing Company during the Performance Period and through the date on which the Committee certifies whether the Performance Goal relating to the Performance Period has been achieved, subject to the following:

- (a) In the event of a Termination of the Participant's employment due to death or becoming Disabled, the Performance Share Award will become vested in accordance with the following Schedule:

Termination	Vested Parentage
During First Year of Performance Period	0%
During Second Year of Performance Period	50%
During Third Year of Performance Period	100%

- (b) The Performance Share Award will immediately vest upon the Participant's attainment of Normal Retirement Age.

(c) The Performance Share Award will vest based upon the number of complete months worked by the Participant during the Performance Period, in the event of a Participant's termination of employment during the Performance Period on or after attainment of Early Retirement Age or under circumstances which would qualify the Participant for benefits under a severance plan of the Corporation.

(d) The Performance Share Award will be forfeited automatically upon any other Termination of employment (including but not limited to any voluntary termination by the Participant or any Termination by the Corporation or the Employing Company for Cause or without Cause) prior to the date on which the Committee certifies whether the Performance Goal relating to the Performance Period has been achieved, such forfeiture being without consideration or without further action required of the Corporation or Employing Company.

6. **Termination of Employment:** Notwithstanding any other terms or conditions of the Plan or this Agreement to the contrary, in the event of the Participant's Termination of employment, regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any, the Participant's rights under this Agreement will terminate effective as of the date that the Participant is no longer actively employed by an Employing Company and will not be extended by any notice period. For purposes of the Performance Share Award, active employment does not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any. The Committee shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of the Performance Share Award.

7. **Adjustments and Recoupment:** The Target and Maximum number of Shares are subject to adjustment as provided in Section 8 of the Plan. The Participant shall be notified of such adjustment and such adjustment shall be binding upon the Corporation and the Participant. Consistent with Section 8 of this Agreement, this Award shall be administered in accordance with, and is subject to, any recoupment policies and provisions prescribed by the Plan at the time of such Award; notwithstanding the foregoing, this Award shall be subject to all recoupment provisions required by law from time to time. In its sole discretion, the Committee shall have the authority to amend, waive or apply the terms of any recoupment policies or provisions not required by law, in whole or in part, to the extent necessary or advisable to comply with applicable local laws, as determined by the Committee.

8. **Interpretation and Amendments:** This Award and the issuance, vesting and delivery of Shares are subject to, and shall be administered in accordance with, the provisions of the Plan. No amendment of this Agreement or the Plan may, without the consent of the Participant, affect the rights of the Participant under this Award in a materially adverse manner. For purposes of the foregoing sentence, an amendment that affects the tax treatment of the Performance Share Award or that is necessary to comply with securities or other laws applicable to the issuance of Shares shall not be considered as affecting the Participant's rights in a materially adverse manner. In the event of a conflict between the Plan and this Agreement, unless this Agreement specifies otherwise, the Plan shall control. All capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

9. **Compliance with Laws:** The obligations of the Corporation and the rights of the Participant are subject to all applicable laws, rules and regulations including, without limitation, the U.S. Securities Exchange Act of 1934, as amended; the U.S. Securities Act of 1933, as amended; the U.S. Internal Revenue Code of 1986, as amended; and any other applicable laws, whether U.S. origin or otherwise. No Shares will be issued or delivered to the Participant under the Plan unless and until there has been compliance with such applicable laws.

10. **Acceptance of Award:** The Award shall not be payable unless it is accepted by the Participant and notice of such acceptance is received by the Corporation.

11. **Taxes/Section 409A:** The Participant acknowledges that, regardless of any action taken by the Corporation or the Employing Company, the ultimate liability for any or all income tax, social security, payroll tax, payment on account or other tax-related withholding or liability in connection with any aspect of the Performance Share Award, including the grant, vesting, or settlement of the Performance Share Award or the subsequent sale of Shares ("Tax-Related

Items”) is and remains his or her responsibility and may exceed the amount withheld by the Corporation or the Employing Company. Furthermore, the Participant acknowledges that the Corporation and/or the Employing Company (a) make no representations or undertakings regarding the treatment of any Tax-Related Items; and (b) do not commit to and are under no obligation to structure the terms of the grant of the Performance Share Award or any aspect of the Participant’s participation in the Plan to reduce or eliminate his or her liability for Tax-Related Items or to achieve any particular tax result. Further, if the Participant has become subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that the Corporation and/or the Employing Company (or former Employing Company, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Participant shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employing Company to satisfy all Tax-Related Items of the Corporation and/or the Employing Company. In this regard, the Participant shall pay any Tax-Related Items directly to the Corporation or the Employing Company in cash upon request. In addition, the Participant authorizes the Corporation and/or the Employing Company, or their respective agents, at their discretion, to satisfy the obligations with regard to all applicable Tax-Related Items by one or a combination of the following methods: (1) withholding from Participant’s wages or other cash compensation paid to Participant by the Corporation and/or the Employing Company; (2) withholding from proceeds of the sale of Shares issued upon payment of the Performance Share Award either through a voluntary sale or through a mandatory sale arranged by the Corporation (on the Participant’s behalf pursuant to this authorization) through such means as the Corporation may determine in its sole discretion (whether through a broker or otherwise); or (3) withholding in Shares to be issued upon payment of the Performance Share Award. If the Corporation gives the Participant the power to choose the withholding method, and the Participant does not make a choice, then the Corporation will at its discretion withhold in Shares as stated in alternative (3) herein.

To avoid negative accounting treatment, the Corporation may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the Corporation withholds at a rate other than the minimum statutory rate, such as the maximum withholding rate, then the refund of any over-withheld amount shall be paid in cash and the Participant will have no entitlement to the Common Stock equivalent. If the Tax-Related Items are satisfied by withholding in Shares issuable upon vesting of the Performance Share Award, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the Performance Share Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. Finally, the Participant shall pay to the Corporation or the Employing Company any amount of Tax-Related Items due as a result of any aspect of the Participant’s participation in the Plan. The Participant understands that no Shares or proceeds from the sale of Shares shall be delivered to Participant, notwithstanding the vesting of the Performance Share Award, unless and until the Participant shall have satisfied any obligation for Tax-Related Items with respect thereto.

Notwithstanding anything in this Section 11 to the contrary, if the Performance Share Award is considered nonqualified deferred compensation, the fair market value of the shares withheld together with the amount of cash withheld may not exceed the liability for Tax-Related Items.

It is the intent that the vesting or the payments of this Performance Share Award shall either qualify for exemption from or comply with the requirements of Section 409A of the Code (“Section 409A”), and any ambiguities herein will be interpreted to so comply. The Corporation reserves the right, to the extent the Corporation deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all vesting or settlements provided under this Agreement are made in a manner that qualifies for exemption from or complies with Section 409A; provided, however, that the Corporation makes no representation that the vesting or settlement of the Performance Share Award provided under this Agreement will be exempt from Section 409A and makes no undertaking to preclude Section 409A from applying to the vesting or settlement of Performance Share Awards provided under this Agreement. In the event that any payment to a U.S. taxpayer or Participant otherwise subject to U.S. taxation, with respect to a Performance Share Award is considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of the Participant’s termination if the Participant is a “specified employee” under Section 409A of the Code upon his separation from service.

12. Nature of the Award: Nothing herein shall be construed as giving Participant any right to be retained in the employ of an Employing Company or affect any right that the Employing Company may have to terminate the employment of such Participant. Further, by accepting this Performance Share Award, the Participant acknowledges that:

- (a) the Plan is established voluntarily by the Corporation, it is discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by its terms;
- (b) the grant of the Performance Share Award is voluntary and occasional and does not create any contractual or other right to receive future Performance Awards, or benefits in lieu of Performance Awards, even if Performance Awards have been granted in the past;
- (c) all decisions with respect to future Performance Award grants, if any, will be at the sole discretion of the Committee;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the Performance Share Award and the Shares subject to the Performance Share Award are extraordinary items which do not constitute compensation of any kind for services of any kind rendered to the Corporation or to the Employing Company, and which are outside the scope of the Participant’s employment contract, if any;
- (f) the Performance Share Award and the Shares subject to the Performance Share Award are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, dismissal, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Corporation or the Employing Company or any Subsidiary or affiliate of the Corporation;
- (g) the Performance Share Award and the Shares subject to the Performance Share Award are not intended to replace any pension rights or compensation;
- (h) the grant of the Performance Share Award will not be interpreted to form an employment contract or relationship with the Corporation, the Employing Company or any Subsidiary or affiliate of the Corporation;
- (i) the future value of the Shares underlying the Performance Share Award is unknown, indeterminable and cannot be predicted with certainty;
- (j) no claim or entitlement to compensation or damages arises from forfeiture of the Performance Share Award resulting from termination of the Participant’s employment by the Corporation or the Employing Company (for any reason whether or not in breach of applicable labor laws or the terms of the Participant’s employment agreement, if any), and in consideration of the grant of the Performance Share Award to which the

Participant is not otherwise entitled, the Participant irrevocably agrees never to institute any claim against the Corporation or the Employing Company, waives his or her ability, if any, to bring any such claim, and releases the Corporation and the Employing Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;

- (k) it is the Participant's sole responsibility to investigate and comply with any applicable exchange control laws in connection with the issuance and delivery of Shares pursuant to the vesting of the Performance Share Award;
- (l) the Corporation and the Employing Company are not providing any tax, legal or financial advice, nor are the Corporation or the Employing Company making any recommendations regarding the Participant's participation in the Plan or the Participant's acquisition or sale of the Shares underlying the Performance Share Award;
- (m) the Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan;
- (n) unless otherwise provided in the Plan or by the Corporation in its discretion, the Performance Share Award and the benefits evidenced by this Agreement do not create any entitlement to have the Performance Share Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Corporation; and
- (o) the following provisions apply only if the Participant is providing services outside the United States:
 - (i) the Performance Share Award and Shares underlying the Performance Share Award are not part of normal or expected compensation for any purpose; and
 - (ii) the Participant acknowledges and agrees that neither the Corporation nor the Employing Company shall be liable for any foreign exchange rate fluctuation between the local currency and the United States Dollar that may affect the value of the Performance Share Award or of any amounts due to the Participant pursuant to the settlement of the Performance Share Award or the subsequent sale of any Shares acquired upon settlement.

13. Data Privacy: The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this document by and among, as applicable, any Employing Company and the Corporation for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Employing Company and the Corporation hold certain personal information about the Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Corporation, details of all Performance Share Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in Participant's favor, as the Employing Company and/or the Corporation deems necessary for the purpose of implementing, administering and managing the Plan ("Data"). The Participant acknowledges and understands that Data may be transferred to any broker as designated by the Corporation and any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country or elsewhere, and that the recipient's country may have different, including less stringent, data privacy laws and protections than the Participant's country. The Participant understands that the Corporation may transfer Participant's Data to the United States, which is not considered by some countries to have data protection laws equivalent to the laws in Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares acquired upon vesting of the Performance Share Award. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant further understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke consent, the Participant's employment status or service and career with the Employing Company will not be adversely affected. The Participant understands, however, that refusing or withdrawing his or her consent may affect his or her ability to realize benefits from the Performance Share Award or otherwise participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

14. Electronic Delivery: The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Corporation or another third party designated by the Corporation. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Corporation intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Corporation. The Participant consents to the electronic delivery of the Plan documents and the Agreement. The Participant acknowledges that he or she may receive from the Corporation a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Corporation by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Corporation or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Corporation of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

15. Severability: In the event that any provision in this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

16. Language: If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. Governing Law and Venue: This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of laws thereof. For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania, and agree that such litigation shall be conducted in the courts of Allegheny County, Pennsylvania, or the federal courts for the United States for the Western District of Pennsylvania, where this grant is made and/or to be performed.

18. Exhibit B: Notwithstanding any provisions in this Agreement, the Performance Share Award shall be subject to any special terms and conditions set forth in Exhibit B to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in Exhibit B, the special terms and conditions for such country will apply to the Participant, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

19. Insider Trading Restrictions/Market Abuse Laws: The Participant acknowledges that, depending on the Participant's country of residence, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell Shares or rights to Shares (e.g., Performance Share Awards) under the Plan during such times as the Participant is considered to have "inside information" regarding the Corporation (as defined by any applicable laws in the Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy maintained by the Corporation. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.

20. Imposition of Other Requirements: The Corporation reserves the right to impose other requirements on the Participant's participation in the Plan, on the Performance Share Award and on any Shares acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

21. Headings: Headings of paragraphs and sections used in this Agreement are for convenience only and are not part of this Agreement, and must not be used in construing it.

22. Waiver: The Participant acknowledges that a waiver by the Corporation of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

23. Definitions: In addition to the capitalized terms defined in the Plan, the following terms as used herein shall have the following meanings when used with initial capital letters:

- (a) "Early Retirement Age" shall mean the Participant's (1) attainment of age 55 and completion of ten (10) years of service with the Corporation or an Employing Company, or (2) completion of thirty (30) years of service with the Corporation or an Employing Company.
- (b) "Normal Retirement Age" shall mean, with respect only to a Participant who is a U.S. employee and is not a participant in the United States Steel Corporation Supplemental Pension Program, the later of (1) six (6) months following the Date of Grant, or (2) the earlier of (i) attainment of age 65, or (ii) attainment or age 60 and completion of five (5) years of service with the Corporation or an Employing Company.
- (c) "Termination" shall mean the applicable employee's termination of employment. For purposes of this Agreement, (i) for U.S. taxpayers, Termination and words of similar effect shall be construed consistent with a "separation from service" under Section 409A of the Code to the extent required by Section 409A of the Code, and (ii) for non-U.S. taxpayers, Termination and words of similar effect shall mean that the Participant is no longer actively employed by an Employing Company, without regard to any notice period (i.e., active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any).

EXHIBIT A

Performance Goals for the Performance Period

			Threshold	Target	Maximum
Performance Goal	U. S. Steel's Annualized TSR Performance Relative to Peer Group Companies				
Payment Levels	% of Target Number of Shares Subject to Award	0%	50%	100%	200%

Payout Calculation. Payout shall be based upon the Corporation's Annualized TSR compared to the Annualized TSR for the companies in the Peer Group using the PERCENTILE function in Microsoft Excel to determine the TSR value at the threshold, target, and maximum award levels.

- (a) Interpolation will be used to determine the payout for the actual awards for performance that correlates to an award between threshold and target or target and maximum award levels.
- (b) In calculating the number of shares to be awarded, the Corporation's Annualized TSR shall be rounded to the nearest hundredth of a percent, rounding up if the thousandth's place is 5 or more and truncating if the thousandth's place is 4 or less. The related payout rate also shall be calculated to the nearest hundredth's place using the same rounding procedure. Additionally, the calculated number of shares shall be rounded to the nearest whole share, rounding up if the fractional share is 5 tenths or more and truncating the fractional share if it is less than 5 tenths.

Annualized TSR.

- (a) Annualized TSR = ((Final Price + all dividends paid during the relevant Performance Period)/Initial Price)^(1/3)-1.
- (b) Initial Price = the Average Measurement Period Price for the 20 business days prior to the first business day of the calendar year of grant.
- (c) Final Price = the Average Measurement Period Price for the 20 business days ending on the last business day of the third calendar year succeeding the year of grant or, in the event of a Change in Control, the closing price on the business day immediately preceding the closing date of the Change in Control.
- (d) Average Measurement Period Price = the average of the closing stock price for each of the 20 days during a specified 20 business day period.
- (e) Stock prices may be determined using (a) any reputable online stock-quote service, such as Yahoo! Finance or Bloomberg, or (b) the financial pages of The Wall Street Journal.

Peer Group:

AK Steel Holding Corporation
 Allegheny Technologies Inc.
 Carpenter Technology Corp.
 Cliffs Natural Resources Inc.
 Commercial Metals Company
 Nucor Corporation
 Olympic Steel Inc.
 Reliance Steel & Aluminum Co.
 Schmitzer Steel Industries, Inc.
 Steel Dynamics Inc.
 TimkenSteel Corporation
 Worthington Industries Inc.

Peer Group Adjustments. At the commencement of the Performance Period, the Committee may determine that specific guidance be considered in connection with possible adjustments to the Peer Group, to include U. S. Steel should the circumstances arise, involved in the calculation of the Corporation's comparative performance with respect to the Performance Goals during the Performance Period. Any such determination will be in addition to, or will amend if it conflicts with, the following guidelines, which will be used in connection with the calculation:

- (a) If a Peer Group Company becomes bankrupt, the bankrupt company will remain in the Peer Group positioned at one level below the lowest performing non-bankrupt Peer Group Company. In the case of multiple bankruptcies, the bankrupt companies will be positioned below the non-bankrupt companies in chronological order by bankruptcy date with the first to be bankrupt at the bottom.
- (b) If a Peer Group Company is acquired by another company or entity, including through a management buy-out or going-private transaction, the acquired Peer Group Company will be removed from the Peer Group for the entire Performance Period; provided that if the acquired company became bankrupt prior to its acquisition it shall be treated as provided in paragraph (a), above, or if it shall become delisted according to paragraph (c), below, prior to its acquisition it shall be treated as provided in paragraph (c).

- (c) If a Peer Group Company sells, spins-off, or disposes of a portion of its business, the selling Peer Group Company will remain in the Peer Group for the Performance Period unless such disposition(s) results in the disposition of more than 50% of the company's total assets during the Performance Period.
- (d) If a Peer Group Company acquires another company, the acquiring Peer Group Company will remain in the Peer Group for the Performance Period.
- (e) If a Peer Group Company is delisted from either the New York Stock Exchange (NYSE) or the National Association of Securities Dealers Automated Quotations (NASDAQ) such that it is no longer listed on either exchange, such delisted Peer Group Company will remain in the Peer Group positioned at one level below the lowest performing listed company and above the highest ranked bankrupt Peer Group Company. In the case of multiple delistings, the delisted companies will be positioned below the listed and above the bankrupt companies in chronological order by delisting date with the first to be delisted at the bottom of the delisted companies. If a delisted company shall become bankrupt, it shall be treated as provided in paragraph (a), above. If a delisted company shall be later acquired, it shall be treated as a delisted company under this paragraph. If a delisted company shall relist during the Performance Period, it shall remain in its relative delisted position determined under this paragraph.
- (f) If the Corporation's and/or any Peer Group Company's stock splits, such company's TSR performance will be adjusted for the stock split so as not to give an advantage or disadvantage to such company by comparison to the other companies, using the principles set forth in Section 8 of the LTI Plan.

Negative TSR Cap. Payout of the TSR Awards shall be limited based on the Corporation's Annualized TSR as follows:

Corporation's 3-Year Annualized TSR	Payout Cap
	Target
	Threshold
	No Payout

EXHIBIT B

Additional Terms and Conditions of the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement

TERMS AND CONDITIONS

This Exhibit B includes additional terms and conditions that govern the Performance Share Award granted to the Participant under the Plan if he or she works or resides in one of the countries listed below. If the Participant is a citizen or resident of a country other than that in which the Participant is currently working or transfers employment to another country after the Performance Share Award is granted, the Corporation shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant. Certain capitalized terms used but not defined in this Exhibit B have the meanings set forth in the Plan and/or the Agreement.

NOTIFICATIONS

This Exhibit B also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the laws in effect in the applicable countries as of February 2018. Such laws are often complex and change frequently. As a result, the Corporation strongly recommends that the Participant not rely on the information in this Exhibit B as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that the Participant vests in the Performance Share Award or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Corporation is not in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident of a country other than that in which the Participant is currently working or transfers employment to another country after the Performance Share Award is granted, the information contained herein may not be applicable.

CANADA

TERMS AND CONDITIONS

Performance Share Award Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of the Performance Share Award does not provide any right for the Participant to receive a cash payment in settlement of the Performance Share Award and the Performance Share Award is payable in Shares only.

Securities Law Commitment on Sale of Shares. As a condition of the grant of the Performance Share Award and the issuance of any Shares upon vesting of the Performance Share Award, the Participant undertakes to only sell, trade or otherwise dispose of any Shares issued to the Participant under the Plan in accordance with applicable Canadian securities laws. Under current laws, this means that the Participant will need to sell any Shares issued under the Plan using the services of a broker or dealer that is registered under Canadian provincial or territorial securities legislation. The Participant will not be permitted to sell, trade or otherwise dispose of his or her Shares through the Corporation's designated U.S. plan broker, Fidelity Investments, unless such sale, trade or disposal can be executed in accordance with applicable securities laws. As legal requirements may be subject to change, Participants are encouraged to seek specific advice about their individual situation before taking any action with respect to Shares issued to them under the Plan.

By accepting this Performance Share Award, the Participant expressly agrees that he or she will consult with a personal legal advisor to address any questions that may arise regarding compliance with this requirement. The Participant understands and agrees that he or she will be liable for any failure to comply with the foregoing provision.

The following provisions will apply if the Participant is a resident of Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, this Exhibit B and all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement relatif à la langue utilisée: *Les parties reconnaissent avoir exigé la rédaction en anglais de l'accord, cette pièce B, y ainsi que de tous documents, avis donnés et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement aux présentes.*

Data Privacy. This provision supplements Section 13 of the Agreement:

The Participant hereby authorizes the Corporation and the Employing Company and their respective representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Corporation and any Subsidiary or affiliate and the Committee to disclose and discuss the Plan with their respective advisors. The Participant further authorizes the Corporation and any Subsidiary or affiliate to record such information and to keep such information in the Participant's employee file.

NOTIFICATIONS

Foreign Asset/Account Reporting Information. Canadian residents are required to report any foreign property (e.g., Shares acquired under the Plan and possibly Performance Share Awards) on form T1135 (Foreign Income Verification Statement) if the total cost of their foreign property exceeds C\$100,000 at any time in the year. It is Participant's responsibility to comply with these reporting obligations, and Participant is encouraged to consult his or own personal tax advisor in this regard.

SLOVAK REPUBLIC

NOTIFICATIONS

Foreign Assets Reporting Information. If the Participant permanently resides in the Slovak Republic and, apart from being employed, carries on business activities as an independent entrepreneur (in Slovakian, podnikateľ), the Participant will be obligated to report his or her foreign assets (including any foreign securities such as Shares acquired under the Plan) to the National Bank of Slovakia if the value of the foreign assets exceeds €2,000,000. These reports must be submitted on a monthly basis by the 15th day of the respective calendar month, as well as on a quarterly basis by the 15th day of the calendar month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia's website at www.nbs.sk.

Furthermore, if the above preconditions are met (i.e. permanent residence in the Slovak Republic and entrepreneurial activities in addition to the employment), the Participant will be obliged to report certain additional information under Section 34b of Act No. 566/1992 Coll. on National Bank of Slovakia as amended. This information is mostly of general nature and contains personal identification data of the Participant - place and date of birth, birth certificate number, academic degree, etc., as well as telephone and fax number and e-mail address of the Participant, if any.

Securities Disclaimer. The grant of the Performance Share Award is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in the Slovak Republic.

UNITED KINGDOM

NOTIFICATIONS

Securities Disclosure. This Agreement is not an approved prospectus for the purposes of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA") and no offer of transferable securities to the public (for the purposes of section 102B of FSMA) is being made in connection with the Plan. The Plan and the Performance Share Award are exclusively available in the UK to bona fide employees and former employees and any other UK subsidiary of the Corporation.

Taxation. The Performance Share Award is not intended to be qualified for purposes of taxation or National Insurance Contributions applicable in the United Kingdom.

EUROPEAN UNION AND EUROPEAN ECONOMIC AREA

For Participants who reside in the European Union or the European Economic Area, the following provisions replace the Data Privacy provisions in Section 13 of the Agreement.

Data Collected and Purposes of Collection. The Participant understands that the Corporation, acting as controller, as well as the Employing Subsidiary, may collect, to the extent permissible under applicable law, certain personal information about the Participant, including name, home address and telephone number, information necessary to process payment of the Performance Share Award (e.g., mailing address for a check payment or bank account wire transfer information), date of birth, social insurance number or other identification number, salary, nationality, job title, employment location, any capital shares or directorships held in the Corporation (but only where needed for legal or tax compliance), any other information necessary to process mandatory tax withholding and reporting, details of all Performance Share Awards granted, canceled, vested, unvested or outstanding in Participant's favor, and where applicable service termination date and reason for termination (e.g., for "Cause" (as defined by Plan) or other than for Cause) (all such personal information is referred to as "Data"). The Data is collected from the Participant, the Employing Subsidiary, and from the Corporation, for the exclusive purpose of implementing, administering and managing the Plan pursuant to the terms of this Agreement. The legal basis (that is, the legal justification) for processing the Data is to perform the Agreement. The Data must be provided in order for the Participant to participate in the Plan and for the parties to the Agreement to perform their respective obligations thereunder. If the Participant does not provide Data, he or she will not be able to participate in the Plan and become a party to the Agreement.

Transfers and Retention of Data. The Participant understands that the Employing Subsidiary will transfer Data to the Corporation for purposes of plan administration. The Corporation and the Employing Subsidiary may also transfer the Participant's Data to other service providers (such as accounting firms, payroll processing firms or tax firms), as may be selected by the Corporation in the future, to assist the Corporation with the implementation, administration and management of the Agreement. The Participant understands that the recipients of the Data may be located in the United States, a country that does not benefit from an adequacy decision issued by the European Commission. Where a recipient is located in a country that does not benefit from an adequacy decision, the transfer of the Data to that recipient will be made pursuant to European Commission-approved standard contractual clauses, a copy of which may be obtained at data.protection@sk.us.com. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's rights and obligations under the Agreement, and for the duration of the relevant statutes of limitations, which may be longer than the term of the Agreement.

The Participant's Rights in Respect of Data. The Corporation will take steps in accordance with applicable legislation to keep Data accurate, complete and up-to-date. The Participant is entitled to have any inadequate, incomplete or incorrect Data corrected (that is, rectified). The Participant also has the right to request access to the Participant's Data as well as additional information about the processing of that Data. Further, the Participant is entitled to object to the processing of Data or have his or her Data erased, under certain circumstances. As from 25 May 2018, and subject to conditions set forth in applicable law, the Participant is entitled to (i) restrict the processing of the Participant's Data so that it is stored but not actively processed (e.g., while the Corporation assesses whether the Participant is entitled to have Data erased) and (ii) receive a copy of the Data provided pursuant to the Agreement or generated by the Participant,

in a common machine-readable format. To exercise the Participant's rights, he or she may contact the local human resources representative. The Participant may also contact the relevant data protection supervisory authority, as he or she has the right to lodge a complaint. The data protection officer may be contacted at data.protection@sk.uss.com.

**United States Steel Corporation 2016 Omnibus Incentive Compensation Plan
Performance Share Award Grant Agreement**

United States Steel Corporation, a Delaware Corporation (herein called the "Corporation"), grants to the employee of the employing company identified below (the "Participant") a Performance Share Award representing the right to receive a specified number of shares of the common stock of the Corporation ("Shares") set forth below, which right, if payable, shall be paid in Shares:

Name of Participant:	PARTICIPANT NAME
Name of Employing Company	(the company recognized by the Corporation
on Date Hereof:	as employing the Participant)
Target Number of Shares	
Subject to Award:	# SHARES
Maximum Number of Shares	
Subject to Award:	(Two times the Number of Shares Subject to the Award)
Performance Period:	January 1, 2018 through December 31, 2020
Performance Goals:	(See Exhibit A, attached)
Date of Grant:	GRANT DATE

By accepting this Award in any manner and within the time period prescribed by the Corporation, the Participant agrees that (1) this Performance Share Award is granted under and governed by the terms and conditions of the Corporation's 2016 Omnibus Incentive Compensation Plan, as amended from time to time (the "Plan"), and the provisions of this Performance Share Award Grant Agreement, including (i) the Performance Goals set forth in Exhibit A, (ii) the Terms and Conditions contained herein, (iii) if applicable to the Participant under Section 11 hereof, the Confidentiality and Proprietary Rights Agreement attached as Exhibit B and the Non-Competition Agreement attached as Exhibit C, and (iv) the special provisions for the Participant's country of residence, if any, attached hereto as Exhibit D (collectively, the "Agreement"), (2) he or she has reviewed the Plan and the Agreement in their entirety, and (3) he or she has had an opportunity to obtain the advice of counsel prior to accepting this Award and fully understands all provisions of the Plan and the Agreement.

United States Steel Corporation

By: _____
Authorized Officer

Terms and Conditions

1. **Grant of Performance Share Award:** The Performance Period for purposes of determining whether the Performance Goals have been met shall be the three-year Performance Period specified herein. The Performance Goals for purposes of determining whether, and the extent to which, the Performance Share Award is earned and payable are set forth in Exhibit A to this Agreement. Subject to the provisions of this Agreement, the Performance Share Award shall become payable, if vested, following the Committee's determination and certification after the end of the Performance Period, as to whether and the extent to which the Performance Goals have been achieved; provided that the Committee retains no discretion to reduce or increase Performance Share Awards that become payable as a result of performance measured against the Performance Goals.

2. **Payment of Award:** If and to the extent the Performance Share Award is vested, earned and payable, the Corporation shall cause a stock certificate to be issued in the Participant's name, for no cash consideration, for the number of shares of common stock of the Corporation determined by the Committee to be payable pursuant to paragraph 1 hereof. Payment shall be made following the end of the Performance Period and certification by the Committee, and in no event more than two and one-half months following the end of the calendar year in which the Performance Period ends, except as otherwise provided in Section 12. No dividends or dividend equivalents shall be payable with respect to the Performance Share Award before the Performance Goal has been achieved and the Performance Share Award has been determined to be earned.

3. **Transferability:** The Participant shall not sell, transfer, assign, pledge or otherwise encumber or dispose of any portion of the Performance Share Award and the right to receive Shares, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Shares prior to the payment, if at all, of a stock certificate in the name of the Participant shall have no effect, regardless of whether voluntary, involuntary, by operation of law or otherwise.

4. **Change in Control:** Notwithstanding anything to the contrary stated herein, in the case of a Change in Control of the Corporation, (a) the Performance Period shall automatically end on the business day immediately preceding the closing date of the Change in Control, (b) the actual performance for the abbreviated Performance Period shall be measured against the established Performance Goals, the performance criteria shall be deemed satisfied only to the extent the actual performance was achieved (the "Achieved Performance Share Award"), and the balance of the Performance Share Award, if any, shall be forfeited, and (c) the Achieved Performance Share Award shall remain subject to forfeiture until the third anniversary of the Date of Grant of this Performance Share Award if the Participant's employment is terminated after the Change in Control but before the third anniversary of the Date of Grant; provided, however, notwithstanding

Section 5, (i) if the Participant's employment is terminated by the Corporation other than for Cause or is terminated voluntarily by the Participant for Good Reason in the case of participants designated as executive management at the time of the Change in Control ("Executive Management"), within 24 months following a Change in Control, then, except as otherwise determined by the Corporation if the Participant is not Executive Management, the Achieved Performance Share Award shall not be forfeited upon such Termination; rather, the Achieved Performance Share Award shall vest immediately upon the termination, (ii) if the Participant's employment is terminated by reason of death, due to the Participant becoming Disabled, or following attainment of Normal Retirement Age, then the Achieved Performance Share Award shall not be forfeited upon such Termination; rather, the Achieved Performance Share Award shall vest immediately upon such Termination; and (iii) if the Participant's employment is terminated following attainment of Early Retirement Age, then a prorated portion of the Achieved Performance Share Award will vest, based upon the number of complete months worked during the original Performance Period in relation to the number of whole months in the original Performance Period and the remainder shall be forfeited.

5. **Vesting:** To vest in this Performance Share Award, the Participant must continue as an active employee of an Employing Company during the Performance Period and through the date on which the Committee certifies whether the Performance Goal relating to the Performance Period has been achieved, subject to the following:

- (a) In the event of a Termination of the Participant's employment due to death or becoming Disabled, the Performance Share Award will become vested in accordance with the following Schedule:

Termination	Vested Percentage
During First Year of Performance Period	0%
During Second Year of Performance Period	50%
During Third Year of Performance Period	100%

- (b) The Performance Share Award will immediately vest upon the Participant's attainment of Normal Retirement Age.
- (c) The Performance Share Award will vest based upon the number of complete months worked by the Participant during the Performance Period, in the event of a Participant's termination of employment during the Performance Period on or after attainment of Early Retirement Age or under circumstances which would qualify the Participant for benefits under a severance plan of the Corporation.
- (d) The Performance Share Award will be forfeited automatically upon any other Termination of employment (including but not limited to any voluntary termination by the Participant or any Termination by the Corporation or the Employing Company for Cause or without Cause) prior to the date on which the Committee certifies whether the Performance Goal relating to the Performance Period has been achieved, such forfeiture being without consideration or without further action required of the Corporation or Employing Company.

6. **Termination of Employment:** Notwithstanding any other terms or conditions of the Plan or this Agreement to the contrary, in the event of the Participant's Termination of employment, regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any, the Participant's rights under this Agreement will terminate effective as of the date that the Participant is no longer actively employed by an Employing Company and will not be extended by any notice period. For purposes of the Performance Share Award, active employment does not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any. The Committee shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of the Performance Share Award.

7. **Adjustments and Recoupment:** The Target and Maximum number of Shares are subject to adjustment as provided in Section 8 of the Plan. The Participant shall be notified of such adjustment and such adjustment shall be binding upon the Corporation and the Participant. Consistent with Section 8 of this Agreement, this Award shall be administered in accordance with, and is subject to, any recoupment policies and provisions prescribed by the Plan at the time of such Award; notwithstanding the foregoing, this Award shall be subject to all recoupment provisions required by law from time to time. In its sole discretion, the Committee shall have the authority to amend, waive or apply the terms of any recoupment policies or provisions not required by law, in whole or in part, to the extent necessary or advisable to comply with applicable local laws, as determined by the Committee.

8. **Interpretation and Amendments:** This Award and the issuance, vesting and delivery of Shares are subject to, and shall be administered in accordance with, the provisions of the Plan. No amendment of this Agreement or the Plan may, without the consent of the Participant, affect the rights of the Participant under this Award in a materially adverse manner. For purposes of the foregoing sentence, an amendment that affects the tax treatment of the Performance Share Award or that is necessary to comply with securities or other laws applicable to the issuance of Shares shall not be considered as affecting the Participant's rights in a materially adverse manner. In the event of a conflict between the Plan and this Agreement, unless this Agreement specifies otherwise, the Plan shall control. All capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

9. **Compliance with Laws:** The obligations of the Corporation and the rights of the Participant are subject to all applicable laws, rules and regulations including, without limitation, the U.S. Securities Exchange Act of 1934, as amended; the U.S. Securities Act of 1933, as amended; the U.S. Internal Revenue Code of 1986, as amended; and any other applicable laws, whether U.S. origin or otherwise. No Shares will be issued or delivered to the Participant under the Plan unless and until there has been compliance with such applicable laws.

10. **Acceptance of Award:** This Award is contingent on the Participant's acceptance of the Award in the manner and within the time period established by the Corporation. The Award shall be forfeited without further action by the Corporation and shall not be payable if it is not accepted by the Participant in the manner and within the time period established by the Corporation.

11. **Confidentiality and Non-Competition:** If a Participant is employed in the United States or Canada in a position below the rank of Vice President on the Date of Grant, then the Participant agrees and understands that (a) by accepting this Award the Participant shall be bound by and subject to the terms of the Confidentiality and Proprietary Rights Agreement attached to this Agreement and incorporated herein as Exhibit B and the terms and conditions of the Non-Competition Agreement attached to this Agreement and incorporated herein as Exhibit C, and (b) notwithstanding any other terms or conditions of the Plan or this Agreement to the contrary, in addition to any other remedies available at law, if unvested, the Award will be forfeited immediately and without further action by the Corporation in the event the Participant fails to comply with or breaches any of the obligations and restrictions under Exhibits B or C of this Agreement.

12. Taxes/Section 409A: The Participant acknowledges that, regardless of any action taken by the Corporation or the Employing Company, the ultimate liability for any or all income tax, social security, payroll tax, payment on account or other tax-related withholding or liability in connection with any aspect of the Performance Share Award, including the grant, vesting, or settlement of the Performance Share Award or the subsequent sale of Shares ("Tax-Related Items") is and remains his or her responsibility and may exceed the amount withheld by the Corporation or the Employing Company. Furthermore, the Participant acknowledges that the Corporation and/or the Employing Company (a) make no representations or undertakings regarding the treatment of any Tax-Related Items; and (b) do not commit to and are under no obligation to structure the terms of the grant of the Performance Share Award or any aspect of the Participant's participation in the Plan to reduce or eliminate his or her liability for Tax-Related Items or to achieve any particular tax result. Further, if the Participant has become subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that the Corporation and/or the Employing Company (or former Employing Company, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Participant shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employing Company to satisfy all Tax-Related Items of the Corporation and/or the Employing Company. In this regard, the Participant shall pay any Tax-Related Items directly to the Corporation or the Employing Company in cash upon request. In addition, the Participant authorizes the Corporation and/or the Employing Company, or their respective agents, at their discretion, to satisfy the obligations with regard to all applicable Tax-Related Items by one or a combination of the following methods: (1) withholding from Participant's wages or other cash compensation paid to Participant by the Corporation and/or the Employing Company; (2) withholding from proceeds of the sale of Shares issued upon payment of the Performance Share Award either through a voluntary sale or through a mandatory sale arranged by the Corporation (on the Participant's behalf pursuant to this authorization) through such means as the Corporation may determine in its sole discretion (whether through a broker or otherwise); or (3) withholding in Shares to be issued upon payment of the Performance Share Award. If the Corporation gives the Participant the power to choose the withholding method, and the Participant does not make a choice, then the Corporation will at its discretion withhold in Shares as stated in alternative (3) herein.

To avoid negative accounting treatment, the Corporation may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the Corporation withholds at a rate other than the minimum statutory rate, such as the maximum withholding rate, then the refund of any over-withheld amount shall be paid in cash and the Participant will have no entitlement to the Common Stock equivalent. If the Tax-Related Items are satisfied by withholding in Shares issuable upon vesting of the Performance Share Award, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the Performance Share Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. Finally, the Participant shall pay to the Corporation or the Employing Company any amount of Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan. The Participant understands that no Shares or proceeds from the sale of Shares shall be delivered to Participant, notwithstanding the vesting of the Performance Share Award, unless and until the Participant shall have satisfied any obligation for Tax-Related Items with respect thereto.

Notwithstanding anything in this Section 12 to the contrary, if the Performance Share Award is considered nonqualified deferred compensation, the fair market value of the shares withheld together with the amount of cash withheld may not exceed the liability for Tax-Related Items.

It is the intent that the vesting or the payments of this Performance Share Award shall either qualify for exemption from or comply with the requirements of Section 409A of the Code ("Section 409A"), and any ambiguities herein will be interpreted to so comply. The Corporation reserves the right, to the extent the Corporation deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all vesting or settlements provided under this Agreement are made in a manner that qualifies for exemption from or complies with Section 409A; provided, however, that the Corporation makes no representation that the vesting or settlement of the Performance Share Award provided under this Agreement will be exempt from Section 409A and makes no undertaking to preclude Section 409A from applying to the vesting or settlement of Performance Share Awards provided under this Agreement. In the event that any payment to a U.S. taxpayer or Participant otherwise subject to U.S. taxation, with respect to a Performance Share Award is considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of the Participant's termination if the Participant is a "specified employee" under Section 409A of the Code upon his separation from service.

13. Nature of the Award: Nothing herein shall be construed as giving Participant any right to be retained in the employ of an Employing Company or affect any right that the Employing Company may have to terminate the employment of such Participant. Further, by accepting this Performance Share Award, the Participant acknowledges that:

- (a) the Plan is established voluntarily by the Corporation, it is discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by its terms;
- (b) the grant of the Performance Share Award is voluntary and occasional and does not create any contractual or other right to receive future Performance Awards, or benefits in lieu of Performance Awards, even if Performance Awards have been granted in the past;
- (c) all decisions with respect to future Performance Award grants, if any, will be at the sole discretion of the Committee;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the Performance Share Award and the Shares subject to the Performance Share Award are extraordinary items which do not constitute compensation of any kind for services of any kind rendered to the Corporation or to the Employing Company, and which are outside the scope of the Participant's employment contract, if any;
- (f) the Performance Share Award and the Shares subject to the Performance Share Award are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, dismissal, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Corporation or the Employing Company or any Subsidiary or affiliate of the Corporation;
- (g) the Performance Share Award and the Shares subject to the Performance Share Award are not intended to replace any pension rights or compensation;
- (h) the grant of the Performance Share Award will not be interpreted to form an employment contract or relationship with the Corporation, the Employing Company or any Subsidiary or affiliate of the Corporation;
- (i) the future value of the Shares underlying the Performance Share Award is unknown, indeterminable and cannot be predicted with certainty;
- (j) no claim or entitlement to compensation or damages arises from forfeiture of the Performance Share Award resulting from termination of the Participant's employment by the Corporation or the Employing Company (for any reason whether or not in breach of applicable labor laws or

the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Performance Share Award to which the Participant is not otherwise entitled, the Participant irrevocably agrees never to institute any claim against the Corporation or the Employing Company, waives his or her ability, if any, to bring any such claim, and releases the Corporation and the Employing Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;

- (k) it is the Participant's sole responsibility to investigate and comply with any applicable exchange control laws in connection with the issuance and delivery of Shares pursuant to the vesting of the Performance Share Award;
- (l) the Corporation and the Employing Company are not providing any tax, legal or financial advice, nor are the Corporation or the Employing Company making any recommendations regarding the Participant's participation in the Plan or the Participant's acquisition or sale of the Shares underlying the Performance Share Award;
- (m) the Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan;
- (n) unless otherwise provided in the Plan or by the Corporation in its discretion, the Performance Share Award and the benefits evidenced by this Agreement do not create any entitlement to have the Performance Share Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Corporation; and
- (o) the following provisions apply only if the Participant is providing services outside the United States:
 - (i) the Performance Share Award and Shares underlying the Performance Share Award are not part of normal or expected compensation for any purpose; and
 - (ii) the Participant acknowledges and agrees that neither the Corporation nor the Employing Company shall be liable for any foreign exchange rate fluctuation between the local currency and the United States Dollar that may affect the value of the Performance Share Award or of any amounts due to the Participant pursuant to the settlement of the Performance Share Award or the subsequent sale of any Shares acquired upon settlement.

14. Data Privacy: The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this document by and among, as applicable, any Employing Company and the Corporation for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

The Participant understands that the Employing Company and the Corporation hold certain personal information about the Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Corporation, details of all Performance Share Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in Participant's favor, as the Employing Company and/or the Corporation deems necessary for the purpose of implementing, administering and managing the Plan ("Data"). The Participant acknowledges and understands that Data may be transferred to any broker as designated by the Corporation and any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country or elsewhere, and that the recipient's country may have different, including less stringent, data privacy laws and protections than the Participant's country. The Participant understands that the Corporation may transfer Participant's Data to the United States, which is not considered by some countries to have data protection laws equivalent to the laws in Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares acquired upon vesting of the Performance Share Award. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant further understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke consent, the Participant's employment status or service and career with the Employing Company will not be adversely affected. The Participant understands, however, that refusing or withdrawing his or her consent may affect his or her ability to realize benefits from the Performance Share Award or otherwise participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

15. Electronic Delivery: The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Corporation or another third party designated by the Corporation. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Corporation intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Corporation. The Participant consents to the electronic delivery of the Plan documents and the Agreement. The Participant acknowledges that he or she may receive from the Corporation a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Corporation by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Corporation or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Corporation of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

16. Severability: In the event that any provision in this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

17. Language: If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

18. Governing Law and Venue: This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of laws thereof. For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania, and agree that such litigation shall be conducted in the courts of Allegheny County, Pennsylvania, or the federal courts for the United States for the Western District of Pennsylvania, where this grant is made and/or to be performed.

19. Exhibit D: Notwithstanding any provisions in this Agreement, the Performance Share Award shall be subject to any special terms and conditions set forth in Exhibit D to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in Exhibit D, the special terms and conditions for such country will apply to the Participant, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

20. Insider Trading Restrictions/Market Abuse Laws: The Participant acknowledges that, depending on the Participant's country of residence, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell Shares or rights to Shares (e.g., Performance Share Awards) under the Plan during such times as the Participant is considered to have "inside information" regarding the Corporation (as defined by any applicable laws in the Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy maintained by the Corporation. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.

21. Imposition of Other Requirements: The Corporation reserves the right to impose other requirements on the Participant's participation in the Plan, on the Performance Share Award and on any Shares acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. Headings: Headings of paragraphs and sections used in this Agreement are for convenience only and are not part of this Agreement, and must not be used in construing it.

23. Waiver: The Participant acknowledges that a waiver by the Corporation of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

24. Definitions: In addition to the capitalized terms defined in the Plan, the following terms as used herein shall have the following meanings when used with initial capital letters:

- (a) "Early Retirement Age" shall mean the Participant's (1) attainment of age 55 and completion of ten (10) years of service with the Corporation or an Employing Company, or (2) completion of thirty (30) years of service with the Corporation or an Employing Company.
- (b) "Normal Retirement Age" shall mean, with respect only to a Participant who is a U.S. employee and is not a participant in the United States Steel Corporation Supplemental Pension Program, the later of (1) six (6) months following the Date of Grant, or (2) the earlier of (i) attainment of age 65, or (ii) attainment or age 60 and completion of five (5) years of service with the Corporation or an Employing Company.
- (c) "Termination" shall mean the applicable employee's termination of employment. For purposes of this Agreement, (i) for U.S. taxpayers, Termination and words of similar effect shall be construed consistent with a "separation from service" under Section 409A of the Code to the extent required by Section 409A of the Code, and (ii) for non-U.S. taxpayers, Termination and words of similar effect shall mean that the Participant is no longer actively employed by an Employing Company, without regard to any notice period (i.e., active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any).

EXHIBIT A

Performance Goals for the Performance Period

			Threshold	Target	Maximum
Performance Goal	U. S. Steel Return on Capital Employed				
Payment Levels	% of Target Amount	0%	50%	100%	200%

Payout Calculation. Return on Capital Employed (“ROCE”) determined by the Committee for the Performance Period shall be weighted 20% for the ROCE achieved in the first year of the Performance Period, 30% for the ROCE achieved in the second year of the Performance Period and 50% for the ROCE achieved in the third year of the Performance Period. Payout shall be based upon a weighted average Return on Capital Employed (“ROCE”), as provided in the chart above over the Performance Period.

- (a) Interpolation will be used to determine actual awards for performance that correlates to an award between threshold and target or target and maximum award levels.
- (b) In calculating the dollar value to be awarded, the Corporation’s annual ROCE for each year of the Performance Period shall be rounded to the nearest decimal place consistent with the number of decimal places approved by the Committee at the time it set the relevant target, rounding up in the case of 5 or more and rounding down in the case of 4 or less. The related payout rate also shall be calculated to the nearest hundredth place using the same rounding procedure. Additionally, the dollar value awarded shall be rounded to the nearest whole dollar.

Return on Capital Employed (ROCE). ROCE shall mean, using a weighted average based on each calendar year of the Performance Period, income or loss from consolidated worldwide operations (including minority interests), divided by consolidated worldwide capital employed (including minority interests) expressed as a percentage.

Income or loss from consolidated worldwide operations (including minority interests) shall mean income or loss from operations as reported in the consolidated statement of operations of United States Steel Corporation for each calendar year of the Performance Period.

Capital employed shall be calculated by using the average of the opening balance at the commencement of each calendar year of the Performance Period, and the balances at the end of each quarter during each calendar year of the Performance Period, of the sum of net fixed assets, inventories, accounts receivable, and equity method investments, less accounts payable.

For purposes of calculating the weighted average ROCE for the Performance Period, the ROCE for the first calendar year of the Performance Period shall be weighted 20%, the ROCE for the second calendar year of the Performance Period shall be weighted 30%, and the ROCE for the third calendar year of the Performance Period shall be weighted 50%.

Adjustments to Return on Capital Employed. For purposes of calculating ROCE for a calendar year within the Performance Period, the following principles shall apply: that if income or loss related to an asset is included in the numerator for any portion of the calendar year within the Performance Period that the related asset’s capital employed shall be included in the denominator for the same portion of the calendar year within the Performance Period (and vice versa) and, similarly, if income or loss related to an asset is excluded from the numerator for any portion of the calendar year within the Performance Period that the related asset’s capital employed shall be excluded from the denominator for the same portion of the calendar year within the Performance Period (and vice versa). The following adjustment provisions shall be made in determining ROCE:

- (a) exclude the gain or loss related to a business disposition or divestiture (whether or not completed during the Performance Period) and all amounts related to a permanent facility shutdown/closure;
- (b) exclude the gain or loss related to an asset sale not made in the ordinary course of business;
- (c) exclude all amounts related to long-lived asset impairments;
- (d) exclude all amounts related to an acquisition or startup (defined as the startup of a previously closed facility or the startup of a new facility);
- (e) exclude all amounts related to workforce reductions and other restructuring charges;
- (f) except for retiree benefits, exclude amounts not allocated to segments; and
- (g) exclude all amounts related to changes in accounting standards and changes in law that affect reported results.

provided, however, none of the above adjustments shall be made to the ROCE calculation to the extent the events or occurrences relating to the adjustments are recognized and/or contemplated in the Corporation’s Business Plan as approved by the Committee for the relevant Performance Period;

provided, further, no adjustment pursuant to any adjustment category shall be made to the extent the total adjustment for such category is less than \$10 million;

provided, further, all the above adjustments shall be calculated in accordance with generally accepted accounting principles at the time of calculation to the extent the nature of the adjustment is addressed therein;

provided, further, none of the above adjustments shall be made to the extent the relevant data is not available; and

provided, further, the ROCE calculations, including all adjustments thereto, shall be determined at the time the Committee makes its award decisions and in accordance with the reporting requirements applicable to the Corporation’s reports on Forms 10-K.

EXHIBIT B

Confidentiality and Proprietary Rights Agreement

This Confidentiality and Proprietary Rights Agreement (“**Agreement**”) is attached as Exhibit B to, and incorporated as a part of, the United States Steel Corporation Performance Share Award Grant Agreement (“**Grant Agreement**”) and is applicable to the Participant named in the Grant Agreement to the extent provided in Section 11 of the Grant Agreement. For purposes of this Agreement, United States Steel Corporation and its subsidiaries or affiliates are described as the “**Employer**” or “**Company**”, the Participant named in the Grant Agreement is described as the “**Employee**”, and the Employer and the Employee are collectively referred to herein as the “**Parties**”.

1. Protection of Confidential Information.

(a) **Confidential Information.** The Employee understands and acknowledges that during the course of employment by the Employer, the Employee will have access to and learn about non-public, confidential, secret, and proprietary documents, materials, data, and other information, in tangible and intangible form, of and relating to the Employer and its businesses and existing and prospective customers, suppliers, investors, and other associated third parties (“**Confidential Information**”).

For purposes of this Agreement, Confidential Information is broadly defined in the Company policy on Protection of Confidential Information and includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, transactions, negotiations, know-how, trade secrets, computer programs, applications, databases, manuals, records, articles, supplier information, vendor information, financial information, legal information, marketing information, pricing information, credit information, design information, payroll information, staffing information, personnel information, developments, internal controls, sales information, algorithms, product plans, designs, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes and results, specifications, manufacturing information of the Employer or its businesses or any existing or prospective customer, supplier, investor, or other associated third party, or of any other person or entity that has entrusted information to the Employer in confidence.

Confidential Information shall not include information that is generally available to and known by the public, provided that such disclosure to the public is through no direct or indirect fault of the Employer or person(s) acting on the Employee's behalf.

(b) **Disclosure and Use Restrictions.**

i. **Employee agrees:**

(A) **to treat all Confidential Information as strictly confidential and to use such Confidential Information only for the benefit of the Company and as required by Employee's job responsibilities;**

(B) **not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever not having a need to know and authority to know and use the Confidential Information in connection with the business of the Employer and, in any event, not to anyone outside of the direct employ of the Employer except as required in the performance of any of the Employee's authorized employment duties to the Employer and only after execution of a confidentiality agreement (such as a Non-Disclosure Agreement) by the third party with whom Confidential Information will be shared;**

(C) **not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Employer, except as required in the performance of any of the Employee's authorized employment duties to the Employer or with the prior consent of an authorized officer acting on behalf of the Employer in each instance; and**

(D) **to return all copies of Confidential Information, and any other property of Employer, to Employer upon termination of employment.**

ii. **The Employee understands and acknowledges that the Employee's obligations under this Agreement with regard to any particular Confidential Information shall commence immediately upon his acceptance of the Grant Agreement and shall continue during and after the termination of Employee's employment by the Employer, until such time as such Confidential Information has become public knowledge other than as a result of the Employee's breach of this Agreement or breach by those acting in concert with the Employee or on the Employee's behalf.**

(c) **Permitted Disclosures.** Employee understands that the foregoing confidentiality provisions do not prohibit Employee from providing truthful information in good faith to any federal or state governmental agency, entity or official investigating an alleged violation of federal or state law or regulation or when Employee makes other disclosures that are protected under the whistleblower provisions of federal or state law. The Employee acknowledges receipt of Employer's policy regarding Reports by Employees of Illegal or Unethical Conduct setting forth Employer's reporting policy for a suspected violation of law; and the Protection of Confidential Information policy setting forth permissible disclosure of trade secrets if reporting alleged violations of law.

2. **Protection of Proprietary Rights.**

(a) **Work Product.** The Employee acknowledges and agrees that all writings, works of authorship, technology, inventions, discoveries, ideas and other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived, or reduced to practice by the Employee, individually or jointly with others, during the period of the Employee's employment by the Employer, and relating in any way to the business or contemplated business, research, or development of the Employer and all printed, physical, and electronic copies, all improvements, rights, and claims related to the foregoing, and other tangible embodiments thereof (collectively, "**Work Product**"), as well as any and all rights in and to copyrights, trade secrets, trademarks (and related goodwill), patents, and other intellectual property rights therein arising in any jurisdiction throughout the world and all related rights of priority under international conventions with respect thereto, including all pending and future applications and registrations therefor, and continuations, divisions, continuations-in-part, reissues, extensions, and renewals thereof (collectively, "**Intellectual Property Rights**"), shall be the sole and exclusive property of the Employer. The Employee further acknowledges that the Employee has been provided a copy of the U. S. Steel Patent Rules and the Employee agrees to be bound by and adhere to the U. S. Steel Patent Rules.

(b) **Work Made for Hire; Assignment.** The Employee acknowledges that, by reason of being employed by the Employer at the relevant times, to the extent permitted by law, all of the Work Product consisting of copyrightable subject matter is "work made for hire" as defined in the Copyright Act of 1976 (17 U.S.C. § 101), and such copyrights are therefore owned by the Employer. To the extent that the foregoing does not apply, the Employee hereby irrevocably assigns to the Employer, for no additional consideration, the Employee's entire right, title and interest in and to all Work Product and Intellectual Property Rights therein, including the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto throughout the world.

(c) **Further Assurances; Power of Attorney.** During and after the Employee's employment, the Employee agrees to reasonably cooperate with the Employer to (i) apply for, obtain, perfect, and transfer to the Employer the Work Product and Intellectual Property Rights in the Work Product in any jurisdiction in the world; and (ii) maintain, protect, and enforce the same, including, without limitation, executing and delivering to the Employer any and all applications, oaths, declarations, affidavits, waivers, assignments, and other documents and instruments as shall be requested by the Employer. The Employee hereby irrevocably grants the Employer power of attorney to execute and deliver any such documents on the Employee's behalf in the Employee's name and to do all other lawfully permitted acts to transfer the Work Product to the Employer and further the transfer, issuance, prosecution, and maintenance of all Intellectual Property Rights therein, to the full extent permitted by law, if the Employee does not promptly cooperate with the Employer's request (without limiting the rights the Employer shall have in such circumstances by operation of law). The power of attorney is coupled with an interest and shall not be impacted by the Employee's subsequent incapacity.

(d) **Moral Rights.** To the extent any copyrights are assigned under this Agreement, the Employee hereby irrevocably waives, to the extent permitted by applicable law, any and all claims the Employee may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" with respect to all Work Product and all Intellectual Property Rights therein.

(e) **No License.** The Employee understands that this Agreement does not, and shall not be construed to, grant the Employee any license or right of any nature with respect to any Work Product or Intellectual Property Rights or any Confidential Information, materials, software, or other tools made available to the Employee by the Employer.

3. **Security.** The Employee agrees to comply with all Employer security and access policies and procedures, including but not limited to the Code of Ethical Business Conduct, the policy on Use and Protection of Company Computer Systems and Intellectual Property, the policy on Protection of Confidential Information, and Cyber Security Procedure A026 regarding Acceptable Use of Computing Resources.

4. **CERTIFICATION, BY ACCEPTING THIS AGREEMENT, EMPLOYEE CERTIFIES THAT EMPLOYEE: (A) HAS NOT AND WILL NOT USE OR DISCLOSE TO THE COMPANY ANY CONFIDENTIAL INFORMATION AND/OR TRADE SECRETS BELONGING TO OTHERS, INCLUDING ANY PRIOR EMPLOYERS; (B) WILL NOT USE ANY PRIOR INVENTIONS MADE BY EMPLOYEE AND WHICH THE COMPANY IS NOT LEGALLY ENTITLED TO LEARN OF OR USE; AND (C) IS NOT SUBJECT TO ANY PRIOR AGREEMENTS THAT WOULD PREVENT EMPLOYEE FROM FULLY PERFORMING HIS OR HER DUTIES FOR THE COMPANY.**

5. **Acknowledgment.** Nothing in this Agreement shall alter the at-will status of the employment relationship between the Employer and the Employee, pursuant to which either the Employer or the Employee may terminate the employment relationship at any time, with or without cause, and with or without notice.

6. **Remedies.** The Employee acknowledges that the Employer's Confidential Information and the Employer's ability to reserve it for the exclusive knowledge and use of the Employer is of great competitive importance and commercial value to the Employer, and that improper use or disclosure of the Confidential Information by the Employee will cause irreparable harm to the Employer, for which remedies at law will not be adequate. In the event of a breach or threatened breach by the Employee of any of the provisions of this Agreement, the Employee hereby consents and agrees that the Employer shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

7. **Protections for Affiliates and Subsidiaries.** This Agreement is intended to benefit all Company subsidiaries and affiliates for which Employee performs services, has customer contact, or about which Employee receives Confidential Information. Therefore, any subsidiary or affiliate of Employer that may be adversely affected by a breach may enforce this Agreement regardless of which entity employs Employee at the time.

8. **Successors and Assigns.**

(a) The Employer may assign this Agreement to any subsidiary or corporate affiliate, or to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all the business or assets of the Employer. This Agreement shall inure to the benefit of the Employer and permitted successors and assigns.

(b) No Assignment by the Employee. The Employee may not assign this Agreement or any part hereof. Any purported assignment by the Employee shall be null and void from the initial date of purported assignment.

9. **Governing Law.** This Agreement, for all purposes, shall be construed in accordance with the laws of Pennsylvania without regard to conflicts-of-law principles.

10. **Entire Agreement.** Unless specifically provided herein, this Agreement contains all the understandings and representations between the Employee and the Employer pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

11. **Modification and Waiver.** No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by a duly authorized officer of the Employer (other than the Employee). No waiver by either of the Parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the Parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

12. **Severability.** If any portion of this Agreement shall be held unenforceable, the parties agree that a court of competent jurisdiction may modify the agreement (by adding or removing language) or sever unenforceable provisions in order to render this Agreement enforceable to the fullest extent permitted by law.

13. **Captions.** Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

EXHIBIT C

Non-Competition Agreement

This Non-Competition Agreement (“**Agreement**”) is attached as Exhibit C to, and incorporated as a part of, the United States Steel Corporation Performance Share Award Grant Agreement (“**Grant Agreement**”) and is applicable to the Participant named in the Grant Agreement to the extent provided in Section 11 of the Grant Agreement. For purposes of this Agreement, United States Steel Corporation and its subsidiaries or affiliates are described as the “**Employer**” or “**Company**”, the Participant named in the Grant Agreement is described as the “**Employee**”, “**me**” or “**I**”, and the Employer and the Employee are collectively referred to herein as the “**Parties**”.

1. **Definitions.**

- (a) “Competing Products” means products or services sold by the Company, or any prospective product or service the Company took steps to develop for which I had any responsibility during the 24 months preceding the termination of my employment.
- (b) “Restricted Territory” means the geographic territory (i) within sixty miles of the area in which I worked or (ii) over which I had responsibility or (iii) that the nature and scope of my duties could have affected, during the 24 months preceding the termination of my employment, whichever is greatest. Restricted territory may be national or global depending on the nature of my duties and the knowledge acquired in the performance of those duties.

2. **Non-Competition.** During my employment and for 12 months after termination of my employment for any reason, I will not directly or indirectly, on behalf of myself or in conjunction with any other person or entity:

- (a) own any business (other than less than 5% ownership in a publicly traded company) that sells Competing Products in the Restricted Territory;
or
- (b) work in the Restricted Territory for any person or entity that sells Competing Products, in any role.

3. **Non-Solicitation of Customers & Employees.** During my employment and for 12 months after termination of my employment, I will not directly or indirectly, on behalf of myself or in conjunction with any other person or entity:

- (a) solicit or accept business from any customer or prospective customer of the Company with whom I had contact during the last 24 months of my employment, for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company; or
- (b) solicit or hire any employee or independent contractor of the Company, who worked for the Company during the 6 months preceding termination of my employment, to work for me or my new employer.

For purposes of this section, solicit means:

- (a) Any comments, conduct or activity that would influence a customer’s decision to continue doing business with the Company, regardless of who initiates contact;
and/or
- (b) Any comments, conduct or activity that would influence an employee’s decision to resign his employment with the Company or accept employment with my new company, regardless of who initiates contact.

4. **Acknowledgment.** Nothing in this Agreement shall alter the at-will status of the employment relationship between the Employer and the Employee, pursuant to which either the Employer or the Employee may terminate the employment relationship at any time, with or without cause, and with or without notice.

5. **Change of Position.** If the Employer changes Employee’s position or title with the Employer, or transfers Employee from one affiliate to another, this Agreement and Employee’s obligations hereunder will remain in force.

6. **Protections for Affiliates and Subsidiaries.** This Agreement is intended to benefit all Company subsidiaries and affiliates for which Employee performs services, has customer contact, or about which Employee receives Confidential Information. Therefore, any subsidiary or affiliate of Employer that may be adversely affected by a breach may enforce this Agreement regardless of which entity employs Employee at the time.

7. **Successors and Assigns.**

- (a) The Employer may assign this Agreement to any subsidiary or corporate affiliate, or to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all the business or assets of the Employer. This Agreement shall inure to the benefit of the Employer and permitted successors and assigns.
- (b) No Assignment by the Employee. The Employee may not assign this Agreement or any part hereof. Any purported assignment by the Employee shall be null and void from the initial date of purported assignment.

8. **Governing Law.** This Agreement, for all purposes, shall be construed in accordance with the laws of Pennsylvania without regard to conflicts-of-law principles.

9. **Injunctive Relief and Attorney's Fees.** Employee agrees that in the event Employee breaches this Agreement, the Company will be irreparably harmed and entitled to an injunction restraining any further breach, in addition to any other rights to which it is entitled. Further, Employee will be responsible for all attorneys' fees, costs and expenses incurred by the Company to enforce this Agreement. Additionally, any time periods for restrictions set forth in Paragraph 2 above will be extended by an amount of time equal to the duration of any time period during which Employee is in violation of this Agreement.

10. **Entire Agreement.** Unless specifically provided herein, this Agreement contains all the understandings and representations between the Employee and the Employer pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

11. **Modification and Waiver.** No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by a duly authorized officer of the Employer (other than the Employee). No waiver by either of the Parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the Parties in exercising any right, power, or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

12. **Severability.** If any portion of this Agreement shall be held unenforceable, the parties agree that a court of competent jurisdiction may modify the Agreement (by adding or removing language) or sever unenforceable provisions in order to render this Agreement enforceable to the fullest extent permitted by law.

13. **Captions.** Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

EXHIBIT D

Additional Terms and Conditions of the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement

TERMS AND CONDITIONS

This Exhibit D includes additional terms and conditions that govern the Performance Share Award granted to the Participant under the Plan if he or she works or resides in one of the countries listed below. If the Participant is a citizen or resident of a country other than that in which the Participant is currently working or transfers employment to another country after the Performance Share Award is granted, the Corporation shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant. Certain capitalized terms used but not defined in this Exhibit D have the meanings set forth in the Plan and/or the Agreement.

NOTIFICATIONS

This Exhibit D also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the laws in effect in the applicable countries as of February 2018. Such laws are often complex and change frequently. As a result, the Corporation strongly recommends that the Participant not rely on the information in this Exhibit D as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that the Participant vests in the Performance Share Award or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Corporation is not in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident of a country other than that in which the Participant is currently working or transfers employment to another country after the Performance Share Award is granted, the information contained herein may not be applicable.

CANADA

TERMS AND CONDITIONS

Performance Share Award Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of the Performance Share Award does not provide any right for the Participant to receive a cash payment in settlement of the Performance Share Award and the Performance Share Award is payable in Shares only.

Securities Law Commitment on Sale of Shares. As a condition of the grant of the Performance Share Award and the issuance of any Shares upon vesting of the Performance Share Award, the Participant undertakes to only sell, trade or otherwise dispose of any Shares issued to the Participant under the Plan in accordance with applicable Canadian securities laws. Under current laws, this means that the Participant will need to sell any Shares issued under the Plan using the services of a broker or dealer that is registered under Canadian provincial or territorial securities legislation. The Participant will not be permitted to sell, trade or otherwise dispose of his or her Shares through the Corporation's designated U.S. plan broker, Fidelity Investments, unless such sale, trade or disposal can be executed in accordance with applicable securities laws. As legal requirements may be subject to change, Participants are encouraged to seek specific advice about their individual situation before taking any action with respect to Shares issued to them under the Plan.

By accepting this Performance Share Award, the Participant expressly agrees that he or she will consult with a personal legal advisor to address any questions that may arise regarding compliance with this requirement. The Participant understands and agrees that he or she will be liable for any failure to comply with the foregoing provision.

The following provisions will apply if the Participant is a resident of Quebec:

Language Consent. The parties acknowledge that it is their express wish that the Agreement, this Exhibit D and all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement relatif à la langue utilisée: *Les parties reconnaissent avoir exigé la rédaction en anglais de l'accord, cette pièce D, y ainsi que de tous documents, avis donnés et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement aux présentes.*

Data Privacy. This provision supplements Section 14 of the Agreement:

The Participant hereby authorizes the Corporation and the Employing Company and their respective representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Corporation and any Subsidiary or affiliate and the Committee to disclose and discuss the Plan with their respective advisors. The Participant further authorizes the Corporation and any Subsidiary or affiliate to record such information and to keep such information in the Participant's employee file.

NOTIFICATIONS

Foreign Asset/Account Reporting Information. Canadian residents are required to report any foreign property (e.g., Shares acquired under the Plan and possibly Performance Share Awards) on form T1135 (Foreign Income Verification Statement) if the total cost of their foreign property exceeds C\$100,000 at

any time in the year. It is Participant's responsibility to comply with these reporting obligations, and Participant is encouraged to consult his or own personal tax advisor in this regard.

SLOVAK REPUBLIC

NOTIFICATIONS

Foreign Assets Reporting Information. If the Participant permanently resides in the Slovak Republic and, apart from being employed, carries on business activities as an independent entrepreneur (in Slovakian, podnikateľ), the Participant will be obligated to report his or her foreign assets (including any foreign securities such as Shares acquired under the Plan) to the National Bank of Slovakia if the value of the foreign assets exceeds €2,000,000. These reports must be submitted on a monthly basis by the 15th day of the respective calendar month, as well as on a quarterly basis by the 15th day of the calendar month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia's website at www.nbs.sk.

Furthermore, if the above preconditions are met (i.e., permanent residence in the Slovak Republic and entrepreneurial activities in addition to the employment), the Participant will be obliged to report certain additional information under Section 34b of Act No. 566/1992 Coll. on National Bank of Slovakia as amended. This information is mostly of general nature and contains personal identification data of the Participant - place and date of birth, birth certificate number, academic degree, etc., as well as telephone and fax number and e-mail address of the Participant, if any.

Securities Disclaimer. The grant of the Performance Share Award is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in the Slovak Republic.

Personal Data Protection. The national identification number (in Slovak: rodné číslo) may be used for identification of the Participant only if required to achieve the determined purpose of processing. It is forbidden to make the national identification number public; the only exception is when the data subject made the national identification number public by itself.

UNITED KINGDOM

NOTIFICATIONS

Securities Disclosure. This Agreement is not an approved prospectus for the purposes of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA") and no offer of transferable securities to the public (for the purposes of section 102B of FSMA) is being made in connection with the Plan. The Plan and the Performance Share Award are exclusively available in the UK to bona fide employees and former employees and any other UK subsidiary of the Corporation.

Taxation. The Performance Share Award is not intended to be qualified for purposes of taxation or National Insurance Contributions applicable in the United Kingdom.

EUROPEAN UNION AND EUROPEAN ECONOMIC AREA

For Participants who reside in the European Union or the European Economic Area, the following provisions replace the Data Privacy provisions in Section 14 of the Agreement.

Data Collected and Purposes of Collection. The Participant understands that the Corporation, acting as controller, as well as the Employing Subsidiary, may collect, to the extent permissible under applicable law, certain personal information about the Participant, including name, home address and telephone number, information necessary to process payment of the Performance Share Award (e.g., mailing address for a check payment or bank account wire transfer information), date of birth, social insurance number or other identification number, salary, nationality, job title, employment location, any capital shares or directorships held in the Corporation (but only where needed for legal or tax compliance), any other information necessary to process mandatory tax withholding and reporting, details of all Performance Share Awards granted, canceled, vested, unvested or outstanding in Participant's favor, and where applicable service termination date and reason for termination (e.g., for "Cause" (as defined by Plan) or other than for Cause) (all such personal information is referred to as "Data"). The Data is collected from the Participant, the Employing Subsidiary, and from the Corporation, for the exclusive purpose of implementing, administering and managing the Plan pursuant to the terms of this Agreement. The legal basis (that is, the legal justification) for processing the Data is to perform the Agreement. The Data must be provided in order for the Participant to participate in the Plan and for the parties to the Agreement to perform their respective obligations thereunder. If the Participant does not provide Data, he or she will not be able to participate in the Plan and become a party to the Agreement.

Transfers and Retention of Data. The Participant understands that the Employing Subsidiary will transfer Data to the Corporation for purposes of plan administration. The Corporation and the Employing Subsidiary may also transfer the Participant's Data to other service providers (such as accounting firms, payroll processing firms or tax firms), as may be selected by the Corporation in the future, to assist the Corporation with the implementation, administration and management of the Agreement. The Participant understands that the recipients of the Data may be located in the United States, a country that does not benefit from an adequacy decision issued by the European Commission. Where a recipient is located in a country that does not benefit from an adequacy decision, the transfer of the Data to that recipient will be made pursuant to European Commission-approved standard contractual clauses, a copy of which may be obtained at data.protection@sk.uss.com. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's rights and obligations under the Agreement, and for the duration of the relevant statutes of limitations, which may be longer than the term of the Agreement.

The Participant's Rights in Respect of Data. The Corporation will take steps in accordance with applicable legislation to keep Data accurate, complete and up-to-date. The Participant is entitled to have any inadequate, incomplete or incorrect Data corrected (that is, rectified). The Participant also has the right to request access to the Participant's Data as well as additional information about the processing of that Data. Further, the Participant is entitled to object to the processing of Data or have his or her Data erased, under certain circumstances. As from 25 May 2018, and subject to conditions set forth in applicable law, the Participant is entitled to (i) restrict the processing of the Participant's Data so that it is stored but not actively processed (e.g., while the Corporation assesses whether the Participant is entitled to have Data erased) and (ii) receive a copy of the Data provided pursuant to the Agreement or generated by the Participant,

in a common machine-readable format. To exercise the Participant's rights, he or she may contact the local human resources representative. The Participant may also contact the relevant data protection supervisory authority, as he or she has the right to lodge a complaint. The data protection officer may be contacted at data.protection@sk.uss.com.

**Administrative Procedures for the
Executive Management Annual Incentive Compensation Program
under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan**
As approved by the Compensation & Organization Committee on February 27, 2018

1. **Administration.** The Compensation & Organization Committee (the “Committee”) shall administer the Annual Incentive Compensation Program (the “Program”) under and pursuant to Section 3.01 of the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan (the “Plan”). Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth in the Plan.
 2. **Participation/Eligibility.** All management employees of the Corporation, its Subsidiaries and affiliates are eligible to participate in the Program upon designation by the Committee, in the case of Covered Employees, or, in the case of other management employees, upon designation by the Chief Executive Officer.
 - A. **Executive Management.** All Executive Management employees (defined as those employees whose compensation is approved or reviewed by the Committee) of U. S. Steel, its subsidiaries and affiliates designated via written notice as participants are eligible to participate (“Eligible Employees” or “Participants”).
 - B. **New Participants.** A Participant who was not a Participant on the first day of the Performance Period may, subject to the Committee’s discretion, become a Participant during the Performance Period, participating on a pro rata basis for the remaining portion of the period in which such Participant first becomes eligible to participate, but shall be ineligible to participate in this Program for any portion of a year during which the Participant participates in any other cash incentive or bonus plan or program.
 - C. **Rights.** No Participant or other employee shall have any claim to be granted an Award under the Program, and nothing contained in the Program or any Award Agreement shall confer upon any Participant any right to continue in the employ of the Corporation, its Subsidiaries or affiliates or interfere in any way with the right of the Corporation, its Subsidiaries or affiliates to terminate a Participant's employment at any time.
 3. **Performance Period.** Unless otherwise determined by the Committee at the commencement of each Performance Period, each such Performance Period shall be a calendar year.
 4. **Incentive _____ Award
Determination.**
 - A. **Incentive Award Goals.** Unless otherwise determined by the Committee, the Incentive Award Goals shall be the following objective measures:
 - (1) **Segment EBITDA and Total EBITDA.** Segment EBITDA shall mean, for the Performance Period, EBITDA for each business unit (reportable segments and other businesses). Total EBITDA shall mean, for the Performance Period, total EBITDA for consolidated worldwide operations (including minority interests). EBITDA for consolidated worldwide operations (including minority interests) shall mean income from operations as reported in the consolidated statements of operations of United States Steel Corporation, plus or minus the effect of items not allocated to segments (excluding postretirement benefit expenses) as disclosed in the notes to the
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consolidated financial statements of United States Steel Corporation, plus depreciation, depletion and amortization as reported in the consolidated statements of cash flows of United States Steel Corporation.

- (2) Cash Conversion Cycle. The Cash Conversion Cycle (“CCC”) is calculated as Days Sales Outstanding plus Days Inventory Outstanding minus Days Payable Outstanding, which are defined as follows:
- (a) Days Sales Outstanding = $((\text{September 30, 2018 Accounts Receivable, net} + \text{December 31, 2018 Accounts Receivable, net}) / 2) / (4^{\text{th}} \text{ Quarter 2018 Net Sales} / 92)$
 - (b) Days Inventory Outstanding = $((\text{September 30, 2018 Inventory} + \text{December 31, 2018 Inventory}) / 2) / (4^{\text{th}} \text{ Quarter 2018 Cost of Goods Sold} / 92)$
 - (c) Days Payable Outstanding = $((\text{September 30, 2018 Accounts Payable} + \text{December 31, 2018 Accounts Payable}) / 2) / (4^{\text{th}} \text{ Quarter 2018 Cost of Goods Sold} / 92)$

Accounts Receivable, net, Net Sales, Inventory, Accounts Payable and Cost of Goods Sold shall be determined in accordance with generally accepted accounting principles in the United States.

- B. Adjustments. The Committee may make adjustments to the Incentive Award Goal calculations as determined by the Committee in its discretion. Unless otherwise determined by the Committee, the Incentive Award Goals will be adjusted as specified in Section 6.
- C. Setting of Individual Incentive Targets and Payout Scales.
- (1) The Individual Incentive Target, defined as a percentage of base salary (expressed for the Participant, grade level and/or position), and the Payout Scales for all levels of performance goals shall be set by the Committee.
 - (2) The Individual Incentive Target shall be calculated by multiplying the designated target percentage by the actual base salary earned by the Participant during the relevant portions of the Performance Period.
 - (3) The Payout Scale applied to all performance goals based on the actual performance achieved will determine the payout percent applied in the Incentive Award Calculation Formula under Section 5, subject to negative adjustment by the Committee.
- D. Assignment of Segment EBITDA Performance Goal to Participants. The Committee shall assign to each Participant a Segment EBITDA performance goal representing the reportable segment’s performance for which the Participant is responsible for driving. Participants who are “corporate staff” executives responsible for multiple segments may be assigned a Weighted Segment EBITDA performance goal, which shall be determined by the Committee and reflect a relative weighting of the segments for which the Participant is responsible. Certain Participants (i.e., the Chief Executive Officer) may be assigned a Total EBITDA performance goal.

Should a Participant’s responsibilities change during the Performance Period with respect to the segments that are supported, the Committee shall assign the established Segment,

Weighted Segment, or Total EBITDA performance goal to apply for the portion of the Performance Period related to the period for which the new responsibilities are effective.

- E. Individual Performance. Individual Performance relative to individual performance goals as specified in the Participant's goal plan for the Performance Period will be assessed for each Participant by the Chief Executive Officer with input from the Participant's direct manager following the end of the Performance Period. The Chief Executive Officer's Individual Performance will be assessed by the Committee with input from the full Board of Directors. The Individual Performance assessment will impact the Participant's calculated award as set forth under the Incentive Award Calculation Formula, however, the assessment of Individual Performance does not preclude the Committee from exercising downward discretion and/or determining that no award should be paid to a Participant for a Performance Period.

5. Incentive Award Calculation Formula.

- A. Relative Weighting. Unless otherwise determined by the Committee when establishing the Incentive Award Goals, the relative weighting assigned to each of the performance measures shall be as follows:
- (1) Segment EBITDA/Total EBITDA. Segment EBITDA/Total EBITDA shall be weighted at 70% of the Total Corporate Payout Percent.
 - (2) Cash Conversion Cycle. CCC shall be weighted at 30% of the Total Corporate Payout Percent.
 - (3) Individual Performance. Individual Performance shall be applied as a modifier to the Total Corporate Payout Percent, which is the sum of the weighted Segment EBITDA/Total EBITDA and CCC payout percentages. The assessment of Individual Performance shall be quantified as a percentage between 0% (representing individual performance at a level of "needs improvement") and 130% (representing individual performance at a level of "far exceeds expectations"), with 100% representing a level of "meets expectations."
- B. Calculated Award. The calculated award for each Participant shall be determined as the product of the Individual Incentive Target, the Total Corporate Payout Percent, and the Individual Performance modifier.
- C. Maximum Award Level. The maximum award level shall be 228% of the Individual Incentive Target value with achievement of the highest level of performance for the Segment EBITDA, Total EBITDA, CCC, and Individual Performance Goals.

6. Incentive Goal Adjustments.

- A. Adjustments to Segment EBITDA, Total EBITDA and CCC Goals. The following adjustment provisions shall be applied to the Segment EBITDA, Total EBITDA and CCC performance calculations (to the extent included in such amount):
- (1) exclude the gain or loss related to a business disposition or divestiture (whether or not completed during the Performance Period) and all amounts related to a permanent facility shutdown/closure in order to evaluate operational performance in the case of a business disposition, divestiture, or a permanent facility shutdown/closure, the

incentive goal targets shall exclude amounts included in the Annual Operating Plan for the period of time after the date of the transaction and actual results will then be evaluated against the adjusted targets;

- (2) exclude the gain or loss related to an asset sale not made in the ordinary course of business;
- (3) exclude all amounts related to long-lived asset impairments;
- (4) exclude all amounts related to an acquisition or startup (defined as the startup of a previously closed facility or the startup of a new facility);
- (5) exclude all amounts related to workforce reductions and other restructuring charges;
- (6) exclude amounts not allocated to segments;
- (7) exclude all amounts related to changes in accounting standards and changes in law that affect reported results;
- (8) exclude significant amounts related to decisions made for the long-term benefit of the enterprise that will unfavorably impact short-term financial results (all amounts related to this adjustment must be specifically approved by the Committee);
- (9) provided, however, none of the above adjustments shall be made to the extent the events or occurrences relating to the adjustments are recognized and/or contemplated in the Corporation's Annual Operating Plan and the incentive goal targets approved by the Committee for the relevant Performance Period;
- (10) provided, further, no adjustment pursuant to any adjustment category above shall be made to the extent the total adjustment for such category is less than \$10 million, unless specifically identified as an item not allocated to segments;
- (11) provided, further, all the above adjustments shall be calculated in accordance with generally accepted accounting principles at the time of calculation to the extent the nature of the adjustment is addressed therein;
- (12) provided, further, none of the above adjustments shall be made to the extent the relevant data is not available;
- (13) provided, further, the Segment EBITDA, Total EBITDA and CCC calculations, including all adjustments thereto, shall be determined at the time the Committee makes its award decisions and in accordance with the reporting requirements applicable to the Corporation's reports on Forms 10-K; and
- (14) provided, further, the above adjustments shall not limit the Committee's authority to exercise negative discretion in calculating any related award.

B. Adjustments between Segments. Adjustments to the actual Segment EBITDA results shall be made for the purposes of measuring the achievement of performance goals in the event that business decisions are made during the year that are not anticipated in the Annual Operating Plan Target Segment EBITDA and that disadvantage the results of one business Segment in favor of another Segment for the benefit of overall Corporate objectives. The

amount of the adjustment will be equal to the impact on the segment recognizing the detriment;

- (1) provided, however, no adjustment shall be made to the Segment EBITDA calculation to the extent the total adjustment related to the business decision is less than \$5 million;
- (2) provided, further, the positive adjustment to the reporting segment which recognized the detriment in the actual results due to the business decision shall be offset by a corresponding negative adjustment to the reporting segment which recognized the benefit, unless the equal and offsetting adjustments do not properly reflect the economics of the transaction and the benefit provided to the enterprise as a whole;
- (3) provided, further, all adjustment between segments will be determined by the Vice President & Controller and will be reported to the Committee at the time final performance results are approved; and
- (4) provided, further, the adjustments between segments shall not limit the Committee's authority to exercise negative discretion in calculating any related award.

7. **Payout Mechanics.**

A. **Payout Determination.**

- (1) **Evaluation.** The Committee shall determine the extent to which the Incentive Award Goals for the Performance Period were satisfied following the end of the relevant Performance Period and if satisfied, determine the amount of the Incentive Award payable to each Participant.
- (2) **Calculation.**
 - (a) **Rounding Performance Calculations.** The calculation of actual performance for each performance measure in the Incentive Award Formula shall be rounded to the nearest decimal place consistent with the number of decimal places approved by the Committee at the time it set the relevant target, rounding up in the case of 5 or more and rounding down in the case of 4 or less.
 - (b) **Interpolation.** Interpolation will be used to determine an Incentive Award for performance that correlates to performance between the pre-determined Segment EBITDA, Total EBITDA and CCC Performance Goals. The interpolated payout percentages for Segment EBITDA, Total EBITDA and CCC shall be rounded independently to the nearest whole percentage point, rounding up in the case of 5 or more and rounding down in the case of 4 or less.
 - (c) **Maximum Award.** No one Participant may receive more than \$20 million in Incentive Awards for any one calendar year, as provided in the Plan.

B. Form of Payout.

- (1) Cash and/or Common Stock. The Committee may determine to pay the awards in the form of cash or common stock, or any combination thereof, which determination may be made on a non-uniform basis among Participants.
 - (2) Common Stock Awards. The determination to pay awards in the form of common stock shall be a determination to satisfy the award through shares available under the Plan and treat such payment as an Other Stock-Based Award.
 - (3) Award Unit Determination Procedure. If the Committee determines to pay all or a portion of an award in the form of common stock, the value of such award, or portion thereof, under this Program shall be converted into a number of shares of common stock by dividing (i) the value of such award, or portion thereof, by (ii) the Common Stock Unit Value, which is to be determined as follows:
 - (a) Common Stock Unit Value. The Common Stock Unit Value shall be equal to the Fair Market Value (as defined in Section 2.01(r) of the Plan) of a share of common stock on the date of award (Date of Award). The Date of Award shall be established prospectively by the Committee at the time it determines the award, with the goal of setting the date close in proximity to the related payroll processing date for awards under the Plan. Unless otherwise established by the Committee, the Date of Award shall be the day prior to the date the Corporation files its report on Form 10-K with the Securities and Exchange Commission for the period ending on the last date of the relevant Performance Period.
 - (4) Netting of Common Stock Shares. To the extent permitted under the Plan and unless otherwise determined by the Committee or an election with respect to a different medium of payment is offered to and elected by a Participant in accordance with procedures approved by the Company, the shares of common stock delivered in connection with any common stock award under this Program shall be net of any tax withholding obligation.
8. **Timing of Payments.** Unless otherwise determined by the Committee in its discretion, payment of Annual Incentive Compensation, if any, under this Program with respect to any Performance Period will be paid following the Committee's determination of such Incentive Award and following the date the Corporation files its report on Form 10-K with the Securities and Exchange Commission for the period ending on the last date of relevant Performance Period; provided, however, the payment of any such award shall be paid on or before March 15 of the year following the end of the relevant calendar year Performance Period.
9. **Termination of Employment.** The following provisions apply in the case of a Participant's termination of employment during the Performance Period:
- A. Retirement, Death, or Disability. Following a Participant's Retirement, Death or Disability, a prorated value of such Participant's Award may be awarded by the Committee based upon the base salary earned during the Performance Period; provided that (i) such Award is calculated and delivered following the relevant Performance Period, (ii) the performance goals are achieved, (iii) the Participant is employed for at least six (6) months during the Performance Period unless otherwise determined by the Committee, and (iv) the Committee retains its negative discretion with respect to such awards.

(1) **Retirement.** Retirement shall mean, for all purposes under the Program, the applicable Participant's termination of employment that constitutes a separation from service under Section 409A of the Code after having (i) completed 30 years of service, (ii) attained age 60 with five (5) years of service or (iii) attained age 65; provided, however, such term does not include, unless the Committee consents with knowledge of the specific facts, retirement under circumstances in which the Participant accepts employment with a company that owns, or is owned by, a business that competes with the Corporation, or its Subsidiaries or affiliates. Further, to the extent necessary under applicable local law, Retirement may have such other meaning adopted by the Committee and set forth in the applicable Award notice.

(2) **Disability.** Disability shall mean the Participant is "Disabled" as defined in Section 2.01(n) of the Plan.

B. **Resignation and Other Terminations.** Following a Participant's resignation or other termination of employment (including but not limited to any voluntary termination by the Participant or any termination by the Corporation for Cause or without Cause), all pending Incentive Awards are forfeited.

10. **Forfeiture and Repayment.** The Committee may determine that an Incentive Award shall be forfeited and/or any value received from the Incentive Award shall be repaid to the Corporation pursuant to any recoupment policies, rules or regulations in effect at the time of the Incentive Award.

**UNITED STATES STEEL CORPORATION
DEFERRED COMPENSATION PROGRAM
FOR NON-EMPLOYEE DIRECTORS
(Effective as of July 26, 2016, as amended on April 24, 2018)**

1. **Purpose.** The United States Steel Corporation Deferred Compensation Program for Non-Employee Directors, a program under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, is intended to enable the Corporation to attract and retain non-employee Directors and to enhance the long-term mutuality of interest between such Directors and shareholders of the Corporation.
 2. **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings set forth in the Plan. The following definitions apply to this Program and to the Deferral Election Forms:
 - a) **Beneficiary or Beneficiaries** means a person or persons or other entity designated on a Beneficiary Designation Form by a Participant as allowed in subsection 7(c) of this Program to receive Deferred Stock Benefit payments. If there is no valid designation by the Participant, or if the designated Beneficiary or Beneficiaries fail to survive the Participant or otherwise fail to take the Deferred Stock Benefit, the Participant's Beneficiary is the Participant's surviving spouse or, if there is no surviving spouse, the Participant's estate.
 - b) **Beneficiary Designation Form** means that portion of the Deferral Election Form that is used by a Participant according to this Program to name his/her Beneficiary or Beneficiaries.
 - c) **Board** means the board of directors of United States Steel Corporation.
 - d) **Committee** means the Corporate Governance & Public Policy Committee of the Board.
 - e) **Common Stock** means the common stock of the Corporation, par value \$1.00 per share.
 - f) **Common Stock Unit** shall have the meaning assigned to it in Section 6(a).
 - g) **Corporation** means United States Steel Corporation.
 - h) **Deferral Election Form** means a document governed by the provisions of Section 4 of this Program by which a Participant elects the portion of his or her Retainer Fee to be deferred and designates a Beneficiary.
 - i) **Deferral Year** means a calendar year for which a Participant has a Deferred Stock Benefit.
 - j) **Deferred Stock Account** means that bookkeeping record established for each Participant to reflect the status of his/her Deferred Stock Benefits under this Program. A Deferred Stock Account is established only for purposes of measuring a Deferred Stock Benefit and not to segregate assets or to identify assets that may or must be used to satisfy a Deferred Stock
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Benefit. A Deferred Stock Account will be credited with that portion of the Participant's Retainer Fee deferred as a Deferred Stock Benefit according to a Deferral Election Form and according to Sections 3 and 6 of this Program. A Deferred Stock Account will also be adjusted periodically with amounts specified under subsections 6(a)(iii) through 6(a)(v) of this Program.

- k) **Deferred Stock Benefit** means the benefit that results in distributions governed by sections 6 and 7.
 - l) **Directors** means those duly named members of the Board.
 - m) **Election Date** means the date established by this Program as the date before which a Participant must submit a valid Deferral Election Form to the Committee. For the Deferral Year during which an individual first becomes a Participant, the Election Date is the earlier of (i) 30 days following the date on which the individual becomes a Participant and (ii) December 31 of such Deferral Year. For each subsequent Deferral Year, the Election Date is December 31 of the preceding calendar year. Despite the two preceding sentences, the Committee may set an earlier date as the Election Date for any Deferral Year.
 - n) **Participant** means a Director who is not simultaneously an employee of the Corporation.
 - o) **Plan** means the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, or any successor plan.
 - p) **Program** means the United States Steel Corporation Deferred Compensation Program for Non-Employee Directors under the Plan.
 - q) **Retainer Fee** means that portion of a Participant's compensation that is fixed and paid without regard to his/her attendance at meetings, as such amount is established for or during the Deferral Year, subject to Section 4(c).
 - r) **Terminate, Terminating, or Termination**, with respect to a Participant, means cessation of his/her relationship with the Corporation as a Director whether by resignation, retirement, death, disability or severance for any other reason. The terms "Terminate", "Terminating", and "Termination", when used in the context of a condition to, or timing of, payment hereunder, shall be interpreted to mean a "separation from service" as that term is used in Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A").
3. **Minimum Stock-Based Compensation.** Each Person who becomes a Participant is required to receive at least 50 percent of his/her annual Retainer Fee in the form of Common Stock Units and may increase such amount pursuant to a Deferral Election.

4. **Deferral Election.** A deferral election is valid when a Deferral Election Form is completed, signed by the Participant, and received by the Committee or its designee. Deferral elections are governed by the provisions of this section.

- a) A Participant may elect a Deferred Stock Benefit for any Deferral Year, subject to the Election Date Requirements, if he/she is a Participant at the beginning of that Deferral Year or becomes a Participant during the Deferral Year.
- b) Before each Deferral Year's Election Date, each Participant will be provided with a Deferral Election Form. Subject to Section 3, a Participant may elect on or before the Election Date to defer until Termination the receipt of all or part of his/her Retainer Fee for the Deferral Year in the form of a Deferred Stock Benefit; provided, however, that no deferral election shall be effective for any portion of a Retainer Fee earned prior to the completion of the deferral election.
- c) A Participant may not revoke or amend a Deferral Election Form after the Deferral Year begins with respect to such Deferral Year, and no re-allocation between fixed and variable compensation (if any) otherwise payable during the year shall be permitted to indirectly amend such Deferral Election Form or the amount of Retainer Fees subject thereto. Any revocation before the beginning of the Deferral Year is the same as a failure to submit a Deferral Election Form. Any writing signed by a Participant expressing an intention to revoke his/her Deferral Election Form and delivered to the Committee or its designee before the close of business on the relevant Election Date is a revocation.

5. **Effect of No Election.** In the case of a person who does not submit a valid Deferral Election Form on or before the relevant Election Date, fifty percent of such Participant's Retainer Fee will become a Deferred Stock Benefit.

6. **Deferred Stock Benefits**

a) Deferred Stock Benefits will consist of Common Stock Units and will be recorded in a Deferred Stock Account for each Participant. "Common Stock Unit" shall mean a book-entry unit equal in value to a share of Common Stock on the date specified below. Each Common Stock Unit will increase or decrease in value by the same amount and with the same frequency as the fair market value of a share of Common Stock. Each Deferred Stock Account will be credited or adjusted as follows:

1. Participant's First Deferral Year. For the Deferral Year during which an individual first becomes a Participant, on the 15th day of the month following the Election Date, the Participant's Deferred Stock Account will be credited with a quantity of Common Stock Units, including fractional units, determined by dividing (A) the amount of the Retainer Fee that the Participant has elected to defer (or if a valid Deferral Election Form has not been submitted on or before the relevant Election Date, the amount specified in Section 5 above) by (B) the closing price of a share of Common Stock on the New York

Stock Exchange (“NYSE”) on the Election Date (or if such date was not a trading day on the immediately preceding trading day).

2. Subsequent Deferral Years. On January 15th of each subsequent Deferral Year during which the Participant remains a Director (or, if such day is not a business day, on the next succeeding business day), the Participant’s Deferred Stock Account will be credited with a quantity of Common Stock Units, including fractional units, determined by dividing (A) the amount of the Retainer Fee that the Participant has elected to defer (or if a valid Deferral Election Form has not been submitted on or before the relevant Election Date, the amount specified in Section 5 above) by (B) the closing price of a share of Common Stock on the NYSE on the last trading day of the preceding calendar year.
3. Cash Dividends. Each Deferred Stock Account will be credited each calendar quarter, on the date on which cash dividends are reinvested under the Corporation’s dividend reinvestment and stock purchase plans (the “Investment Date”), with a quantity of additional Common Stock Units, including fractional units, determined by dividing (A) the Dividend Payment Amount by (B) the Stock Purchase Price. “Dividend Payment Amount” means the product of the number of Common Stock Units in the Deferred Stock Account on the dividend payment date times the amount of the cash dividend payable on a share of Common Stock. “Stock Purchase Price” means the closing price of a share of Common Stock on the NYSE on the most recent trading day preceding the Investment Date.
4. Stock Dividends, Stock Splits and Reverse Stock Splits. In the event of a stock dividend, stock split, reverse stock split or similar event affecting the Common Stock, the number of Common Stock Units in the Deferred Stock Account shall be adjusted in an equitable and proportional manner to reflect such event in order to prevent the dilution or enlargement of Participant’s rights.
5. Other Adjustments to Deferred Stock Account. Amounts credited to a Participant’s Deferred Stock Account pursuant to this Section 6 are based upon the assumption that the amount of the Retainer Fee which the Participant is entitled to receive will remain unchanged during the Deferral Year. However, it is possible that certain events may occur which change the amount of the Retainer Fee that the Participant is entitled to receive. Accordingly, the number of Common Stock Units in a Participant’s Deferred Stock Account shall be adjusted from time to time in an equitable and proportional manner consistent with Section 409A to reflect the occurrence of any the following events and the effect that such an event has on the actual amount of the Retainer Fee which the Participant is entitled to receive during the Deferral Year:

- A. a prospective uniform increase or decrease in the amount of the Retainer Fee applicable to all Participant's, excluding any reallocation between fixed and variable compensation during a Deferral Year;
- B. the Termination of a Participant;
- C. the appointment or resignation of a Participant as the Presiding Director, a Committee Chairperson or other similar position resulting in a prospective increase or decrease in the amount of the Retainer Fee applicable to such Participant; or
- D. any other similar event or circumstance.

Such upward adjustments shall be made as follows: on the 15th day of the month following the effective date of the change causing the adjustment, the Participant's Deferred Stock Account will be credited with a quantity of Common Stock Units, including fractional units, determined by dividing (A) the amount of the Retainer Fee that the Participant has elected to defer (or if a valid Deferral Election Form has not been submitted on or before the relevant Election Date, the amount specified in Section 5 above) by (B) the closing price of a share of Common Stock on the NYSE on the effective date of the change causing the adjustment (or if such date was not a trading day on the immediately preceding trading day).

Downward adjustments due to a retirement or resignation during the year shall be made by deducting a quantity of Common Stock Units, including fractional units, determined by (A) dividing the number of full months not serving as a Director by 12, and (B) multiplying by the number of Common Stock Units credited in January of the retirement year.

- b) If a trust is established under section 8(b), an electing Participant may advise the trustee under the governing trust agreement as to the voting of shares of the Common Stock allocated to that Participant's separate account under the trust according to this subsection and provisions of the governing trust agreement. Before each annual or special meeting of the Corporation's shareholders, the trustee under the governing trust agreement must furnish each Participant with a copy of the proxy solicitation and other relevant material for the meeting as furnished to the trustee by the Corporation, and a form addressed to the trustee requesting the Participant's confidential advice as to the voting of shares of the Common Stock allocated to his/her account as of the valuation date established under the governing trust agreement preceding the record date.

7. Distributions

- a) Except as set forth in Section 7(d), a Deferred Stock Benefit will be distributed in shares of Common Stock equal to the number of, the whole Common Stock Units credited to the Participant's Deferred Stock Account; provided, however, cash will be paid in lieu of fractional shares of the Common Stock otherwise distributable, calculated on the basis of the closing price

of a share of Common Stock on the NYSE on the date of Termination (or if such date is not a trading day on the immediately preceding trading day).

- b) Delivery of Common Stock and any cash payable in lieu of fractional shares will be made on or before the fifth business day immediately following the Participant's Termination.
- c) Deferred Stock Benefits may not be assigned by a Participant or Beneficiary. A Participant may use a Beneficiary Designation Form to designate one or more Beneficiaries for all of his/her Deferred Stock Benefits; such designations are revocable. Each Beneficiary will receive his/her portion of the Participant's otherwise unpaid Deferred Stock Account on the scheduled payment date as set forth in Section 7(b).
- d) Upon the occurrence of a Change in Control resulting in a Participant's Termination, the Corporation shall pay such Participant, on or before the fifth business day following such Termination, cash in an aggregate amount equal to the value of such Participant's Deferred Stock Account on the date of the Change in Control, as determined using the higher of the closing price of the Common Stock on the NYSE on such date or the highest per-share price actually paid in connection with the consummation of such Change in Control. For purposes of this Program, "Change in Control" shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not the Corporation is then subject to such reporting requirement; provided, that, without limitation, such a change in control shall be deemed to have occurred if:
 - 1. any person (as defined in Sections 13(d) and 14(d) of the Exchange Act) (a "Person") is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding voting securities; provided, however, that for purposes of this Program the term "Person" shall not include (i) the Corporation or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation; or
 - 2. the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest including but not limited to a consent solicitation, relating to the election of directors of the Corporation) whose appointment or election by the Board or nomination for election by the Corporation's stockholders

was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved; or

3. there is consummated a merger or consolidation of the Corporation or a subsidiary thereof with any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Corporation outstanding immediately prior thereto holding securities which represent immediately after such merger or consolidation at least 50% of the combined voting power of the voting securities of the entity surviving the merger or consolidation (or the parent of such surviving entity) or the shareholders of the Corporation approve a plan of complete liquidation of the Corporation, or there is consummated the sale or other disposition of all or substantially all of the Corporation's assets.

**8. Corporation's
Obligation**

- a) The Program is unfunded. A Deferred Stock Benefit is at all times solely a contractual obligation of the Corporation. A Participant and his/her Beneficiaries have no right, title or interest in the Deferred Stock Benefits or any claim against them. Except according to section 8(b), the Corporation will not segregate any funds or assets for Deferred Stock Benefits nor issue any notes or security for the payment of any Deferred Stock Benefit.
- b) The Corporation may establish a grantor trust and transfer to that trust shares of Common Stock or other assets. The governing trust agreement must require a separate account to be established for each electing Participant. The governing trust agreement must also require that all Corporation assets held in trust remain at all times subject to the Corporation's judgment creditors.

9. **No Control by Participant.** A Participant has no control over Deferred Stock Benefits except according to his/her Deferral Election Forms and Beneficiary Designation Form.

10. **Claims Against Participant's Deferred Stock Benefits.** A Deferred Stock Account relating to a Participant under this Program is not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so is void. A Deferred Stock Benefit is not subject to attachment or legal process for a Participant's debts or other obligations. Nothing contained in this Program gives any Participant any interest, lien or claim against any specific asset of the Company. A Participant or his/her beneficiary has no rights other than as a general creditor.

11. **Amendment or Termination.** This Program may be altered, amended, suspended, or terminated at any time by the Board.

12. **Notices.** Notices and elections under this Program must be in writing. A notice or election is deemed delivered if it is delivered personally or if it is mailed by registered or certified mail to the person at his/her last known business address.
13. **Waiver.** The waiver of a breach of any provision in this Program does not operate as and may not be construed as a waiver of any later breach.
14. **Construction.** This Program is created, adopted, maintained and governed according to the laws of the State of Delaware. Headings and captions are only for convenience; they do not have substantive meaning. If a provision of this Program is not valid or not enforceable, the validity or enforceability of any other provision is not affected. Use of one gender includes all, and the singular and plural include each other.
15. **Effective Date.** This Program shall be effective as a program under the 2016 Omnibus Incentive Compensation Plan as of July 26, 2016.

CHIEF EXECUTIVE 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.

April 27, 2018

/s/ David B. Burritt

David B. Burritt

President and Chief Executive Officer

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Kevin P. Bradley, 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.

April 27, 2018

/s/ Kevin P. Bradley

Kevin P. Bradley
Executive Vice President
and Chief Financial Officer

CHIEF EXECUTIVE OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

I, David B. Burritt, 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 March 31, 2018, 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

President and Chief Executive Officer

April 27, 2018

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.

CHIEF FINANCIAL OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

I, Kevin P. Bradley, President, 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 March 31, 2018, 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/ Kevin P. Bradley

Kevin P. Bradley
Executive Vice President
and Chief Financial Officer

April 27, 2018

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.

United States Steel Corporation
Mine Safety Disclosure
(Unaudited)

For the quarter ended March 31, 2018

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)	48	—	—	—	—	\$340,562	—	no	no	168	65	—
Keewatin (2103352)	12	—	—	—	—	\$52,183	—	no	no	19	10	38

^(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 187 legal actions were to contest citations and proposed assessments.