

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, 2020

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

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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
United States Steel Corporation Common Stock	X	New York Stock Exchange
United States Steel Corporation Common Stock	X	Chicago Stock Exchange

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 No

Indicate by check mark whether the registrant has submitted electronically 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 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," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

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

Common stock outstanding at April 27, 2020 – 170,375,833 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 27A 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," "may" 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 changes, share of sales and earnings per share changes, anticipated cost savings, potential capital and operational cash improvements, U. S. Steel's future ability or plans to take ownership of the Big River Steel joint venture as a wholly owned subsidiary, 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 risks related to the satisfaction of the conditions of creating the joint venture with Stelco in the anticipated time frame or at all and the possibility that the option will not be exercised by Stelco, possible production or operations interruptions related to the novel coronavirus (COVID-19) pandemic that could disrupt supply or delivery of, or demand for, the Company's products, as well as 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, 2019, 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
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

(Dollars in millions, except per share amounts)	Three Months Ended March 31,	
	2020	2019
Net sales:		
Net sales	\$ 2,397	\$ 3,124
Net sales to related parties (Note 20)	351	375
Total (Note 6)	2,748	3,499
Operating expenses (income):		
Cost of sales (excludes items shown below)	2,605	3,172
Selling, general and administrative expenses	72	78
Depreciation, depletion and amortization	160	143
Loss (earnings) from investees	8	(9)
Tubular asset impairment charges (Notes 1 and 10)	263	—
Gain on equity investee transactions	(31)	—
Restructuring and other charges (Note 21)	41	—
Net loss on sale of assets	—	4
Other losses, net	5	—
Total	3,123	3,388
(Loss) earnings before interest and income taxes	(375)	111
Interest expense	50	34
Interest income	(4)	(5)
Other financial benefits	(3)	(3)
Net periodic benefit (income) cost (other than service cost)	(8)	23
Net interest and other financial costs	35	49
(Loss) earnings before income taxes	(410)	62
Income tax (benefit) provision (Note 13)	(19)	8
Net (loss) earnings	(391)	54
Less: Net earnings attributable to noncontrolling interests	—	—
Net (loss) earnings attributable to United States Steel Corporation	\$ (391)	\$ 54
(Loss) earnings per common share (Note 14):		
(Loss) earnings per share attributable to United States Steel Corporation stockholders:		
-Basic	\$ (2.30)	\$ 0.31
-Diluted	\$ (2.30)	\$ 0.31

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

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

(Dollars in millions)	Three Months Ended March 31,	
	2020	2019
Net (loss) earnings	\$ (391)	\$ 54
Other comprehensive income (loss), net of tax:		
Changes in foreign currency translation adjustments	(23)	(17)
Changes in pension and other employee benefit accounts	52	32
Changes in derivative financial instruments	(5)	15
Total other comprehensive income, net of tax	24	30
Comprehensive (loss) income including noncontrolling interest	(367)	84
Comprehensive income attributable to noncontrolling interest	—	—
Comprehensive (loss) income attributable to United States Steel Corporation	\$ (367)	\$ 84

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

UNITED STATES STEEL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

(Dollars in millions)	March 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents (Note 7)	\$ 1,350	\$ 749
Receivables, less allowance of \$33 and \$28	1,085	956
Receivables from related parties (Note 20)	87	221
Inventories (Note 8)	2,075	1,785
Other current assets	89	102
Total current assets	4,686	3,813
Long-term restricted cash (Note 7)	143	188
Operating lease assets (Note 9)	246	230
Property, plant and equipment	17,131	17,077
Less accumulated depreciation and depletion	11,724	11,630
Total property, plant and equipment, net	5,407	5,447
Investments and long-term receivables, less allowance of \$8 and \$5	1,421	1,466
Intangibles – net (Note 10)	134	150
Deferred income tax benefits (Note 13)	5	19
Other noncurrent assets	324	295
Total assets	\$ 12,366	\$ 11,608
Liabilities		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 2,033	\$ 1,970
Accounts payable to related parties (Note 20)	100	84
Payroll and benefits payable	325	336
Accrued taxes	118	116
Accrued interest	42	45
Current operating lease liabilities (Note 9)	60	60
Current portion of long-term debt (Note 16)	99	14
Total current liabilities	2,777	2,625
Noncurrent operating lease liabilities (Note 9)	193	177
Long-term debt, less unamortized discount and debt issuance costs (Note 16)	4,616	3,627
Employee benefits	584	532
Deferred income tax liabilities (Note 13)	6	4
Deferred credits and other noncurrent liabilities	464	550
Total liabilities	8,640	7,515
Contingencies and commitments (Note 22)		
Stockholders' Equity (Note 18):		
Common stock (179,027,981 and 178,555,206 shares issued) (Note 14)	179	179
Treasury stock, at cost (8,653,246 and 8,509,337 shares)	(175)	(173)
Additional paid-in capital	4,024	4,020
Retained earnings	151	544
Accumulated other comprehensive loss (Note 19)	(454)	(478)
Total United States Steel Corporation stockholders' equity	3,725	4,092
Noncontrolling interests	1	1
Total liabilities and stockholders' equity	\$ 12,366	\$ 11,608

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

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

(Dollars in millions)	Three Months Ended March 31,	
	2020	2019
Increase (decrease) in cash, cash equivalents and restricted cash		
Operating activities:		
Net (loss) earnings	\$ (391)	\$ 54
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, depletion and amortization	160	143
Tubular asset impairment charges (Notes 1 and 10)	263	—
Gain on equity investee transactions	(31)	—
Restructuring and other charges (Note 21)	41	—
Pensions and other postretirement benefits	(1)	30
Deferred income taxes (Note 13)	6	6
Net loss on sale of assets	—	4
Equity investee earnings, net of distributions received	8	(9)
Changes in:		
Current receivables	(97)	(124)
Inventories	(204)	(50)
Current accounts payable and accrued expenses	139	(73)
Income taxes receivable/payable	3	41
All other, net	(38)	7
Net cash (used in) provided by operating activities	(142)	29
Investing activities:		
Capital expenditures	(282)	(302)
Proceeds from sale of assets	1	—
Proceeds from sale of ownership interests in equity investees	8	—
Investments, net	(4)	—
Net cash used in investing activities	(277)	(302)
Financing activities:		
Revolving credit facilities - borrowings, net of financing costs (Note 16)	1,202	—
Revolving credit facilities - repayments (Note 16)	(281)	—
Issuance of long-term debt, net of financing costs (Note 16)	67	—
Repayment of long-term debt (Note 16)	(2)	—
Common stock repurchased (Note 24)	—	(42)
Dividends paid	(2)	(9)
Taxes paid for equity compensation plans (Note 12)	(1)	(5)
Net cash provided by (used in) financing activities	983	(56)
Effect of exchange rate changes on cash	(6)	(2)
Net increase (decrease) in cash, cash equivalents and restricted cash	558	(331)
Cash, cash equivalents and restricted cash at beginning of year (Note 7)	939	1,040
Cash, cash equivalents and restricted cash at end of period (Note 7)	\$ 1,497	\$ 709
Supplemental Cash Flow Information:		
Non-cash investing and financing activities:		
Change in accrued capital expenditures	\$ (66)	\$ (32)
U. S. Steel common stock issued for employee/non-employee director stock plans	17	15
Capital expenditures funded by finance lease borrowings	29	16
Export Credit Agreement (ECA) financing	34	—

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

Notes to Condensed 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 Condensed 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 condensed 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 condensed 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, 2019, which should be read in conjunction with these condensed financial statements.

Property, plant and equipment

U. S. Steel evaluates impairment of its property, plant and equipment whenever circumstances indicate that the carrying value may not be recoverable. We evaluate impairment of long-lived assets at the asset group level. Our asset groups are Flat-Rolled, welded tubular, seamless tubular and U. S. Steel Europe (USSE). Asset impairments are recognized when the carrying value of an asset group exceeds its recoverable amount as determined by the asset group's aggregate projected discounted cash flows.

During 2019, the challenging steel market environment in the U.S. and Europe and recent losses in the welded tubular asset group were considered triggering events for the Flat-Rolled, USSE and welded tubular asset groups. U. S. Steel completed a quantitative analysis of its long-lived assets for these asset groups and determined that the assets were not impaired. There were no triggering events for seamless tubular in 2019.

For the period ended March 31, 2020, the steep decline in oil prices that resulted from market oversupply and declining demand was considered a triggering event for the welded tubular and seamless tubular asset groups. A quantitative analysis was completed for both asset groups and a \$263 million impairment, consisting of an impairment of \$196 million for property, plant and equipment and \$67 million for intangible assets (See Note 10) was recorded for the welded tubular asset group while no impairment was indicated for the seamless tubular asset group.

2. New Accounting Standards

In March 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, (ASU 2020-04). ASU 2020-04 provides optional exceptions for applying generally accepted accounting principles to modifications of contracts, hedging relationships, and other transactions that reference LIBOR or another rate that will be discontinued by reference rate reform if certain criteria are met. U. S. Steel is currently assessing the impact of the ASU but does not believe it will have a material impact on its Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes* (ASU 2019-12). ASU 2019-12 simplifies accounting for income taxes by removing certain exceptions from the general principles in Topic 740 including elimination of the exception to the incremental approach for intraperiod tax allocation when there is a loss from continuing operations and income or a gain from other items such as other comprehensive income. ASU 2019-12 also clarifies and amends certain guidance in Topic 740. ASU 2019-12 is effective for public companies for fiscal years beginning after December 15, 2020, including interim periods, with early adoption of all amendments in the same period permitted. U. S. Steel is currently assessing the impact of the ASU, but does not believe it will have a significant impact on its Consolidated Financial Statements.

3. Recently Adopted Accounting Standard

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which adds an impairment model that is based on expected losses rather than incurred losses. Under ASU 2016-13, an entity recognizes as an allowance its estimate of expected credit losses, which the FASB believes will result in more timely recognition of such losses. ASU 2016-13 was effective for public companies for fiscal years beginning after December 15, 2019 including interim reporting periods. U. S. Steel adopted this standard effective January 1, 2020. The impact of adoption was not material to the Condensed Consolidated Financial Statements.

U. S. Steel's significant financial instruments which are valued at cost are trade receivables (receivables). U. S. Steel's receivables carry standard industry terms and are categorized in two receivable pools, U.S. and U. S. Steel Europe (USSE). Both pools use customer specific risk ratings based on customer financial metrics, past payment experience and other factors and qualitatively consider economic conditions to assess the level of allowance for doubtful accounts. USSE mitigates credit risk for over 70 percent of its receivables balance using credit insurance, letters of credit, bank guarantees, prepayments or other collateral. Below is a summary of the allowance for doubtful accounts for the segments. Additional reserve recorded in the period ended March 31, 2020 primarily reflects uncertainty over near-term anticipated market conditions.

(in millions)	U.S.		USSE		Total Allowance
Balance at December 31, 2019	\$	12	\$	16	\$ 28
Additional reserve		5		—	5
Balance at March 31, 2020	\$	17	\$	16	\$ 33

4. Segment Information

U. S. Steel has three reportable segments: North American Flat-Rolled (Flat-Rolled), U. S. Steel Europe (USSE); and Tubular Products (Tubular). U. S. Steel's investment in Big River Steel and 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, 2020 and 2019 are:

(In millions) Three Months Ended March 31, 2020	Customer Sales	Intersegment Sales	Net Sales	Earnings (loss) from investees	Earnings (loss) before interest and income taxes
Flat-Rolled	\$ 1,974	\$ 62	\$ 2,036	\$ 4	\$ (35)
USSE	505	1	506	—	(14)
Tubular	255	3	258	1	(48)
Total reportable segments	2,734	66	2,800	5	(97)
Other Businesses	14	28	42	(13)	1
Reconciling Items and Eliminations	—	(94)	(94)	—	(279)
Total	\$ 2,748	\$ —	\$ 2,748	\$ (8)	\$ (375)

Three Months Ended March 31, 2019					
Flat-Rolled	\$ 2,405	\$ 69	\$ 2,474	\$ 7	\$ 95
USSE	737	3	740	—	29
Tubular	343	2	345	2	10
Total reportable segments	3,485	74	3,559	9	134
Other Businesses	14	30	44	—	8
Reconciling Items and Eliminations	—	(104)	(104)	—	(31)
Total	\$ 3,499	\$ —	\$ 3,499	\$ 9	\$ 111

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

(In millions)	Three Months Ended March 31,	
	2020	2019
Items not allocated to segments:		
Tubular asset impairment charges (Notes 1 and 10)	\$ (263)	\$ —
Restructuring and other charges (Note 21)	(41)	—
Gain on previously held investment in UPI	25	—
December 24, 2018 Clairton coke making facility fire	—	(31)
Total reconciling items	\$ (279)	\$ (31)

5. Acquisition

On February 29, 2020, U. S. Steel purchased the remaining 50% ownership interest in USS-POSCO Industries (UPI) for \$3 million, net of cash received of \$2 million. There was an assumption of accounts payable owed to U. S. Steel for prior sales of steel substrate of \$135 million associated with the purchase that is reflected as a reduction in receivables from related parties on the Company's Condensed Consolidated Balance Sheet. UPI is located in Pittsburg, California and markets sheet and tin mill products, principally in the western United States. UPI produces hot rolled pickled and oiled, cold-rolled sheets, galvanized sheets and tin mill products made from hot bands principally provided by U. S. Steel. UPI's annual production capability is approximately 1.5 million tons. The remaining interest in UPI was purchased by the Company to obtain more control over the future of this investment. The Company had a liability that resulted from historical losses recorded due to our continuing involvement in the previously held equity investment in UPI. Using step acquisition accounting we increased the value of our previously held equity investment to its fair value of \$5 million which resulted in a gain of approximately \$25 million. The gain was recorded in gain on equity investee transactions in the Condensed Consolidated Statement of Operations.

There was a step-up to fair value for property, plant and equipment of \$47 million and an intangible asset of \$54 million that was recorded. The intangible asset arises from a land lease contract, under which a certain portion of payment owed to UPI is realized in the form of deductions from electricity costs. The intangible asset will be amortized over a ten year period. Transaction costs associated with the acquisition and the amount of revenue recognized in the Condensed Consolidated Statement of Operations as a result of the acquisition were not significant.

The following table presents the allocation of the aggregate purchase price based on estimated fair values.

	(in millions)	
Assets Acquired:		
Receivables	\$	44
Inventories		96
Other current assets		3
Property, plant and equipment		97
Intangibles		54
Other noncurrent assets		1
Total Assets Acquired	\$	295
Liabilities Assumed:		
UPI accounts payable for substrate purchased from U. S. Steel ^(a)	\$	135
Accounts payable and accrued liabilities		19
Payroll and benefits payable		15
Current portion of long-term debt		55
Employee benefits		63
Total Liabilities Assumed	\$	287
Fair value of previously held investment in UPI	\$	5
Purchase price - net of cash acquired		3
Difference in assets acquired and liabilities assumed	\$	8

^(a) The transaction to purchase UPI included the assumption of \$135 million of accounts payable owed to U. S. Steel for prior sales of steel substrate to UPI. This amount is reflected as a reduction in receivables from related parties in the Company's Condensed Consolidated Balance Sheet as both the corresponding receivable and payable amounts between U. S. Steel and UPI are eliminated in consolidation upon acquisition.

U. S. Steel is continuing to conform accounting policies and procedures and evaluate assets and liabilities assumed. The results of this process may lead to further adjustments to the purchase price allocation presented above.

6. Revenue

Revenue is generated primarily from contracts to produce, ship and deliver steel products, and to a lesser extent, raw materials sales such as iron ore pellets and coke by-products and railroad services and real estate sales. Generally, U. S. Steel's performance obligations are satisfied and revenue is recognized at a 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. Because 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.

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 slabs, 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, 2020 and 2019, respectively:

Net Sales by Product (In millions):

Three Months Ended March 31, 2020	Flat-Rolled	USSE	Tubular	Other Businesses	Total
Semi-finished	\$ 27	\$ 1	\$ —	\$ —	\$ 28
Hot-rolled sheets	502	205	—	—	707
Cold-rolled sheets	598	45	—	—	643
Coated sheets	711	229	—	—	940
Tubular products	—	9	251	—	260
All Other ^(a)	136	16	4	14	170
Total	\$ 1,974	\$ 505	\$ 255	\$ 14	\$ 2,748

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

Three Months Ended March 31, 2019	Flat-Rolled	USSE	Tubular	Other Businesses	Total
Semi-finished	\$ 88	\$ 4	\$ —	\$ —	\$ 92
Hot-rolled sheets	763	332	—	—	1,095
Cold-rolled sheets	661	88	—	—	749
Coated sheets	728	279	—	—	1,007
Tubular products	—	9	335	—	344
All Other ^(a)	165	25	8	14	212
Total	\$ 2,405	\$ 737	\$ 343	\$ 14	\$ 3,499

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

7. 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 Condensed Consolidated Balance Sheets that sum to the total of the same amounts shown in the Condensed Consolidated Statement of Cash Flows:

(In millions)	March 31, 2020	March 31, 2019
Cash and cash equivalents	\$ 1,350	\$ 676
Restricted cash in other current assets	4	2
Long-term restricted cash	143	31
Total cash, cash equivalents and restricted cash	\$ 1,497	\$ 709

In order to preserve cash and enhance our liquidity during the COVID-19 outbreak and disruptions in the oil and gas industry, we borrowed an additional \$800 million under the Fifth Amended and Restated Credit Agreement which was held as cash on our Condensed Consolidated Balance Sheet at March 31, 2020.

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

8. 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, 2020 and December 31, 2019, the LIFO method accounted for 65 percent and 75 percent of total inventory values, respectively.

(In millions)	March 31, 2020	December 31, 2019
Raw materials	\$ 633	\$ 628
Semi-finished products	954	720
Finished products	428	376
Supplies and sundry items	60	61
Total	\$ 2,075	\$ 1,785

Current acquisition costs were estimated to exceed the above inventory values by \$762 million and \$735 million at March 31, 2020 and December 31, 2019, respectively. As a result of the liquidation of LIFO inventories, cost of sales increased and earnings before interest and income taxes decreased by \$5 million and \$1 million for the three months ended March 31, 2020 and March 31, 2019, respectively.

Inventory includes \$40 million of land held for residential/commercial development as of both March 31, 2020 and December 31, 2019.

9. Leases

Effective January 1, 2019, U. S. Steel adopted ASU 2016-02 using the modified retrospective transition method outlined in ASU 2018-11 which permitted application of ASU 2016-02 on January 1, 2019 using a cumulative effect adjustment to the opening balance of retained earnings.

Operating lease assets consist primarily of office space, aircraft, heavy mobile equipment used in our mining operations and facilities and equipment under operating service agreements for electricity generation and scrap processing. Significant finance leases include the Fairfield slab caster lease and heavy mobile equipment used in our mining operations (see Note 16 for further details). Variable lease payments are primarily related to operating service agreements where payment is solely dependent on consumption of certain services, such as raw material and by-product processing. Generally, we are not reasonably certain that renewal options or purchase options will be exercised. There is no impact to our leased assets for residual value guarantees as the potential loss is not probable (see "Other Contingencies" in Note 22 for further details). We do not have material restrictive covenants associated with our leases or material amounts of sublease income. From time to time, U. S. Steel may enter into arrangements for the construction or purchase of an asset and then enter into a financing arrangement to lease the asset. U. S. Steel recognizes leased assets and liabilities under these arrangements when it obtains control of the asset.

The following table summarizes the lease amounts included in our Condensed Consolidated Balance Sheet as of March 31, 2020 and December 31, 2019.

(In millions)	Balance Sheet Location	March 31, 2020	December 31, 2019
Assets			
Operating	Operating lease assets ^(a)	\$ 246	\$ 230
Finance	Property, plant and equipment ^(b)	82	56
Total Lease Assets		\$ 328	\$ 286
Liabilities			
Current			
Operating	Current operating lease liabilities	\$ 60	\$ 60
Finance	Current portion of long-term debt	15	11
Non-Current			
Operating	Noncurrent operating lease liabilities	193	177
Finance	Long-term debt less unamortized discount and issue costs	74	51
Total Lease Liabilities		\$ 342	\$ 299

^(a) Operating lease assets are recorded net of accumulated amortization of \$57 million and \$50 million as of March 31, 2020 and December 31, 2019, respectively.

^(b) Finance lease assets are recorded net of accumulated depreciation of \$29 million and \$27 million as of March 31, 2020 and December 31, 2019, respectively.

The following table summarizes lease costs included in our Condensed Consolidated Statement of Operations for the three month periods ended March 31, 2020 and March 31, 2019.

(In millions)	Classification	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Operating Lease Cost ^(a)	Cost of sales	\$ 18	\$ 21
Operating Lease Cost	Selling, general and administrative expenses	3	3
Finance Lease Cost			
Amortization	Depreciation, depletion and amortization	3	1
Interest	Interest expense	1	—
Total Lease Cost		\$ 25	\$ 25

^(a) Operating lease cost recorded in cost of sales includes \$3 million and \$5 million of variable lease cost for the three months ended March 31, 2020 and March 31, 2019, respectively. An immaterial amount of variable lease cost is included in selling, general and administrative expenses and immaterial amounts of short-term lease cost are included in cost of sales and selling, general and administrative expenses.

Lease liability maturities as of March 31, 2020 are shown below.

(In millions)	Operating		Finance		Total
2020	\$	59	\$	16	\$ 75
2021		64		19	83
2022		51		23	74
2023		39		12	51
2024		31		9	40
After 2024		61		23	84
Total Lease Payments	\$	305	\$	102	\$ 407
Less: Interest		52		13	65
Present value of lease liabilities	\$	253	\$	89	\$ 342

Lease terms and discount rates are shown below.

		As of March 31, 2020
Weighted average lease term		
Finance		5 years
Operating		5 years
Weighted average discount rate		
Finance		5.07%
Operating		7.40%

Supplemental cash flow information related to leases follows.

(In millions)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 18	\$ 18
Operating cash flows from finance leases	1	—
Financing cash flows from finance leases	2	—
Right-of-use assets exchanged for lease liabilities:		
Operating leases	32	8
Finance leases	29	16

10. 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, 2020				As of December 31, 2019			
		Gross Carrying Amount	Accumulated Impairment	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount	
Customer relationships	22 Years	\$ 132	\$ 55	\$ 77	\$ —	\$ 132	\$ 76	\$ 56	
Patents	10-15 Years	22	7	9	6	22	8	14	
Energy Contract	10 Years	54	—	1	53	—	—	—	
Other Intangibles	4-20 Years	14	5	9	—	14	9	5	
Total amortizable intangible assets		\$ 222	\$ 67	\$ 96	\$ 59	\$ 168	\$ 93	\$ 75	

Identifiable intangible assets with finite lives are reviewed for impairment whenever events or circumstances indicate that the carrying values may not be recoverable. For the period ended March 31, 2020, the steep decline in oil prices that resulted from market oversupply and declining demand was considered a triggering event for the welded tubular asset group. A quantitative analysis was completed and resulted in a \$67 million impairment of the welded tubular asset group's intangible assets. See Note 1 for further details.

Amortization expense was \$3 million and \$2 million for the three months ended March 31, 2020 and March 31, 2019, respectively. The estimated amortization expense for the remainder of 2020 is \$5 million. We expect approximately \$6 million in annual amortization expense through 2024.

As part of the purchase of UPI, we acquired an intangible asset with a fair value of approximately \$54 million that will be amortized over ten years. This asset arises from a land lease contract, under which a certain portion of payment owed to UPI is realized in the form of deductions from electricity costs. See Note 5 to the Condensed Consolidated Financial Statements for further details.

The carrying amount of acquired water rights with indefinite lives as of March 31, 2020 and December 31, 2019 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 2019. Based on the results of the evaluation, the water rights were not impaired.

11. Pensions and Other Benefits

The following table reflects the components of net periodic benefit cost for the three months ended March 31, 2020 and 2019:

(In millions)	Pension Benefits		Other Benefits	
	2020	2019	2020	2019
Service cost	\$ 12	\$ 11	\$ 3	\$ 3
Interest cost	48	60	16	23
Expected return on plan assets	(81)	(81)	(20)	(20)
Amortization of prior service cost	—	—	(2)	7
Amortization of actuarial net loss (gain)	36	33	(4)	1
Net periodic benefit cost, excluding below	15	23	(7)	14
Multiemployer plans	21	18	—	—
Settlement, termination and curtailment losses ^(a)	6	—	—	—
Net periodic benefit cost (income)	\$ 42	\$ 41	\$ (7)	\$ 14

^(a) During the three months ended March 31, 2020 the pension plan incurred special termination charges of approximately \$6 million due to workforce restructuring.

Employer Contributions

During the first three months of 2020, U. S. Steel made cash payments of \$20 million to the Steelworkers' Pension Trust, \$1 million of pension payments not funded by trusts and \$10 million for other postretirement benefit payments not funded by trusts.

Company contributions to defined contribution plans totaled \$10 million for both the three months ended March 31, 2020 and 2019.

12. 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). 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, 2020, there were 926,361 shares available for future grants under the Omnibus Plan. On April 28, 2020, our stockholders approved an additional 4,700,000 shares to be available for grant under the Omnibus Plan.

Recent grants of stock-based compensation consist of restricted stock units, total stockholder return (TSR) performance awards and return on capital employed (ROCE) performance awards. Shares of common stock under the Omnibus Plan are issued from authorized, but unissued stock. The following table is a summary of the awards made under the Omnibus Plan during the first three months of 2020 and 2019.

Grant Details	2020		2019	
	Shares ^(a)	Fair Value ^(b)	Shares ^(a)	Fair Value ^(b)
Restricted Stock Units	2,624,470	\$ 8.83	975,750	\$ 23.91
Performance Awards ^(c)				
TSR	659,620	\$ 8.20	210,520	\$ 29.22
ROCE ^(d)	—	\$ —	526,140	\$ 23.92

^(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 period.

^(c) The number of performance awards shown represents the target value of the award.

^(d) The ROCE awards granted in 2020 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 \$4 million and \$8 million in the three-month periods ended March 31, 2020 and 2019, respectively.

As of March 31, 2020, total future compensation expense related to nonvested stock-based compensation arrangements was \$30 million, and the weighted average period over which this expense is expected to be recognized is approximately 21 months.

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 varying levels at the end of a three-year performance period if U. S. Steel's total stockholder return compared to the total stockholder return of a peer group of companies meets specified performance criteria with each year in the three-year performance period weighted at 20 percent and the full three-year performance period weighted at 40 percent. TSR performance awards can vest at between zero and 200 percent of the target award. The fair value of the TSR performance awards is calculated using a Monte-Carlo simulation.

ROCE performance awards may vest at the end of a three-year performance period contingent upon meeting the specified ROCE goal. 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. The 2020 ROCE performance awards were granted in cash.

For further details about our stock-based compensation incentive plans and stock awards see Note 15 of the United States Steel Corporation Annual Report on Form 10-K for the fiscal year-ended December 31, 2019.

13. Income Taxes

Tax provision

For the three months ended March 31, 2020 and 2019, we recorded a tax benefit of \$19 million on our pretax loss of \$410 million and a tax provision of \$8 million on our pretax earnings of \$62 million, respectively. In general, the amount of tax expense or benefit from continuing operations is determined without regard to the tax effect of other categories of income or loss, such as other comprehensive income. However, an exception to this rule applies when there is a loss from continuing operations and income from other categories. In 2020, the tax benefit includes a discrete benefit of \$10 million related to this accounting exception. Due to the full valuation allowance on our domestic deferred tax assets, the tax benefit in 2020 does not reflect any additional tax benefit for domestic pretax losses. In 2019, the tax provision reflects a benefit for percentage depletion in excess of cost depletion from iron ore that we produce and consume or sell.

The tax provision for the first three months of 2020 is based on an estimated annual effective rate, which requires management to make its best estimate of annual pretax earnings 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 2020 pretax results for U.S. and foreign income or loss vary from estimates applied herein, the actual tax provision or benefit recognized in 2020 could be materially different from the forecasted amount used to estimate the tax provision for the three months ended March 31, 2020.

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, 2020, 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 assets 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 Accounting Standards Codification (ASC) Topic 740 on income taxes. The total amount of gross unrecognized tax benefits was \$3 million as of both March 31, 2020 and December 31, 2019. The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$2 million as of both March 31, 2020 and December 31, 2019.

U. S. Steel records interest related to uncertain tax positions as a part of net interest and other financial costs in the Condensed Consolidated Statement of Operations. Any penalties are recognized as part of selling, general and administrative expenses. As of both March 31, 2020 and December 31, 2019, U. S. Steel had accrued liabilities of \$2 million for interest and penalties related to uncertain tax positions, respectively.

It is reasonably expected that during the next 12 months unrecognized tax benefits related to income tax positions will change by an immaterial amount.

14. Earnings and Dividends Per Common Share

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

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

Diluted (loss) earnings per common share assumes the exercise of stock options and the vesting of restricted stock units and performance awards, provided in each case the effect is dilutive. The "treasury stock" method is used to calculate the dilutive effect of the Senior Convertible Notes due in 2026 (due to our current intent and policy, among other factors, to settle the principal amount of the 2026 Senior Convertible Notes in cash upon conversion).

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

(Dollars in millions, except per share amounts)	Three Months Ended March 31,	
	2020	2019
(Loss) earnings attributable to United States Steel Corporation stockholders	\$ (391)	\$ 54
Weighted-average shares outstanding (in thousands):		
Basic	170,224	173,241
Effect of convertible notes	—	—
Effect of stock options, restricted stock units and performance awards	—	1,304
Adjusted weighted-average shares outstanding, diluted	170,224	174,545
Basic (loss) earnings per common share	\$ (2.30)	\$ 0.31
Diluted (loss) earnings per common share	\$ (2.30)	\$ 0.31

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

(In thousands)	Three Months Ended March 31,	
	2020	2019
Securities granted under the 2016 Omnibus Incentive Compensation Plan, as amended	4,942	3,179
Securities convertible under the Senior Convertible Notes	—	—
Total	4,942	3,179

Dividends Paid Per Share

The dividend for the first quarter of 2020 and 2019 was one cent and five cents per common share, respectively.

15. 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 Condensed Consolidated Balance Sheet. U. S. Steel did not designate euro foreign exchange forwards entered into prior to July 1, 2019, as hedges; therefore, changes in their fair value were recognized immediately in the Condensed Consolidated Statements of Operations (mark-to-market accounting). For those contracts, U. S. Steel will continue to recognize changes in fair value immediately through earnings until the contracts mature. U. S. Steel elected cash flow hedge accounting for euro foreign exchange forwards prospectively effective July 1, 2019. Accordingly, future gains and losses for euro foreign exchange forwards entered into after July 1, 2019 will be recorded within accumulated other comprehensive income (AOCI) until the related contract impacts earnings. We mitigate the risk of concentration of counterparty credit risk by purchasing our forwards from several counterparties.

In 2018, U. S. Steel entered into long-term freight contracts in its domestic operations that require payment in Canadian dollars (CAD). We entered into foreign exchange forward contracts with remaining maturities up to 9 months to exchange USD for CAD to mitigate a portion of the related risk of exchange rate fluctuations and to manage our currency requirements. We elected to designate these contracts as cash flow hedges.

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). In January 2020, the Company began purchasing commodity purchase swaps to mitigate variable purchase price risk for electricity at our Gary Works location. We elected cash flow hedge accounting for our U.S. commodity purchase swaps for natural gas, zinc and tin and use mark-to-market accounting for commodity purchase swaps used in our European operations and for electricity commodity purchase swaps.

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, 2020 and March 31, 2019:

Hedge Contracts	Classification	March 31, 2020	March 31, 2019
Natural gas (in mmbtus)	Commodity purchase swaps	52,464,000	56,894,000
Tin (in metric tons)	Commodity purchase swaps	870	1,475
Zinc (in metric tons)	Commodity purchase swaps	21,044	13,651
Electricity (in megawatt hours)	Commodity purchase swaps	1,024,000	—
Foreign currency (in millions of euros)	Foreign exchange forwards	€ 259	€ 296
Foreign currency (in millions of CAD)	Foreign exchange forwards	C\$ 23	C\$ 48

The following summarizes the fair value amounts included in our Condensed Consolidated Balance Sheets as of March 31, 2020 and December 31, 2019:

(In millions) Designated as Hedging Instruments	Balance Sheet Location	March 31, 2020	December 31, 2019
Commodity purchase swaps	Accounts receivable	2	1
Commodity purchase swaps	Accounts payable	27	17
Commodity purchase swaps	Investments and long-term receivables	—	1
Commodity purchase swaps	Other long-term liabilities	5	7
Foreign exchange forwards	Accounts receivable	6	—
Foreign exchange forwards	Accounts payable	2	1
Not Designated as Hedging Instruments			
Commodity purchase swaps	Accounts payable	1	—
Commodity purchase swaps	Other long-term liabilities	1	—
Foreign exchange forwards	Accounts receivable	3	4

The table below summarizes the effect of hedge accounting on AOCI and amounts reclassified from AOCI into earnings for the three months ended March 31, 2020 and 2019:

(In millions)	Gain (Loss) on Derivatives in AOCI		Location of Reclassification from AOCI ^(a)	Amount of Gain (Loss) Recognized in Income	
	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019		Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Commodity purchase swaps	(8)	18	Cost of sales ^(b)	(8)	(4)
Foreign exchange forwards	5	1	Cost of sales	—	—

^(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) 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 Condensed Consolidated Statement of Operations for the three months ended March 31, 2020 and 2019:

(In millions)	Statement of Operations Location	Amount of Gain (Loss) Recognized in Income	
		Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Commodity purchase swaps ^(a)	Cost of sales	(2)	—
Foreign exchange forwards	Other financial costs	4	9

^(a) In January 2020, we began utilizing commodity purchase swaps to mitigate variable electricity price risk at our Gary Works location.

At current contract values, \$21 million currently in AOCI as of March 31, 2020 will be recognized as an increase in cost of sales over the next year as related hedged items are recognized in earnings. The maximum derivative contract duration for commodity purchase swaps where hedge accounting was elected is 21 months. The maximum contract duration for commodity purchase swaps where hedge accounting was not elected is 34 months.

16. Debt

(In millions)	Interest Rates %	Maturity	March 31, 2020	December 31, 2019
2037 Senior Notes	6.650	2037	\$ 350	\$ 350
2026 Senior Notes	6.250	2026	650	650
2026 Senior Convertible Notes	5.000	2026	350	350
2025 Senior Notes	6.875	2025	750	750
Environmental Revenue Bonds	4.875 - 6.750	2024 - 2049	620	620
Fairfield Caster Lease		2022	18	18
Other finance leases and all other obligations		2021 - 2029	75	48
ECA Credit Agreement	Variable	2031	104	—
Amended Credit Facility, \$2.0 billion	Variable	2024	1,500	600
UPI Amended Credit Facility	Variable	2020	79	—
USSK Credit Agreement	Variable	2023	384	393
USSK Credit Facilities	Variable	2021	—	—
Total Debt			4,880	3,779
Less unamortized discount and debt issuance costs			165	138
Less short-term debt and long-term debt due within one year			99	14
Long-term debt			\$ 4,616	\$ 3,627

To the extent not otherwise discussed below, information concerning the senior notes, the Senior Convertible Notes and other listed obligations can be found in Note 17 of the audited financial statements in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Export Credit Agreement

Funding of U. S. Steel's vendor supported Export Credit Agreement (ECA) occurred on February 19, 2020. U. S. Steel borrowed \$104 million under the ECA as of March 31, 2020. Loan repayments start six months after the starting point of credit as defined in the loan agreement with a total repayment term up to eight years. Loan availability and repayment terms are subject to certain customary covenants and events of default. The purpose of the ECA is to finance equipment purchased for the endless casting and rolling facility under construction at our Mon Valley Works facility in Braddock, Pennsylvania. In response to the decline in demand for our products resulting from the COVID-19 outbreak, we have delayed construction of our endless casting and rolling line at Mon Valley Works. We have also paused our borrowing under the ECA pending an update to the agreement or resumption of construction.

Amended and Restated Credit Agreement

As of March 31, 2020, there was \$1.5 billion drawn under the \$2.0 billion Fifth Credit Facility Agreement (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 \$200 million. Based on the most recent four quarters as of March 31, 2020, we would not have met the fixed charge coverage ratio test; therefore, the amount available to the Company under this facility is effectively reduced by \$200 million. The availability under the Credit Facility Agreement was \$300 million as of March 31, 2020.

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 October 2024. 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 value of our inventory and trade accounts receivable less specified reserves calculated with the Amended and Restated Credit Agreement supported the full amount of the facility at March 31, 2020.

The Credit Facility Agreement has customary representations and warranties including, as a condition to borrowing, that all such representations and warranties are true and correct, in all material respects, on the date of the borrowing, including representations as to no material adverse change in our business or financial condition that is not disclosed in our last published financial results. The facility also has customary defaults, including a cross-default to material indebtedness of U. S. Steel and our subsidiaries.

U. S. Steel Košice (USSK) Credit Facilities

At March 31, 2020, USSK had borrowings of €350 million (approximately \$384 million) under its €460 million (approximately \$504 million) revolving credit facility (USSK Credit Agreement). The USSK Credit Agreement contains certain USSK specific financial covenants including a minimum stockholders' equity to assets ratio and net debt to EBITDA ratio. The covenants are measured semi-annually at June and December each year for the period covering the last twelve calendar months, with the first net debt to EBITDA measurement occurring at June 2021. USSK must maintain a net debt to EBITDA ratio of less than 6.5 as of June 30, 2021 and 3.5 for semi-annual measurements starting December 31, 2021. If the challenging market conditions in Europe due to COVID-19 persisted for a long period and negatively impacted USSK's projected EBITDA, and if covenant compliance requirements are not amended or waived, it may result in an event of default, under which USSK may not draw upon the facility, and the majority lenders, as defined in the USSK Credit Agreement, may cancel any and all commitments, and/or accelerate full repayment of any or all amounts outstanding under the USSK Credit Agreement. On December 23, 2019, USSK entered into a supplemental agreement that amended the USSK Credit Agreement leverage covenant and pledged certain USSK trade receivables and inventory as collateral in support of USSK's obligations.

At March 31, 2020, USSK had availability of €110 million (approximately \$120 million) under the USSK Credit Agreement. The USSK Credit Agreement expires in September 2023.

The USSK Credit Agreement contains customary representations and warranties including, as a condition to borrowing, that it met certain financial covenants since the last measurement date, and that all such representations and warranties are true and correct, in all material respects, on the date of the borrowing, and representations as to no material adverse change in our business or financial condition since December 31, 2017. The facility also has customary defaults, including a cross-default upon acceleration of material indebtedness of USSK and its subsidiaries.

At March 31, 2020, USSK had no borrowings under its €20 million and €10 million credit facilities (collectively, approximately \$33 million) and the availability was approximately \$32 million due to approximately \$1 million of customs and other guarantees outstanding.

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

USS-POSCO Industries Credit Facility

At March 31, 2020, USS-POSCO Industries (UPI) had borrowings of \$79 million under its \$110 million revolving credit facility (UPI Amended Credit Facility). Borrowings are secured by liens on certain UPI inventory and trade accounts receivable. The UPI Amended Credit Facility 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. At March 31, 2020, UPI had availability of \$13 million under the UPI Amended Credit Facility. The agreement expires in August 2020.

Change in control event

If there is a change in control of U. S. Steel, the following may occur: (a) debt obligations totaling \$4,166 million as of March 31, 2020 may be declared due and payable; (b) the Credit Facility Agreement and the USSK credit

facilities 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 approximately \$19 million or provide a letter of credit to secure the remaining obligation.

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 Condensed Consolidated Balance Sheet approximate fair value. See Note 15 for disclosure of U. S. Steel's derivative instruments, which are accounted for at fair value on a recurring basis.

On October 31, 2019, a wholly owned subsidiary of U. S. Steel purchased a 49.9% ownership interest in Big River Steel. The transaction included a call option (U. S. Steel Call Option) to acquire the remaining 50.1% within the next four years at an agreed-upon price formula, which in years three and four is based on Big River Steel's achievement of certain metrics that include: free cash flow, product development, safety and the completion of a proposed expansion of Big River Steel's existing manufacturing line. The transaction also included options where the other Big River Steel equity owners can require U. S. Steel to purchase their 50.1% ownership interest (Class B Common Put Option) or require U. S. Steel to sell its ownership interest (Class B Common Call Option) after the U. S. Steel Call Option expires.

All of the options are marked to fair value each period using a Monte Carlo simulation which is considered a Level 3 valuation technique. Level 3 valuation techniques include inputs to the valuation methodology that are considered unobservable and significant to the fair value measurement. The net change in fair value of the options during the three months ended March 31, 2020 resulted in an \$11 million decrease to net interest and other financial costs. The financial impact was due to an increase in U. S. Steel's credit spread partially offset by a lower risk free interest rate and a lower Big River Steel equity value.

The following table shows the change in fair value by option.

(In millions)	Balance Sheet Location	Fair Value asset/(liability) at December 31, 2019	Fair Value Mark to Market gain/(loss)	Fair Value asset/(liability) at March 31, 2020
U. S. Steel Call Option	Investments and Long-Term Receivables	\$ 166	\$ (28)	\$ 138
Class B Common Put Option	Deferred credits and other noncurrent liabilities	\$ (192)	\$ 39	\$ (153)
Class B Common Call Option	Deferred credits and other noncurrent liabilities	\$ (2)	\$ —	\$ (2)
Net Mark to Market Impact			\$ 11	

The fair value of the U. S. Steel Call Option and Class B Common Put Option are most significantly impacted by certain unobservable inputs including: Big River Steel's equity value (Equity Value); and Volatility, which is calculated from the market price movements of certain peer companies. Increases in Equity Value increase the fair value of the U. S. Steel Call Option and decrease the fair value of the Class B Common Put Option. For the period ended March 31, 2020, the equity value was adjusted downward to reflect uncertainty in the market related to COVID-19 impacts. Increases in Volatility increase both the fair value of the U. S. Steel Call Option and the Class B Common Put Option. The Class B Common Put Option is also significantly impacted by U. S. Steel's credit spread (Credit Spread) which is the estimated premium to borrow money in excess of the risk-free rate considering the subordinated nature of the Class B Common Put Option. Increases in the Credit Spread reduce the fair value of the Class B Common Put Option. See Note 20 of the audited financial statements in the United States Steel Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for further details.

The following table summarizes U. S. Steel's financial liabilities that were not carried at fair value at March 31, 2020 and December 31, 2019.

(In millions)	March 31, 2020		December 31, 2019	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial liabilities:				
Long-term debt ^(a)	\$ 4,009	\$ 4,621	\$ 3,576	\$ 3,575

(a) Excludes finance lease obligations.

The fair value of long-term debt 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 2020 and 2019 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, 2020 (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	\$ 4,093	\$ 544	\$ (478)	\$ 179	\$ (173)	\$ 4,020	\$ 1
Comprehensive income (loss):							
Net loss	(391)	(391)					
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	52		52				
Currency translation adjustment	(23)		(23)				
Derivative financial instruments	(5)		(5)				
Employee stock plans	2				(2)	4	
Dividends paid on common stock	(2)	(2)					
Balance at March 31, 2020	3,726	151	(454)	179	(175)	4,024	1

Three Months Ended March 31, 2019 (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	\$ 4,203	\$ 1,212	\$ (1,026)	\$ 177	\$ (78)	\$ 3,917	\$ 1
Comprehensive income (loss):							
Net earnings	54	54					
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	32		32				
Currency translation adjustment	(17)		(17)				
Derivative financial instruments	15		15				
Employee stock plans	2			1	(6)	7	
Common stock repurchased	(42)				(42)		
Dividends paid on common stock	(9)	(9)					
Cumulative effect upon adoption of lease accounting standard	(2)	(2)					
Balance at March 31, 2019	4,236	1,255	(996)	178	(126)	3,924	1

19. **Reclassifications from Accumulated Other Comprehensive Income (AOCI)**

(In millions)	Pension and Other Benefit Items	Foreign Currency Items	Unrealized Gain (Loss) on Derivatives	Total
Balance at December 31, 2019	\$ (843)	\$ 381	\$ (16)	\$ (478)
Other comprehensive income (loss) before reclassifications	7	(23)	(17)	(33)
Amounts reclassified from AOCI ^(a)	45	—	12	57
Net current-period other comprehensive income (loss)	52	(23)	(5)	24
Balance at March 31, 2020	\$ (791)	\$ 358	\$ (21)	\$ (454)
Balance at December 31, 2018	\$ (1,416)	\$ 403	\$ (13)	\$ (1,026)
Other comprehensive (loss) income before reclassifications ^(b)	—	(17)	25	8
Amounts reclassified from AOCI ^{(a)/(b)}	32	—	(10)	22
Net current-period other comprehensive income (loss)	32	(17)	15	30
Balance at March 31, 2019	\$ (1,384)	\$ 386	\$ 2	\$ (996)

(a) See table below for further details.

(b) The Company previously disclosed in Note 20 to the Condensed Consolidated Financial Statements in its Quarterly Report on Form 10-Q for the period ended March 31, 2019, an increase to AOCI of \$63 million in the Other comprehensive income before reclassifications line item and a decrease to AOCI of \$31 million in the Amounts reclassified from AOCI line item for the three months ended March 31, 2019 amounts for Pension and Other Benefit Items. These amounts should have been disclosed as an increase to AOCI of \$0 million and an increase to AOCI of \$32 million, respectively, which have been corrected in the table above. The Company concluded that the errors were not material to the financial statements of any prior annual or interim period and therefore, amendments of previously filed reports are not required. The revision had no impact on the Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Cash Flows or the Condensed Consolidated Statements of Comprehensive Income (Loss). Quarterly periods not presented herein will be revised, as applicable, in future filings.

(In millions) Details about AOCI components	Amount reclassified from AOCI ^(b)	
	Three Months Ended March 31, 2020	2019
Amortization of pension and other benefit items		
Prior service costs ^(a)	\$ (2)	\$ 7
Actuarial losses ^(a)	32	34
UPI Purchase Accounting Adjustment	23	—
Total pensions and other benefits items	53	41
Derivative reclassifications to Condensed Consolidated Statements of Operations	12	(13)
Total before tax	65	28
Tax provision	(8)	(6)
Net of tax	\$ 57	\$ 22

(a) These AOCI components are included in the computation of net periodic benefit cost (see Note 11 for additional details).

(b) The corrections noted in footnote ^(b) to the table above are consistently reflected in this table.

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. Generally, transactions are conducted under long-term contractual arrangements. Related party sales and service transactions were \$351 million and \$375 million for the three months ended March 31, 2020 and 2019, respectively. The transaction to purchase UPI included the assumption of \$135 million of accounts payable owed to U. S. Steel for prior sales of steel substrate to UPI. This amount is reflected as a reduction in receivables from related parties on the Company's Condensed Consolidated

Balance Sheet as both the corresponding receivable and payable amounts between U. S. Steel and UPI are eliminated in consolidation upon acquisition. See Note 5 to the Condensed Consolidated Financial Statements for further details.

Purchases from related parties for outside processing services provided by equity investees amounted to \$28 million and \$9 million for the three months ended March 31, 2020 and 2019, respectively. Purchases of iron ore pellets from related parties amounted to \$18 million and \$20 million for the three months ended March 31, 2020 and 2019, respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company, LLC (PRO-TEC) of \$91 million and \$82 million at March 31, 2020 and December 31, 2019, 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 \$9 million and \$2 million at March 31, 2020 and December 31, 2019, respectively.

21. Restructuring and Other Charges

During the three months ended March 31, 2020, the Company recorded restructuring and other charges of \$41 million, which consists of charges of \$22 million for the indefinite idling of a significant portion of the Great Lakes Works, \$13 million for the indefinite idling of Lorain Tubular Operations and a significant portion of Lone Star Tubular Operations and \$6 million for special pension termination charges related to the Company-wide headcount reductions. Cash payments were made related to severance and exit costs of \$8 million.

Charges for restructuring initiatives are recorded in the period U. S. Steel commits to a restructuring plan, or executes specific actions contemplated by the plan and all criteria for liability recognition have been met. Charges for restructuring are reported in restructuring and other charges in the Condensed Consolidated Statements of Operations.

The activity in the accrued balances incurred in relation to restructuring programs during the three months ended March 31, 2020 were as follows:

(In millions)	Employee Related Costs	Exit Costs	Total
Balance at December 31, 2019	\$ 87	\$ 125	\$ 212
Additional charges	18	23	41
Cash payments/utilization	(4)	(4)	(8)
Balance at March 31, 2020	\$ 101	\$ 144	\$ 245

Accrued liabilities for restructuring programs are included in the following balance sheet lines:

(In millions)	March 31, 2020	December 31, 2019
Accounts payable	\$ 66	\$ 46
Payroll and benefits payable	73	64
Employee benefits	28	23
Deferred credits and other noncurrent liabilities	78	79
Total	\$ 245	\$ 212

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 Condensed 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, 2020, U. S. Steel was a defendant in approximately 808 active cases involving approximately 2,400 plaintiffs. The vast majority of these cases involve multiple defendants. About 1,540, or approximately 64 percent, of these plaintiff claims are currently pending in jurisdictions which permit filings with massive numbers of plaintiffs. At December 31, 2019, U. S. Steel was a defendant in approximately 800 cases involving approximately 2,390 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 ^(a)	New Claims	Closing Number of Claims
December 31, 2017	3,340	275	250	3,315
December 31, 2018	3,315	1,285	290	2,320
December 31, 2019	2,320	195	265	2,390
March 31, 2020	2,390	90	100	2,400

(a) The period ending December 31, 2018 includes approximately 1,000 dismissed cases previously pending in the State of Texas.

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.

Further, U. S. Steel does not believe that an accrual for unasserted claims is required. At any given reporting date, it is probable that there are unasserted claims that will be filed against the Company in the future. In 2019, the Company engaged an outside valuation consultant to assist in assessing its ability to estimate an accrual for unasserted claims. This assessment was based on the Company's settlement experience, including recent claims trends. The analysis focused on settlements made over the last several years as these claims are likely to best represent future claim characteristics. After review by the valuation consultant and U. S. Steel management, it was determined that the Company could not estimate an accrual for unasserted 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.

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, 2020	
Beginning of period	\$	186
Accruals for environmental remediation deemed probable and reasonably estimable		1
Obligations settled		(9)
End of period	\$	178

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

(In millions)	March 31, 2020		December 31, 2019	
Accounts payable	\$	55	\$	53
Deferred credits and other noncurrent liabilities		123		133
Total	\$	178	\$	186

Expenses related to remediation are recorded in cost of sales and were immaterial for both three month periods ended March 31, 2020 and March 31, 2019. 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 20 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, Gary Works and the former steelmaking plant at Joliet, Illinois. As of March 31, 2020, accrued liabilities for these projects totaled \$2 million for the costs of studies, investigations, interim measures, design and/or remediation. It is reasonably possible that additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects could be as much as \$30 million to \$45 million.
- (2) *Significant Projects with Defined Scope* - Projects with significant accrued liabilities with a defined scope. As of March 31, 2020, there are four significant projects with defined scope greater than or equal to \$5 million each, with a total accrued liability of \$118 million. These projects are Gary Resource Conservation and Recovery Act (RCRA) (accrued liability of \$24 million), the former Geneva facility (accrued liability of \$41 million), the Cherryvale zinc site (accrued liability of \$9 million) and the former Duluth facility St. Louis River Estuary (accrued liability of \$44 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, 2020 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, 2020 was approximately \$3 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 \$23 million at March 31, 2020 and were based on known scopes of work.

Administrative and Legal Costs – As of March 31, 2020, U. S. Steel had an accrued liability of \$11 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 comply with various regulations, laws and other requirements relating to the environment. In the first three months of 2020 and 2019, such capital expenditures totaled \$4 million and \$16 million, respectively. U. S. Steel anticipates making additional such expenditures in the future, which may be material; 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 Emissions Trading Scheme (ETS), USSK's final allocation of allowances for the Phase III period, which covers the years 2013 through 2020 is 48 million allowances. Based on projected total 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, 2020, we have purchased approximately 12.2 million European Union Allowances (EUA) totaling €141.1 million (approximately \$154.6 million) to cover the estimated shortfall of emission allowances. We estimate that the total shortfall will be approximately 12.5 million allowances for the Phase III period. The full cost of complying with the ETS regulations will depend on future production levels and future emissions intensity levels.

The EU's Industrial Emissions Directive requires 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 estimate of total capital expenditures for projects to comply with or go beyond BAT requirements is €138 million (approximately \$151 million) over the actual program period. These costs may be mitigated if USSK complies with certain financial covenants, which are assessed annually. USSK complied with these covenants as of March 31, 2020. If we are unable to meet these covenants in the future, USSK might be required to provide additional collateral (e.g. bank guarantee) to secure the full value of estimated expenditures. There could 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 in the development stage.

Environmental indemnifications – Throughout its history, U. S. Steel has sold numerous properties and businesses and many of these sales included indemnifications and cost sharing agreements related to the assets that were divested. These indemnifications and cost sharing agreements have included provisions related to the condition of the property, the approved use, certain representations and warranties, matters of title, and environmental matters. While most of these provisions have not specifically dealt with environmental issues, there have been transactions in which U. S. Steel indemnified the buyer for clean-up or remediation costs relating to the business sold or its then existing conditions or past practices related to non-compliance with environmental laws. Most of the recent indemnification and cost sharing agreements are of a limited nature, only applying to non-compliance with past and/or current laws. Some indemnifications and cost sharing agreements only run for a specified period of time after the transactions close and others run indefinitely. In addition, current owners or operators of property formerly owned or operated by U. S. Steel may have common law claims and cost recovery and contribution rights against U. S. Steel related to environmental matters. The amount of potential environmental liability associated with these transactions and properties is not estimable due to the nature and extent of the unknown conditions related to the properties divested and deconsolidated. Aside from the environmental liabilities already recorded as a result of these transactions due to specific environmental remediation activities and cases (included in the \$178 million of accrued liabilities for remediation discussed above), there are no other known probable and estimable environmental liabilities related to these transactions.

Guarantees – The maximum guarantees of the indebtedness of unconsolidated entities of U. S. Steel totaled \$4 million at March 31, 2020.

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 \$26 million at March 31, 2020). 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 \$170 million as of March 31, 2020, which reflects U. S. Steel's maximum exposure under these financial guarantees, but not its total exposure for the underlying obligations. A significant portion of our trust arrangements and letters of credit are collateralized by our 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 \$147 million and \$190 million at March 31, 2020 and December 31, 2019, respectively.

Capital Commitments – At March 31, 2020, U. S. Steel's contractual commitments to acquire property, plant and equipment totaled \$895 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 2020	2021	2022	2023	2024	Later Years	Total
\$568	\$675	\$568	\$335	\$108	\$612	\$2,866

The majority of U. S. Steel's unconditional purchase obligations relate to the supply of industrial gases, and certain energy and utility services with terms ranging from two to 16 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, 2020, if U. S. Steel were to terminate the agreement, it may be obligated to pay in excess of \$131 million.

Total payments relating to unconditional purchase obligations were \$168 million and \$158 million for the three months ended March 31, 2020 and 2019, respectively.

23. Significant Equity Investments

Summarized unaudited income statement information for our significant equity investments for the three months ended March 31, 2020 and 2019 is reported below (amounts represent 100% of investee financial information):

(In millions)	2020		2019	
Net sales	\$	317	\$	299
Cost of sales		287		259
Operating income		17		28
Net earnings		10		25
Net earnings attributable to significant equity investments		10		25

U. S. Steel's portion of the equity in net earnings of the significant equity investments above was \$6 million and \$14 million for the three months ended March 31, 2020 and 2019, respectively, which is included in the earnings from investees line on the Condensed Consolidated Statement of Operations.

24. Common Stock Repurchase Program

In November 2018, U. S. Steel announced a two year common stock repurchase program that allowed for the repurchase of up to \$300 million of its outstanding common stock from time to time in the open market or privately negotiated transactions at the discretion of management. During the three months ended March 31, 2019, U. S. Steel repurchased 2,115,875 shares of common stock for approximately \$42 million. In December 2019, the Board of Directors terminated the authorization for the common stock repurchase program.

25. Subsequent Events

Flat-Rolled Operating Configuration

In April of 2020, U. S. Steel announced operational adjustments across its North American footprint, including idling its Keetac Iron Ore Operations, Blast Furnaces #6 and #8 at Gary Works and Blast Furnace #1 at Mon Valley Works, reductions to coke production at its Clairton Plant, and reduced operating levels in the Tubular business and other production facilities, for an indefinite period of time. Additionally, U. S. Steel will adjust production at its Minntac operations in line with the blast furnace idlings. These actions will be taken to further enhance U. S. Steel's ability to preserve cash and liquidity given the continued uncertainty from the coronavirus (COVID-19) and the continued headwinds in global oil and gas markets. As a result, we expect to record one-time restructuring charges of approximately \$40 million to \$50 million in the second quarter of 2020. Operating configurations are continuously being evaluated to properly respond to ever changing conditions. If further operational adjustments are made, additional one-time restructuring charges will be incurred.

USSK Labor Productivity Strategy

In April of 2020, USSK amended its labor agreement to include a Voluntary Early Retirement Program (VERP) that will be offered to certain employees of USSK. Employees can elect early retirement under the VERP between May 4, 2020 and May 22, 2020 with a termination date of June 30, 2020 for most employees. Special termination benefit charges of \$25 million to \$35 million are expected to be recorded in the second quarter of 2020 related to this VERP.

Minntac Mine Option Agreement

On April 30, 2020 (the Effective Date), the Company entered into an Option Agreement (Option Agreement) with Stelco Inc., a corporation governed under the laws of Canada (Stelco), pursuant to which, among other things, the Company granted Stelco the option (Option) to acquire an undivided 25% interest (the Option Interest) in a to-be-formed entity (the Joint Venture) that will own the Company's current iron ore mine located in Mt. Iron, Minnesota (the Minntac Mine). As consideration for the Option, Stelco will pay the Company an aggregate amount of \$100 million in five \$20 million installments, which began on the Effective Date and will end on or before December 31, 2020 (the date upon which the final installment is paid, the Final Payment Date). In the event Stelco exercises the Option, Stelco will contribute an additional \$500 million to the Joint Venture, and the parties will engage in good faith negotiations to finalize the master agreement (pursuant to which Stelco will acquire the Option Interest) and the limited liability company agreement of the Joint Venture. Concurrently with, and subject to, the execution and delivery of the Option Agreement, the Company and Stelco also entered into an Amended and Restated Pellet Sale and Purchase Contract.

Subject to the terms and conditions of the Option Agreement, Stelco may exercise the Option at any time during the period commencing on the Final Payment Date and expiring at 11:59 p.m. Eastern Time on January 31, 2027 unless earlier terminated.

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

U. S. Steel's results in the first quarter of 2020 were significantly impacted by market challenges in each of the Company's three reportable segments: North American Flat-Rolled (Flat-Rolled), U. S. Steel Europe (USSE) and Tubular Products (Tubular). In Flat-Rolled, the results were largely impacted by the reset of calendar year fixed contract prices and lost shipments at quarter end due to many customers ceasing operations due to restrictions put in place in response to the coronavirus (COVID-19) pandemic. USSE continues to experience margin compression due to ongoing weak performance of the manufacturing sector and continued high levels of imports. In Tubular, the COVID-19 outbreak and the disruptions in the oil and gas industry are negatively impacting the market.

Net sales by segment for the three months ended March 31, 2020 and 2019 are set forth in the following table:

(Dollars in millions, excluding intersegment sales)	Three Months Ended March 31,		% Change
	2020	2019	
Flat-Rolled	\$ 1,974	\$ 2,405	(18)%
USSE	505	737	(31)%
Tubular	255	343	(26)%
Total sales from reportable segments	2,734	3,485	(22)%
Other Businesses	14	14	— %
Net sales	\$ 2,748	\$ 3,499	(21)%

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, 2020 versus the three months ended March 31, 2019 is set forth in the following table:

	Steel Products ^(a)				Coke & Other ^(c)	Net Change
	Volume	Price	Mix	FX ^(b)		
Flat-Rolled	(7)%	(12)%	2%	—%	(1)%	(18)%
USSE	(24)%	(6)%	2%	(2)%	(1)%	(31)%
Tubular	(9)%	(14)%	(2)%	—%	(1)%	(26)%

^(a) Excludes intersegment sales

^(b) Foreign currency translation effects

^(c) Includes sales of coke and scrap inventory

Net sales were \$2,748 million in the three months ended March 31, 2020, compared with \$3,499 million in the same period last year. The decrease in sales for the Flat-Rolled segment resulted from lower realized prices (decrease of \$87 per net ton), notably for hot-rolled products and decreased shipments (decrease of 216 thousand tons) notably for lower value-added products. The USSE segment continues to experience significant market challenges, which resulted in decreased sales versus the same period last year. The change in sales for the USSE segment was primarily due to decreased shipments (decrease of 263 thousand net tons) in most product categories from continued high levels of imports and significantly weaker economic conditions, primarily in the manufacturing sector. The decrease in sales for the Tubular segment resulted from lower average realized prices (decrease of \$266 per net ton) and decreased shipments (decrease of 20 thousand net tons) from lower demand and continued high levels of imports in the tubular market.

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 Condensed Consolidated Statements of Operations.

Defined benefit and multiemployer pension plan costs included in cost of goods sold totaled \$33 million and \$29 million in the three months ended March 31, 2020 and 2019, respectively.

Costs related to defined contribution plans totaled \$11 million and \$12 million in the three months ended March 31, 2020 and 2019 respectively.

Other benefit expense included in cost of sales totaled \$3 million in both the three months ended March 31, 2020 and 2019.

Selling, general and administrative expenses

Selling, general and administrative expenses were \$72 million and \$78 million in the three months ended March 31, 2020 and 2019 respectively.

Restructuring and other charges

During the three months ended March 31, 2020, the Company recorded restructuring and other charges of \$41 million, which consists of charges of \$22 million for the indefinite idling of a significant portion of Great Lakes Works, \$13 million for the indefinite idling of our of Lone Star Tubular Operations and Lorain Tubular Operations and \$6 million for Company-wide headcount reductions.

Charges for restructuring initiatives are recorded in the period the Company commits to a restructuring plan, or executes specific actions contemplated by the plan and all criteria for liability recognition have been met. Charges related to restructuring are reported in restructuring and other charges in the Condensed Consolidated Statements of Operations.

Strategic projects and technology investments

The Company expects to invest approximately \$500 million, of which approximately 40 percent has already been spent, to upgrade the Gary Works hot strip mill through a series of projects focused on expanding the line's competitive

advantages. The Gary Works hot strip mill will further differentiate itself as a leader in heavy-gauge products in strategic markets. The Company currently has paused planned upgrades and will continue to evaluate the pace and timeline for completing the remaining investments in the Gary Works hot strip mill.

In October 2019, the Company completed the first step in acquiring Big River Steel in Osceola, Arkansas through the purchase of a 49.9% ownership interest at a purchase price of approximately \$700 million in cash, with a call option to acquire the remaining 50.1% within the next four years at an agreed-upon price formula based on Big River Steel's achievement of certain metrics that include: free cash flow, product development, safety and the completion of a proposed expansion of Big River Steel's existing manufacturing line. Big River Steel currently operates a technologically advanced mini mill with approximately 1.65 million tons of steel making capacity.

In May 2019, U. S. Steel announced that it will construct a new endless casting and rolling facility at its Edgar Thomson Plant in Braddock, Pennsylvania, and a cogeneration facility at its Clairton Plant in Clairton, Pennsylvania, both part of the Company's Mon Valley Works. This investment in state-of-the-art sustainable steel technology is expected to significantly upgrade the production capability of our lowest liquid steel cost mill in the U.S., while further reducing conversion costs through improved process efficiencies, yield and energy consumption. The investment is currently expected to be at least \$1.5 billion and is expected to generate run-rate earnings before interest, taxes, depreciation and amortization (EBITDA) of approximately \$275 million upon completion. The Company continues to evaluate design and engineering for the project. The company currently expects groundbreaking for this project to be delayed for an indeterminate period until market conditions become more certain.

In February 2019, U. S. Steel restarted construction of the EAF steelmaking facility at its Tubular Operations in Fairfield, Alabama. The EAF is expected to strengthen our competitive position and reduce rounds cost by \$90 per ton as the Company becomes self-sufficient in its rounds supply. The EAF is expected to begin producing steel in the second half of 2020.

In January 2019, U. S. Steel announced the construction of a new Dynamo line at USSE. The new line, a \$130 million investment, has an annual capacity of approximately 100,000 metric tons. Construction on the Dynamo line began in mid-2019 and was targeted to be operational in the fourth quarter of 2020 but based on current market conditions, the project is delayed. Upon its completion, the new line will enable production of sophisticated silicon grades of non-grain oriented (NGO) electrical steels to support increased demand in vehicles and generators.

COVID-19 and Disruptions in the Oil and Gas Industries

The global pandemic resulting from the novel coronavirus designated as COVID-19 has had a significant impact on economies, businesses and individuals around the world. Efforts by governments around the world to contain the virus have involved, among other things, border closings and other significant travel restrictions; mandatory stay-at-home and work-from-home orders in numerous countries, including the United States; mandatory business closures; public gathering limitations; and prolonged quarantines. These efforts and other governmental and individual reactions to the pandemic have led to significant disruptions to commerce, lower consumer demand for goods and services and general uncertainty regarding the near-term and long-term impact of the COVID-19 virus on the domestic and international economy and on public health. These developments and other consequences of the outbreak have and could continue to materially adversely impact the Company's results of operations, financial condition and cash flows.

The U.S. Department of Homeland Security guidance has identified U. S. Steel's business as a critical infrastructure industry, essential to the economic prosperity, security and continuity of the United States. Similarly, in Slovakia, U. S. Steel Košice (USSK) was identified by the government as a strategic and critical company, essential to economic prosperity, and continues to operate. We are following and exceeding the Centers for Disease Control guidelines to keep our employees safe.

The duration, severity, speed and scope of the COVID-19 outbreak is highly uncertain and the extent to which COVID-19 will affect our operations will depend on future developments which cannot be predicted at this time. Although we continue to operate, we have experienced, and are likely to continue to experience, significant reductions in demand for our products.

In addition, the oil and gas industry, which is one of our significant end markets, has been experiencing a significant amount of disruption and oversupply at a time of declining demand, resulting in a decline in profitability. Our Tubular operations support the oil and gas industry, and therefore the industry's decline has led to a significant decline in demand for our Tubular products. The steep decline in oil prices was considered a triggering event for our welded tubular and seamless tubular asset groups, and as a consequence, we have recorded a \$263 million impairment

charge for the welded tubular asset group (see Note 1 to the Condensed Consolidated Financial Statements for further details).

In response to the decline in demand for our products resulting from the COVID-19 outbreak and the disruptions in the oil and gas industry, we have taken a number of actions to preserve cash and enhance our liquidity. On March 23, 2020, we borrowed an additional \$800 million under the Fifth Amended and Restated Credit Agreement, and will hold the cash on our balance sheet. We also announced a \$125 million reduction in expected 2020 capital expenditures, including a delay in the construction of our endless casting and rolling line at Mon Valley Works. We are also evaluating the potential loan and other financial assistance programs available under the federal CARES Act, which was signed into law on March 27, 2020, to support companies adversely impacted by the COVID-19 pandemic.

Operating configuration changes in response to market conditions and COVID-19

The Company has adjusted its operating configuration in response to changing market conditions including the economic impacts from the COVID-19 pandemic, significant recent changes in global oil and gas markets and increasing global overcapacity and unfairly traded imports by indefinitely and temporarily idling certain of its facilities. U. S. Steel will continue to adjust its operating configuration in order to align production with its order book and meet the needs of our customers.

In March and April of 2020, we took additional footprint actions to temporarily idle certain operations for an indefinite period to better align production with customer demand, including:

- Blast Furnaces #4, #6 and #8 at Gary Works
- Blast Furnace A at Granite City Works
- Blast Furnace #1 at Mon Valley Works
- Lone Star Tubular Operations
- All or most of Lorain Tubular Operations
- Keetac Iron Ore Operations

Additionally, U. S. Steel will reduce coke production at its Clairton Plant and will adjust production at its Minntac operations in line with the blast furnace idlings. U. S. Steel will reduce operating levels in the Tubular business and other production facilities and will continue to evaluate its operating configuration to properly respond to ever changing conditions. When market conditions improve, we will assess the footprint required to support our customers' needs and make decisions about resuming production at idled facilities or increasing production at facilities operating at reduced levels.

As of March 31, 2020 the carrying value of the idled fixed assets within the facilities noted above was: Gary Works blast furnaces, \$130 million; Granite City Works Blast Furnace A, \$65 million; Mon Valley Works Blast Furnace #1, \$35 million; Lone Star Tubular Operations, \$10 million; Lorain Tubular Operations, \$75 million; and Keetac Iron Ore Operations, \$80 million.

In December 2019, U. S. Steel announced that it would indefinitely idle a significant portion of Great Lakes Works. The Company began idling the iron and steelmaking facilities in March 2020 and expects to begin idling the hot strip mill rolling facility before the end of 2020. The carrying value of the Great Lakes Works facilities that we intend to indefinitely idle was approximately \$370 million as of March 31, 2020.

In December 2019, the Company completed the indefinite idling of its East Chicago Tin (ECT) operations within its Flat-Rolled segment. ECT was indefinitely idled primarily due to increased tin import levels in the U.S. Additionally, U. S. Steel indefinitely idled its finishing facility in Dearborn, Michigan (which operates an electrolytic galvanizing line), during the fourth quarter of 2019. The carrying value of these facilities was approximately \$20 million as of March 31, 2020.

In October 2019, the Company announced an enhanced operating model and organizational structure to accelerate the Company's strategic transformation and better serve its customers. The new operating model was effective January 1, 2020 and is centered around manufacturing, commercial, and technological excellence. Our former "commercial entity" structure was put into place to deepen understanding of business ownership and our relationships with customers and allowed the Company to identify the technology that would differentiate our products and processes on the basis of cost and/or capabilities. The new enhanced operating model is a logical next step in the execution of the Company's strategy and will make us a more nimble company positioned to deliver the benefits of our strategy through the cycle.

In July 2019, U. S. Steel began implementing a labor productivity strategy at USSK so that it could better compete in the European steel market, which has experienced softening demand as well as a significant increase in imports. It is anticipated that the labor productivity strategy will result in total headcount reductions, including contractors, of approximately 2,500 by the end of 2021. As of March 31, 2020, approximately 1,950 positions, including approximately 425 contractors, were eliminated.

In June 2019, to better align global production with its order book U. S. Steel idled a blast furnace in Europe resulting in a monthly blast furnace production capacity reduction of approximately 125,000 tons. Blast furnace production may resume when market conditions improve. As of March 31, 2020 the carrying value of this idled blast furnace was \$10 million.

Earnings (loss) before interest and income taxes by segment for the three months ended March 31, 2020 and 2019 is set forth in the following table:

(Dollars in millions)	Three Months Ended March 31,		% Change
	2020	2019	
Flat-Rolled	\$ (35)	\$ 95	(137)%
USSE	(14)	29	(148)%
Tubular	(48)	10	(580)%
Total earnings from reportable segments	(97)	134	(172)%
Other Businesses	1	8	(88)%
Segment (loss) earnings before interest and income taxes	(96)	142	(168)%
Items not allocated to segments:			
Tubular asset impairment charges	(263)	—	
Gain on previously held investment in UPI	25	—	
Restructuring and other charges	(41)	—	
December 24, 2018 Clairton coke making facility fire	—	(31)	
Total (loss) earnings before interest and income taxes	\$ (375)	\$ 111	(438)%

Segment results for Flat-Rolled

	Three Months Ended March 31,		% Change
	2020	2019	
Earnings before interest and taxes (\$ millions)	\$ (35)	\$ 95	(137)%
Gross margin	7%	10%	(3)%
Raw steel production (mnt)	3,148	3,075	2 %
Capability utilization	74%	73%	1 %
Steel shipments (mnt)	2,509	2,725	(8)%
Average realized steel price per ton	\$ 711	\$ 798	(11)%
Intersegment sales to Tubular (mnt)	\$ 92	\$ 81	14 %

The decrease in Flat-Rolled results for the three months ended March 31, 2020 compared to the same period in 2019 was primarily due to lower average realized prices (approximately \$255 million) and decreased shipments, including substrate to our Tubular segment (approximately \$55 million). This change was partially offset by lower raw material costs, primarily for purchased scrap and better blast furnace usage from improved reliability (approximately \$75 million), decreased energy costs (approximately \$75 million), decreased operating costs (approximately \$15 million) and decreased other costs, including sales, general and administrative (approximately \$15 million).

Gross margin for the three months ended March 31, 2020 compared to the same period in 2019 decreased primarily as a result of lower average realized prices.

Segment results for USSE

	Three Months Ended March 31,		
	2020	2019	% Change
(Loss) earnings before interest and taxes (\$ millions)	\$ (14)	\$ 29	(148)%
Gross margin	4%	9%	(5)%
Raw steel production (mnt)	882	1,159	(24)%
Capability utilization	71%	94%	(23)%
Steel shipments (mnt)	801	1,064	(25)%
Average realized steel price per (\$/ton)	\$ 611	\$ 670	(9)%
Average realized steel price per (€/ton)	€ 554	€ 590	(6)%

The decrease in USSE results for the three months ended March 31, 2020 compared to the same period in 2019 was primarily due to lower average realized prices (approximately \$40 million), decreased shipments, including volume inefficiencies (approximately \$25 million) and the weakening of the euro versus the U.S. dollar (approximately \$10 million). This change was partially offset by lower spending and other costs (approximately \$30 million).

Gross margin for the three months ended March 31, 2020 compared to the same period in 2019 decreased primarily as a result of lower average realized prices.

Segment results for Tubular

	Three Months Ended March 31,		
	2020	2019	% Change
(Loss) earnings before interest and taxes (\$ millions)	\$ (48)	\$ 10	(580)%
Gross margin	(12)%	7%	(19)%
Steel shipments (mnt)	187	207	(10)%
Average realized steel price per ton	\$ 1,283	\$ 1,549	(17)%

The decrease in Tubular results for the three months ended March 31, 2020 as compared to the same period in 2019 was primarily due to lower average realized prices (approximately \$45 million), decreased shipments, including volume inefficiencies (approximately \$20 million), increased investment related costs (approximately \$10 million), higher energy costs (approximately \$5 million) and increased other costs (approximately \$10 million). These changes were partially offset by lower substrate and rounds costs (approximately \$30 million).

Gross margin for the three months ended March 31, 2020 compared to the same period in 2019 decreased primarily as a result of lower average realized from lower demand and continued high levels of imports in the tubular market.

Results for Other Businesses

Other Businesses had earnings of \$1 million and \$8 million in the three months ended March 31, 2020 and 2019, respectively.

Items not allocated to segments

We recorded **tubular asset impairment charges** of \$263 million in the three months ended March 31, 2020 as described in Notes 1 and 10 to the Condensed Consolidated Financial Statements.

We recorded a \$25 million **gain on our previously held investment in UPI** in the three months ended March 31, 2020 as described in Note 5 to the Condensed Consolidated Financial Statements.

We recorded in the three months ended March 31, 2020 **restructuring and other charges** of \$41 million as described under the "Restructuring and other charges" heading above.

We incurred \$31 million of costs associated with the **December 24, 2018 Clairton coke making facility fire** in the three months ended March 31, 2019 (see Environmental Matters, Litigation and Contingencies in the Liquidity and Capital Resources section for more details).

Net interest and other financial costs

(Dollars in millions)	Three Months Ended March 31,		% Change
	2020	2019	
Interest expense	\$ 50	\$ 34	47 %
Interest income	(4)	(5)	(20)%
Other financial benefits	(3)	(3)	— %
Net periodic benefit (income) cost (other than service cost)	(8)	23	(135)%
Total net interest and other financial costs	\$ 35	\$ 49	(29)%

The decrease in net interest and other financial costs in the three months ended March 31, 2020 as compared to the same period last year is primarily due to lower net periodic benefit cost (as discussed below) partially offset by a higher level of debt.

The net periodic benefit cost (other than service cost) components of pension and other benefit costs are reflected in the table above, and decreased in the three months ended March 31, 2020 as compared to the same periods last year primarily due to the better than expected 2019 asset performance, lower amortization of prior service costs, lower future healthcare costs, and reduced participation in our retiree health plans.

Income taxes

The **income tax (benefit) provision** was \$(19) million and \$8 million in the three months ended March 31, 2020 and 2019, respectively. In general, the amount of tax expense or benefit from continuing operations is determined without regard to the tax effect of other categories of income or loss, such as other comprehensive income. However, an exception to this rule applies when there is a loss from continuing operations and income from other categories. Included in the tax benefit in the first three months of 2020 is a discrete benefit of \$10 million related to this accounting exception. Due to the full valuation allowance on our domestic deferred tax assets, the tax benefit in 2020 does not reflect any additional tax benefit for domestic pretax losses. In 2019, the tax provision reflects a benefit for percentage depletion in excess of cost depletion from iron ore that we produce and consume or sell.

For further information on income taxes see Note 13 to the Condensed Consolidated Financial Statements.

For the three months ended March 31, 2020 and March 31, 2019 United States Steel Corporation had a net loss of \$391 million and net earnings of \$54 million, respectively. The changes primarily reflect the factors discussed above.

BALANCE SHEET

Cash increased by \$601 million from year-end 2019 primarily as a result of borrowings on our revolving credit facilities. See Note 7 to the Condensed Consolidated Financial Statements for further details.

Receivables from related parties decreased by \$134 million primarily from the transaction to purchase USS-POSCO Industries (UPI) which included the assumption of \$135 million of accounts payable owed to U. S. Steel for prior sales of steel substrate to UPI. This amount is reflected as a reduction in receivables from related parties as both the corresponding receivable and payable amounts between U. S. Steel and UPI are eliminated in consolidation upon acquisition. See Note 5 to the Condensed Consolidated Financial Statements for further details.

Inventories increased by \$290 million from year-end 2019 primarily as a result of decreased sales and the addition of the UPI inventory amount to our Condensed Consolidated Balance Sheet.

Property, plant and equipment, net decreased by \$40 million from year-end 2019 primarily due to a \$196 million write-down of impaired welded tubular assets (see Note 1 to the Condensed Consolidated Financial Statements for further details) partially offset by additional property, plant and equipment of \$97 million due to the consolidation of UPI as a result of the acquisition of the remaining 50% ownership interest and the level of capital expenditures exceeding depreciation expense.

Intangibles - net decreased by \$16 million from year-end 2019 primarily due to a \$67 million write-down of impaired welded tubular intangible assets partially offset by an acquired intangible asset of \$54 million related to a UPI electricity contract. See Note 10 to the Condensed Consolidated Financial Statements for further details.

Accounts payable and other accrued liabilities increased by \$79 million from year-end 2019 primarily as a result of an increase in the days in accounts payable cash conversion cycle.

Current portion of long-term debt increased by \$85 million from year-end 2019 primarily as a result of adding the UPI Amended Credit Facility acquired through U. S. Steel's purchase of the 50% ownership interest in UPI.

Long-term debt, less unamortized discount and debt issuance costs increased by \$989 million from year-end 2019 primarily due to borrowings on the Fifth Credit Facility Agreement. See Note 16 to the Condensed Consolidated Financial Statements for further details.

Employee benefits increased by \$52 million from year-end 2019 primarily as a result of adding the UPI other postretirement employee benefit plans to our Condensed Consolidated Balance Sheet.

Deferred credits and other noncurrent liabilities decreased by \$86 million primarily from liabilities eliminated as a result of U. S. Steel's purchase of the 50% ownership interest in UPI and the change in value of the put option acquired with our purchase of Big River Steel.

CASH FLOW

Net cash used by operating activities was \$142 million for the three months ended March 31, 2020 compared to net cash provided by operating activities of \$29 million in the same period last year. The decrease in cash from operations is primarily due to lower 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, 2020 and 2019 are as follows:

	Three Months Ended March 31,		Twelve Months Ended March 31,		
	2020	2019	2020	2019	
Accounts Receivable Turnover	2.3	2.1	8.4	8.8	
Inventory Turnover	1.3	1.5	5.5	6.4	

The increase in the accounts receivable turnover approximates 5 days for the three months ended March 31, 2020 as compared to the same period ended March 31, 2019 and is primarily due to receivable collections exceeding the decrease in sales from lower shipments and average realized prices across all of our segments. The decrease in the accounts receivable turnover approximates 2 days for the twelve months ended March 31, 2020 as compared to the same period ended March 31, 2019 and is primarily due to decreased sales as a result of lower shipments and average realized prices across all of our segments.

The decrease in the inventory turnover approximates 7 days and 10 days for the three and twelve months ended March 31, 2020 as compared to the three months and twelve months ended March 31, 2019, respectively, and is primarily due to decreased shipments across all our segments.

The last-in, first-out (LIFO) inventory method is the predominant method of inventory costing in the United States. The LIFO method accounted for 65 percent and 73 percent of total inventory values at the three months ended March 31, 2020 and 2019 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, 2020, and December 31, 2019 the replacement cost of the inventory was higher by approximately \$762 million and \$735 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 2020.

Our cash conversion cycle for the first quarter of 2020 decreased by one day as compared to the fourth quarter of 2019 as shown below:

Cash Conversion Cycle	2020		2019	
	\$ millions	Days	\$ millions	Days
Accounts receivable, net ^(a)	\$1,172	39	\$1,177	42
+ Inventories ^(b)	\$2,075	68	\$1,785	64
- Accounts Payable and Other Accrued Liabilities ^(c)	\$2,075	71	\$1,970	69
= Cash Conversion Cycle ^(d)		36		37

^(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	Three Months Ended	
	2020	2019
(dollars in millions)		
Flat-Rolled ^(a)	192	247
U. S. Steel Europe	34	34
Tubular	54	19
Other Businesses	2	2
Total	282	302

For the three months ended March 31, 2020, capital expenditures were \$282 million, compared with \$302 million in the same period in 2019. Flat-Rolled capital expenditures were \$192 million and included spending for Mon Valley

Endless Casting and Rolling, Gary Hot Strip Mill upgrades, Mining Equipment, and various other infrastructure, environmental, and strategic projects. USSE capital expenditures of \$34 million consisted of spending for improved Sinter Strand Emission control and improved Ore Bridges Emission control and various other infrastructure and environmental projects. Tubular capital expenditures were \$54 million and included spending for the Fairfield Electric Arc Furnace (EAF) project and various other infrastructure and environmental projects.

To align its strategic projects with the current market realities, the Company announced a reduction in total planned capital expenditures for 2020 by \$125 million to approximately \$750 million.

U. S. Steel's contractual commitments to acquire property, plant and equipment at March 31, 2020, totaled \$895 million.

Revolving credit facilities - borrowings, net of financing costs totaled \$1,202 million primarily due to borrowings on the Fifth Credit Facility Agreement.

Issuance of long-term debt, net of financing costs totaled \$67 million primarily due to borrowings under our Export Credit Agreement.

Revolving credit facilities - repayments totaled \$281 million in the three months ended March 31, 2020 primarily due to repayments on the Fifth Credit Facility Agreement and USSK Credit Agreement.

Critical Accounting Estimates

Long-lived assets – U. S. Steel evaluates long-lived assets, primarily property, plant and equipment for impairment whenever changes in circumstances indicate that the carrying amounts of those productive assets exceed their recoverable amount as determined by the asset group's projected undiscounted cash flows. We evaluate the impairment of long-lived assets at the asset group level. Our primary asset groups are Flat-Rolled, welded tubular, seamless tubular and USSE.

During 2019, the challenging steel market environment in the U.S. and Europe and recent losses in the welded tubular asset group were considered triggering events for the Flat-Rolled, USSE and welded tubular asset groups. U. S. Steel completed a quantitative analysis of its long-lived assets for these asset groups and determined that the assets were not impaired. The percentage excess of estimated future cash flows over the net assets was greater than 30 percent for our welded tubular asset group. The key assumptions used to estimate the recoverable amounts for the welded tubular asset group were estimates of future commercial prices, commercial program management and efficiency improvements over the 12-year remaining useful life of the primary welded tubular assets. The percentage excess of estimated future cash flows over the net assets was greater than 75 percent for both the Flat-Rolled and USSE asset groups. In 2019, there were no triggering events for the seamless tubular asset group that required long-lived assets to be evaluated for impairment.

For the period ended March 31, 2020, the steep decline in oil prices that resulted from market oversupply and declining demand was considered a triggering event for the welded tubular and seamless tubular asset groups. A quantitative analysis was completed for both asset groups. The percentage excess of estimated future cash flows over the net assets was greater than 100% for the seamless tubular asset group but indicated an impairment and required further evaluation of the net assets in the welded tubular asset group. The liquidation method was used to determine the fair value of the welded tubular assets which resulted in an impairment of \$196 million and \$67 million to property, plant and equipment and intangibles, respectively. There were no triggering events for the Flat-Rolled and USSE asset groups that required long-lived assets to be evaluated for impairment as of March 31, 2020.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes U. S. Steel's liquidity as of March 31, 2020:

(Dollars in millions)

Cash and cash equivalents	\$	1,350
Amount available under \$2.0 Billion Credit Facility Agreement		300
Amount available under USSK credit facilities		152
UPI Amended Credit Facility		13
Total estimated liquidity	\$	1,815

As of March 31, 2020, \$228 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.

During March 2020, as a precautionary measure taken to mitigate the potential economic impacts of the COVID-19 pandemic, U. S. Steel increased its borrowings under its Fifth Credit Facility Agreement. As of March 31, 2020, there was \$1.5 billion drawn under the \$2.0 billion Fifth 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 \$200 million. Based on the four quarters as of March 31, 2020, we would not have met this covenant. So long as we continue to not meet this covenant, the amount available to the Company is effectively reduced by \$200 million. As a result, availability under this facility was \$300 million as of March 31, 2020. Availability under this facility may be impacted by additional footprint decisions that are made to the extent the value of the collateral pool of inventory and accounts receivable that support our borrowing availability are reduced.

As of March 31, 2020, USSK had borrowings of €350 million (approximately \$384 million) under its €460 million (approximately \$504 million) revolving credit facility. The USSK Credit Agreement contains certain USSK financial covenants, including a maximum net debt to EBITDA ratio and a minimum stockholders' equity to assets ratio. The covenants are measured semi-annually at June and December each year for the period covering the last twelve calendar months, with the first net debt to EBITDA measurement occurring at June 2021. USSK must maintain a net debt to EBITDA ratio of less than 6.5 as of June 30, 2021 and 3.5 for semi-annual measurements starting December 31, 2021. If the challenging market conditions in Europe due to COVID-19 persisted for a long period and negatively impacted USSK's projected EBITDA, and if covenant compliance requirements are not amended or waived, it may result in an event of default, under which USSK may not draw upon the facility, and the majority lenders, as defined in the USSK Credit Agreement, may cancel any and all commitments, and/or accelerate full repayment of any or all amounts outstanding under the USSK Credit Agreement.

At March 31, 2020, USSK had availability of €110 million (approximately \$120 million) under the USSK Credit Agreement. The USSK Credit Agreement expires in September 2023.

The USSK Credit Agreement contains customary representations and warranties including, as a condition to borrowing, that it met certain financial covenants since the last measurement date, and that all such representations and warranties are true and correct, in all material respects, on the date of the borrowing, and representations as to no material adverse change in our business or financial condition since December 31, 2017. The facility also has customary defaults, including a cross-default upon acceleration of material indebtedness of USSK and its subsidiaries.

As of March 31, 2020, USSK had no borrowings under its €20 million and €10 million credit facilities (collectively, approximately \$33 million) and the availability was approximately \$32 million due to approximately \$1 million of customs and other guarantees outstanding. These facilities expire in December 2021.

At March 31, 2020, UPI had borrowings of \$79 million under its \$110 million revolving credit facility (UPI Amended Credit Facility). Borrowings are secured by liens on certain UPI inventory and trade accounts receivable. The UPI Amended Credit Facility 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. At March 31, 2020, UPI had availability of \$13 million under the UPI Amended Credit Facility. The agreement expires in August 2020.

As of March 31, 2020, we had borrowings of \$104 million under the Export Credit Agreement (ECA). Loan repayments start six months after the starting point of credit as defined in the loan agreement with a total repayment term up to eight years. Loan availability and repayment terms are subject to certain customary covenants and events of default. The purpose of the ECA is to finance equipment purchased for the endless casting and rolling facility under construction at our Mon Valley Works facility in Braddock, Pennsylvania. In response to the decline in demand for our products resulting from the COVID-19 outbreak, we have delayed construction of our endless casting and rolling line at Mon Valley Works. We have also paused our borrowing under the ECA pending an update to the agreement or resumption of construction.

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 \$170 million of liquidity sources for financial assurance purposes as of March 31, 2020. Increases in certain of these commitments which use collateral are reflected within cash, cash equivalents and restricted cash on the Condensed Consolidated Statement of Cash Flows.

At March 31, 2020, in the event of a change in control of U. S. Steel, the following may occur: (a) debt obligations totaling \$4.2 billion as of March 31, 2020 may be declared due and payable; (b) the Credit Facility Agreement and the USSK credit facilities 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 \$19 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, 2020. 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 2020 are expected to be for capital expenditures, employee benefits and operating costs, which includes purchases of raw materials. We finished the first quarter of 2020 with \$1,350 million of cash and cash equivalents and \$1.8 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.

In March 2020, U. S. Steel announced that as part of its response to the COVID-19 pandemic, it is planning to reduce its 2020 capital spending by \$125 million to approximately \$750 million. The Company plans to delay construction of the endless casting and rolling line and cogeneration facility at its Mon Valley Works and has paused upgrades to capital spending for improvements to the Gary Works hot strip mill. The investment in a new non-grain oriented electrical steel line at USSE remains delayed. The Company expects to complete the EAF at Tubular as planned, with first arc anticipated in the second half of 2020 as this project was prefunded with environmental revenue bonds issued in the fourth quarter of 2019.

On April 30, 2020 (the Effective Date), the Company entered into an Option Agreement (Option Agreement) with Stelco Inc., a corporation governed under the laws of Canada (Stelco), pursuant to which, among other things, the Company granted Stelco the option (Option) to acquire an undivided 25% interest (the Option Interest) in a to-be-formed entity (the Joint Venture) that will own the Company's current iron ore mine located in Mt. Iron, Minnesota (the Minntac Mine). As consideration for the Option, Stelco will pay the Company an aggregate amount of \$100 million in five \$20 million installments, which began on the Effective Date and will end on or before December 31, 2020 (the date upon which the final installment is paid, the Final Payment Date). In the event Stelco exercises the Option, Stelco will contribute an additional \$500 million to the Joint Venture, and the parties will engage in good faith negotiations to finalize the master agreement (pursuant to which Stelco will acquire the Option Interest) and the limited liability company agreement of the Joint Venture. Concurrently with, and subject to, the execution and delivery of the Option Agreement, the Company and Stelco also entered into an Amended and Restated Pellet Sale and Purchase Contract.

Subject to the terms and conditions of the Option Agreement, Stelco may exercise the Option at any time during the period commencing on the Final Payment Date and expiring at 11:59 p.m. Eastern Time on January 31, 2027 unless earlier terminated.

If U. S. Steel management determines that market conditions are favorable, after taking into account our liquidity requirements, including the amounts available under our existing credit facilities, we may seek opportunities to improve our liquidity position by raising capital through the issuance of equity or equity-linked securities, the incurrence of additional indebtedness, which may include the issuance of debt securities, including debt securities that may be convertible into our equity interests, secured by certain of our assets, and/or guaranteed by certain of our subsidiaries, or a combination of one or more of the foregoing transactions, which we may conduct through one or more public or private transactions.

The Company's credit ratings were recently downgraded by three credit ratings agencies, all citing, among other things, the uncertainty in duration and impact of the COVID-19 outbreak on our business.

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. Certain of our credit facilities, including the Fifth Credit Facility Agreement, the USSK Credit Agreement and the ECA, contain standard terms and conditions including customary material adverse change clauses. If a material adverse change were to occur, our ability to fund future operating and capital requirements could be negatively impacted.

Environmental Matters, Litigation and Contingencies

Some of U. S. Steel's facilities were in operation before 1900. Although the Company believes that its environmental practices have either led the industry or at least been consistent with prevailing industry practices, hazardous materials have been and may continue to be 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.

EU Environmental Requirements and Slovak Operations

Under the Emissions Trading Scheme (ETS), USSK's final allocation of allowances for the Phase III period, which covers the years 2013 through 2020 is 48 million allowances. Based on projected total 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, 2020, we have purchased approximately 12.2 million European Union Allowances (EUA) totaling € 141.1 million (approximately \$154.6 million) to cover the estimated shortfall of emission allowances. We estimate that the total shortfall will be approximately 12.5 million allowances for the Phase III period. The full cost of complying with the ETS regulations will depend on future production levels and future emissions intensity levels.

The EU's Industrial Emissions Directive requires 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 total capital expenditures for projects to comply with or go beyond BAT requirements is €138 million (approximately \$151 million) over the actual program period. These costs may be mitigated if USSK complies with certain financial covenants, which are assessed annually. USSK complied with these covenants as of March 31, 2020. If we are unable to meet these covenants in the future, USSK might be required to provide additional collateral (e.g. bank guarantee) to secure the full value of estimated expenditures. There could 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 in the development stage.

For further discussion of laws applicable in Slovakia and the EU and their impact on USSK, see Note 22 to the Condensed 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 United States Environmental Protection Agency (U.S. EPA) to review the Clean Power Plan. On October 16, 2017, the U.S. 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.

There have been no material changes in U. S. Steel's exposure to European Greenhouse Gas Emissions regulations since December 31, 2019.

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 U.S. EPA has developed various industry-specific MACT standards pursuant to this requirement. The CAA requires the U.S. EPA to promulgate regulations establishing emission standards for each category of Hazardous Air Pollutants. The U.S. 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 U.S. 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 U.S. EPA is under a court order to complete the Residual Risk and Technology Review of the Integrated Iron and Steel regulations no later than May 5, 2020; and to complete the Residual Risk and Technology Review of the Taconite Iron Ore Processing Regulations by June 30, 2020.

On August 16, 2019, U.S. EPA published a proposed Residual Risk and Technology Review (RTR) rule for the Integrated Iron and Steel MACT category in the *Federal Register*. Based on the results of U.S. EPA's risk review, the Agency proposed that risks due to emissions of air toxics from the Integrated Iron and Steel category are acceptable and that the current regulations provided an ample margin of safety to protect public health. Under the technology review, U.S. EPA proposed that there are no developments in practices, processes or control technologies that necessitate revision of the standards. U.S. EPA accepted comments on the proposed rule until November 7, 2019. Based upon our analysis of the integrated iron and steel proposed rule, the Company does not expect any material impact if the rule is finalized as proposed. For the Taconite Iron Ore Processing category, based on the results of the Agency's risk review, U.S. EPA is proposing that risks from emissions of air toxics from this source category are acceptable and that the existing standards provide an ample margin of safety. Furthermore, under the technology review, the Agency identified no cost-effective developments in controls, practices, or processes to achieve further emissions reductions. Therefore, U.S. EPA is proposing no revisions to the existing standards based on the RTRs. U.S. EPA accepted comments on the taconite proposed rule until October 25, 2019. Based upon our analysis of the proposed taconite rule, the Company does not expect any material impact if the rule is finalized as proposed. Because the U.S. EPA has not completed its review of the Coke MACT regulations, any impacts related to the U.S. EPA's review of the coke standards cannot be estimated at this time.

On March 12, 2018, the New York State Department of Environmental Conservation (DEC), along with other petitioners, submitted a CAA Section 126(b) petition to the U.S. 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: Illinois, Indiana, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Virginia, and West Virginia. DEC is requesting the U.S. EPA to require sources of nitrogen oxides in the nine states to reduce such emissions. In a final rule promulgated in the October 18, 2019, Federal Register, EPA denied the petition. On October 29, 2019, New York, New Jersey, and the City of New York petitioned the United States Court of Appeals for the District of Columbia Circuit for review of U. S. EPA's denial of the petition. The matter remains before the Court.

The CAA also requires the U.S. 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, sulfur dioxide (SO₂), and ozone.

In June 2010, the U.S. 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, U.S. 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 region to implement operational and/or capital improvements to demonstrate attainment with the 2010 standard. U. S. Steel worked with the Allegheny County Health Department (ACHD) in developing a State Implementation Plan (SIP) for the Allegheny County portion of the Pennsylvania SIP that includes reductions of SO₂ and improved dispersion from U. S. Steel sources. On November 19, 2018, U.S. EPA published a proposed rule to approve the SIP. Pursuant to a consent decree in *Center for Biological Diversity, et al., v. Wheeler*,

No. 4:18-cv-03544 (N.D. Cal.), EPA has agreed to take final action on the SIP submittal no later than April 30, 2020. In addition, as noted in the Legal Proceedings section, U. S. Steel continues to work with the regulatory authorities to address the Wayne County, Michigan (where Great Lakes Works is located) nonattainment status. The operational and financial impacts of the SO₂ NAAQS are not estimated to be material at this time.

In October 2015, the U.S. EPA lowered the NAAQS for ozone from 75 ppb to 70 ppb. On November 6, 2017, the U.S. EPA designated most areas in which we operate as attainment with the 2015 standard. In a separate ruling, on June 4, 2018, the U.S. EPA designated other areas in which we operate as "marginal nonattainment" with the 2015 ozone standard. On December 6, 2018, U.S. EPA published a final rule regarding implementation of the 2015 ozone standard. Because no state regulatory or permitting actions to bring the ozone nonattainment areas into attainment have yet to be proposed or developed for U. S. Steel facilities, the operational and financial impact of the ozone NAAQS cannot be reasonably estimated at this time.

On December 14, 2012, the U.S. 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 U.S. 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 U.S. EPA published a notice that Pennsylvania, California and Idaho failed to submit a SIP to demonstrate attainment with the 2012 fine particulate standard by the deadline established by the CAA. As a result of the notice, Pennsylvania, a state in which we operate, was required to submit a SIP to the U.S. EPA no later than November 7, 2019 to avoid sanctions. On April 29, 2019, the ACHD published a draft SIP for the Allegheny County nonattainment area which demonstrates that all of Allegheny County will meet its reasonable further progress requirements and be in attainment with the 2012 PM_{2.5} annual and 24-hour NAAQS by December 31, 2021 with the existing controls that are in place. On September 12, 2019, the Allegheny County Board of Health unanimously approved the draft SIP. The draft SIP was then sent to the Pennsylvania Department of Environmental Protection (PADEP). PADEP submitted the SIP to U.S. EPA for approval on November 1, 2019. To date, U.S. EPA has not taken action on PADEP's submittal. On April 14, 2020, EPA proposed to retain the 12 ug/m3 annual and 35 ug/3 24-hour PM_{2.5} standards without revision.

In July 2018, the ACHD provided U. S. Steel, ACHD Regulation Subcommittee members and interested parties with draft regulations that would modify the existing air regulations applicable to coke plants in Allegheny County. While ACHD currently has some of the most stringent air regulations in the country governing coke plants, which apply to U. S. Steel's coke plant in Clairton, Pennsylvania (the only remaining coke plant in Allegheny County and one of two remaining in Pennsylvania), the draft regulations would reduce the current allowable emissions from coke plant operations and would be more stringent than the Federal Best Available Control Technology and Lowest Achievable Emission Rate requirements. In various meetings with ACHD, U. S. Steel has raised significant objections, in particular, that ACHD has not demonstrated that continuous compliance with the draft rule is economically and technologically feasible. While U. S. Steel continues to meet with ACHD regarding the draft rule, U. S. Steel believes that any rule promulgated by ACHD must comply with its statutory authority. If the draft rule or similar rule is adopted, the financial and operational impacts to U. S. Steel could be material. To assist in developing rules objectively and with adequate technical justification, the June 27, 2019, Settlement Agreement, establishes procedures that would be used when developing a new rule. For further details on the June 27, 2019 Settlement Agreement with ACHD see "Item 1. Legal Proceedings - Environmental Proceedings - Mon Valley Works."

Environmental Remediation

In the United States, U. S. Steel has been identified as a potentially responsible party (PRP) at six sites under CERCLA as of March 31, 2020. Of these, there are three sites for which information requests have been received or there are other indications that U. S. Steel may be a PRP under CERCLA, but 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 17 additional sites for which 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 "Item 1. Legal Proceedings - Environmental Proceedings."

OFF-BALANCE SHEET ARRANGEMENTS

U. S. Steel did not enter into any new material off-balance sheet arrangements during the first quarter of 2020.

INTERNATIONAL TRADE

U. S. Steel continues to face import competition, much of which is unfairly traded, supported by foreign governments, and fueled by massive global steel overcapacity, currently estimated to be over 440 million metric tons per year. These imports, as well as the underlying policies/practices and overcapacity, impact the Company's operational and financial performance. U. S. Steel continues to lead efforts to address these challenges that threaten the Company, our workers, our stockholders, and our country's national and economic security.

As of the date of this filing, pursuant to a series of Presidential Proclamations issued in accordance with Section 232 of the Trade Expansion Act of 1962, U.S. imports of certain steel products are subject to a 25 percent tariff, except for imports from: (1) Argentina, Brazil, and South Korea, which are subject to restrictive quotas; (2) Canada and Mexico, which are not subject to either tariffs or quotas but tariffs could be re-imposed on surging product groups after consultations; and (3) Australia, which is not subject to tariffs, quotas, or an anti-surge mechanism. A January 24, 2020, Presidential Proclamation expanded the Section 232 tariffs to cover imports of certain downstream steel products from countries subject to the Section 232 tariffs, effective February 8, 2020.

The U.S. Department of Commerce (DOC) is managing a process in which U.S. companies may request and/or oppose temporary product exclusions from the Section 232 tariffs or quotas. Over 133,000 exclusions have been requested for steel products. U. S. Steel opposes exclusion requests for products that are the same as, or substitute products for, those produced by U. S. Steel.

Several legal challenges and retaliatory trade measures have been initiated in response to the Section 232 action. In February 2020, the U.S. Court of Appeals for the Federal Circuit (CAFC) upheld the constitutionality of the Section 232 statute. The American Institute for International Steel has appealed the CAFC's decision to the Supreme Court, which will decide whether to hear the appeal by October 2020. There are currently twenty Section 232 challenges before the U.S. Court of International Trade (CIT). Multiple countries have challenged the Section 232 action at the World Trade Organization (WTO), imposed retaliatory tariffs, and/or acted to safeguard their domestic steel industries from increased steel imports. In turn, the United States has challenged the retaliation at the WTO.

Since its implementation in March 2018, the Section 232 action has supported the U.S. steel industry's and U. S. Steel's investments in advanced steel capacity, technology, and skills, thereby strengthening U.S. national and economic security. The Company continues to actively defend the Section 232 action through all available tools and strategies, including by highlighting these benefits and the importance of maintaining the Section 232 action.

In February 2019, the European Commission (EC) imposed a definitive tariff rate quota safeguard on certain steel imports: 25 percent tariffs on certain steel imports that exceed quotas effective through June 2021. In February 2020, the EC initiated a second review of the steel safeguard to consider whether any adjustments should be made.

Antidumping (AD) and countervailing (CVD or antisubsidy) duties apply in addition to the Section 232 tariffs and quotas and the EC's safeguard, and AD/CVD orders will last beyond the Section 232 action and EC's safeguard. Thus, U. S. Steel continues to actively defend and maintain the 54 U.S. AD/CVD orders and 11 EU AD/CVD orders covering products U. S. Steel produces in multiple proceedings before the DOC, U.S. International Trade Commission (ITC), CIT, CAFC, the EC and European courts, and the WTO.

Following the 2018 investigation under Section 301 of the Trade Act of 1974, the United States began imposing 15 to 25 percent tariffs on certain imports from China, including certain steel products. Following the U.S.-China "Phase One" Trade Agreement, effective February 14, 2020, the 15 percent tariffs were reduced to 7.5 percent but the 25 percent tariffs remain in place pending the negotiation of a Phase Two agreement.

The Global Forum on Steel Excess Capacity, the Organization for Economic Co-operation and Development Steel Committee and trilateral negotiations between the United States, EU, and Japan continue to address global overcapacity.

U. S. Steel will continue to execute a broad, global strategy to maximize opportunities and navigate challenges presented by imports, global steel overcapacity, and international trade law and policy developments.

NEW ACCOUNTING STANDARDS

See Notes 2 and 3 to the Condensed Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

U. S. Steel is exposed to certain risks related to its ongoing business operations, including financial, market, political, and economic risks. The global pandemic resulting from the novel coronavirus designated as COVID-19 has had a significant impact on our business and the global economy. The economic uncertainty has increased volatility in the financial markets and could adversely affect our liquidity and ability to access the capital markets. In response to the decline in demand for our products resulting from the COVID-19 outbreak, we borrowed an additional \$800 million under the Fifth Credit Facility Agreement during the three month period ended March 31, 2020. As of March 31, 2020, the Company had approximately \$2.1 billion in outstanding variable interest debt. An increase in the variable interest rate increases our interest expense and interest paid. A quarter percent increase in the variable interest rate on the amount of variable interest rate indebtedness as of March 31, 2020 would increase annual interest expense by approximately \$5 million. See Note 16 in the Notes to the Condensed Consolidated Financial Statements for further details. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility.

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, 2020. 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, 2020, 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.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

GENERAL LITIGATION

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. In January of 2018, The Surfrider Foundation and the City of Chicago initiated suits in the Northern District of Indiana alleging Clean Water Act (CWA) and Permit violations at Midwest. On April 2, 2018, the U.S. EPA 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 CWA and National Pollutant Discharge Elimination System violations at the Midwest Plant. A public comment period for the Consent Decree ensued. The suits that the Surfrider Foundation and the City of Chicago filed are currently stayed. The Surfrider Foundation and the City of Chicago also filed motions, which were granted, to intervene in the Consent Decree case. The United States Department of Justice (DOJ) filed a revised Consent Decree and a motion with the Court to enter the Consent Decree as final on November 20, 2019. Surfrider Foundation, City of Chicago and other non-governmental organizations filed objections to the revised Consent Decree. The DOJ and U. S. Steel made filings in support of the revised Consent Decree.

On November 30, 2018, the Minnesota Pollution Control Agency (MPCA) issued a new Water Discharge Permit for the Minntac Tailings Basin waters. The Permit contains new sulfate limitations applicable to water in the Tailings Basin and groundwater flowing from U. S. Steel's property. The MPCA also acted on the same date, denying the Company's requests for variances from ground and surface water standards and request for a contested case hearing. U. S. Steel filed appeals with the Minnesota Court of Appeals challenging the actions taken by the MPCA. Separate appeals were filed by a Minnesota Native American Tribe (Fond du Lac Band) and a nonprofit environmental group (Water Legacy). All cases were consolidated. On December 9, 2019, the court issued a favorable ruling to U. S. Steel, removing the sulfate limitations for the Tailings Basin and groundwater. The opposing parties filed appeals with the Minnesota Supreme Court on January 8, 2020 which were accepted by that Court. The appeals are currently on hold awaiting a separate related decision of the U. S. Supreme Court case which could impact the Court of Appeals decision. The litigation is expected to resume in the summer of 2020.

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, five related shareholder derivative lawsuits were filed in State and Federal courts in Pittsburgh, Pennsylvania and the Delaware Court of Chancery. 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 of the Company's common stock (collectively, Defendants) 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. The plaintiffs seek to recover losses that were allegedly sustained. The class action Defendants moved to dismiss plaintiffs' claims. On September 29, 2018 the Court ruled on those motions granting them in part and denying them in part. On March 18, 2019, the plaintiffs withdrew the claims against the Defendants related to the 2016 secondary offering. As a result, the underwriters are no longer parties to the case. The Company and the individual defendants are vigorously defending the remaining claims. On December 31, 2019, the Court granted Plaintiffs' motion to certify the proceeding as a class action. The Company's appeal of that decision has been denied by the Third Circuit Court of Appeals. Discovery is proceeding.

ENVIRONMENTAL PROCEEDINGS

The following is a summary of the proceedings of U. S. Steel that were pending or contemplated as of March 31, 2020, 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, 2020, U. S. Steel has received information requests or been identified as a PRP at a total of six CERCLA sites, three 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 three sites will be between \$100,000 and \$1 million for two 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 partnered with the Great Lakes National Program Office (GLNPO) of U.S. EPA Region 5 to address contaminated sediments in the St. Louis River Estuary and several other Operable Units that could impact the Estuary if not addressed. An amendment to the Project Agreement between U. S. Steel and GLNPO was executed during the second quarter of 2018 to recognize the costs associated with implementing the proposed remedial plan at the site.

While work continues on requesting proposals for implementing the remedial design, permitting 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, 2020. 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, 2020 at approximately \$44 million.

Resource Conservation Recovery Act (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 17 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 seven sites have potential costs between \$100,000 and \$1 million per site, five sites may involve remediation costs between \$1 million and \$5 million per site and five 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 U.S. EPA issued a final Administrative Order on Consent (Order) addressing Corrective Action for Solid Waste Management Units (SWMU) throughout Gary Works. This Order requires U. S. Steel to perform a RCRA Facility Investigation (RFI), a Corrective Measures Study (CMS) and Corrective Measure Implementation.

Evaluations are underway at six groundwater areas on the east side of the facility 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 U.S. EPA. 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 \$24 million as of March 31, 2020, based on our current estimate of known remaining costs. Significant additional costs associated with the six groundwater areas at this site are possible and are referenced in Note 22 to the Condensed Consolidated Financial Statements "Contingencies and Commitments - Environmental Matters - Remediation Projects - Projects with Ongoing Study and Scope Development."

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). U. S. Steel awarded a contract for the implementation of the CAMU project during the fourth quarter of 2018. Construction, waste stabilization and placement along with closure of the CAMU are scheduled to be complete in 2020. U. S. Steel has an accrued liability of approximately \$41 million as of March 31, 2020, for our estimated share of the remaining costs of remediation.

USS-POSCO Industries (UPI)

In February 2020, U. S. Steel purchased the remaining 50 percent interest in UPI, a former joint venture that is located in Pittsburg, California between subsidiaries of U. S. Steel and POSCO. Prior to formation of the joint venture, UPI's facilities were previously owned and operated solely by U. S. Steel which assumed responsibility for the existing environmental conditions. U. S. Steel 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 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, 2020. As of March 31, 2020, approximately \$942,000 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 Condensed Consolidated Financial Statements "Contingencies and Commitments - Environmental Matters - Remediation Projects - Projects with Ongoing Study and Scope Development." See Note 5 to the Condensed Consolidated Financial Statements "Acquisition" for further details regarding U. S. Steel's purchase of UPI.

Fairfield Works

A consent decree was signed by U. S. Steel, the U.S. 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 U.S. 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, 2020. In total, the accrued liability for remaining work under the Corrective Action Program, was approximately \$174,000 at March 31, 2020. Significant additional costs associated with this site are possible and are referenced in Note 22 to the Condensed 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 U.S. 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 U.S. 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, 2020. As of March 31, 2020, the accrued liability to maintain the interim measures, and clear properties through the Act 2 process is approximately \$213,000. Significant additional costs associated with this site are possible and are referenced in Note 22 to the Condensed 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 drafting the Statement of Basis identifying potential remedies to address areas documented in the Phase II RFI, there has been no material change in the status of the project during the three months ended March 31, 2020. As of March 31, 2020, costs to complete additional projects are estimated to be approximately \$79,000. Significant additional costs associated with this site are possible and are referenced in Note 22 to the Condensed 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 subareas with remedial activities completed in 2015 for three of the subareas. While work continues to define the extent of impacts at the remaining subarea, there has been no material change in the status of the project during the three months ended March 31, 2020. U. S. Steel has an accrued liability of \$258,000 as of March 31, 2020. Significant additional costs associated with this site are possible and are referenced in Note 22 to the Condensed 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. The Removal Action Design Plan was approved during the second quarter of 2018. The Waste Deposition Area design and the Interim Risk Management Plan (which includes institutional controls) were approved by KDHE during the fourth quarter of 2018. An amended consent order for remediation was signed in May 2019 and a remediation contract was executed in June 2019. U. S. Steel has an accrued liability of approximately \$9 million as of March 31, 2020, for our estimated share of the cost of remediation.

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 \$97,000 as of March 31, 2020.

Air Related Matters

Great Lakes Works

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

As a result, pursuant to the CAA, the Michigan Department of Environment, Great Lakes and Energy (EGLE) was required to submit a SIP to the U.S. EPA that demonstrates that the entire nonattainment area (and not just the monitor) would be in attainment by October 2018 by using conservative air dispersion modeling. To develop the SIP, U. S. Steel met with EGLE on multiple occasions and had offered reduction plans to EGLE but the parties could not agree to a plan. EGLE, 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 and EGLE's SIP has not been approved, U.S. EPA has indicated that it would promulgate a Federal Implementation Plan (FIP) pursuant to its obligations and authority under the CAA. 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 17, 2019, U. S. Steel and EGLE met to discuss resolution of violations that were alleged to have occurred intermittently in 2017 and 2018 regarding opacity from: the D4 Blast Furnace slag pit, D4 Blast Furnace backdraft stack, B2 Blast Furnace casthouse roof monitor, B2 Blast Furnace backdraft stack, and Basic Oxygen Furnace Shop Roof Monitor; and exceedances of applicable limits at the pickle line. More recently, EGLE advised U. S. Steel that it was assessing a civil penalty of approximately \$370,000 for these alleged violations. U. S. Steel and EGLE continue to negotiate resolution.

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 U.S. 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 (BART). 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 U.S. 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 U.S. 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, U.S. EPA published a notification in the *Federal Register* in which the U.S. 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 U.S. EPA's denial of the administrative petitions for reconsideration to the Eighth Circuit Court of Appeals. U.S. EPA and U. S. Steel reached a settlement

regarding the five indurating lines at Minntac. Notice of a 30-day comment period of the settlement agreement was published in the September 11, 2019, *Federal Register*. The comment period expired on October 11, 2019. U. S. Steel will work with U.S. EPA to address any comments. U. S. Steel and U.S. EPA continue to negotiate resolution for Keetac.

Mon Valley Works

On November 9, 2017, U.S. EPA Region III and the 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 CAA 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 U.S. EPA Region III and ACHD several times. ACHD, U.S. EPA Region III and U. S. Steel continue to negotiate a potential resolution of the matter.

On December 24, 2018, U. S. Steel's Clairton Plant experienced a fire, affecting portions of the facility involved in desulfurization of the coke oven gas generated during the coking process. With the desulfurization process out of operation as a result of the fire, U. S. Steel was not able to certify compliance with Clairton Plant's Title V permit levels for sulfur emissions. U. S. Steel promptly notified ACHD, which has regulatory jurisdiction for the Title V permit, and updated the ACHD regularly on our efforts to mitigate any potential environmental impacts until the desulfurization process was returned to normal operations. Of the approximately 2,400 hours between the date of the fire and April 4, 2019, when the Company resumed desulfurization, there were ten intermittent hours where average SO₂ emissions exceeded the hourly NAAQS for SO₂ at the Allegheny County regional air quality monitors located in Liberty and North Braddock boroughs which are near U. S. Steel's Mon Valley Works facilities. On February 13, 2019, PennEnvironment and Clean Air Council, both environmental, non-governmental organizations, sent U. S. Steel a 60-day notice of intent to sue letter pursuant to the CAA. The letter alleged Title V permit violations at the Clairton, Irvin, and Edgar Thomson facilities as a result of the December 24, 2018 Clairton Plant fire. The 60-day notice letter also alleged that the violations caused adverse public health and welfare impacts to the communities surrounding the Clairton, Irvin, and Edgar Thomson facilities. PennEnvironment and Clean Air Council subsequently filed a Complaint in Federal Court in the Western District of Pennsylvania on April 29, 2019 to which U. S. Steel has responded. On May 3, 2019, ACHD filed a motion to intervene in the lawsuit which was granted by the Court. On June 25, 2019, ACHD filed its Complaint in Intervention, seeking injunctive relief and civil penalties regarding the alleged Permit violations following the December 24, 2018 fire. The parties are currently engaged in discovery.

Following up to its May 2, 2019, notice of intent to sue U. S. Steel, on August 26, 2019 the Environmental Integrity Project, the Breathe Project and Clean Air Council, environmental, non-governmental organizations, filed a complaint in the Western District Court of Pennsylvania alleging that the Company did not report releases of reportable quantities of hydrogen sulfide, benzene, and coke oven emissions from the Clairton, Edgar Thomson and Irvin facilities as would be required under CERCLA because of the fire. The Company will vigorously defend against these claims.

On April 24, 2019, U. S. Steel was served with a class action complaint that was filed in the Allegheny Court of Common Pleas related to the December 24, 2018 fire at Clairton. The complaint asserts common law nuisance and negligence claims and seeks compensatory and punitive damages that allegedly were the result of U. S. Steel's conduct that resulted in the fire and U. S. Steel's operations subsequent to the fire. The parties are currently engaged in discovery. U. S. Steel is vigorously defending the matter.

ASBESTOS LITIGATION

As of March 31, 2020, U. S. Steel was a defendant in approximately 808 active cases involving approximately 2,400 plaintiffs. The vast majority of these cases involve multiple defendants. About 1,540, or approximately 64 percent, of these plaintiff claims are currently pending in jurisdictions which permit filings with massive numbers of plaintiffs. At December 31, 2019, U. S. Steel was a defendant in approximately 800 active cases involving approximately 2,390 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^(a)	New Claims	Closing Number of Claims
December 31, 2017	3,340	275	250	3,315
December 31, 2018	3,315	1,285	290	2,320
December 31, 2019	2,320	195	265	2,390
March 31, 2020	2,390	90	100	2,400

(a) The period ending December 31, 2018 includes approximately 1,000 dismissed cases previously pending in the State of Texas.

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.

Further, U. S. Steel does not believe that an accrual for unasserted claims is required. At any given reporting date, it is probable that there are unasserted claims that will be filed against the Company in the future. In 2018 and 2019, the Company engaged an outside valuation consultant to assist in assessing its ability to estimate an accrual for unasserted claims. This assessment was based on the Company's settlement experience, including recent claims trends. The analysis focused on settlements made over the last several years as these claims are likely to best represent future claim characteristics. After review by the valuation consultant and U. S. Steel management, it was determined that the Company could not estimate an accrual for unasserted 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.

Item 1A. Risk Factors

The outbreak of COVID-19 and disruptions in the oil and gas industry have had, and are expected to continue to have, an adverse impact on the Company's results of operations, financial condition and cash flows.

The global pandemic resulting from the novel coronavirus designated as COVID-19 has had a significant impact on economies, businesses and individuals around the world. Efforts by governments around the world to contain the virus have involved, among other things, border closings and other significant travel restrictions; mandatory stay-at-home and work-from-home orders in numerous countries, including the United States; mandatory business closures; public gathering limitations; and prolonged quarantines. These efforts and other governmental, business and individual responses to the COVID-19 pandemic have led to significant disruptions to commerce, lower consumer demand for goods and services and general uncertainty regarding the near-term and long-term impact of the COVID-19 virus on the domestic and international economy and on public health. These developments and other consequences of the outbreak have and could continue to materially adversely impact the Company's results of operations, financial condition and cash flows.

The U.S. Department of Homeland Security guidance has identified U. S. Steel's business as a critical infrastructure industry, essential to the economic prosperity, security and continuity of the United States. Similarly, in Slovakia, U. S. Steel Kosice was identified by the government as a strategic and critical company, essential to economic prosperity, and continues to operate. However, although we continue to operate, we have experienced and are likely to continue to experience, significant reductions in demand. For example, the oil and gas industry, which is one of our significant end markets, has been experiencing a significant amount of disruption and has been experiencing oversupply at a time of declining demand, resulting in a decline in profitability. Our Tubular operations support the oil and gas industry, and therefore the industry's decline has led to a significant decline in demand for our Tubular products. We also may experience disruptions to our operations resulting from changes in government policy or guidance; quarantines of employees, customers and suppliers in areas affected by the outbreak; and closures of businesses or manufacturing facilities that are critical to our business or our supply chain.

The COVID-19 pandemic could also adversely affect our liquidity and ability to access the capital markets. The Company's credit ratings were recently downgraded by three credit ratings agencies, all citing, among other things, the uncertainty in duration and impact of the COVID-19 outbreak on our business. Uncertainty regarding the duration of the COVID-19 pandemic and disruptions to the oil and gas industry may, for example, adversely impact our ability to raise additional capital, or require additional capital, or require additional reductions in capital expenditures that are otherwise needed, to support working capital or continuation of our "best of both" strategy. Additionally, government stimulus programs may not be available to the Company, its customers, or its suppliers, or may prove to be ineffective. Furthermore, in the event that the impact from the COVID-19 outbreak causes us to be unable to satisfy any of our financial covenants under the agreements governing our outstanding indebtedness, the availability of credit facilities may become limited, or we may be required to renegotiate such agreements on less favorable terms. For example, based on the most recent four quarters as of March 31, 2020, we have not met the fixed charge negative covenant test under our Credit Facility Agreement, and accordingly, the amount available to the Company under this facility was reduced by \$200 million, meaning that as of March 31, 2020, the availability under the Credit Facility Agreement was \$300 million. If we are unable to access additional credit at the levels we require, or the cost of credit is greater than expected, it could materially adversely affect our operating results.

COVID-19 could negatively affect our internal controls over financial reporting as a portion of our workforce is required to work from home and therefore new processes, procedures, and controls could be required to respond to changes in our business environment.

The Company may be susceptible to increased litigation related to, among other things, the financial impacts of the pandemic on its business, its ability to meet contractual obligations due to the pandemic, employment practices or policies adopted during the health crisis, or litigation related to individuals contracting COVID-19 as result of alleged exposures on Company premises.

In addition, the COVID-19 outbreak has significantly increased economic and demand uncertainty. The current outbreak and continued spread of COVID-19 could cause a global recession, which would have a further material adverse impact on our results of operations, financial condition and cash flows. The full extent to which the COVID-19 outbreak will affect our operations, and the steel industry generally, remains highly uncertain and will ultimately depend on future developments which cannot be predicted at this time, including, but not limited to, the duration, severity, speed and scope of the outbreak, the length of time required for demand to return and normal economic and operating conditions

to resume. The impact of the COVID-19 outbreak may also have the effect of exacerbating many of the other risks described in Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

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 [Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Cash Award Grant Agreement \(ROCE Grant\).*](#)
- 10.2 [Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement \(Retention Grant\).*](#)
- 10.3 [Administrative Procedures for the Executive Management Annual Incentive Compensation Plan under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, as approved on February 25, 2020.*](#)
- 31.1 [Certification of Chief Executive Officer required by Rules 13a-14\(a\) or 15d-14\(a\) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of Chief Financial Officer required by Rules 13a-14\(a\) or 15d-14\(a\) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2 [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 95 [Mine Safety Disclosure required under Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.](#)
- 101 The following financial information from United States Steel Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Statement of Operations, (ii) the Condensed Consolidated Statement of Comprehensive Income (Loss), (iii) the Condensed Consolidated Balance Sheet, (iv) the Condensed Consolidated Statement of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements.
- 104 Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101)

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/ Manpreet S. Grewal

Manpreet S. Grewal
Vice President & Controller

May 1, 2020

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
Performance Cash 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 Cash Award representing the right to receive a specified amount 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)
Target Amount:	SPECIFY TARGET AMOUNT
Performance Period:	January 1, 2020 through December 31, 2022
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 Cash 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 Cash 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 Cash 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 Cash Award is earned and payable are set forth in Exhibit A to this Agreement. Subject to the provisions of this Agreement, the Performance Cash Award shall become payable, if and to the extent earned, 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 Cash 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 Cash Award is vested, earned and payable, the Corporation shall cause a cash payment to be made to the Participant in the amount determined by the Committee to be payable pursuant to paragraph 1 hereof; provided, however, that, pursuant to Section 6.05 of the Plan, the Committee may provide for payment of the Performance Cash Award in shares of the Corporation's common stock ("Shares"), or any combination thereof, as determined by the Committee in its sole discretion. 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.

3. **Transferability:** The Participant shall not sell, transfer, assign, pledge or otherwise encumber or dispose of any portion of the Performance Cash Award and the right to any payment hereunder, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Performance Cash Award and the right to any payment hereunder 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 calculated as set forth below 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 Cash Award"), and the balance of the Performance Cash Award, if any, shall be forfeited, and (c) the Achieved Performance Cash Award shall remain subject to forfeiture until the third anniversary of the Date of Grant of this Performance Cash 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 Cash Award shall not be forfeited upon such Termination; rather, the Achieved Performance Cash Award shall vest

ROCE Performance Cash Award - February 2020

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 Cash Award shall not be forfeited upon such Termination; rather, the Achieved Performance Cash 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 Cash 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. In calculating the performance for the abbreviated Performance Period and the Achieved Performance Cash Award, the ROCE for the year in which the Change in Control occurs shall be determined as the combination of the ROCE (x) actually achieved through the business day immediately preceding the closing date of the Change in Control and (y) measured at target for the period from the Change in Control through the end of the year in which the Change in Control occurs (applying the target ROCE for the year pro-rata over the number of whole and partial months remaining in the year). In the event the Change in Control occurs in the first year of the Performance Period, the ROCE as so calculated for the year in which the Change in Control occurs shall be the ROCE for the abbreviated Performance Period. In the event the Change in Control occurs in the second year of the Performance Period, the weighted average ROCE shall be calculated for the years in the abbreviated Performance Period using a weighting of 40% for the actual ROCE achieved in the first year of the Performance Period and 60% for the ROCE as so calculated for the year in which the Change in Control occurs. In the event the Change in Control occurs in the third year of the Performance Period, the weighted average ROCE shall be calculated for the years in the abbreviated Performance Period using a weighting of 20% for the actual ROCE achieved in the first year of the Performance Period, 30% for the actual ROCE achieved in the second year of the Performance Period, and 50% for the ROCE as so calculated for the year in which the Change in Control occurs.

5. **Vesting:** To vest in this Performance Cash 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 Cash 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 Cash Award will immediately vest upon the Participant's attainment of Normal Retirement Age.
- (c) The Performance Cash 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, including execution of any general release required under the severance plan.
- (d) The Performance Cash 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 Cash 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 Cash Award.

7. **Recoupment:** Notwithstanding anything in the Plan or this Agreement to the contrary, this Performance Cash Award and any amounts that may be paid or payable hereunder 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 Performance Cash Award and any amounts that may be paid or payable hereunder 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 Cash Award or that is necessary to comply with applicable laws 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.

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 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, to the extent permitted by law, 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 Cash Award, including the grant, vesting, or settlement of the Performance Cash Award ("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 Cash 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 (to the extent applicable): (1) withholding from Participant's wages or other cash compensation paid to Participant by the Corporation and/or the Employing Company; (2) withholding from cash payable pursuant to this Performance Cash Award or the proceeds of the sale of Shares that may be issued upon payment of the Performance Cash 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 that may be issued upon payment of the Performance Cash 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 the extent the Performance Cash Award is paid in Shares, to avoid negative accounting treatment, the Corporation may in its discretion limit withholding of Shares 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 Cash Award, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the Performance Cash 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 Cash 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 Cash 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 Cash 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 Cash 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 Cash 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 Cash 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 Cash 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 Cash Award is voluntary and occasional and does not create any contractual or other right to receive future Performance Cash Awards, or benefits in lieu of future Performance Cash Awards, even if Performance Cash Awards have been granted in the past;
- (c) all decisions with respect to future Performance Cash 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 Cash Award and any cash or any Shares that may be paid pursuant to the Performance Cash 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 Cash Award and any cash or any Shares that may be paid pursuant to the Performance Cash 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 Cash Award and any cash or any Shares that may be paid pursuant to the Performance Cash Award are not intended to replace any pension rights or compensation;
 - (h) the grant of the Performance Cash 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 or the amount of cash that may be paid pursuant to the Performance Cash 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 Cash 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 Cash 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 that may be paid pursuant to the vesting of the Performance Cash 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 any Shares that may be issued pursuant to the Performance Cash 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 Cash Award and the benefits evidenced by this Agreement do not create any entitlement to have the Performance Cash 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 Cash Award and any cash or Shares paid pursuant to the Performance Cash 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 Cash Award or any amounts due to the Participant pursuant to the settlement of the Performance Cash Award or the subsequent sale of any Shares acquired upon settlement.

14. Data Privacy:

(a) The Participant hereby explicitly, unambiguously and voluntarily consents to the collection, use, disclosure and transfer, in electronic or other form, of his or her personal data as described in this Agreement and any other Performance Cash Award materials ("Data") by and among, as applicable, any Employing Company and the Corporation for the exclusive purpose of implementing, administering, and managing his or her participation in the Plan.

(b) The Participant understands that any Employing Company and the Corporation may collect, maintain, process and disclose certain personal information about him or her, including, but not limited to, his or her 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 Cash Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in his or her favor, for the exclusive purpose of implementing, administering, and managing the Plan.

(c) The Participant acknowledges that Data will be transferred to any broker as designated by the Corporation and/or one or more stock plan service provider(s) selected by the Corporation, which may assist the Corporation with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different, including less stringent, data privacy laws and protections than his or her 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 his or her local human resources representative. The Participant authorizes the Corporation and any other possible recipients that may assist the Corporation (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing his or her 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 Cash Awards.

(d) The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan, including to maintain records regarding participation. The Participant understands that if he or she resides in certain jurisdictions, to the extent required by applicable laws, he or she may, at any time, request access to Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents given by accepting these Performance Cash Awards, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing these consents on a purely voluntary basis. If the Participant does not consent or if he or she later seeks to revoke his or her consent, his or her engagement as a service provider with any Employing Company and the Corporation will not be adversely affected; the only consequence of refusing or withdrawing his or her consent is that the Corporation will not be able to grant him or her Performance Cash Awards under the Plan or administer or maintain Performance Cash Awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan

(including the right to retain these Performance Cash Awards). The Participant understands that he or she may contact his or her local human resources representative for more information on the consequences of his or her refusal to consent or withdrawal of consent.

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 Cash 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 Cash 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 Cash Award and on any cash that may be paid or Shares that may be 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 of 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 Cash 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 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 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 Employer 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 Cash 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 in the event that the Employee breaches the 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 Cash Award Grant Agreement

TERMS AND CONDITIONS

This Exhibit D includes additional terms and conditions that govern the Performance Cash 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 Cash 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 January 2020. 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 Cash 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 Cash Award is granted, the information contained herein may not be applicable.

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 cash 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 Cash Award is exempt from the requirement to publish a prospectus under the EU Prospectus Regulation 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. The grant of the Performance Cash Award is exempt from the requirement to publish a prospectus under the EU Prospectus Regulation as implemented in the United Kingdom. The 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 Cash 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 Cash 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.

(a) **Data Collected and Purposes of Collection.** The Participant understands that the Corporation, acting as controller, as well as the Employing Company, 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 the Performance Cash Awards (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 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 Cash Awards granted, canceled, vested, unvested or outstanding in the Participant's favor, and where applicable service termination date and reason for termination (all such personal information is referred to as "Data"). The Data is collected from the Participant, any Employing Company and 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 this Agreement. The Data must be provided in order for the Participant to participate in the Plan and for the parties to this 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 this Agreement.

(b) **Transfers and Retention of Data** . The Participant acknowledges and understands that the Employing Company will transfer Data to the Corporation for purposes of plan administration. The Employing Company and the Corporation 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 this 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 and is not listed by the Swiss supervisory authority as a country with adequate data protection legislation. Where a recipient is located in a country that does not benefit from an adequacy decision or adequacy listing, the transfer of the Data to that recipient will be made pursuant to European Commission-approved standard contractual clauses when required by applicable law, a copy of which may be obtained by contacting dataprotection@sk.uss.com or complianceofficer@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 this Agreement, and for the duration of the relevant statutes of limitations, which may be longer than the term of this Agreement.

(c) **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 his or her 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 the Participant's Data erased, under certain circumstances. As from May 25, 2018, and subject to conditions set forth in applicable law, the Participant also is entitled to (i) restrict the processing of his or her 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 this Agreement or generated by the Participant, in a common machine-readable format. To exercise his or her rights, the Participant 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 dataprotection@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

- 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, upon Termination of employment due to becoming Disabled, or upon a Termination of employment under circumstances which would qualify the Participant for benefits under a severance plan of the Corporation, including execution of any general release required under the severance plan. 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, 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 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, to the extent permitted by law, 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 delegee, 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:

(a) The Participant hereby explicitly, unambiguously and voluntarily consents to the collection, use, disclosure and transfer, in electronic or other form, of his or her personal data as described in this Agreement and any other RSUs materials ("Data") by and among, as applicable, any Employing Company and the Corporation for the exclusive purpose of implementing, administering, and managing his or her participation in the Plan.

(b) The Participant understands that any Employing Company and the Corporation may collect, maintain, process and disclose certain personal information about him or her, including, but not limited to, his or her 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 equity awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in his or her favor, for the exclusive purpose of implementing, administering, and managing the Plan.

(c) The Participant acknowledges that Data will be transferred to any broker as designated by the Corporation and/or one or more stock plan service provider(s) selected by the Corporation, which may assist the Corporation with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different, including less stringent, data privacy laws and protections than his or her 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 his or her local human resources representative. The Participant authorizes the Corporation and any other possible recipients that may assist the Corporation (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing his or her 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.

(d) The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan, including to maintain records regarding participation. The Participant understands that if he or she resides in certain jurisdictions, to the extent required by applicable laws, he or she may, at any time, request access to Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents given by accepting these RSUs, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing these consents on a purely voluntary basis. If the Participant does not consent or if he or she later seeks to revoke his or her consent, his or her engagement as a service provider with any Employing Company and the Corporation will not be adversely affected; the only consequence of refusing or withdrawing his or her consent is that the Corporation will not be able to grant him or her RSUs under the Plan or administer or maintain RSUs. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan (including the right to retain these RSUs). The Participant understands that he or she may contact his or her local human resources representative for more information on the consequences of his or her refusal to consent or withdrawal of consent.

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.

- (c) **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 in the event that the Employee breaches the 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 January 2020. 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.

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 Regulation 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. The grant of the RSUs is exempt from the requirement to publish a prospectus under the EU Prospectus Regulation as implemented in the United Kingdom. The 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.

Tax Consultation. Participant understands that he or she may suffer adverse tax consequences as a result of Participant's acquisition or disposition of the Shares. Participant represents that he or she will consult with any tax advisors that Participant deems appropriate in connection with the acquisition or disposition of the Shares and that Participant is not relying on the Employing Company and the Corporation for any tax advice.

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.

(a) **Data Collected and Purposes of Collection.** The Participant understands that the Corporation, acting as controller, as well as the Employing Company, 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 the 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 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 the Participant's favor, and where applicable Service termination date and reason for termination (all such personal information is referred to as "**Data**"). The Data is collected from the Participant, any Employing Company and 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 this Agreement. The Data must be provided in order for the Participant to participate in the Plan and for the parties to this 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 this Agreement.

(b) **Transfers and Retention of Data.** The Participant acknowledges and understands that the Employing Company will transfer Data to the Corporation for purposes of plan administration. The Employing Company and the Corporation 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 this 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 and is not listed by the Swiss supervisory authority as a country with adequate data protection legislation. Where a recipient is located in a country that does not benefit from an adequacy decision or adequacy listing, the transfer of the Data to that recipient will be made pursuant to European Commission-approved standard contractual clauses when required by applicable law, a copy of which may be obtained by contacting dataprotection@sk.uss.com or complianceofficer@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 this Agreement, and for the duration of the relevant statutes of limitations, which may be longer than the term of this Agreement.

(c) **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 his or her 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 the Participant's Data erased, under certain circumstances. As from May 25, 2018, and subject to conditions set forth in applicable law, the Participant also is entitled to (i) restrict the processing of his or her 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 this Agreement or generated by the

Participant, in a common machine-readable format. To exercise his or her rights, the Participant 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 dataprotection@sk.uss.com.

**Administrative Procedures for the
Executive Management Annual Incentive Compensation Plan
under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan
As approved by the Compensation & Organization Committee on February 25, 2020**

1. **Administration.** The Compensation & Organization Committee (the “Committee”) shall administer the Annual Incentive Compensation Plan (the “Plan”) under and pursuant to Section 3.01 of the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan (the “Omnibus Plan”). Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth in the Omnibus Plan.
2. **Participation/Eligibility.** All management employees of the Corporation, its Subsidiaries and affiliates are eligible to participate in the Plan 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 Plan 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 Plan, and nothing contained in the Plan 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 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 = ((September 30, 2020 Accounts Receivable, net + December 31, 2020 Accounts Receivable, net) / 2) / (4th Quarter 2020 Net Sales / 92)
 - (b) Days Inventory Outstanding = ((September 30, 2020 Inventory + December 31, 2020 Inventory) / 2) / (4th Quarter 2020 Cost of Goods Sold / 92)
 - (c) Days Payable Outstanding = ((September 30, 2020 Accounts Payable + December 31, 2020 Accounts Payable / 2) / (4th Quarter 2020 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 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 Formula

- A. Incentive Award Formula. The award for each Participant shall be calculated as follows: (Individual Incentive Target x Total Corporate Payout Percent) + (Individual Incentive Target x Individual Performance Payout Percent).
- B. Total Corporate Payout Percent. Unless otherwise determined by the Committee when establishing the Incentive Award Goals, the weighting assigned to each of the corporate performance measures shall be as follows:
 - (1) Segment EBITDA/Total EBITDA. Segment EBITDA/Total EBITDA shall be weighted at 75% of the Total Corporate Payout Percent.
 - (2) Cash Conversion Cycle. CCC shall be weighted at 25% of the Total Corporate Payout Percent.
- C. Individual Performance Payout Percent. The Individual Performance Payout Percent may range from -15% (representing performance that is below expectations) to 30% (representing performance that far exceeds expectations). Notwithstanding the foregoing, the Committee may determine that an Incentive Award shall be forfeited for performance that does not meet expectations.
- D. Maximum Award Level. The maximum award shall be 230% 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, as well as each component payout percentage 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 Omnibus 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 Omnibus 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 Plan 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 Omnibus 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 Omnibus 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 Omnibus 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 Plan 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 Plan 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 Plan, 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 Omnibus 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.

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.

May 1, 2020

/s/ David B. Burritt

David B. Burritt

President and Chief Executive Officer

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Christine S. Breves, 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.

May 1, 2020

/s/ Christine S. Breves

Christine S. Breves

Senior 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, 2020, 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

May 1, 2020

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, Christine S. Breves, Senior 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, 2020, 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/ Christine S. Breves

Christine S. Breves

Senior Vice President and Chief Financial Officer

May 1, 2020

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, 2020

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)	39	2	—	—	—	\$286,048	—	no	no	31	31	34
Keewatin (2103352)	11	—	—	—	—	\$44,500	—	no	no	14	14	—

^(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 45 legal actions were to contest citations and proposed assessments.