

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, 2022

Or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number **1-16811**



**United States Steel Corporation**

**United States Steel Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**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 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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. (Check one):

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 25, 2022 – 260,634,961 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,” “plan,” “goal,” “future,” “will,” “may” and similar expressions or by using future dates in connection with any discussion of, among other things, the construction or operation of new or existing facilities, 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, anticipated disruptions to our operations and industry due to the COVID-19 pandemic, changes in global supply and demand conditions and prices for our products, international trade duties and other aspects of international trade policy, statements regarding our future strategies, products and innovations, statements regarding our greenhouse gas emissions intensity reduction goals and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, the risks and uncertainties described in this report and in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 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 (i) “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, (ii) “Big River Steel” refer to Big River Steel Holdings LLC and its direct and indirect subsidiaries unless otherwise indicated by the context and (iii) “Transtar” refers to Transtar LLC and its direct and indirect 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,	
	2022	2021
<b>Net sales:</b>		
Net sales	\$ 4,843	\$ 3,369
Net sales to related parties (Note 19)	391	295
Total (Note 6)	5,234	3,664
<b>Operating expenses (income):</b>		
Cost of sales	3,823	3,074
Selling, general and administrative expenses	117	102
Depreciation, depletion and amortization	198	189
Earnings from investees	(36)	(14)
Gain on equity investee transactions (Note 5)	—	(111)
Restructuring and other charges (Note 20)	17	6
Net gain on sale of assets	(2)	—
Other gains, net	(1)	(7)
Total	4,116	3,239
<b>Earnings before interest and income taxes</b>	<b>1,118</b>	<b>425</b>
Interest expense	50	92
Interest income	(1)	(1)
Loss on debt extinguishment	—	255
Other financial costs	2	18
Net periodic benefit income	(61)	(31)
Net interest and other financial (benefits) costs	(10)	333
<b>Earnings before income taxes</b>	<b>1,128</b>	<b>92</b>
Income tax expense (Note 12)	246	1
Net earnings	882	91
Less: Net earnings attributable to noncontrolling interests	—	—
<b>Net earnings attributable to United States Steel Corporation</b>	<b>\$ 882</b>	<b>\$ 91</b>
<b>Earnings per common share (Note 13):</b>		
Earnings per share attributable to United States Steel Corporation stockholders:		
-Basic	\$ 3.37	\$ 0.36
-Diluted	\$ 3.02	\$ 0.35

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

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

(Dollars in millions)	Three Months Ended March 31,	
	2022	2021
Net earnings	\$ 882	\$ 91
Other comprehensive income (loss), net of tax:		
Changes in foreign currency translation adjustments	(28)	(47)
Changes in pension and other employee benefit accounts	(3)	24
Changes in derivative financial instruments	22	(20)
Total other comprehensive loss, net of tax	(9)	(43)
Comprehensive income including noncontrolling interest	873	48
Comprehensive income attributable to noncontrolling interest	—	—
Comprehensive income attributable to United States Steel Corporation	\$ 873	\$ 48

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, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 7)	\$ 2,866	\$ 2,522
Receivables, less allowance of \$40 and \$44	2,267	1,968
Receivables from related parties (Note 19)	148	121
Inventories (Note 8)	2,663	2,210
Other current assets	436	331
Total current assets	8,380	7,152
Long-term restricted cash (Note 7)	58	76
Operating lease assets	174	185
Property, plant and equipment	19,965	19,676
Less accumulated depreciation and depletion	12,549	12,422
Total property, plant and equipment, net	7,416	7,254
Investments and long-term receivables, less allowance of \$4 in both periods	727	694
Intangibles, net (Note 9)	509	519
Deferred income tax benefits (Note 12)	24	32
Goodwill (Note 9)	920	920
Other noncurrent assets	1,016	984
Total assets	\$ 19,224	\$ 17,816
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 3,172	\$ 2,809
Accounts payable to related parties (Note 19)	171	99
Payroll and benefits payable	407	425
Accrued taxes	492	365
Accrued interest	47	68
Current operating lease liabilities	56	58
Short-term debt and current maturities of long-term debt (Note 15)	60	28
Total current liabilities	4,405	3,852
Noncurrent operating lease liabilities	127	136
Long-term debt, less unamortized discount and debt issuance costs (Note 15)	3,917	3,863
Employee benefits	195	235
Deferred income tax liabilities (Note 12)	216	122
Deferred credits and other noncurrent liabilities	573	505
Total liabilities	9,433	8,713
Contingencies and commitments (Note 21)		
<b>Stockholders' Equity (Note 17):</b>		
Common stock (282,244,228 and 279,522,227 shares issued) (Note 13)	282	280
Treasury stock, at cost (21,552,955 shares and 15,708,839 shares)	(477)	(334)
Additional paid-in capital	5,146	5,199
Retained earnings	4,425	3,534
Accumulated other comprehensive income (Note 18)	322	331
Total United States Steel Corporation stockholders' equity	9,698	9,010
Noncontrolling interests	93	93
Total liabilities and stockholders' equity	\$ 19,224	\$ 17,816

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,	
	2022	2021
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>		
<b>Operating activities:</b>		
Net earnings	\$ 882	\$ 91
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, depletion and amortization	198	189
Gain on equity investee transactions	—	(111)
Restructuring and other charges (Note 20)	17	6
Loss on debt extinguishment	—	255
Pensions and other postretirement benefits	(60)	(25)
Deferred income taxes (Note 12)	121	3
Net gain on sale of assets	(2)	—
Equity investee earnings, net of distributions received	(36)	(14)
Changes in:		
Current receivables	(355)	(477)
Inventories	(467)	(183)
Current accounts payable and accrued expenses	360	386
Income taxes receivable/payable	140	3
All other, net	(27)	(12)
Net cash provided by operating activities	771	111
<b>Investing activities:</b>		
Capital expenditures	(349)	(136)
Acquisition of Big River Steel, net of cash acquired (Note 5)	—	(625)
Proceeds from sale of assets	4	—
Other investing activities	(7)	(1)
Net cash used in investing activities	(352)	(762)
<b>Financing activities:</b>		
Repayment of short-term debt (Note 15)	—	(180)
Revolving credit facilities - borrowings, net of financing costs (Note 15)	—	50
Revolving credit facilities - repayments (Note 15)	—	(671)
Issuance of long-term debt, net of financing costs (Note 15)	4	826
Repayment of long-term debt (Note 15)	(6)	(1,379)
Net proceeds from public offering of common stock (Note 22)	—	791
Common stock repurchased (Note 22)	(123)	—
Proceeds from government incentives (Note 21)	82	—
Other financing activities	(28)	(10)
Net cash used in financing activities	(71)	(573)
<b>Effect of exchange rate changes on cash</b>	(7)	(12)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	341	(1,236)
<b>Cash, cash equivalents and restricted cash at beginning of year (Note 7)</b>	2,600	2,118
<b>Cash, cash equivalents and restricted cash at end of period (Note 7)</b>	\$ 2,941	\$ 882
<b>Non-cash investing and financing activities:</b>		
Change in accrued capital expenditures	\$ 22	\$ 5
U. S. Steel common stock issued for employee/non-employee director stock plans	45	18
Capital expenditures funded by finance lease borrowings	7	1
Export Credit Agreement (ECA) financing	—	23

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

The year-end Consolidated Balance Sheet data was derived from audited statements but does not include all disclosures required for complete financial statements by accounting principles generally accepted in the United States of America (U.S. GAAP). The other information in these 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, including assessment of certain accounting matters using all available information such as consideration of forecasted financial information in context with other information reasonably available to us. However, our future assessment of our current expectations, including consideration of the unknown future impacts of the COVID-19 pandemic, could result in material impacts to our consolidated financial statements in future reporting periods. 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, 2021, which should be read in conjunction with these condensed financial statements.

### 2. New Accounting Standards

In October 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2021-08, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (ASU 2021-08). ASU 2021-08 requires that an entity recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, Revenue from Contracts with Customers. ASU 2021-08 is effective to public companies for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, with early adoption of all amendments in the same period permitted. The Company is currently assessing the impact of ASU 2021-08 but does not believe it will have a material impact on its Condensed Consolidated Financial Statements.

### 3. Recently Adopted Accounting Standards

In August 2020, the FASB issued Accounting Standards Update 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. ASU 2020-06 also requires entities to provide expanded disclosures about the terms and features of convertible instruments and amends certain guidance in ASC 260 on the computation of earnings per share (EPS) for convertible instruments and contracts on an entity's own equity. The update requires entities to use the If-Converted Method for calculating diluted earnings per share, retiring the previous alternative calculation of the Treasury Stock Method for calculating diluted earnings per share for convertible instruments.

U. S. Steel has adopted this guidance using the modified retrospective implementation method as of January 1, 2022. The cumulative effect of the changes made to our consolidated January 1, 2022, balance sheet for the adoption of ASU 2020-06 was as follows:

<i>(in millions)</i>	Balance as of December 31, 2021	Adjustments due to ASU 2020-06	Balance as of January 1, 2022
<b>Condensed Consolidated Balance Sheet</b>			
<b>Assets</b>			
Deferred income tax benefits	32	4	36
<b>Liabilities</b>			
Long-term debt, less unamortized discount and debt issuance costs	3,863	74	3,937
Deferred income tax liabilities	122	(15)	107
<b>Equity</b>			
Additional paid-in capital	5,199	(78)	5,121
Retained Earnings	3,534	22	3,556

In November 2021, the FASB issued Accounting Standards Update 2021-10, Disclosures by Business Entities about Government Assistance (ASU 2021-10). ASU 2021-10 provides expanded annual disclosure requirements for business entities that account for a transaction with a government by applying a grant or contribution accounting model by

analogy. U. S. Steel adopted this guidance effective January 1, 2022. The adoption of this guidance did not have a material impact on the Company's Condensed Consolidated Financial Statements.

#### 4. **Segment Information**

U. S. Steel has four reportable segments: North American Flat-Rolled (Flat-Rolled), Mini Mill, U. S. Steel Europe (USSE); and Tubular Products (Tubular). The Mini Mill segment reflects the acquisition of Big River Steel after the purchase of the remaining equity interest on January 15, 2021 (see Note 5 for further details) and a new mini mill under construction in Osceola, Arkansas. The Tubular Products segment includes the electric arc furnace at our Fairfield Tubular Operations in Fairfield, Alabama. The results of our real estate businesses and of our former railroad business are combined and disclosed in the Other category.

The results of segment operations for the three months ended March 31, 2022 and 2021 are:

<b>(In millions)</b> <b>Three Months Ended March 31, 2022</b>	<b>Customer Sales</b>	<b>Intersegment Sales</b>	<b>Net Sales</b>	<b>Earnings from investees</b>	<b>Earnings (loss) before interest and income taxes</b>
Flat-Rolled	\$ 2,954	\$ 52	\$ 3,006	\$ 30	\$ 513
Mini Mill	718	130	848	—	278
USSE	1,251	4	1,255	—	264
Tubular	309	3	312	6	77
Total reportable segments	5,232	189	5,421	36	1,132
Other	2	—	2	—	7
Reconciling Items and Eliminations	—	(189)	(189)	—	(21)
Total	\$ 5,234	\$ —	\$ 5,234	\$ 36	\$ 1,118
<b>Three Months Ended March 31, 2021</b>					
Flat-Rolled	\$ 2,272	\$ 43	\$ 2,315	\$ 5	\$ 146
Mini Mill	450	62	512	—	132
USSE	798	1	799	—	105
Tubular	134	4	138	3	(29)
Total reportable segments	3,654	110	3,764	8	354
Other	10	29	39	6	8
Reconciling Items and Eliminations	—	(139)	(139)	—	63
Total	\$ 3,664	\$ —	\$ 3,664	\$ 14	\$ 425

A summary of total assets by segment is as follows:

<b>(In millions)</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Flat-Rolled	\$ 7,924	\$ 7,337
Mini Mill <sup>(a)</sup>	4,850	4,715
USSE	6,400	6,111
Tubular	1,072	1,054
Total reportable segments	\$ 20,246	\$ 19,217
Other	\$ 123	\$ 88
Corporate, reconciling items, and eliminations <sup>(b)</sup>	(1,145)	(1,489)
Total assets	\$ 19,224	\$ 17,816

<sup>(a)</sup> Includes assets of \$587 million and \$347 million at March 31, 2022 and December 31, 2021, respectively, related to a new mini mill under construction in Osceola, Arkansas.

<sup>(b)</sup> The majority of corporate, reconciling items, and eliminations is comprised of cash and the elimination of intersegment amounts.



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

(In millions)	Three Months Ended March 31,	
	2022	2021
Items not allocated to segments:		
Restructuring and other charges (Note 20)	\$ (17)	\$ (6)
Other charges, net	(4)	(42)
Gains on assets sold and previously held investments	—	111
Total reconciling items	\$ (21)	\$ 63

## 5. Acquisitions and Dispositions

### **Big River Steel Acquisition**

On January 15, 2021, U. S. Steel purchased the remaining equity interest in Big River Steel for approximately \$625 million in cash net of \$36 million and \$62 million in cash and restricted cash received, respectively, and the assumption of liabilities of approximately \$50 million. There were acquisition related costs of approximately \$9 million recorded in 2021.

Prior to the closing of the acquisition on January 15, 2021, U. S. Steel accounted for its 49.9% equity interest in Big River Steel under the equity method as control and risk of loss were shared among the partnership members. Using step acquisition accounting the Company increased the value of its previously held equity investment to its fair value of \$770 million which resulted in a gain of approximately \$111 million. The gain was recorded in gain on equity investee transactions in the Condensed Consolidated Statement of Operations.

The acquisition has been accounted for in accordance with ASC 805, *Business combinations*. There were step-ups to fair value of approximately \$308 million, \$194 million and \$24 million for property, plant and equipment, debt and inventory, respectively. An intangible asset for customer relationships and goodwill of approximately \$413 million and \$916 million were also recorded, respectively. Goodwill represents the excess of purchase price over the fair market value of the net assets. Goodwill is primarily attributable to Big River Steel's operational abilities, workforce and the anticipated benefits from their recent expansion and will be partially tax deductible. The inventory step-up was fully amortized as of March 31, 2021, the intangible asset will be amortized over a 22-year period and the debt step-up will be amortized over the contractual life of the underlying debt. See Note 15 for further details.

The value of Big River Steel was determined using Level 3 valuation techniques. Level 3 valuation techniques include inputs to the valuation methodology that are considered unobservable and significant to the fair value measurement. A significant factor in determining the equity value was the discounted forecasted cash flows of Big River Steel. Forecasted cash flows are primarily impacted by the forecasted market price of steel and metallic inputs as well as the expected timing of significant capital expenditures. The model utilized a risk adjusted discount rate of 11.0% and a terminal growth rate of 2%.

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

	(in millions)
Assets Acquired:	
Receivables	\$ 166
Receivables with U. S. Steel <sup>(1)</sup>	99
Inventories	184
Other current assets	16
Property, plant and equipment	2,188
Intangibles	413
Goodwill	916
Other noncurrent assets	19
Total Assets Acquired	\$ 4,001

<b>Liabilities Assumed:</b>		
Accounts payable and accrued liabilities	\$	224
Payroll and benefits payable		27
Accrued taxes		9
Accrued interest		33
Short-term debt and current maturities of long-term debt		29
Long-term debt		1,997
Deferred income tax liabilities		26
Deferred credits and other long-term liabilities		211
Total Liabilities Assumed	\$	2,556
Fair value of previously held investment in Big River Steel	\$	770
Purchase price, including assumed liabilities and net of cash acquired		675
Difference in assets acquired and liabilities assumed	\$	1,445

<sup>(1)</sup> The transaction to purchase Big River Steel included receivables for payments made by Big River Steel on behalf of U. S. Steel for retention bonuses of \$22 million that impacted the previously held equity investment and for U. S. Steel liabilities assumed in the purchase of approximately \$50 million. In addition, there were assumed receivables of approximately \$27 million for steel substrate sales from Big River Steel to U. S. Steel. The receivables with U. S. Steel eliminate in consolidation with offsetting intercompany payables from U. S. Steel.

The following unaudited pro forma information for U. S. Steel includes the results of the Big River Steel acquisition as if it had been consummated on January 1, 2020. The unaudited pro forma information is based on historical information and is adjusted for amortization of the intangible asset, property, plant and equipment and debt fair value step-ups discussed above. Non-recurring acquisition related items included in the 2020 period include \$111 million for the gain on previously held equity investment, \$9 million in acquisition related costs and \$24 million in inventory step-up amortization related to the purchase of the remaining interest in Big River Steel. In addition, costs for non-recurring retention bonuses of \$44 million that occurred in January 2021 prior to the purchase of the remaining equity interest are included in the 2020 period. The pro forma information does not include any anticipated cost savings or other effects of the integration of Big River Steel. Accordingly, the unaudited pro forma information does not necessarily reflect the actual results that would have occurred, nor is it necessarily indicative of future results of operations. Pro forma adjustments were not tax-effected in 2020 as U. S. Steel had a full valuation allowance on its domestic deferred tax assets.

(in millions)	Three Months Ended March 31,			
	2021		2020	
Net sales	\$	3,736	\$	2,994
Net earnings (loss)	\$	18	\$	(367)

### ***Transtar Disposition***

On July 28, 2021, U. S. Steel completed the sale of 100 percent of its equity interests in its wholly-owned short-line railroad, Transtar, LLC (Transtar) to an affiliate of Fortress Transportation and Infrastructure Investors, LLC. The Company received net cash proceeds of \$627 million, subject to certain customary adjustments as set forth in the Membership Interest Purchase Agreement, and recognized a pretax gain of approximately \$506 million in 2021. In connection with the closing of the transaction, the Company entered into certain ancillary agreements including a railway services agreement, providing for continued rail services for its Gary and Mon Valley Works facilities, and a transition services agreement. Because Transtar does not represent a significant component of U. S. Steel's business and does not constitute a reportable business segment, its results through the date of disposition are reported in the Other category. See Note 4 for further details.

### ***Other Transactions***

In December 2021, the Company entered into an agreement to sell certain assets related to a component of its flat-rolling business. As a result of this commitment, the Company has recognized a total of \$106 million in restructuring-related charges during the fourth quarter 2021 and first quarter 2022. These charges are expected to be paid out on a long-term basis. This transaction is expected to result in a gain upon closure, which is subject to customary closing conditions.

## 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 real estate sales. Generally, U. S. Steel's performance obligations are satisfied and revenue is recognized 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.

The following tables disaggregate our revenue by product for each of the reportable business segments for the three months ended March 31, 2022 and 2021, respectively:

### **Net Sales by Product (In millions):**

Three Months Ended March 31, 2022	Flat-Rolled	Mini Mill	USSE	Tubular	Other	Total
Semi-finished	\$ 49	\$ —	\$ 1	\$ —	\$ —	\$ 50
Hot-rolled sheets	514	399	593	—	—	1,506
Cold-rolled sheets	971	92	139	—	—	1,202
Coated sheets	1,196	224	483	—	—	1,903
Tubular products	—	—	15	306	—	321
All Other <sup>(a)</sup>	224	3	20	3	2	252
<b>Total</b>	<b>\$ 2,954</b>	<b>\$ 718</b>	<b>\$ 1,251</b>	<b>\$ 309</b>	<b>\$ 2</b>	<b>\$ 5,234</b>

<sup>(a)</sup> Consists primarily of sales of raw materials and coke making by-products.

Three Months Ended March 31, 2021	Flat-Rolled	Mini Mill <sup>(b)</sup>	USSE	Tubular	Other	Total
Semi-finished	\$ 12	\$ —	\$ 3	\$ —	\$ —	\$ 15
Hot-rolled sheets	450	249	386	—	—	1,085
Cold-rolled sheets	784	79	83	—	—	946
Coated sheets	878	121	298	—	—	1,297
Tubular products	—	—	10	128	—	138
All Other <sup>(a)</sup>	148	1	18	6	10	183
<b>Total</b>	<b>\$ 2,272</b>	<b>\$ 450</b>	<b>\$ 798</b>	<b>\$ 134</b>	<b>\$ 10</b>	<b>\$ 3,664</b>

<sup>(a)</sup> Consists primarily of sales of raw materials and coke making by-products.

<sup>(b)</sup> Mini Mill segment added after January 15, 2021 with the purchase of the remaining equity interest in Big River Steel.

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

(In millions)	March 31, 2022	December 31, 2021	March 31, 2021
Cash and cash equivalents	\$ 2,866	\$ 2,522	\$ 753
Restricted cash in other current assets	17	2	7
Restricted cash in other noncurrent assets	58	76	122
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 2,941</b>	<b>\$ 2,600</b>	<b>\$ 882</b>

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

## 8. Inventories

The LIFO method is the predominant method of inventory costing for our Flat-Rolled and Tubular segments. The FIFO and moving average methods are the predominant inventory costing methods for our Mini Mill segment and the FIFO method is the predominant inventory costing method for our USSE segment. At March 31, 2022 and December 31, 2021, the LIFO method accounted for 41 percent and 46 percent of total inventory values, respectively.

(In millions)	March 31, 2022	December 31, 2021
Raw materials	\$ 1,098	\$ 713
Semi-finished products	1,112	1,056
Finished products	407	388
Supplies and sundry items	46	53
Total	\$ 2,663	\$ 2,210

Current acquisition costs were estimated to exceed the above inventory values by \$1.62 billion and \$896 million at March 31, 2022 and December 31, 2021, respectively. As a result of the liquidation of LIFO inventories, cost of sales decreased and earnings before interest and income taxes increased by \$8 million and \$1 million for the three months ended March 31, 2022 and 2021, respectively.

## 9. Intangible Assets and Goodwill

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, 2022			As of December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	22 Years	\$ 413	\$ 22	\$ 391	\$ 413	\$ 18	\$ 395
Patents	5-15 Years	17	11	6	17	11	6
Energy Contract	2 Years	54	17	37	54	11	43
Total amortizable intangible assets		\$ 484	\$ 50	\$ 434	\$ 484	\$ 40	\$ 444

Total estimated amortization expense for the remainder of 2022 is \$31 million. We expect approximately \$120 million in annual amortization expense through 2027 and approximately \$282 million in remaining amortization expense thereafter.

The carrying amount of acquired water rights with indefinite lives as of March 31, 2022 and December 31, 2021 totaled \$75 million.

Below is a summary of goodwill by segment for the three months ended March 31, 2022:

	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Balance at December 31, 2021	\$ —	\$ 916	\$ 4	\$ —	\$ 920
Additions	—	—	—	—	—
Balance at March 31, 2022	\$ —	\$ 916	\$ 4	\$ —	\$ 920

# 10. Pensions and Other Benefits

The following table reflects the components of net periodic benefit (income) cost for the three months ended March 31, 2022 and 2021:

(In millions)	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Service cost	\$ 11	\$ 14	\$ 2	\$ 3
Interest cost	39	40	12	12
Expected return on plan assets	(89)	(89)	(22)	(20)
Amortization of prior service credit	—	—	(7)	(7)
Amortization of actuarial net loss (gain)	18	38	(13)	(6)
Net periodic benefit cost (income), excluding below	(21)	3	(28)	(18)
Multiemployer plans	19	19	—	—
Settlement, termination and curtailment losses <sup>(a)</sup>	1	—	—	—
Net periodic benefit cost (income)	\$ (1)	\$ 22	\$ (28)	\$ (18)

(a) During the three months ended March 31, 2022, pension benefits incurred special termination charges of approximately \$1 million due to workforce restructuring.

## Employer Contributions

During the first three months of 2022, U. S. Steel made cash payments of \$18 million to the Steelworkers Pension Trust and \$1 million of pension payments not funded by trusts.

During the first three months of 2022, cash payments of \$12 million were made for other postretirement benefit payments not funded by trusts.

Company contributions to defined contribution plans totaled \$11 million and \$10 million for the three months ended March 31, 2022 and 2021, respectively.

# 11. 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, or its designee, under the 2005 Stock Incentive Plan (2005 Plan) and the 2016 Omnibus Incentive Compensation Plan, as amended and restated (Omnibus Plan). The Company's stockholders approved the Omnibus Plan and authorized the Company to issue up to 32,700,000 shares of U. S. Steel common stock under the Omnibus Plan. 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, 2022, there were 9,339,845 shares available for future grants 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 2022 and 2021.

Grant Details	2022		2021	
	Shares <sup>(a)</sup>	Fair Value <sup>(b)</sup>	Shares <sup>(a)</sup>	Fair Value <sup>(b)</sup>
Restricted Stock Units	1,169,470	\$ 24.27	1,418,380	\$ 17.92
Performance Awards <sup>(c)</sup>				
TSR	225,030	\$ 28.53	306,930	\$ 19.46
ROCE <sup>(d)</sup>	396,280	\$ 23.60	485,900	\$ 17.92

(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 share grant of the award.

(d) A portion of ROCE awards granted in 2022 and 2021 are not shown in the table because they were granted in cash.

U. S. Steel recognized pretax stock-based compensation expense in the amount of \$16 million and \$11 million in the three-month periods ended March 31, 2022 and 2021, respectively.

As of March 31, 2022, total future compensation expense related to nonvested stock-based compensation arrangements was \$91 million, and the weighted average period over which this expense is expected to be recognized is approximately 22 months.

### Stock Options

Compensation expense for stock options is recorded over the vesting period based on the fair value on the date of grant, as calculated by U. S. Steel using the Black-Scholes model and the assumptions listed below. Awards generally vest ratably over a three-year service period and have a term of ten years. Stock options are generally issued at the average market price of the underlying stock on the date of the grant. Upon exercise of stock options, shares of U. S. Steel stock are issued from treasury stock or from authorized, but unissued common stock. There have been no stock options granted since 2017 other than the 171,000 performance-based stock options granted in December 2021, which are further described below.

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

The 171,000 performance-based stock options granted in December 2021 do not become vested and exercisable until the Company's 20-trading day average closing stock price meets or exceeds the following stock price hurdles during the seven-year period beginning on the grant date, as follows:

20-trading day Average Closing Stock Price Achievement During 7-Year Period Beginning on Grant Date	Percentage of Performance-Based Stock Options Exercisable
\$ 35.00	33.33 %
\$ 45.00	33.33 %
\$ 55.00	33.34 %

### Stock Awards

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 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 performance metric. For the 2022 ROCE performance awards, each year in the three-year performance period is weighted at 20 percent and the full three-year period is weighted at 40 percent of the total award. ROCE performance awards can vest 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.

In December 2021, special performance-based restricted stock unit awards (PSUs) were granted to members of the Company's executive leadership team. Shares are earned based on the achievement of certain pre-set quantitative performance criteria during the four-year performance period, January 1, 2022 through December 31, 2025. Shares may vest following the expiration of the Performance Period if the Company satisfies the performance criteria.

The Chief Executive Officer was granted PSUs that vest with the following, equally weighted, performance metrics: (i) EBITDA margin expansion, (ii) greenhouse gas emissions intensity reduction, (iii) asset portfolio optimization, (iv) leverage metrics and (v) corporate relative valuation. Other members of the executive leadership team were granted PSUs that vest with performance criteria related to: (i) on time and on budget completion of the second mini mill (30% of the grant), (ii) EBITDA margin expansion (40% of the grant) and (iii) greenhouse gas emissions intensity reduction (30% of the grant).

For the PSU awards, a payout is achievable at threshold (50% of target), target (100% of target) or maximum (200% of target) performance achievement. Payout amounts will be interpolated between the threshold, target and maximum amounts.

## 12. Income Taxes

### **Tax provision**

For the three months ended March 31, 2022 and 2021, the Company recorded a tax provision of \$246 million and \$1 million, respectively. The Company also recorded an increase in its long-term state deferred tax asset of \$4 million and a decrease in its long-term federal deferred tax liability of \$15 million related to the adoption of ASU 2020-06. The tax provisions for the first three months of 2022 and 2021 were based on an estimated annual effective rate, which requires management to make its best estimate of annual pretax income or loss and discrete items recognized during the period.

The tax provision for the three months ended March 31, 2021 includes a \$4 million benefit relating to favorably settling prior tax period state income tax matters. Due to the full valuation allowance on our domestic deferred tax assets, the tax provision in 2021 does not reflect any material tax expense for domestic pretax earnings.

Throughout 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 2022 pretax results for U.S. and foreign income or loss vary from estimates applied herein, the actual tax provision or benefit recognized in 2022 could be materially different from the forecasted amount used to estimate the tax provision for the three months ended March 31, 2022.

## 13. Earnings and Dividends Per Common Share

### **Earnings Per Share Attributable to United States Steel Corporation Stockholders**

The effect of dilutive securities on weighted average common shares outstanding included in the calculation of diluted earnings per common share for the three months ended March 31, 2022 and March 31, 2021 were as follows.

(Dollars in millions, except per share amounts)	Three Months Ended March 31,	
	2022	2021
Earnings attributable to United States Steel Corporation stockholders	\$ 882	\$ 91
Weighted-average shares outstanding (in thousands):		
Basic	261,453	249,351
Effect of Senior Convertible Notes <sup>(a)</sup>	26,194	8,467
Effect of stock options, restricted stock units and performance awards	5,620	4,151
Adjusted weighted-average shares outstanding, diluted <sup>(a)</sup>	293,267	261,969
Basic earnings per common share	\$ 3.37	\$ 0.36
Diluted earnings per common share	\$ 3.02	\$ 0.35

Excluded from the computation of diluted earnings per common share due to their anti-dilutive effect were 0.6 million and 1.4 million outstanding securities granted under the Omnibus Plan for the three months ended March 31, 2022 and 2021, respectively.

### **Dividends Paid Per Share**

The dividend for the first quarter of 2022 and 2021 was five cents and one cent per common share, respectively.

## 14. Derivative Instruments

U. S. Steel uses foreign exchange forward sales contracts (foreign exchange forwards) with maturities up to 31 months to manage our currency requirements and exposure to foreign currency exchange rate fluctuations. The USSE and Flat-Rolled segments use hedge accounting for their foreign exchange forwards. The Mini Mill segment has not elected hedge accounting; therefore, the changes in the fair value of their foreign exchange forwards are recognized immediately in the Consolidated Statements of Operations (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, tin, electricity and iron ore pellets (commodity purchase swaps). We elected cash flow hedge accounting for commodity purchase swaps for natural gas, zinc and tin and iron ore pellets and use mark-to-market accounting for electricity swaps. The maximum derivative contract duration for commodity purchase swaps where hedge accounting was elected and was not elected is 9 months and 21 months, respectively.

U. S. Steel has entered into financial swaps that are used to partially manage the sales price risk of certain hot-rolled coil sales (sales swaps) and iron ore pellet sales (zero cost collars). Both the sales swaps and the zero cost collars are accounted for using hedge accounting and have maturities of up to 9 months.



The table below shows the outstanding swap quantities used to hedge forecasted purchases and sales as of March 31, 2022 and March 31, 2021:

Hedge Contracts	Classification	March 31, 2022	March 31, 2021
Natural gas (in mmbtus)	Commodity purchase swaps	43,265,000	26,223,000
Tin (in metric tons)	Commodity purchase swaps	2,430	1,555
Zinc (in metric tons)	Commodity purchase swaps	15,679	19,021
Electricity (in megawatt hours)	Commodity purchase swaps	724,320	1,074,720
Iron ore pellets (in metric tons)	Commodity purchase swaps	30,000	—
Iron ore pellets (in metric tons)	Zero-cost collars	1,080,000	—
Hot-rolled coils (in tons)	Sales swaps	110,000	192,720
Foreign currency (in millions of euros)	Foreign exchange forwards	€ 311	€ 237
Foreign currency (in millions of dollars)	Foreign exchange forwards	\$ 158	\$ 9

The following summarizes the fair value amounts included in our Condensed Consolidated Balance Sheets as of March 31, 2022, and December 31, 2021:

Balance Sheet Location (in millions)	March 31, 2022	December 31, 2021
<b>Designated as Hedging Instruments</b>		
Accounts receivable	\$ 103	\$ 42
Accounts payable	98	59
Investments and long-term receivables	—	2
Other long-term liabilities	3	4
<b>Not Designated as Hedging Instruments</b>		
Accounts receivable	13	5
Investments and long-term receivables	7	5

The table below summarizes the effect of hedge accounting on Accumulated Other Comprehensive Income (AOCI) and amounts reclassified from AOCI into earnings for the three months ended March 31, 2022 and 2021:

(In millions)	Gain (Loss) on Derivatives in AOCI			Amount of Gain (Loss) Recognized in Income	
	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Location of Reclassification from AOCI <sup>(a)</sup>	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Sales swaps	\$ (57)	\$ (44)	Net sales	\$ (26)	\$ (10)
Commodity purchase swaps	88	10	Cost of sales <sup>(b)</sup>	22	(1)
Foreign exchange forwards	(2)	19	Cost of sales	8	(5)

<sup>(a)</sup> The earnings impact of our hedging instruments substantially offsets the earnings impact of the related hedged items resulting in immaterial ineffectiveness.

<sup>(b)</sup> Costs for commodity purchase swaps are recognized in cost of sales as products are sold.

At current contract values, \$86 million currently in AOCI as of March 31, 2022 will be recognized as a decrease in cost of sales over the next year and \$81 million currently in AOCI as of March 31, 2022 will be recognized as a decrease in net sales over the next year.

The loss recognized for foreign exchange forwards and financial swaps where hedge accounting was not elected was \$9 million for the three months ended March 31, 2022. The loss recognized for foreign exchange forwards and financial swaps where hedge accounting was not elected was \$9 million for the three months ended March 31, 2021.



## 15. Debt

(In millions)	Issuer/Borrower	Interest Rates %	Maturity	March 31, 2022	December 31, 2021
2037 Senior Notes	U. S. Steel	6.650	2037	350	350
2029 Senior Secured Notes	Big River Steel	6.625	2029	720	720
2029 Senior Notes	U. S. Steel	6.875	2029	748	750
2026 Senior Convertible Notes	U. S. Steel	5.000	2026	350	350
Environmental Revenue Bonds	U. S. Steel	4.125 - 6.750	2024 - 2050	647	647
Environmental Revenue Bonds	Big River Steel	4.500 - 4.750	2049	752	752
Finance leases and all other obligations	U. S. Steel	Various	2022 - 2029	74	67
Finance leases and all other obligations	Big River Steel	Various	2022 - 2031	126	122
Export Credit Agreement	U. S. Steel	Variable	2031	136	136
Credit Facility Agreement	U. S. Steel	Variable	2024	—	—
Big River Steel ABL Facility	Big River Steel	Variable	2026	—	—
USSK Credit Agreement	U. S. Steel Kosice	Variable	2026	—	—
USSK Credit Facility	U. S. Steel Kosice	Variable	2024	—	—
Total Debt				3,903	3,894
Less unamortized discount, premium, and debt issuance costs				(74)	3
Less short-term debt, long-term debt due within one year, and short-term issuance costs				60	28
Long-term debt				\$ 3,917	\$ 3,863

### 2029 Senior Notes

During the three months ended March 31, 2022, open market repurchases were made of approximately \$2 million of aggregate principal on the 6.875% Senior Notes due 2029. An immaterial amount of repurchase premium was incurred related to the repayment.

### 2026 Senior Convertible Notes

In October 2019, U. S. Steel issued \$350 million of 5.00% Senior Convertible Notes due November 1, 2026 (2026 Senior Convertible Notes). Interest on the 2026 Senior Convertible Notes is payable semi-annually on May 1 and November 1 of each year. The initial conversion rate for the 2026 Senior Convertible Notes is 74.8391 shares of U. S. Steel common stock per \$1,000 principal amount, equivalent to an initial conversion price of approximately \$13.36 per share of common stock, subject to adjustment pursuant to the 2026 Senior Convertible Notes indenture. Based on the initial conversion rate, the 2026 Senior Convertible Notes are convertible into 26,193,685 shares of U. S. Steel common stock and we reserved for the possible issuance of 33,396,930 shares, which is the maximum amount that could be issued upon conversion. Prior to August 1, 2026, holders of notes may convert all or a portion of their notes at their option only upon the satisfaction of specified conditions and during certain periods. On or after August 1, 2026, holders may convert all or a portion of their notes prior to the maturity date. Upon conversion, we will satisfy the obligation with cash, common stock, or a combination thereof, at our election. U. S. Steel may not redeem the 2026 Senior Convertible Notes prior to November 5, 2023. On or after November 5, 2023 and prior to August 1, 2026, if the price per share of U. S. Steel's common stock has been at least 130% of the conversion price for specified periods, U. S. Steel may redeem all or a portion of the 2026 Senior Convertible Notes at a cash redemption price of 100% of the principal amount, plus accrued and unpaid interest.

If U. S. Steel undergoes a fundamental change, as defined in the 2026 Senior Convertible Notes, holders may require us to repurchase the 2026 Senior Convertible Notes in whole or in part for cash at a price equal to 100% of the principal amount of the 2026 Senior Convertible Notes to be purchased plus any accrued and unpaid interest up to, but excluding the repurchase date.

**Big River Steel - Sustainability Linked ABL Facility**

Big River Steel's amended senior secured asset-based revolving credit facility (Big River Steel ABL Facility) matures on July 23, 2026. The facility is secured by first-priority liens on accounts receivable and inventory and certain other assets and second priority liens on most tangible and intangible assets of Big River Steel in each case subject to permitted liens. Additionally, the amendment includes sustainability targets related to carbon reduction, safety performance and facility certification by ResponsibleSteel™.

The Big River Steel ABL Facility provides for borrowings for working capital and general corporate purposes in an amount equal up to the lesser of (a) \$350 million and (b) a borrowing base calculated based on specified percentages of eligible accounts receivables and inventory, subject to certain adjustments and reserves.

Big River Steel LLC must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 for the most recent twelve consecutive months when availability under the Big River Steel ABL Facility is less than the greater of ten percent of the borrowing base availability and \$13 million. Based on the most recent four quarters as of March 31, 2022, Big River Steel would have met the fixed charge coverage ratio test. The facility includes affirmative and negative covenants and events of default that are customary for facilities of this type.

There were no loans outstanding under the Big River Steel ABL Facility at March 31, 2022.

**U. S. Steel - Sustainability Linked Credit Facility Agreement**

U. S. Steel's Fifth Amended and Restated Credit Facility Agreement (Credit Facility Agreement) matures on October 25, 2024. The facility is secured by first-priority liens on certain accounts receivable and inventory and includes targets related to carbon reduction, safety performance and facility certification by ResponsibleSteel™.

The Credit Facility Agreement provides for borrowings for working capital and general corporate purchases in an amount equal to the lesser of (a) \$1,750 million or (b) a borrowing base calculated based on specified percentages of eligible accounts receivable and inventory, subject to certain adjustments and reserves. As of March 31, 2022, there were approximately \$4 million of letters of credit issued and no loans drawn under the 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 ten percent of the total aggregate commitments and \$175 million. Based on the most recent four quarters as of March 31, 2022, the Company would have met the fixed charge coverage ratio test.

**U. S. Steel Košice (USSK) Credit Facilities**

On September 29, 2021, USSK entered into a €300 million (approximately \$333 million) unsecured sustainability linked credit agreement (USSK Credit Agreement). The USSK Credit Agreement matures in 2026 and contains sustainability targets related to carbon reduction, safety performance and facility certification by ResponsibleSteel™. At March 31, 2022, USSK had no borrowings under the USSK Credit Agreement.

At March 31, 2022, USSK had no borrowings under its €20 million credit facility (approximately \$22 million) (USSK Credit Facility) and the availability was approximately \$14 million due to approximately \$8 million of customs and other guarantees outstanding.

**16. Fair Value of Financial Instruments**

The carrying value of cash and cash equivalents, current accounts and notes receivable, accounts payable and accrued interest included in the Condensed Consolidated Balance Sheet approximate fair value. See Note 14 for disclosure of U. S. Steel's derivative instruments, which are accounted for at fair value on a recurring basis.

**Stelco Option for Minntac Mine Interest**

On April 30, 2020 (Effective Date), the Company entered into an Option Agreement with Stelco, Inc. (Stelco), that grants Stelco the option to purchase a 25 percent interest (Option Interest) in a to-be-formed entity (Joint Venture) that will own the Company's current iron ore mine located in Mt. Iron, Minnesota (Minntac Mine). As consideration for the Option, Stelco paid the Company an aggregate amount of \$100 million in five \$20 million installments during the year-ended December 31, 2020 which are recorded net of transaction costs in the Condensed Consolidated Balance Sheet. In the event Stelco exercises the option, Stelco will contribute an additional \$500 million to the Joint Venture, which amount shall be remitted solely to U. S. Steel in the form of a one-time special distribution, 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.

The following table summarizes U. S. Steel's financial liabilities that were not carried at fair value at March 31, 2022 and December 31, 2021. The fair value of long-term debt was determined using Level 2 inputs.

(In millions)	March 31, 2022		December 31, 2021	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
<b>Financial liabilities:</b>				
Long-term debt <sup>(a)</sup>	\$ 4,508	\$ 3,777	\$ 4,379	\$ 3,702

<sup>(a)</sup> Excludes finance lease obligations.

## 17. Statement of Changes in Stockholders' Equity

The following table reflects the first three months of 2022 and 2021 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, 2022 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock	Treasury Stock	Paid-in Capital	Non-Controlling Interest
Balance at beginning of year	\$ 9,103	\$ 3,534	\$ 331	\$ 280	\$ (334)	\$ 5,199	\$ 93
Comprehensive income (loss):							
Net earnings	882	882	—	—	—	—	—
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	(3)	—	(3)	—	—	—	—
Currency translation adjustment	(28)	—	(28)	—	—	—	—
Derivative financial instruments	22	—	22	—	—	—	—
Employee stock plans	7	—	—	2	(20)	25	—
Common Stock Repurchased	(123)	—	—	—	(123)	—	—
Dividends paid on common stock	(13)	(13)	—	—	—	—	—
Cumulative effect upon adoption of Accounting Standards Update 2020-06	(56)	22	—	—	—	(78)	—
Balance at March 31, 2022	\$ 9,791	\$ 4,425	\$ 322	\$ 282	\$ (477)	\$ 5,146	\$ 93

Three Months Ended March 31, 2021 (In millions)	Total	Accumulated Deficit	Accumulated Other Comprehensive Loss	Common Stock	Treasury Stock	Paid-in Capital	Non-Controlling Interest
Balance at beginning of year	\$ 3,879	\$ (623)	\$ (47)	\$ 229	\$ (175)	\$ 4,402	\$ 93
Comprehensive income (loss):							
Net earnings	91	91	—	—	—	—	—
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	24	—	24	—	—	—	—
Currency translation adjustment	(47)	—	(47)	—	—	—	—
Derivative financial instruments	(20)	—	(20)	—	—	—	—
Employee stock plans	6	—	—	2	(7)	11	—
Common Stock Issued	790	—	—	48	—	742	—
Dividends paid on common stock	(3)	—	—	—	—	(3)	—
Balance at March 31, 2021	\$ 4,720	\$ (532)	\$ (90)	\$ 279	\$ (182)	\$ 5,152	\$ 93

# 18. Reclassifications from Accumulated Other Comprehensive Income (AOCI)

(In millions)	Pension and Other Benefit Items	Foreign Currency Items	Unrealized (Loss) Gain on Derivatives	Total
Balance at December 31, 2021	\$ (25)	\$ 371	\$ (15)	\$ 331
Other comprehensive (loss) income before reclassifications	(2)	(28)	15	(15)
Amounts reclassified from AOCI <sup>(a)</sup>	(1)	—	7	6
Net current-period other comprehensive (loss) income	(3)	(28)	22	(9)
Balance at March 31, 2022	\$ (28)	\$ 343	\$ 7	\$ 322
Balance at December 31, 2020	\$ (458)	\$ 449	\$ (38)	\$ (47)
Other comprehensive loss before reclassifications	—	(47)	(34)	(81)
Amounts reclassified from AOCI <sup>(a)</sup>	24	—	14	38
Net current-period other comprehensive income (loss)	24	(47)	(20)	(43)
Balance at March 31, 2021	\$ (434)	\$ 402	\$ (58)	\$ (90)

<sup>(a)</sup> See table below for further details.

Details about AOCI components (in millions)	Amount reclassified from AOCI	
	Three Months Ended March 31,	
	2022	2021
Amortization of pension and other benefit items <sup>(a)</sup>		
Prior service credits	\$ (7)	\$ (7)
Actuarial losses	6	31
Settlement, termination and curtailment losses	—	—
Total pensions and other benefits items	(1)	24
Derivative reclassifications to Condensed Consolidated Statements of Operations	10	15
Total before tax	9	39
Tax provision	(3)	(1)
Net of tax	\$ 6	\$ 38

<sup>(a)</sup> These AOCI components are included in the computation of net periodic benefit cost. See Note 10 for additional details.

# 19. Transactions with Related Parties

Related party sales and service transactions are primarily related to equity investees and were \$391 million and \$295 million for the three months ended March 31, 2022 and 2021.

Accounts payable to related parties include balances due to PRO-TEC Coating Company, LLC (PRO-TEC) of \$170 million and \$98 million at March 31, 2022 and December 31, 2021, 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 \$1 million for both periods ending March 31, 2022 and December 31, 2021, respectively.

Purchases from related parties for outside processing services provided by equity investees amounted to \$7 million and \$20 million for the three months ended March 31, 2022 and 2021, respectively. Purchases of iron ore pellets from related parties amounted to \$25 million and \$24 million for the three months ended March 31, 2022 and 2021, respectively.

# 20. Restructuring and Other Charges

During the three months ended March 31, 2022, the Company recorded restructuring and other charges of \$17 million related to the planned sale of a component within the Flat-Rolled segment. Cash payments were made related to severance and exit costs of approximately \$23 million.

During the three months ended March 31, 2021, the Company recorded restructuring and other charges of \$6 million. Cash payments were made related to severance and exit costs of approximately \$29 million.

The activity in the accrued balances incurred in relation to restructuring during the three months ended March 31, 2022 were as follows:

(In millions)	Employee Related Costs	Exit Costs	Non-cash Charges	Total
Balance at December 31, 2021	\$ 91	\$ 149	\$ —	\$ 240
Additional charges	18	(1)	—	17
Cash payments/utilization <sup>(a)</sup>	(7)	(21)	—	(28)
Balance at March 31, 2022	\$ 102	\$ 127	\$ —	\$ 229

(a) \$5 million of payments were made from the pension fund trust assets in the Employee Related Costs column.

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

(In millions)	March 31, 2022	December 31, 2021
Accounts payable	\$ 31	\$ 34
Payroll and benefits payable	1	2
Employee benefits	101	88
Deferred credits and other noncurrent liabilities	96	116
Total	\$ 229	\$ 240

## 21. Contingencies and Commitments

U. S. Steel is the subject of, or party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. Certain of these matters are discussed below. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the 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, 2022, U. S. Steel was a defendant in approximately 919 active asbestos cases involving approximately 2,509 plaintiffs. The vast majority of these cases involve multiple defendants. About 1,545, or approximately 61 percent, of these plaintiff claims are currently pending in a jurisdiction which permits filings with massive numbers of plaintiffs. At December 31, 2021, U. S. Steel was a defendant in approximately 915 active asbestos cases involving approximately 2,505 plaintiffs. Based upon U. S. Steel's experience in such cases, it believes that the actual number of plaintiffs who ultimately assert claims against U. S. Steel will likely be a small fraction of the total number of plaintiffs.

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

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims
December 31, 2019	2,320	195	265	2,390
December 31, 2020	2,390	240	295	2,445
December 31, 2021	2,445	198	258	2,505
March 31, 2022	2,505	61	65	2,509

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. The Company engages an outside valuation consultant to assist in assessing its ability to estimate an accrual for unasserted claims. This assessment is based on the Company's settlement experience, including recent claims trends. The analysis focuses 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, 2022	
Beginning of period	\$	158
Accruals for environmental remediation deemed probable and reasonably estimable		1
Obligations settled		(8)
End of period	\$	151

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

(In millions)	March 31, 2022		December 31, 2021	
Accounts payable and other accrued liabilities	\$	64	\$	65
Deferred credits and other noncurrent liabilities		87		93
Total	\$	151	\$	158

Expenses related to remediation are recorded in cost of sales and were immaterial for both the three-month periods ended March 31, 2022 and March 31, 2021. It is not currently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties that may be imposed. Due to uncertainties inherent in remediation projects and the associated liabilities, it is reasonably possible that total remediation costs for active matters may exceed the accrued liabilities by as much as 15 to 30 percent.

#### Remediation Projects

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

- (1) *Projects with Ongoing Study and Scope Development* - 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 four 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-UI LLC (UPI) and the former steelmaking plant at Joliet, Illinois. As of March 31, 2022, accrued liabilities for these projects totaled \$1 million for the costs of studies, investigations, interim measures, design and/or remediation. It is reasonably possible that additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects could be as much as \$22 million to \$36 million.

- (2) *Projects with Significant Accrued liabilities with a Defined Scope* - As of March 31, 2022, there are three significant projects with defined scope greater than or equal to \$5 million each, with a total accrued liability of \$96 million. These projects are Gary Resource Conservation and Recovery Act (the RCRA) (accrued liability of \$24 million), Duluth Works (accrued liability of \$53 million) and the former Geneva facility (accrued liability of \$19 million).
- (3) *Other Projects with a Defined Scope* - These projects involve 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 three 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, 2022 was \$5 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, 2022 was approximately \$5 million. The Company does 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 \$24 million at March 31, 2022 and were based on known scopes of work.

*Administrative and Legal Costs* – As of March 31, 2022, U. S. Steel had an accrued liability of \$10 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. Such capital expenditures totaled \$5 million and \$3 million in the first three months of 2022 and 2021, 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.

*European Union (the EU) Environmental Requirements* - Phase IV of the EU Emissions Trading System (the EU ETS) commenced on January 1, 2021 and will finish on December 31, 2030. The European Commission issued final approval of the Slovak National Allocation table in July 2021. The Slovak Ministry of Environment, after consent from the European Commission, allocated the full amount of 2021 free allowances to USSE in December 2021. In addition, a portion of the 2022 expected free allowances were received by USSE in February 2022. In the fourth quarter of 2020, USSE started purchasing European Union Allowances (EUA) for the Phase IV period. As of March 31, 2022, we have pre-purchased approximately 3.8 million EUA totaling €168 million (approximately \$186 million) to fully cover the estimated 2021 shortfall and 1.5 million EUA totaling €95 million (approximately \$105 million) to cover the expected 2022 shortfall of emission allowances..

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. Total capital expenditures for projects to comply with or go beyond BAT requirements were €138 million (approximately \$153 million) over the actual program period. These costs were partially offset by the EU funding received and may be mitigated over the next measurement periods if USSK complies with certain financial covenants, which are assessed annually. USSK complied with these covenants as of March 31, 2022. 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 50 percent of the EU funding received.

***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. 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 \$151 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 \$7 million at March 31, 2022.

***Other contingencies*** – Under certain 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 \$14 million at March 31, 2022). No liability has been recorded for these guarantees as the potential loss is not probable.

The Company's project to develop a new highly sustainable and technologically advanced steel mill in Osceola, Arkansas qualifies for financing and related economic incentives associated with the acquisition, development, construction, and



operation of the facility. These incentives consist of advance lump-sum payments which are included in deferred credits and other noncurrent liabilities on the condensed consolidated balance sheet. In March 2022, the Company received a lump-sum payment of approximately \$82 million from proceeds from the sale of tax credits under the State of Arkansas's Recycling Tax Credit (RTC) program. These funds are to be used primarily for the acquisition of project related equipment, however they may also be used for the training and development of new employees hired for the project. The Company is contingently liable for certain repayment penalties if the Company fails to meet certain employment requirements in any given period. Deferred income will be recognized into other gains, net in the accompanying condensed consolidated statements of operations on a systematic basis over the periods in which the Company earns the granted funds by complying with the investment and employment requirements of the grant programs.

**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 \$295 million as of March 31, 2022, which reflects U. S. Steel's maximum exposure under these financial guarantees, but not its total exposure for the underlying obligations. A significant portion of our trust arrangements and letters of credit are collateralized by the Credit Facility Agreement. The remaining trust arrangements and letters of credit are collateralized by restricted cash. Restricted cash, which is recorded in other current and noncurrent assets, totaled \$75 million and \$78 million at March 31, 2022 and December 31, 2021, respectively.

**Capital Commitments** – At March 31, 2022, U. S. Steel's contractual commitments to acquire property, plant and equipment totaled \$1.875 billion.

**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 2022	2023	2024	2025	2026	Later Years	Total
\$438	\$562	\$339	\$335	\$259	\$741	\$2,674

The majority of U. S. Steel's unconditional purchase obligations relates to the supply of industrial gases, and certain energy and utility services with terms ranging from two to 14 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, 2022, if U. S. Steel were to terminate the agreement, it may be obligated to pay in excess of \$57 million.

Total payments relating to unconditional purchase obligations were \$217 million and \$200 million for the three months ended March 31, 2022 and 2021, respectively.

## 22. **Common Stock Issued and Repurchased**

On October 25, 2021, the Board of Directors authorized a 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. On January 24, 2022 the Board of Directors authorized an additional \$500 million under the stock repurchase program. U. S. Steel repurchased 5,031,970 shares of common stock for approximately \$123 million under this program during the three months ended March 31, 2022.

In February 2021, U. S. Steel issued 48.3 million shares of common stock for net proceeds of approximately \$790 million, of which \$1 million in issuance costs were paid during the three months ended June 30, 2021.

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



## Overview

For the three months ended March 31, 2022, the Company delivered record first quarter performance. The Flat-rolled segment's performance reflected the impact of fixed price contracts that reset significantly higher for 2022 which offset lower sales volumes. In addition, the Company commenced construction of a pig iron facility at Gary Works during the three months ended March 31, 2022. The Mini Mill segment continues to deliver significant gross margin performance. In the U. S. Steel Europe segment, strong performance was primarily the result of favorable pricing partially offset by unfavorable raw material and energy costs. In Tubular, we are well-positioned to profitably serve the U.S. energy market resurgence. Our Electric Arc Furnace (EAF) and Tubular operations in Fairfield as well as our suite of proprietary connections offer comprehensive solutions for our customers.

In February 2022, Russia invaded Ukraine and active conflict continues in the country. The war in Ukraine will likely continue to cause disruption and instability in Russia, Ukraine, and the markets in which we operate. The Company is constantly monitoring the situation for impacts and risks to the business and is implementing risk mitigating strategies where possible.

As a result of the invasion, governments around the world, including the European Union (EU) and the United States, have enacted sanctions against Russia and Russian interests. We are complying with all applicable sanctions that impact our business.

United States Steel Europe (USSE) purchases certain raw materials from sources that procure supply from Russia, including natural gas, iron ore and coal. Since the onset of the war, and before, USSE has been building its inventory of iron ore and coal and procuring them through alternate sources. Current levels of iron ore and coal are sufficient to serve customer demand in the second quarter.

With the EU prohibiting purchases of coal from suppliers in Russia, new purchases of coal originating from Russia have stopped. The Company has built up sufficient inventory on site or in-transit to meet current customer demand. Efforts to secure alternate sources of supply are underway to continue meeting demand.

Additionally, in response to sanctions, Russia has cut off supply of natural gas to certain countries, including Poland and Bulgaria. We understand that the country of Slovakia has natural gas storage levels that are sufficient to cover Slovakia's consumption through the near term and expects additional shipments from Russian sources of natural gas in the quarter. While not expected, if a natural gas crisis is declared in Slovakia, operations at our USSE business could be materially adversely impacted.

Future sanctions and responsive actions in the region remain uncertain, but we continue to engage with various governmental authorities and suppliers as we navigate the volatile situation. Our team in USSE has been engaged in humanitarian efforts related to the war, and we continue to operate to support the region's people and economy.

## RESULTS OF OPERATIONS

U. S. Steel's results in the three months ended March 31, 2022 compared to the same period in 2021 benefited from significantly improved business conditions in each of the Company's four reportable segments:

- **North American Flat-Rolled (Flat-Rolled):** Flat-Rolled results improved primarily due to higher steel prices across most consumer and manufacturing industries, with both spot and contract prices higher than pricing in the prior year period. The benefit of pricing was partially offset by lower volumes and increased raw material costs.
- **Mini Mill:** Mini Mill results improved primarily due to higher steel prices across most customer and manufacturing industries and from a full current quarter of results compared to a partial prior quarter with the acquisition of Big River Steel occurring on January 15, 2021. The benefit of higher net sales was partially offset by higher costs, primarily related to raw materials.
- **U. S. Steel Europe (USSE):** USSE results improved primarily due to higher steel prices and stronger demand, which were partially offset by increased raw materials and energy costs.
- **Tubular Products (Tubular):** Tubular results improved primarily due to higher steel demand and prices from the steady increase of drilling activity. These benefits were partially offset by higher raw materials, operating costs and continued high levels of imports.

**Net sales by segment** for the three months ended March 31, 2022 and 2021 are set forth in the following table:

Three Months Ended March 31,			
(Dollars in millions, excluding intersegment sales)	2022	2021	% Change
Flat-Rolled Products (Flat-Rolled)	\$ 2,954	\$ 2,272	30 %
Mini Mill <sup>(a)</sup>	718	450	60 %
U. S. Steel Europe (USSE)	1,251	798	57 %
Tubular Products (Tubular)	309	134	131 %
Total sales from reportable segments	5,232	3,654	43 %
Other	2	10	(80)%
Net sales	\$ 5,234	\$ 3,664	43 %

<sup>(a)</sup> Mini Mill segment added after January 15, 2021 with the purchase of the remaining equity interest in Big River Steel.

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, 2022 versus the three months ended March 31, 2021 is set forth in the following table:

Steel Products <sup>(a)</sup>							
	Volume	Price	Mix	Acquisition Variance	FX <sup>(b)</sup>	Other <sup>(c)</sup>	Net Change
Flat-Rolled	(15)%	41 %	— %	n/a	— %	3 %	29 %
Mini Mill <sup>(d)</sup>	(8)%	41 %	— %	26 %	— %	1 %	60 %
USSE	7 %	58 %	— %	n/a	(8)%	— %	57 %
Tubular	40 %	96 %	(3)%	n/a	— %	(2)%	131 %

<sup>(a)</sup> Excludes intersegment sales.

<sup>(b)</sup> Foreign currency translation effects.

<sup>(c)</sup> Primarily of sales of raw materials and coke making by-products.

<sup>(d)</sup> Mini Mill segment added after January 15, 2021 with the purchase of the remaining equity interest in Big River Steel.

Net sales for the three months ended March 31, 2022 compared to the same period in 2021 were \$5,234 million and \$3,664 million, respectively.

- For the Flat-Rolled segment the increase in sales primarily resulted from higher average realized prices (\$480 per ton) across products, partially offset by decreased shipments (385 thousand tons) across most products.
- For the Mini Mill segment the increase in sales primarily resulted from higher realized prices (\$405 per ton) across all products and increased shipments (60 thousand tons) as a result of the partial period of the Company's controlling interest in Big River Steel in Q1 2021.
- For the USSE segment the increase in sales primarily resulted from higher average realized prices (\$361 per ton) across all products and increased shipments (67 thousand tons) across most products.
- For the Tubular segment the increase in sales primarily resulted from higher average realized prices (\$977 per net ton) and increased shipments (39 thousand tons).

### Selling, general and administrative expenses

Selling, general and administrative expenses were \$117 million in the three months ended March 31, 2022 compared to \$102 million in the three months ended March 31, 2021. The increase in expenses in the three months ended March 31, 2022 versus the same period in 2021 primarily in our Mini Mill and USSE segments from higher profit, variable or incentive based costs.

### Restructuring and other charges

During the three months ended March 31, 2022 and March 31, 2021 the Company recorded restructuring and other charges of \$17 million and \$6 million. See Note 20 to the Condensed Consolidated Financial Statements for further details.

### Operating configuration adjustments

The Company also adjusted its operating configuration in response to global overcapacity, unfair trade practices and increases in domestic demand as a result of tariffs on imports by indefinitely and temporarily idling and then re-starting production at certain of its facilities. U. S. Steel will continue to adjust its operating configuration in order to maximize its strategy of providing Best for All profitable steel solutions for all stakeholders.

### Idled Operations

In December 2019, U. S. Steel announced that it would indefinitely idle a significant portion of Great Lakes Works due to market conditions including continued high levels of imports. The Company began idling the iron and steelmaking facilities in March 2020 and the hot strip mill rolling facility in June 2020.

In 2020, we took actions to adjust our footprint by idling certain operations to better align production with customer demand and respond to the impacts from the COVID-19 pandemic. The operations that were initially idled in 2020 and remained idle as of March 31, 2022 included:

- Blast Furnace A at Granite City Works
- Lone Star Tubular Operations
- Lorain Tubular Operations
- Wheeling Machine Products coupling production facility at Hughes Springs, Texas

As of March 31, 2022 the carrying value of the idled fixed assets for facilities noted above was: Granite City Works Blast Furnace A, \$60 million; Lone Star Tubular Operations, \$5 million; Lorain Tubular Operations, \$65 million and Wheeling Machine Product's production facility, immaterial.

In December 2021, the Company permanently idled the steelmaking operations at its Great Lakes Works facility. The coil finishing process continues to operate and the iron making process at Great Lakes Works remains idled for an indefinite period of time. The carrying value of the remaining Great Lakes Works indefinitely idled facilities was approximately \$155 million as of March 31, 2022. In addition, in March 2022, the Company permanently idled the finishing facilities at its East Chicago Tin operations, which had been idled on an indefinite basis during 2019.

**Earnings (loss) before interest and income taxes** by segment is set forth in the following table:

(Dollars in millions)	Three months ended March 31,		% Change
	2022	2021	
Flat-Rolled	\$ 513	\$ 146	251 %
Mini Mill <sup>(a)</sup>	278	132	111 %
USSE	264	105	151 %
Tubular	77	(29)	366 %
Total earnings from reportable segments	1,132	354	220 %
Other	7	8	(13)%
Segment earnings before interest and income taxes	1,139	362	215 %
Items not allocated to segments:			
Restructuring and other charges	(17)	(6)	
Other charges, net	(4)	(42)	
Gains on asset sold and previously held investments	—	111	
Total earnings before interest and income taxes	\$ 1,118	\$ 425	163 %

<sup>(a)</sup> Mini Mill segment added after January 15, 2021 with the purchase of the remaining equity interest in Big River Steel.

#### Segment results for Flat-Rolled

	Three months ended March 31,		% Change
	2022	2021	
Earnings before interest and taxes (\$ millions)	\$ 513	\$ 146	251 %
Gross margin	23 %	15 %	8 %
Raw steel production (mnt)	2,205	2,581	(15)%
Capability utilization	68 %	62 %	6 %
Steel shipments (mnt)	1,947	2,332	(17)%
Average realized steel price per ton	\$ 1,368	\$ 888	54 %

The increase in Flat-Rolled results for the three months ended March 31, 2022 compared to the same period in 2021 was primarily due to:

- increased average realized prices, including mix (approximately \$955 million)
- increased coke, iron ore and other non-steel sales (approximately \$35 million)
- favorable equity investees income (approximately \$30 million),

these changes were partially offset by:

- decreased shipments (approximately \$95 million)
- higher raw material costs (approximately \$165 million)
- higher energy costs (approximately \$75 million)
- increased operating costs (approximately \$185 million)
- higher other costs predominantly variable compensation (approximately \$135 million).

Gross margin for the three months ended March 31, 2022 compared to the same period in 2021 increased primarily as a result of higher average realized prices.

#### Segment results for Mini Mill <sup>(a)</sup>

	Three Months Ended March 31,		% Change
	2022	2021	
Earnings before interest and taxes (\$ millions)	\$ 278	132	111 %
Gross margin	46 %	36 %	10 %
Raw steel production (mnt)	601	510	18 %
Capability utilization	74 %	75 %	(1)%
Steel shipments (mnt)	507	447	13 %
Average realized steel price per ton	\$ 1,372	\$ 967	42 %

<sup>(a)</sup> Mini Mill segment added after January 15, 2021 with the purchase of the remaining equity interest in Big River Steel.

The increase in Mini Mill results for the three months ended March 31, 2022 compared to the same period in 2021 was primarily due to:

- increased average realized prices, including mix (approximately \$245 million)
- increased shipments (approximately \$25 million) as a result of the partial period of the Company's controlling interest in Big River Steel in Q1 2021.

these changes were partially offset by:

- higher raw material costs (approximately \$75 million)
- increased operating costs (approximately \$15 million)
- higher energy costs (approximately \$5 million)
- higher other costs, primarily variable compensation (approximately \$30 million).

Gross margin for the three months ended March 31, 2022 compared to the same period in 2021 increased primarily as a result of higher average realized prices.

#### Segment results for USSE

	Three Months Ended March 31,		% Change
	2022	2021	
Earnings before interest and taxes (\$ millions)	\$ 264	\$ 105	151 %
Gross margin	24 %	17 %	7 %
Raw steel production (mnt)	1,088	1,197	(9)%
Capability utilization	88 %	97 %	(9)%
Steel shipments (mnt)	1,110	1,043	6 %
Average realized steel price per (\$/ton)	\$ 1,109	\$ 748	48 %
Average realized steel price per (€/ton)	€ 988	€ 620	59 %

The increase in USSE results for the three months ended March 31, 2022 compared to the same period in 2021 was primarily due to:

- increased average realized prices, including mix (approximately \$450 million)
- increased shipments (approximately \$15 million),

these changes were partially offset by:

- higher raw material costs (approximately \$145 million)
- increased operating costs (approximately \$40 million)
- higher energy costs (\$70 million)
- weakening of the Euro versus the U.S. dollar (approximately \$20 million)
- higher other costs, primarily variable compensation (approximately \$30 million).

Gross margin for the three months ended March 31, 2022 compared to the same period in 2021 increased primarily as a result of higher average realized prices and sales volume.

### Segment results for Tubular

	Three Months Ended March 31,		% Change
	2022	2021	
Earnings/(loss) before interest and taxes (\$ millions)	\$ 77	\$ (29)	366 %
Gross margin	29 %	(11)%	40 %
Raw steel production (mnt)	156	93	68 %
Capability utilization	70 %	42 %	28 %
Steel shipments (mnt)	128	89	44 %
Average realized steel price per ton	\$ 2,349	\$ 1,372	71 %

The increase in Tubular results for the three months ended March 31, 2022 as compared to the same period in 2021 occurred despite continued high levels of imports and was primarily due to:

- increased average realized prices, including mix (approximately \$100 million)
- increased shipments, including volume efficiencies (approximately \$15 million)
- lower other costs (approximately \$5 million),

these changes were partially offset by:

- higher raw material costs (approximately \$5 million)
- increased operating costs (approximately \$10 million).

Gross margin for the three months ended March 31, 2022 compared to the same periods in 2021 increased primarily as a result of higher average realized prices and sales volume, partially offset by increased raw material costs.

### Net interest and other financial costs

(Dollars in millions)	Three Months Ended March 31,		% Change
	2022	2021	
Interest expense	\$ 50	\$ 92	46 %
Interest income	(1)	(1)	— %
Loss on debt extinguishment	—	255	100 %
Other financial benefits	2	18	(89)%
Net periodic benefit income	(61)	(31)	97 %
Total net interest and other financial (benefits) costs	\$ (10)	\$ 333	103 %

Net interest and other financial (benefits) costs improved in the three months ended March 31, 2022 as compared to the same period last year from the absence of current year debt retirement losses, reduced interest expense from a reduced level of debt and an increase in net periodic benefit income, primarily due to lower amortization of actuarial losses.

### Income taxes

Income tax expense was \$246 million in the three months ended March 31, 2022 compared to \$1 million in the three months ended March 31, 2021, primarily because the tax provision for the three months ended March 31, 2021 included a full valuation allowance on domestic deferred tax assets.

### Net earnings

Net earnings attributable to United States Steel Corporation were \$882 million in the three months ended March 31, 2022 compared to net earnings of \$91 million three months ended March 31, 2021. The changes primarily reflect the factors discussed above.

## LIQUIDITY AND CAPITAL RESOURCES

### Net Cash Provided by Operating Activities

Net cash provided by operating activities was \$771 million for the three months ended March 31, 2022 compared to net cash provided by operating activities of \$111 million in the same period in 2021. The period over period increase in cash from operations was primarily due to stronger financial results and increased taxes payable, partially offset by changes in working capital. 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.

As shown below our cash conversion cycle for the first quarter of 2022 increased by five days as compared to the fourth quarter of 2021 primarily from increased inventory days due to increase in raw material inventory.

Cash Conversion Cycle	First Quarter of 2022		Fourth Quarter of 2021	
	\$ millions	Days	\$ millions	Days
Accounts receivable, net <sup>(a)</sup>	\$2,415	39	\$2,089	37
+ Inventories <sup>(b)</sup>	\$2,663	57	\$2,210	51
- Accounts Payable and Other Accrued Liabilities <sup>(c)</sup>	\$3,122	68	\$2,684	65
= Cash Conversion Cycle <sup>(d)</sup>		28		23

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

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

<sup>(c)</sup> 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.

<sup>(d)</sup> 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.

The last-in, first-out (LIFO) inventory method is the predominant method of inventory costing for our Flat-Rolled and Tubular segments. 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 2022.

### Net Cash Used in Investing Activities

Net cash used in investing activities was \$352 million or the three months ended March 31, 2022 compared to net cash used in investing activities of \$762 million in the same period in 2021 primarily due to capital expenditures (as discussed below).

Capital expenditures for the three months ended March 31, 2022, were \$349 million, compared with \$136 million in the same period in 2021. Flat-Rolled capital expenditures were \$117 million which includes spending for the construction of a pig iron facility at Gary Works, hot strip mill upgrades at Gary Works, mining equipment and other infrastructure, environmental, and strategic projects. Mini Mill capital expenditures were \$211 million and included spending for continuous galvanizing line 2 and a non-grain oriented line. Mini Mill segment capital expenditures also included \$138 million of capital expenditures for a new mill under construction in Osceola, Arkansas (Mini Mill #2). USSE capital expenditures were \$17 million and included spending for blast furnace stove and rail bridge upgrades and various other projects. Tubular capital expenditures were \$4 million and included spending for Fairfield EAF projects, ASU Plant and various other infrastructure, and environmental projects.

### Net Cash Used in Financing Activities

Net cash used in financing activities was \$71 million for the three months ended March 31, 2022 compared to net cash used in financing activities of \$573 million in the same period last year. The period over period increase in cash from financing activities was primarily due to the absence of significant current year debt repayments and current year proceeds from government grants, partially offset by the absence of current year common stock issuances and the current year repurchase of common stock.

### Debt Financing

Certain of our credit facilities, including the Credit Facility Agreement, the Big River Steel ABL Facility, the USSK Credit Agreement and the Export Credit Agreement, contain standard terms and conditions including customary material adverse

change clauses. If a material adverse change was to occur, our ability to fund future operating and capital requirements could be negatively impacted.

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. See Note 15 to the Condensed Consolidated Financial Statements for further details regarding U. S. Steel's debt.

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 approximately \$295 million of liquidity sources for financial assurance purposes as of March 31, 2022. 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.

### **Share Repurchases**

Common stock repurchased under our common stock repurchase program that was approved in October 2021 and increased in January 2022 totaled 5,031,970 shares and approximately \$123 million in the three months ended March 31, 2022. See Note 22 to the Condensed Consolidated Financial Statements for further details.

### **Capital Requirements**

U. S. Steel's contractual commitments to acquire property, plant and equipment at March 31, 2022, totaled \$1.875 billion.

### **Liquidity**

The following table summarizes U. S. Steel's liquidity as of March 31, 2022:

(Dollars in millions)

Cash and cash equivalents	\$	2,866
Amount available under Credit Facility Agreement		1,746
Amount available under Big River Steel - Revolving Line of Credit		350
Amount available under USSK Credit Agreement and USSK Credit Facility		347
Total estimated liquidity	\$	5,309

In the first quarter of 2022, we received \$82 million in proceeds from government incentives for Mini Mill #2 from the sale of tax credits under the State of Arkansas's Recycling Tax Credit program. The Company is contingently liable for certain repayment penalties if it fails to meet certain employment requirements. See Note 21 to the Condensed Consolidated Financial Statements for further details.

We finished the first quarter of 2022 with \$2,866 million of cash and cash equivalents and \$5,309 million 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. Substantially all of the liquidity attributable to our foreign subsidiaries can be accessed without the imposition of income taxes as a result of a prior election to liquidate for U.S. income tax purposes a foreign subsidiary that holds most of our international operations.

We expect that our estimated liquidity requirements will consist primarily of the remaining portion of our 2022 planned strategic and sustaining capital expenditures, working capital requirements, interest expense, and operating costs and employee benefits for our operations after taking into account the footprint actions and cost reductions at our plants and headquarters. Our available liquidity at March 31, 2022 consists principally of our cash and cash equivalents and available borrowings under the Credit Facility Agreement, Big River Steel ABL Facility, USSK Credit Agreement and the USSK Credit Facility. Management continues to evaluate market conditions in our industry and our global liquidity position, and may consider additional actions to further strengthen our balance sheet and optimize liquidity, including but not limited to the repayment or refinancing of outstanding debt and the incurrence of additional debt to opportunistically finance strategic projects. The company may also return excess liquidity to shareholders through share repurchases and dividends from time to time if deemed appropriate by management.

U. S. Steel management believes that our liquidity will be adequate to fund our requirements based on our current assumptions with respect to our results of operations and financial condition.



## **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 (the CAA), the Clean Water Act (CWA), the Resource Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as well as state and local laws and regulations.

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 the CAA obligations and similar obligations in Europe.

### **EU Environmental Requirements and Slovak Operations**

Phase IV of the EU Emissions Trading System (EU ETS) commenced on January 1, 2021, and will finish on December 31, 2030. The European Commission issued final approval of the Slovak National Allocation table in July 2021. The Slovak Ministry of Environment, after consent of the European Commission, allocated the full amount of 2021 free allowances to USSE in December 2021. In addition, a portion of the 2022 expected free allowances were received by USSE in February 2022. In the fourth quarter of 2020, USSE started purchasing EUA for the Phase IV period. As of March 31, 2022, we have pre-purchased approximately 3.8 million EUA totaling €168 million (approximately \$186 million).

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. Total capital expenditures for projects to comply with or go beyond BAT requirements were €138 million (approximately \$153 million) over the actual program period. These costs were partially offset by the EU funding received and may be mitigated over the next measurement periods if USSK complies with certain financial covenants, which are assessed annually. USSK complied with these covenants as of March 31, 2022. 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 50 percent of the EU funding received.

For further discussion of laws applicable in Slovakia and the EU and their impact on USSE, see Note 21 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 CO<sub>2</sub> 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 (the U.S. EPA) to review the Clean Power Plan (the CPP). As a result, in June 2019, the U.S. EPA published a final rule, the "Affordable Clean Energy (ACE) Rule" that replaced the CPP. Twenty-three states, the District of Columbia, and seven municipalities are challenging the CPP repeal and ACE rule in the U.S. Court of Appeals for the District of Columbia (the D.C.) Circuit. A coalition of 21 states has intervened in the litigation in support of the U.S. EPA. Various other public interest organizations, industry groups, and members of Congress are also participating in the litigation. On January 19, 2021, the D.C. Circuit vacated and remanded the ACE to the U.S. EPA, while the CPP remains stayed. On October 19, 2021, the United States Supreme Court granted petitions for certiorari filed by the State of West Virginia and others. Oral arguments regarding the petitions were held before the U.S. Supreme Court on February 28, 2022. Because U.S. EPA has not re-instated the Obama-era Clean Power Plan and it is unclear on how the U.S. Supreme Court will decide the case, impacts to our operations as a result of any future greenhouse gas regulations are not estimable at this time since the matter is unsettled.

The Phase IV EU ETS period spans 2021-2030 and began on January 1, 2021. The Phase IV period is divided into two sub periods (2021-2025 and 2026-2030), rules for the first subperiod are finalized, however we expect that rules for the second subperiod may be more stringent than those for the first one. Currently, the overall EU target is a 40 percent reduction of 1990 emissions by 2030. Free allocation of CO<sub>2</sub> allowances is based on reduced benchmark values which have been published in the first quarter of 2021 and historical levels of production from 2014-2018. Allocations to individual installations may be adjusted annually to reflect relevant increases and decreases in production. The threshold for adjustments is set at 15 percent and will be assessed on the basis of a rolling average of two precedent years. Production data verified by an external auditor shows that USSE missed the 15 percent threshold in 2019-20; therefore, the free allocation for 2021 was decreased. Additionally, lower production in 2019 and 2020 will have an impact on the future free allocation for 2026-2030, where the historical production average for years 2019-2023 will be assessed. Once approved, the rules may impact subperiod 2026-2030.

In order to achieve the EU political goal of carbon emissions neutrality by 2050, on July 14, 2021, the European Commission released a package of legislative proposals called Fit for 55. The proposals contain significant changes to current EU ETS



functions and requirements, including: a new carbon border adjustment mechanism to impose carbon fees on EU imports, further reduction of free CO<sub>2</sub> allowance allocation to heavy industry and measures to strengthen the supply of carbon allowances. The proposals are subject to the EU legislative process, and we cannot predict their future impact.

#### 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's operations includes those that are specific to coke making, iron making, steel making and iron ore processing.

On July 13, 2020, the U.S. EPA published a Residual Risk and Technology Review rule for the Integrated Iron and Steel MACT category in the Federal Register. Based on the results of the U.S. EPA's risk review, the agency determined 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, the U.S. EPA determined that there are no developments in practices, processes or control technologies that necessitate revision of the standards. In September 2020, several petitions for review of the rule, including those filed by the Company, the American Iron and Steel Institute (the AISI), Clean Air Council and others, were filed with the United States Court of Appeals for the D.C. Circuit. The cases were consolidated and are being held in abeyance until the U.S. EPA reviews and responds to administrative petitions for review. U.S. EPA is required by court order to issue a final rule by October 26, 2023. Because U.S. EPA has yet to propose a revised iron and steel rule, any impacts are inestimable at this time.

For the Taconite Iron Ore Processing category, based on the results of the U.S. EPA's risk review, the agency promulgated a final rule on July 28, 2020, in which the U.S. EPA determined 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. Petitions for review of the rule were filed in the United States Court of Appeals for the D.C. Circuit, in which the Company and the AISI intervened. U.S. EPA is required by court order to issue a final rule by November 16, 2023. Because U.S. EPA has yet to propose a revised taconite rule, any impacts are inestimable at this time.

U.S. EPA is in the process of conducting its statutorily obligated residual risk and technology review of coke oven standards. 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.

In response to Court orders that invalidated prior U. S. EPA determinations regarding ozone attainment interference, on April 6, 2022, U.S. EPA proposed a Federal Implementation Plan (that would replace several pending or disapproved State Implementation Plans) for Regional Ozone Transport for the 2015 Ozone National Ambient Air Quality Standard. The proposed rule would affect electric generating units (EGUs) in 26 states and certain non-EU industries, including, among several others, coke ovens, taconite production kilns, boilers, blast furnaces, basic oxygen furnaces, reheating furnaces, and annealing furnaces in 23 states, including those where U. S. Steel has operations. Based upon the Company's initial review, the impacts of the rule, if promulgated as proposed, could be material.

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 PM<sub>10</sub> and PM<sub>2.5</sub>, lead, carbon monoxide, nitrogen dioxide, sulfur dioxide (SO<sub>2</sub>), and ozone.

In October 2015, the U.S. EPA lowered the NAAQS for ozone from 75 parts per billion (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, the 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 31, 2020, the U.S. EPA published a final rule pursuant to its statutorily required review of NAAQS that retains the ozone NAAQS at 70 ppb. In January 2021, New York, along with several states and non-governmental organizations filed petitions for judicial review of the action with the United States Court of Appeals for the D.C. Circuit. Several other states and industry trade groups intervened in support of the U. S. EPA's action. The case remains in abeyance before the court until December 15, 2023, as the U.S. EPA voluntarily reconsiders the ozone NAAQS. Because the U.S. EPA has yet to complete its reconsideration and propose a revised ozone NAAQS, any impacts are inestimable at this time.

On December 14, 2012, the U.S. EPA lowered the annual standard for PM<sub>2.5</sub> from 15 micrograms per cubic meter (ug/m<sup>3</sup>) to 12 ug/m<sup>3</sup> and retained the PM<sub>2.5</sub> 24-hour and PM<sub>10</sub> 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<sub>2.5</sub> standard. On April 6, 2018, the U.S. EPA published a notice that Pennsylvania, California and Idaho failed to submit a State Implementation Plan (an 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 an SIP to the U.S. EPA no later than November 7, 2019 to avoid sanctions. On April 29, 2019, the Allegheny County Health Department (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<sub>2.5</sub> 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 the U.S. EPA for approval on November 1, 2019. To date, the U.S. EPA has not taken action on PADEP's submittal. On December 18, 2020, the U.S. EPA published a final rule pursuant to its statutorily required review of NAAQS that retains the existing PM<sub>2.5</sub> standards without revision. In early 2021, several states and non-governmental organizations filed petitions for judicial review of the action with the United States Court of Appeals for the D.C. Circuit. Several industry trade groups intervened in support of the U.S. EPA's action. The case remains in abeyance before the court until March 1, 2023, as U.S. EPA voluntarily reconsiders the PM<sub>2.5</sub> NAAQS. In court filings, U.S. EPA advised the Court that it intends to complete its reconsideration process by proposing a rule in Summer 2022 and promulgating a final rule in Spring 2023. Because U.S. EPA has yet to complete its reconsideration and propose a revised PM<sub>2.5</sub> NAAQS, any impacts are inestimable at this time.

On January 26, 2021, ACHD announced that for the first time in history all eight air quality monitors in Allegheny County met the federal air quality standards including, in particular sulfur dioxide and particulate matter (PM<sub>2.5</sub> and PM<sub>10</sub>). Preliminary data from 2021 indicates that all eight air quality monitors continue to meet the standards. On March 16, 2022, U.S. EPA published a final rule, a clean data determination, showing that Allegheny County has attained the 2012 annual PM<sub>2.5</sub> NAAQS based on the 2018 – 2020 ambient air quality data. Based on these data, ACHD is in the process of seeking EPA approval to redesignate the area as attainment with the 2012 annual PM<sub>2.5</sub> NAAQS.

For further discussion of relevant environmental matters, including environmental remediation obligations, 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 2022.

#### **INTERNATIONAL TRADE**

U. S. Steel continues to face import competition, much of which is unfairly traded and fueled by massive global steel overcapacity, currently estimated to be over 500 million metric tons per year—more than five times the entire U.S. steel market and over seventeen times total U.S. steel imports. These imports and overcapacity negatively 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: (1) imports from Argentina, Brazil, and South Korea, which are subject to restrictive quotas; (2) imports from the European Union (EU) and Japan that are melted and poured in the EU/Japan, within quarterly tariff-rate quota (TRQ) limits; (3) imports from Canada and Mexico, which are not subject to tariffs or quotas, but tariffs could be re-imposed on surging product groups after consultations; and (4) imports from Australia, which are not subject to tariffs, quotas, or an anti-surge mechanism. In February 2022, the United States and Japan agreed to Section 232 TRQs that went into effect on April 1, 2022. In March 2022, the United States and the United Kingdom (UK) announced Section 232 TRQs that will go into effect on June 1, 2022.

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 and quotas. U. S. Steel opposes exclusion requests for imported products that are the same as, or substitutes for, products manufactured by U. S. Steel.

Multiple legal challenges to the Section 232 action continue before the U.S. Court of International Trade (CIT) and the U.S. Court of Appeals for the Federal Circuit (CAFC), the latter which has consistently rejected constitutional and statutory challenges to the Section 232 action.

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 production capabilities, technology, and skills, strengthening U.S. national and economic security. The Company continues to actively defend the Section 232 action.

In February 2019, the European Commission (EC) implemented a definitive safeguard on global steel imports in the form of TRQs that impose 25 percent tariffs on steel imports that exceed the TRQ limit, effective through June 2024.

Antidumping duties (AD) and countervailing duties (CVD or antisubsidy duties) apply in addition to the Section 232 tariffs, quotas, TRQs and the EC's safeguard, and AD/CVD orders may continue beyond the Section 232 action and the EC's safeguard. U. S.

Steel continues to actively defend and maintain the 60 U.S. AD/CVD orders and 10 EU AD/CVD orders covering U. S. Steel products in multiple proceedings before the DOC, U.S. International Trade Commission (ITC), CIT, CAFC, the EC and European courts, and the WTO.

DOC is conducting new AD/CVD investigations on imports of OCTG from Argentina, Mexico, Korea, and Russia that are expected to conclude in the second half of 2022. The ITC is conducting five-year "sunset" reviews of AD/CVD orders on hot-rolled steel, cold-rolled steel, and corrosion-resistant steel from twelve countries, with decisions expected in the second half of 2022.

In April, the United States suspended normal trade relations with Russia and Belarus, resulting in higher normal tariffs on imports from Russia and Belarus, including steel and raw materials.

Additional tariffs of 7.5 to 25 percent continue to apply to certain U.S. imports from China, including certain raw materials used in steel production, semi-finished and finished steel products and downstream steel products, pursuant to Section 301 of the Trade Act of 1974.

The United States and EU are currently negotiating a global arrangement on steel overcapacity and carbon intensity that is targeted for completion by the end of 2023. The Global Forum on Steel Excess Capacity, the Organisation for Economic Co-operation and Development Steel Committee, and trilateral negotiations between the United States, EU and Japan continue to address steel 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 Quarterly Report on Form 10-Q.

### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

For quantitative and qualitative disclosures about market risk, see Item 7A "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, there were no material changes in U. S. Steel's exposure to market risk from December 31, 2021.

### **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, 2022. 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, 2022, 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 June 8, 2021, JSW Steel (USA) Inc. and JSW Steel USA Ohio, Inc. (collectively, JSW), U.S. based subsidiaries of Indian steelmaker JSW Steel, filed suit in the United States District Court for the Southern District of Texas against Nucor, U. S. Steel, AK Steel Holding Group and Cleveland-Cliffs (collectively, the JSW Defendants) alleging that the Defendants operated as a cartel and formed a conspiracy to boycott JSW from obtaining semi-finished steel slabs. JSW alleges that the JSW Defendants acted in violation of Section 1 of the Sherman Act and the Clayton Act (federal antitrust), and violation of the Texas Free Enterprise and Antitrust Act. JSW also alleges that the JSW Defendants formed a civil conspiracy in violation of Texas common

law, and that the JSW Defendants tortiously interfered with JSW's business relationships. The basis for JSW's allegations relate to the JSW Defendants participation in the DOC's Section 232 process, including the JSW Defendants' support of the enactment of the President's Section 232 proclamation, statements made by the JSW Defendants after the enactment of Section 232, and the JSW Defendants' participation in the Section 232 exclusion process. Plaintiffs seek monetary damages including \$45 million for payment of Section 232 tariffs and unspecified amounts for financial penalties, termination fees and lost profits as well as other damages. U. S. Steel, along with the other JSW Defendants, filed a Motion to Dismiss the case on August 17, 2021. On February 17, 2022, the Court issued an opinion dismissing JSW's antitrust complaint with prejudice. On March 16, 2022, JSW filed a notice of appeal with the United States Court of Appeals for the Fifth Circuit. The Company is vigorously defending the matter.

On January 22, 2021, NLMK Pennsylvania, LLC and NLMK Indiana, LLC (NLMK) filed a Complaint in the Court of Common Pleas of Allegheny County, Pennsylvania against the Company. The Complaint alleges that the Company made misrepresentations to the DOC regarding NLMK's requests to be excluded from tariffs assessed on steel slabs imported into the United States pursuant to the March 2018 Section 232 Presidential Order imposing tariffs. NLMK claims over \$100 million in compensatory and other damages. The Company removed the claim to the United States District Court for the Western District of Pennsylvania on February 25, 2021. U. S. Steel subsequently filed a Motion to Dismiss the case on August 30, 2021. On March 22, 2022, the Court issued an opinion dismissing NLMK's complaint on federal preemption grounds and no timely appeal was made.

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. The Company has since implemented substantial operational, process and notification improvements at Midwest. In January of 2018, The Surfrider Foundation and the City of Chicago initiated suits in the Northern District of Indiana alleging 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 (NPDES) violations at Midwest. 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 (the 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 August 31, 2021, the United States District Court for the Northern District of Indiana issued an Opinion and Order entering the Consent Decree. The Company filed a Motion to Lift the Stay in the citizen suits as well as Motions to Dismiss the suits on December 15, 2021. On March 31, 2022, the Court granted Company's Motion to Lift the Stay in the citizen suits and the Motion to Dismiss the citizen suits remains pending. The Company is vigorously defending the matter.

On October 2, 2017, an Amended Shareholder Class Action Complaint was filed in the United States District Court for 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, the "Class Action 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 Class Action Defendants related to the 2016 secondary offering. As a result, the underwriters are no longer parties to the case. On December 31, 2019, the court granted the 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 and the class has been notified. Discovery has concluded and the Company and individual defendants continue vigorously defending the remaining claims.

## **ENVIRONMENTAL PROCEEDINGS**

The following is a summary of the proceedings of U. S. Steel that were pending or contemplated as of March 31, 2022, under federal and state environmental laws, and which U. S. Steel reasonably believes may result in monetary sanctions of at least \$1 million (the threshold chosen by U. S. Steel as permitted by Item 103 of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended). 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 (each, a PRP) 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, 2022, U. S. Steel has received information requests or been identified as a PRP at a total of four 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 site will be over \$5 million 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 the 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 initial costs associated with implementing the first two phases of the proposed remedial plan at the site.

Remediation contracts were issued by both USS and GLNPO for the first phase of the remedial work at the site during the fourth quarter of 2020. USS and GLNPO have contracted for the second phase of work at the site which will extend through early 2022. The final phase of the remedial design has been defined and another amendment to the Project Agreement between U.S. Steel and GLNPO was executed in December 2021. USS' portion of additional, design, oversight costs, and implementation of all three phases of the preferred remedial alternative on the upland property and Estuary are currently estimated as of March 31, 2022 at approximately \$53 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 nine such sites where remediation is being sought involving amounts in excess of \$1 million. 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 five sites may involve remediation costs between \$1 million and \$5 million per site and four 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 below.

### **Gary Works**

On October 23, 1998, the U.S. EPA issued a final Administrative Order on Consent addressing Corrective Action for Solid Waste Management Units (each, an SWMU and, collectively, the SWMUs) throughout Gary Works. This Order on Consent requires U. S. Steel to perform an RCRA Facility Investigation (RFI), a Corrective Measures Study and Corrective Measure Implementation. Evaluations are underway at six groundwater areas on the east side of the facility. An Interim Stabilization Measure work plan has been approved by the U.S. EPA for one of the six areas and a contractor has recently completed installation and startup of the remedial system. 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, 2022, based on our current estimate of known remaining costs.

### **Geneva Works**

At U. S. Steel's former Geneva Works, liability for environmental remediation, including the closure of three hazardous waste impoundments and facility-wide corrective action, has been allocated between U. S. Steel and the current property owner pursuant to an agreement and a permit issued by the Utah Department of Environmental Quality. Having completed the investigation on a majority of the remaining areas identified in the permit, U. S. Steel had determined the most effective means to address the remaining impacted material was to manage those materials in a previously approved on-site Corrective Action Management Unit (the CAMU). U. S. Steel awarded a contract for the implementation of the CAMU during the fourth quarter of 2018. Construction, waste stabilization and placement, along with closure of the CAMU, were substantially completed in the

fourth quarter of 2020. U. S. Steel has an accrued liability of approximately \$19 million as of March 31, 2022 for our estimated share of the remaining costs of remediation at the site.

### **USS-UPI LLC**

In February 2020, U. S. Steel purchased the remaining 50 percent interest in USS-POSCO Industries, a former joint venture that is located in Pittsburg, California between subsidiaries of U. S. Steel and POSCO, now known as USS-UPI, LLC. 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, 2022. As of March 31, 2022, approximately \$1 million has been accrued for ongoing environmental studies, investigations and remedy monitoring. Significant additional costs associated with this site are possible and are referenced in Note 21 to the Condensed Consolidated Financial Statements "Contingencies and Commitments - Environmental Matters - Remediation Projects - Projects with Ongoing Study and Scope Development."

### **Fairfield Works**

A consent decree was signed by U. S. Steel, the U.S. EPA and the DOJ 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 an 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, 2022. In total, the accrued liability for remaining work under the Corrective Action Program, was approximately \$217,000 as of March 31, 2022. Significant additional costs associated with this site are possible and are referenced in Note 21 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. 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. Remediation work is now underway and is projected to continue through 2022. U. S. Steel has an accrued liability of approximately \$2 million as of March 31, 2022 for our estimated share of the cost of remediation.

### **Air Related Matters**

#### **Great Lakes Works**

In June 2010, the U.S. EPA significantly lowered the primary NAAQS for SO<sub>2</sub> 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 SO<sub>2</sub> NAAQS.

As a result, pursuant to the CAA, the Michigan Department of Environment, Great Lakes and Energy (EGLE) was required to submit an 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, which 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, the U.S. EPA has indicated that it would promulgate a Federal Implementation Plan (FIP) pursuant to its obligations and authority under the CAA. On January 28, 2022, U.S. EPA promulgated a final rule in the Federal Register finding that the Detroit nonattainment area failed to attain the 2010 sulfur dioxide national ambient air quality standard. On February 15, 2022, the Northern District of California District Court entered a Consent Decree in *Center for Biological Diversity, et al. v. Michael S. Regan*, that requires the EPA to promulgate a final FIP for the Detroit area no later than September 30, 2022. To date, U. S. EPA has not proposed a FIP and the impacts of any future FIP to the Company are not estimable at this time.

## **Granite City Works**

In October 2015, Granite City Works received a Violation Notice from the Illinois Environmental Protection Agency (the 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 an FIP that applies to taconite facilities in Minnesota. An FIP establishes and requires emission limits and the use of low NOx reduction technology on indurating furnaces as Best Available Retrofit Technology. While U. S. Steel installed low NOx burners on three furnaces at Minntac and is currently obligated to install low NOx burners on the two other furnaces at Minntac pursuant to existing agreements and permits, the rule would require the installation of a low NOx burner on the one furnace at Keetac for which U. S. Steel did not have an otherwise existing obligation. U. S. Steel estimates expenditures associated with the installation of low NOx burners of as much as \$25 million 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 U.S. 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, the 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 the U.S. EPA's denial of the administrative petitions for reconsideration to the Eighth Circuit Court of Appeals. The U.S. EPA and U. S. Steel reached a settlement regarding the five indurating lines at Minntac. After proposing a revised FIP and responding to public comments, on March 2, 2021, the U.S. EPA promulgated a final revised FIP incorporating the conditions and limits for Minntac to which the parties agreed. U. S. Steel and the U.S. EPA continue to negotiate resolution for Keetac.

## **Mon Valley Works**

On November 9, 2017, the U.S. EPA Region III and ACHD jointly issued a Notice of Violation (NOV) regarding the Company's Edgar Thomson facility in Braddock, Pennsylvania. 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 the U.S. EPA Region III and ACHD several times. ACHD, the 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 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 SO<sub>2</sub> emissions exceeded the hourly NAAQS for SO<sub>2</sub> 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. Fact and Expert discovery has been completed, and pre-trial motion briefing has been submitted to the court. The court heard oral arguments on the motions including the Plaintiffs' Motions for Summary Judgment and on March 31, 2022, the Court denied all pre-trial motions. The Company will continue to vigorously defend against the matter.

On March 2, 2022, the Company received a stipulated penalty demand for \$859,300 from the Allegheny County Health Department (ACHD) pursuant to the June 2019 Settlement Agreement and Order (SAO) between the Company and ACHD. In the demand notice, ACHD alleges that based upon daily visible emission observation inspections occurring April 1, 2021 through December 31, 2021, the Company's Clairton plant violated applicable opacity standards from coke battery fugitive emission sources. The Company disagrees with the bases for the demand. The Company has initiated dispute resolution in accordance with the SAO and is vigorously defending the matter.

On March 7, 2022, the Company received an enforcement order from the Allegheny County Health Department (ACHD) that includes a civil penalty demand for \$1,842,539. In the Order, the ACHD alleges that the Company's Clairton plant is solely and entirely culpable for 153 alleged exceedances of the Pennsylvania hydrogen sulfide ambient air standard that are reported to have occurred during January 1, 2020 through March 1, 2022. The Company disagrees with the bases for the demand. On April 5, 2022, the Company appealed the Order and is vigorously defending the matter.

On March 24, 2022, the Company received an enforcement order from the Allegheny County Health Department (ACHD) that includes a civil penalty demand for \$4,570,500 for alleged air permit violations occurring between January 1, 2020 through March 15, 2022 regarding the Company's Clairton plant's coke oven pushing emission control systems. The Company disagrees with the bases for the demand and has appealed the Order.

### ***Water Related Matters***

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. The Company has since implemented substantial operational, process and notification improvements at Midwest. On April 2, 2018, the U.S. EPA and the State of Indiana initiated an action 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 (NPDES) violations at the Midwest Plant. While the Consent Decree was being negotiated, in January of 2018, The Surfrider Foundation and the City of Chicago initiated citizen suits in the Northern District of Indiana alleging Clean Water Act (CWA) and permit violations at Midwest. The citizen suits were stayed pending resolution and entry of the Consent Decree, and both the Surfriders Foundation and the City of Chicago intervened in the Consent Decree action. On August 31, 2021, the United States District Court for the Northern District of Indiana issued an Opinion and Order entering the Consent Decree. The Company filed a Motion to Lift the Stay in the citizen suits as well as Motions to Dismiss the citizen suits on December 15, 2021. On March 31, 2022, the Court granted Company's Motion to Lift the Stay in the citizen suits and the Motion to Dismiss the citizen suits remains pending. The Company is vigorously defending the matter.

On February 7, 2020, the Indiana Department of Environmental Management (IDEM) issued an Amended Notice of Violation and Proposed Agreed Order related to alleged NPDES permit water discharge violations at Midwest during the period of November 2018 through December 2019 unrelated to the violations resolved in the Consent Decree. On May 11, 2021, IDEM and U. S. Steel entered into an Agreed Order where U. S. Steel agreed to taking corrective actions, a civil penalty, a Supplemental Environmental Project, and stipulated penalties for future violations.

### **ASBESTOS LITIGATION**

See Note 21 to our Condensed Consolidated Financial Statements, Contingencies and Commitments for a description of our asbestos litigation.

### **Item 1A. RISK FACTORS**

There have been no material changes or updates to the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.



**Item 2. PURCHASES OF EQUITY SECURITIES BY ISSUER AND AFFILIATED PURCHASERS**

Share repurchase activity under the Company's stock repurchase program during the three months ended March 31, 2022 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs in effect at March 31, 2022 <sup>(a)</sup>
January 1 - 31, 2022	2,358,866	\$ 22.655	2,358,866	\$ 596,625,800
February 1 - 28, 2022	1,907,866	\$ 22.591	1,907,866	\$ 553,524,900
March 1 - 31, 2022	765,238	\$ 33.982	765,238	\$ 527,520,800
<b>Quarter ended March 31, 2022</b>	<b>5,031,970</b>	<b>\$ 24.353</b>	<b>5,031,970</b>	<b>\$ 527,520,800</b>

<sup>(a)</sup> On October 25, 2021, the Board of Directors authorized a stock repurchase program to repurchase up to \$300 million of our outstanding common stock at the discretion of management. On January 24, 2022 the Board of Directors authorized an additional \$500 million under the stock repurchase program. The Company's stock repurchase program does not obligate it to acquire any specific number of shares. Under this program, the shares will be purchased from time to time at prevailing market prices, through open market or privately negotiated transactions, depending upon market conditions.

**Item 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**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**

- 3.1 [Amended and Restated Certificate of Incorporation of United States Steel Corporation, dated April 25, 2017. \(Incorporated by reference to Exhibit 3.1 to United States Steel Corporation's Form 8-K filed on April 28, 2017, Commission File Number 1-16811.\)](#)
- 3.2 [Amended and Restated By-Laws of United States Steel Corporation, as of October 26, 2021. \(Incorporated by reference to Exhibit 3.1 to United States Steel Corporation's Form 8-K filed on October 28, 2021, Commission File Number 1-16811.\)](#)
- 10.1 [Special Transition Agreement and Release by and between Christine S. Breves and United States Steel Corporation, dated February 15, 2022.](#)
- 10.2 [Form of United States Steel Corporation 2016 Omnibus Incentive Plan Performance Share Award Grant Agreement \(ROCE Grant\)\\*](#)
- 10.3 [Form of United States Steel Corporation 2016 Omnibus Incentive Plan Performance Share Award Grant Agreement \(TSR Grant\)\\*](#)
- 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, 2022 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).

\* Indicates management contract or compensatory plan or arrangement.

**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 & Chief Accounting Officer

April 29, 2022

**WEB SITE POSTING**

This Form 10-Q will be posted on the U. S. Steel web site, [www.ussteel.com](http://www.ussteel.com), within a few days of its filing.

## SPECIAL TRANSITION AGREEMENT AND RELEASE

This Special Transition Agreement and Release ("Agreement") is made and entered into by and between Christine S. Breves ("Breves") and UNITED STATES STEEL CORPORATION (the "Company") as of the date of Breves' signature set forth below (the "Execution Date").

1. **TRANSITION AND SEPARATION.** Breves has notified the Company, and the Company acknowledges, that she is voluntarily stepping down from the position of Chief Financial Officer ("CFO") once a successor has been appointed (with the date of appointment termed the "Transition Date") but, at the Company's request, will remain an officer of the Company until she voluntarily resigns from all positions, titles, duties, authorities, and responsibilities with, arising out of, or relating to, her employment with the Company on December 31, 2022 (the "Transition End Date"). During the period between the Transition Date and the Transition End Date (the "Transition Period"), Breves has agreed to remain an employee of the Company and on the Company's payroll in the position of Executive Vice President - Business Transformation in order to assist with the transition of her CFO duties, continue performing her other operational responsibilities, and assist with specified strategic goals.

In addition, Breves and the Company acknowledge, understand and agree that:

- (a) Except as provided herein, all of Breves' service, compensation and benefit accruals from the Company and its compensation and benefit plans shall cease as of the Transition End Date.
- (b) Following the Transition End Date, she will have the opportunity to continue coverage under the applicable group health plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA").
- (c) Breves is eligible to receive accrued and vested benefits based on her service through the Transition End Date to the extent provided in accordance with the terms of the following plans as further clarified herein:
  - (i) United States Steel Corporation Savings Fund Plan for Salaries Employees
  - (ii) United States Steel Corporation Supplemental Thrift Program
  - (iii) United States Steel Corporation Non Tax-Qualified Retirement Account Program
  - (iv) United States Steel Corporation Supplemental Retirement Account Program

Pursuant to section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), payments under the non-qualified deferred compensation plans (which include (ii)-(iv) above), for which the payment event is a separation from service (within the meaning of such programs) shall be made on the first business day of the seventh month following her separation from service (or, if earlier, the last business day of the calendar month following the month of her death). During this 6-month delay, interest or earnings will accrue and be payable solely in accordance with the terms of the applicable plan.

- (d) As of the Transition End Date, Breves will be fully vested in all Restricted Stock Unit ("RSU") grants made under the Company's long-term incentive program ("LTIP"). In accordance with the terms of the grant agreements, the RSUs will be paid to Breves on the regularly scheduled vesting dates (i.e., each of the first, second, and third anniversaries of the date of grant).
- (e) As of the Transition End Date, Breves will be fully vested in all annual Performance Award grants made under the LTIP. The payout for the Performance Awards, if any, will be calculated based on the Company's achievement of the performance goals as specified in the applicable award agreement. Any such payout will be made following the end of the relevant performance period as provided in the respective award agreements, which for the 2020 Performance Awards would be 2022, for the 2021 Performance Awards would be 2023, and for the 2022 Performance Awards would be 2024. For avoidance of doubt and in accordance with the terms of the grant agreement, the 2020 Performance Cash Award was

immediately vested upon Breves' attainment of Normal Retirement Age, as defined in the grant agreement.

- (f) Breves is fully vested in all options granted under the LTIP and will have the opportunity to exercise them in accordance with the terms and conditions of the applicable award agreements granting such stock options.
- (g) Breves is entitled to and shall receive payment for (i) all earned but unpaid base salary through her Transition End Date, (ii) accrued and unused vacation time as of the Transition End Date, and (iii) awards earned, if any, under the Executive Management Annual Incentive Compensation Program for calendar year 2022.
- (h) Breves is not eligible for and will not receive any benefits under the United States Steel Corporation Executive Severance Plan or Supplemental Unemployment Benefit Program for Non-Union Employees or any other severance benefits from the Company.
- (i) For avoidance of doubt, no accrued and vested benefits to which Breves is entitled as of the Execution Date are withdrawn or negatively affected in any way by virtue of her entering into this Agreement, provided however that Breves acknowledges that the 2016 option grant agreement must be exercised no later than three years from the date of separation of service, which is expected to be the Transition End Date.

2. **CONSIDERATION.** Breves acknowledges, understands and agrees that the Company is not obligated to pay her any type of severance payments or benefits. However, in consideration for executing this Agreement and the additional General Release attached hereto as Attachment A ("General Release"), and not revoking this Agreement and/or the General Release in accordance with the terms therein, and abiding by all terms and conditions contained herein, the Company agrees as follows:

- (a) The Company will pay Breves the total amount of One Million Five Hundred Forty Thousand Dollars (\$1,540,000). The foregoing amount will be paid in a lump sum less applicable withholding on the first regular payroll date following the additional General Release Effective Date (as defined below). The parties acknowledge and agree that any payment shall be made on or prior to March 15, 2023.
- (b) For purposes of the special Performance Award granted to her in December 2021, Breves' resignation will be treated as a Termination with Consent as defined in the Performance Share Award Grant Agreement, and consequently as of the Transition End Date, Breves shall receive full vesting of the number of shares issuable under the special Performance Award, and which at target performance at the end of the performance period would be 84,560 shares. The payout for the special Performance Award, if any, will be calculated based on the Company's achievement of the performance goals at the performance levels (no payment, threshold, target, and maximum) as specified in the Performance Share Award Grant Agreement. Any such payout will be made following the end of the relevant performance period on December 31, 2025. For the avoidance of doubt, Breves' payout will not be pro-rated based on her employment with the Company but will be payable as if she was employed by the Company the full four year performance period.
- (c) The payments referenced in paragraphs 2(a) and 2(b) above will not be treated as covered compensation under any of the Company's compensation, retirement, or benefit programs. The payments referenced in paragraphs 2(a) and 2(b) will be subject to all applicable tax and other withholdings and deductions. The payments referenced in paragraphs 2(a) and 2(b) are also conditioned upon Breves complying with her obligations under this Agreement. If Breves materially breaches any such obligations at any time, the payments referenced in paragraphs 2(a) and 2(b) will be forfeited, and the Company will be entitled to repayment of any amounts it already paid.

- (d) Breves understands, acknowledges and agrees that the Company is not required to provide any of the consideration described above if she does not execute this Agreement and the General Release, and therefore, it represents valuable consideration which is in addition to anything else of value to which she was already entitled.
- (e) Breves acknowledges, understands and agrees that, except as otherwise set forth in this Agreement, she will not receive, nor is she entitled to receive, any other consideration, payments, incentive payments, reimbursements, bonuses, stock, stock options, equity interests, or other benefits or compensation of any kind.
- (f) The Consideration obligations referenced herein shall be binding on any successor to the Company as a result of a change in control as defined in the Change in Control Severance Plan of the Company.
- (g) In the event that Breves' employment ends prior to her Transition End Date due to her death, the Consideration specified in this Agreement shall be made to her estate as if she worked through December 31, 2022. In the event that Breves' employment ends prior to her Transition End Date due to her disability, the Consideration specified in this Agreement shall be made to Breves as if she worked through December 31, 2022. In either case, Breves or her/her estate's duly authorized representative must sign the General Release before payment is made.

3. **RELEASE.** In exchange for the promises by the Company contained in this Agreement, Breves, on behalf of herself and her agents, representatives, attorneys, heirs, executors, administrators, survivors, trustees, beneficiaries, and assigns (separately and collectively, the "Releasers"), of her own free will and to the maximum extent permitted by law, completely, irrevocably and unconditionally releases and discharges forever the Company and its successors, assigns, divisions, subsidiaries, related or affiliated companies, past and present officers, directors, shareholders, members, employees, representatives and agents (separately and collectively, the "Releasees") from all causes of action, claims, charges, demands, costs and expenses for damages which she now has, or may have hereafter, whether known or unknown, whether asserted or not, arising out of or on account of her employment relationship with the Company, or her separation from employment with the Company, or any other transactions, occurrences, acts or omissions or any loss, damage, or injury whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission on the part of the Company, committed or omitted as of the Execution Date (collectively, the "Released Claims").

The Released Claims include, but are not limited to, any claims of discrimination on any basis, including age, race, color, national origin, religion, sex, gender or gender identity, sexual orientation, veteran's status, whistleblower status, disability or handicap arising under any federal, state, or local statute, ordinance, order or law, including but not limited to the Age Discrimination in Employment Act ("ADEA"), the Older Workers Benefit Protection Act ("OWBPA"), Title VII of the Civil Rights Act of 1964, as amended, Sections 1981 and 1983 of the Civil Rights Act of 1866, the Americans with Disabilities Act, the Uniformed Services Employment and Reemployment Rights Act, and the Employee Retirement Income Security Act; any claims under the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Pennsylvania Human Relations Act; the Pennsylvania Whistleblower Law; any claim that the Company breached any contract or promise express or implied, or any term or condition of employment; any claim for wages, benefits, bonus, severance pay or compensation of any kind (except as specifically provided herein); any torts or any claims for promissory estoppel; any claim of wrongful discharge, and/or any other claims under any federal, state or local laws arising out of or related to her employment or separation from employment with the Company. It is expressly understood and agreed that the foregoing is a general release of all claims and rights against the Releasees, except those claims that may not be waived as a matter of law.

Nothing in this Release affects Breves' right to indemnification by the Company related to her employment under and subject to applicable law, corporate bylaws, and directors and officers liability policies.

Breves also agrees that no sooner than the day after the Transition End Date and in any event no later than January 14, 2023, Breves will execute and deliver to the Company the additional General Release, in the form attached hereto as Attachment A, that provides the same release of any and all claims and rights against the Releasees. Breves agrees that this Agreement provides her with adequate consideration to execute the General Release and that Breves will not be entitled to the consideration described in Paragraph 2 above absent execution of the General Release without revocation.

4. **PROCEEDINGS AND COOPERATION.** Breves presently affirms that she has not filed or caused to be filed, and is not presently a party to, any claim against the Releasees with any local, state, or federal court, or any governmental, administrative, investigative, or other agency or board. Furthermore, Breves also agrees to cooperate with and assist the Company in matters concerning prior business arrangements, investigations, pending litigation or litigation which may arise in the future concerning matters about which she has personal knowledge or which were within the purview of her job responsibilities at the Company. Breves agrees to assist in the prosecution or defense of such claims involving the Company, whether or not such claims involve litigation, including giving truthful testimony as needed.
5. **REPRESENTATIONS.** Breves represents that: (i) this Agreement encompasses all of the benefits and payments to which she is entitled in connection with the transition and Transition End Date described herein; (ii) she has been granted all leaves of absences to which she is entitled; (iii) she has reported to the Company any and all work-related injuries that she has suffered or sustained during her employment with the Company up to the Execution Date; (iv) she is not aware of any factual basis that would provide the Company with "cause" within the meaning of any Company plan or equity-based award agreement with her; and (v) in connection with any matter involving or concerning any governmental regulatory, or enforcement authority or agency, she is not aware of any factual or legal basis for any legitimate claim that the Company or any of its affiliated entities is in violation of any international, federal, state or local law, rule or regulation.
6. **NON-DISPARAGEMENT.** Breves agrees to refrain from making, whether verbally or in writing, any critical, denigrating, disparaging, defamatory or slanderous comments, references or characterizations concerning the Company and/or its former or current officers, directors, employees, independent contractors, agents, products or services. Breves understands that nothing in this Agreement, including but not limited to this paragraph 6, is intended to prevent her from making truthful statements to a federal, state, or local government agency, or in any legal, administrative, or arbitration proceeding or as otherwise required by law.
7. **NON-COMPETITION AND NON-SOLICITATION.** Breves agrees that during her employment and for a period of twelve (12) months immediately following the Transition End Date, she shall not, unless acting pursuant to the prior written consent of the Company's President & Chief Executive Officer, directly or indirectly (a) own, manage, operate, finance, join, control or participate in the ownership, operation, management, financing or control of, or be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, or use or permit her name to be used in connection with, any Competing Business, (b) solicit or divert to any Competing Business any individual or entity which is then a customer, or was a customer of the Company at any time during the twelve (12) months preceding the Transition End Date, (c) attempt to employ, solicit, or assist any business or enterprise in employing any employee of the Company or advise or recommend to any other person or entity that he or it employ or solicit for employment any employee of the Company, or (d) solicit or attempt to solicit any person or entity who is a director, officer, employee, independent contractor, representative or agent of the Company to cease or reduce the extent of their relationship with the Company. Notwithstanding the foregoing, ownership of one percent (1%) or less of any class of outstanding securities of a Competing Business shall not be deemed a violation of this paragraph. The term "Competing Business" shall mean any business or enterprise engaged in the manufacture or sale of flat-rolled or tubular steel products within any (i) state of the United States, (ii) the District of Columbia, or (iii) any foreign country in which the Company has engaged in any such business within twelve (12) months prior to the Transition End Date, or within the twelve (12) month period immediately following the Transition End Date. In the event that the provisions of this paragraph should ever be adjudicated to exceed the time, geographic, product or other limitations permitted by applicable law in any

jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic, product or other limitations permitted by applicable law. Breves acknowledges the reasonableness of the duration and scope of these non-competition and non-solicitation periods.

8. **PROTECTION OF COMPANY INFORMATION.** Breves acknowledges that she received and was provided valuable non-public information obtained, possessed or developed by the Company in the ordinary course of its business and that the protection of such “Confidential Information” is of vital importance to the Company’s business and interests. All such Confidential Information, whether written or not and whether marked as confidential or not, is presumed to be confidential. Examples of Confidential Information include, but are not limited to, non-public information concerning the Company’s employees, directors, officers, customers, suppliers, prices, sales techniques, estimating and pricing systems, international trade strategy and plans, business and operational strategy, internal cost controls, production processes and methods, employment practices, product planning and development programs, possible divestitures and acquisitions, marketing plans, product information, inventions, blueprints and sketches, technical and business concepts, training programs, legal, compliance and regulatory matters, regardless of whether devised, developed, produced, worked on, or invented in whole or in part by herself or others, and whether or not copyrightable, trademarkable, licensable, or reduced to practice. Breves acknowledges and agrees that as an employee of the Company, she has been under a legal obligation to respect and protect such Confidential Information. Breves agrees that she will not, directly or indirectly, at any time or in any manner whatsoever, use any such Confidential Information for her personal use or advantage, or disclose or make such Confidential Information available to others, regardless of how or when she came into possession of such Confidential Information. Subject to the Provision of paragraph 7 (Non-Competition and Non-Solicitation), nothing herein prevents Breves from using her general knowledge, skill, and experience in gainful employment by a third party after her employment with the Company.

Breves represents that she has not, and will not, download, transfer, or take with her any Confidential Information or other Company property, documents, data or information. To the extent she has not done so prior to the Transition End Date, Breves agrees to return to the Company all Confidential Information and all Company property, documents, data and other information, including but not limited to computers, electronic equipment, cell phones, badges, credit cards, which are or have been in her possession or control, whether or not they contain Confidential Information or relate to the Company’s business. Following her Transition End Date, Breves shall be able to keep her Company-issued mobile number upon request.

Breves understands that pursuant to 18 U.S.C. § 1833(b), an individual will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that: (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Additionally, an individual suing an employer for retaliation for reporting a suspected violation of law may disclose a trade secret to her or her attorney and use the trade secret information in the court proceeding, provided the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

9. **GOVERNMENT INVESTIGATIONS.** Breves understands that nothing in this agreement shall be construed to prohibit her from reporting conduct to, providing truthful information to or participating in any investigation or proceeding conducted by any federal or state government agency or self-regulatory organization.
10. **REMEDIES.** Breves understands the provisions in the above paragraphs, as well as paragraph 12, are material to this Agreement, material violation of which would constitute breach of this Agreement subject to the remedies set forth in this paragraph 10. In the event of a material breach or a material threatened breach by Breves of any of the provisions of paragraphs 6 (Non-disparagement), 7 (Non-Competition and Non-Solicitation), 8 (Protection of Company Information), or 12 (Reasonable Best Efforts) the Company, in addition and supplementary to other rights and remedies existing in its (or their) favor, shall be entitled to specific performance of each of such paragraphs, including temporary, preliminary and/or permanent injunctive or other equitable relief from a court of competent jurisdiction in order to stop and/or prevent any violations of the provisions hereof (without posting a bond or other



security), and shall also be entitled to require Breves to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of the covenants contained herein, and shall also be entitled to cease paying or providing and be entitled to require Breves to repay all amounts paid pursuant to **paragraph 2 (Consideration)** only of this Agreement. In addition, in the event of an alleged breach or violation by Breves of paragraph 7 (Non-Competition and Non-Solicitation) of this Agreement, the restricted periods set forth therein shall be tolled until such breach or violation has been duly cured.

11. **ADEA.** With specific regard to this Agreement, Breves understands and acknowledges that:

- (a) This Agreement constitutes an enforceable contract, and by signing this Agreement, she is waiving rights that she may have against the Releasees as of the Execution Date, including claims under the Age Discrimination in Employment Act ("ADEA") as applicable, as well as other federal, state and local laws, based on her employment or separation from employment with the Company;
- (b) She understands that she is not releasing any claims that may arise after the Effective Date (as defined in paragraph 16 below);
- (c) She is receiving, in exchange for this Agreement, valuable consideration in addition to anything of value to which she is already entitled;
- (d) The Company has advised her to consult with an attorney prior to executing this Agreement;
- (e) She has a period of **21 calendar days** from the date she receives this Agreement, or so much of such 21-day period as she cares to utilize, to review, consider and sign this Agreement;
- (f) She may revoke this Agreement at any time within **seven (7) calendar days** after the Execution Date by delivering a written notice of revocation to the Company's General Counsel;
- (g) If she does not execute and deliver this Agreement within the 21-day period referenced in (e) above, or if she revokes this Agreement after signing it within the 7-day period referenced in (f) above, she will be ineligible to receive any of the consideration under this Agreement; and
- (h) The Company's obligation to provide the consideration under this Agreement is contingent upon (i) her execution of this Agreement and the expiration of the associated revocation period without her revocation of the Agreement, and (ii) her execution of the General Release (pursuant to paragraph 3 above) and the expiration of the associated revocation period without revocation of the General Release.

12. **REASONABLE BEST EFFORTS.** In consideration for this Agreement, Breves agrees to use her reasonable best efforts in performing her duties for the Company through the Transition End Date. In addition, Breves agrees to continue to comply with all applicable policies and procedures, including the Company's Code of Ethical Business Conduct. Upon Breves entering into this Agreement, her employment prior to the Transition End Date may only be terminated for "Cause." For purposes of this clause, "Cause" shall mean any of the following: (i) the willful and continued failure by Breves to substantially perform her duties with the Company (other than such failure resulting from her incapacity due to physical or mental illness), (ii) the willful engaging by Breves in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise; (iii) Breves' conviction of a felony or misdemeanor which impairs her ability to substantially perform her duties with the Company; or (iv) the material breach by Breves of the Company's Code of Ethical Business Conduct. Under this definition of "cause," no act or failure to act on Breves' part shall be deemed "willful" unless done, or omitted to be done, by Breves not in good faith and without reasonable belief that her action or omission was in the best interest of the Company. These obligations referenced herein shall be binding on any successor to the Company as a result of a change in control as defined in the Change in Control Severance Plan of the Company.

13. **NO ADMISSION.** Breves acknowledges that nothing in this Agreement constitutes an admission by the Company of any liability or of any violation of any applicable law or regulation.

14. **MODIFICATION.** The provisions of this Agreement may not be modified by any subsequent agreement unless specifically approved in writing that is executed by the Company's General Counsel.
15. **SEVERABILITY.** Except as stated below with respect to the Release set forth in paragraph 3 and the General Release, each provision of this Agreement shall be enforceable independently of every other provision. If one or more provisions of this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein. To the extent that the Release set forth in paragraph 3 above or the General Release is deemed to be illegal, invalid, or unenforceable, the parties will negotiate in good faith to amend such Release or General Release, and if unable to amend for any reason, the Company shall not be obligated to honor any of the terms set forth herein and Breves agrees to immediately return any amounts paid to Breves by the Company pursuant to paragraph 2 (Consideration) of this Agreement, to the maximum extent permitted by applicable law.
16. **EFFECTIVE DATE.** The "Effective Date" of this Agreement shall be the date that Breves signs this Agreement, as reflected in the signature block hereto, unless timely revoked in accordance with the provisions of paragraph 11(f) above. The "General Release Effective Date" shall be the date following Breves' timely execution and delivery of the General Release, as reflected in the signature block thereto, that the General Release becomes irrevocable in accordance with the provisions thereof.
17. **GOVERNING LAW; VENUE.** This Agreement, and any disputes arising from, relating to or touching upon the Agreement shall be construed under and governed by the laws of the Commonwealth of Pennsylvania except to the extent preempted by federal law and the venue for any such dispute shall be exclusively in the State or Federal Courts located in Allegheny County, Pennsylvania.
18. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between Breves and the Company related to the payments made hereunder in connection with Breves' transition and Transition End Date from the Company; this Agreement has been executed based upon the terms set forth herein. Except for the plan documents referenced in paragraphs 1 and 2, and applicable corporate bylaws and directors and officers liability policies referenced in paragraph 3 (collectively, the "Referenced Plans"), neither Breves nor the Company have relied on any prior agreement or representation, whether oral or written, which is not set forth in this Agreement; except for the Referenced Plans, no prior agreement, whether oral or written, shall have any effect on the terms and provisions of this Agreement; and except for the Referenced Plans all prior agreements, whether oral or written, relating to the transition and Transition End Date from the Company are expressly superseded and/or revoked by this Agreement.
19. **SECTION 409A.** Notwithstanding anything set forth in this Agreement, no amount payable pursuant to or as provided in this Agreement which constitutes a "deferral of compensation" within the meaning of Section 409A of the Code shall be paid unless and until Breves has incurred a "separation from service" to the extent required to avoid adverse income tax consequences under Section 409A. Further, to the extent that Breves is a "specified employee" within the meaning of Section 409A as of the date of Breves' separation from service, no amount which constitutes nonqualified deferred compensation which is payable on account of Breves' separation from service shall be paid to Breves before the date which is the first day of the seventh month after the date of Breves' separation from service or, if earlier, the date of Breves' death following such separation from service.
20. **CONSTRUCTION.** No provision or construction of this Agreement shall be interpreted or construed against any party because that party or its legal representative drafted that provision. The captions and headings of the paragraphs of this Agreement are for convenience only and are not to be considered in construing this Agreement. Unless the context of this Agreement clearly requires otherwise: (a) references to the plural include the singular, the singular the plural, and the part the whole; (b) references to one gender include all genders; (c) "or" has the inclusive meaning frequently identified with the phrase "and/or"; (d) "including" has the inclusive meaning frequently identified with the phrase "including but not limited to" or "including without limitation," (e) references to "hereunder," "herein" or "hereof" relate this Agreement as a whole, and (f) the terms "dollars" and "\$" refer to United States dollars. Paragraph, subparagraph, exhibit and schedule references are to this

Agreement as originally executed unless otherwise specified. Any reference herein to any statute, rule, regulation, or Agreement, including this Agreement, shall be deemed to include such statute, rule, regulation or agreement as it may be modified, varied, amended or supplemented from time to time. Any reference herein to any person shall be deemed to include the heirs, personal representatives, successors and permitted assigns of such person.

21. **ASSIGNABILITY; BINDING NATURE.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs, beneficiaries, and permitted assigns. No rights or obligations of Breves under this Agreement may be assigned or transferred by Breves other than her rights to compensation and benefits, which may be transferred only by will or operation of law.
22. **COUNTERPARTS.** This Agreement and the General Release may be executed and delivered in two or more counterparts and by facsimile or email (including PDF copies) showing the signatures of each applicable party, each of which shall be deemed an original, but all of which shall constitute one and the same written Agreement. This Agreement may be signed by ink or electronically through either of the two following measures: 1) preceded by an "s/" typed in the space where the signature would otherwise appear (ex: s/ Thomas Smith); or 2) through Adobe Sign or similar electronic software. The facsimile, PDF, or electronically signed documents shall be deemed an original and legally binding signature.
23. **VOLUNTARY EXECUTION.** After utilizing as much of the 21-day period above as she deems necessary to consider this matter, and after consulting with an attorney if she so elected, Breves has freely executed and delivered this Agreement so as to secure the consideration provided hereunder.

**Breves and the Company have read and understand the provisions set forth above and agree to be legally bound by this Agreement.**

/s/ Christine S. Breves  
Christine S. Breves

Date: 2/15/2022

**For the Company:**

/s/ Duane D. Holloway  
Duane D. Holloway  
Senior Vice President, General Counsel, and  
Chief Ethics & Compliance Officer

Date: 2/15/2022

## Attachment A

### General Release

In exchange for good and valuable consideration as described in paragraph 2 (Consideration) of that certain Special Transition Agreement and Release ("Agreement") entered into between Christine S. Breves ("Breves") and United States Steel Corporation (the "Company") to which this Attachment A is attached, Breves on behalf of herself and her agents, representatives, attorneys, heirs, executors, administrators, survivors, trustees, beneficiaries, and assigns (separately and collectively, the "Releasors"), of her own free will and to the maximum extent permitted by law, completely, irrevocably and unconditionally releases and discharges forever the Company and its successors, assigns, divisions, subsidiaries, related or affiliated companies, past and present officers, directors, shareholders, members, employees, representatives and agents (separately and collectively, the "Releasees") from all causes of action, claims, charges, demands, costs and expenses for damages which she now has, or may have hereafter, whether known or unknown, whether asserted or not, arising out of or on account of her employment relationship with the Company, or her separation from employment with the Company, or any other transactions, occurrences, acts or omissions or any loss, damage, or injury whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission on the part of the Company, committed or omitted as of the date of her execution and delivery of this General Release (the "General Release Execution Date") (collectively, the "Released Claims").

The Released Claims include, but are not limited to, any claims of discrimination on any basis, including age, race, color, national origin, religion, sex, gender or gender identity, sexual orientation, veteran's status, whistleblower status, disability or handicap arising under any federal, state, or local statute, ordinance, order or law, including but not limited to the Age Discrimination in Employment Act ("ADEA"), the Older Workers Benefit Protection Act ("OWBPA"), Title VII of the Civil Rights Act of 1964, as amended, Sections 1981 and 1983 of the Civil Rights Act of 1866, the Americans with Disabilities Act, the Uniformed Services Employment and Reemployment Rights Act, and the Employee Retirement Income Security Act; any claims under the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Pennsylvania Human Relations Act; the Pennsylvania Whistleblower Law; any claim that the Company breached any contract or promise express or implied, or any term or condition of employment; any claim for wages, benefits, bonus, severance pay or compensation of any kind (except as specifically provided in the Agreement); any torts or any claims for promissory estoppel; any claim of wrongful discharge, and/or any other claims under any federal, state or local laws arising out of or related to her employment or separation from employment with the Company. It is expressly understood and agreed that the foregoing is a general release of all claims and rights against the Releasees, except those claims that may not be waived as a matter of law.

**ADEA.** With specific regard to this General Release, Breves understands and acknowledges that:

- (a) This General Release constitutes an enforceable contract, and by signing this General Release, she is waiving rights that she may have against the Releasees as of the General Release Execution Date, including claims under the Age Discrimination in Employment Act ("ADEA") as applicable, as well as other federal, state and local laws, based on her employment or separation from employment with the Company;
- (b) She understands that she is not releasing any claims that may arise after the General Release Execution Date;
- (c) She is receiving, in exchange for this General Release, valuable consideration in addition to anything of value to which she is already entitled;
- (d) The Company has advised her to consult with an attorney prior to executing this General Release;
- (e) She has had a period of **21 calendar days** from the date she received this General Release, or so much of such period as she cares to utilize, to review, consider, and sign this General Release;

- (f) She may revoke this General Release at any time within **seven (7) calendar days** of the General Release Execution Date by delivering a written notice of revocation to the Company's General Counsel;
- (g) If she does not execute and deliver this General Release within the 21-day period referenced in paragraph (e), or if she revokes this General Release after signing it within the 7-day period referenced in (f) above, she will be ineligible to receive any of the consideration set forth in paragraph 2 of the Agreement; and
- (h) The Company's obligation to provide the consideration under the Agreement is contingent upon execution of this General Release and the expiration of the revocation period without revocation of the General Release.

**GENERAL RELEASE EXECUTION DATE.** The earliest date on which Breves may sign and deliver this General Release is January 1, 2023, and the latest date on which Breves may sign and deliver this General Release is January 14, 2023.

All terms and conditions in the Agreement continue to remain in full effect.

**VOLUNTARY EXECUTION.** After utilizing as much of the 21-day period above as she deems necessary to consider this matter, and after consulting with an attorney if she so elected, Breves has freely executed this General Release so as to secure the consideration provided hereunder.

**Breves has read and understands the provisions set forth above and agree to be legally bound by this General Release.**

/s/ Christine S. Breves  
Christine S. Breves

Date: 2/15/2022

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

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

<b>Name of Participant:</b>	<b>PARTICIPANT NAME</b>
<b>Name of Employing Company on Date Hereof:</b>	<b>(The company recognized by the Corporation as employing the Participant)</b>
<b>Target Number of Shares Subject to Award:</b>	<b># SHARES</b>
<b>Maximum Number of Shares Subject to Award:</b>	<b>(Two times the Number of Shares Subject to the Award)</b>
<b>Performance Period:</b>	<b>January 1, 2022 through December 31, 2024</b>
<b>Performance Goals:</b>	<b>See Exhibit A</b>
<b>Date of Grant:</b>	<b>GRANT DATE</b>

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

United States Steel Corporation

By: \_\_\_\_\_  
Authorized Officer

### Terms and Conditions

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

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

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

4. **Change in Control:** Notwithstanding anything to the contrary stated herein, in the case of a Change in Control of the Corporation, (a) the Performance Period shall automatically end on the business day immediately preceding the closing date of the Change in Control, (b) the actual performance for the abbreviated Performance Period 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 Share Award”), and the balance of the Performance Share Award, if any, shall be forfeited, and (c) the Achieved Performance Share Award shall remain subject to forfeiture until the third anniversary of the Date of Grant of this Performance Share Award if the Participant’s employment is terminated after the Change in Control but before the third anniversary of the Date of Grant; provided, however, notwithstanding Section 5, (i) if the Participant’s employment is terminated by the Corporation other than for Cause or is terminated voluntarily by the Participant for Good Reason in the case of participants designated as executive management at the time of the Change in Control (“Executive Management”), within 24 months following a Change in Control, then, except as otherwise determined by the Corporation if the Participant is not Executive Management, the Achieved Performance Share Award shall not be forfeited upon such Termination; rather,

the Achieved Performance Share Award shall vest immediately upon the termination, (ii) if the Participant's employment is terminated by reason of death, due to the Participant becoming Disabled, or following attainment of Normal Retirement Age, then the Achieved Performance Share Award shall not be forfeited upon such Termination; rather, the Achieved Performance Share Award shall vest immediately upon such Termination; and (iii) if the Participant's employment is terminated following attainment of Early Retirement Age, then a prorated portion of the Achieved Performance Share Award will vest, based upon the number of complete months worked during the original Performance Period in relation to the number of whole months in the original Performance Period and the remainder shall be forfeited. The Corporation's actual performance for the abbreviated Performance Period shall be calculated as follows: completed measurement periods shall be measured against the established Performance Goals and the performance criteria shall be deemed satisfied only to the extent the actual performance was achieved; and incomplete measurement periods shall be deemed achieved at the established target Performance Goal

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

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

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

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

6. **Termination of Employment:** Except as provided in Sections 4 and 5 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 rights under this Agreement will terminate effective as of the date that the Participant is no longer actively employed by an Employing Company and will not be extended by any notice period. For purposes of the Performance Share Award, active employment does not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any. The Committee shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of the Performance Share Award.

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

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

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

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

11. **Confidentiality and Non-Competition:** If a Participant is employed in the United States in a position below the rank of Senior Vice President of the Corporation 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; provided, however, that the Non-Competition Agreement shall not be applicable to those Participants employed by Big River Steel ("BRS") or Vice Presidents of the Corporation who are subject to similar noncompete provisions in prior agreements outside of the Plan with BRS or the Corporation, as applicable, and (b) notwithstanding any other terms or conditions of the Plan or this Agreement to the contrary, in addition to any other remedies available at law, if unvested, the Award will be forfeited immediately and without further action by the Corporation in the event the Participant fails to comply with or breaches any of the obligations and restrictions under Exhibits B or C of this Agreement.

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

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

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

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

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

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

- (a) the Plan is established voluntarily by the Corporation, it is discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by its terms;
- (b) the grant of the Performance Share Award is voluntary and occasional and does not create any contractual or other right to receive future Performance Awards, or benefits in lieu of Performance Awards, even if Performance Awards have been granted in the past;
- (c) all decisions with respect to future Performance Award grants, if any, will be at the sole discretion of the Committee;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the Performance Share Award and the Shares subject to the Performance Share Award are extraordinary items which do not constitute compensation of any kind for services of any kind rendered to the Corporation or to the Employing Company, and which are outside the scope of the Participant's employment contract, if any;
- (f) the Performance Share Award and the Shares subject to the Performance Share Award are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, dismissal, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Corporation or the Employing Company or any Subsidiary or affiliate of the Corporation;
- (g) the Performance Share Award and the Shares subject to the Performance Share Award are not intended to replace any pension rights or compensation;
- (h) the grant of the Performance Share Award will not be interpreted to form an employment contract or relationship with the Corporation, the Employing Company or any Subsidiary or affiliate of the Corporation;
- (i) the future value of the Shares underlying the Performance Share Award is unknown, indeterminable and cannot be predicted with certainty;
- (j) no claim or entitlement to compensation or damages arises from forfeiture of the Performance Share Award resulting from termination of the Participant's employment by the Corporation or the Employing Company (for any reason whether or not in breach of applicable labor laws or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Performance Share Award to which the Participant is not otherwise entitled, the Participant irrevocably agrees never to institute any claim against the Corporation or the Employing Company, waives his or her ability, if any, to bring any such claim, and releases the Corporation and the Employing Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by



participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;

- (k) it is the Participant's sole responsibility to investigate and comply with any applicable exchange control laws in connection with the issuance and delivery of Shares pursuant to the vesting of the Performance Share Award;
- (l) the Corporation and the Employing Company are not providing any tax, legal or financial advice, nor are the Corporation or the Employing Company making any recommendations regarding the Participant's participation in the Plan or the Participant's acquisition or sale of the Shares underlying the Performance Share Award;
- (m) the Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan;
- (n) unless otherwise provided in the Plan or by the Corporation in its discretion, the Performance Share Award and the benefits evidenced by this Agreement do not create any entitlement to have the Performance Share Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Corporation; and
- (o) the following provisions apply only if the Participant is providing services outside the United States:
  - (i) the Performance Share Award and Shares underlying the Performance Share Award are not part of normal or expected compensation for any purpose; and
  - (ii) the Participant acknowledges and agrees that neither the Corporation nor the Employing Company shall be liable for any foreign exchange rate fluctuation between the local currency and the United States Dollar that may affect the value of the Performance Share Award or 80% of any amounts due to the Participant pursuant to the settlement of the Performance Share Award or the subsequent sale of any Shares acquired upon settlement.

#### 14. Data Privacy:

(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 Share 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 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 Performance Share 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 Share 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 Share Awards under the Plan or administer or maintain Performance Share 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 Share 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 online 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. The Participant agrees that the foregoing online or electronic participation in the Plan shall have the same force and effect as documentation executed in hardcopy written form. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

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

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

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

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

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

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

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

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

24. No Advice Regarding Grant: The Corporation is not providing any tax, legal or financial advice, nor is the Corporation making any recommendations or assessments regarding the Participant's participation in the Plan, or his or her acquisition or sale of the underlying Shares. 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.

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

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

## EXHIBIT A

### Performance Goals for the Performance Period

			Threshold	Target	Maximum
Performance Goal	Return on Capital Employed (ROCE)				
Payment Levels	% of Target Amount	0%	50%	100%	200%

#### **Payout Calculation.**

- (a) The Corporation's performance shall be measured over the Performance Period and the payout determined as follows: (i) performance shall be measured each calendar year in the three-year Performance Period with each year representing 20% of the total Award, and (ii) performance shall be measured over the full three-year Performance Period with the full three-year period representing 40% of the total Award. All payouts shall be made following the end of the Performance Period in accordance with Section 2 of the Agreement.
- (b) 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.
- (c) 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.** Return on Capital Employed (ROCE) shall mean the Corporation's 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 Corporation's consolidated statement of operations 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 ROCE for the full three-year Performance Period (40% of the total Award), ROCE shall be determined as the simple average of the Corporation's ROCE for each calendar year in the three-year Performance Period.

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

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

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

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

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

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

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

## EXHIBIT B

### Confidentiality and Proprietary Rights Agreement

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

#### 1. Protection of Confidential Information.

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

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

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

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

2. **Protection of Proprietary Rights.**

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

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

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

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

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

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

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

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

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

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

8. **Successors and Assigns.**

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

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

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

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

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

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

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

## EXHIBIT C

### Non-Competition Agreement

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

**1. Definitions.**

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

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

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

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

- (a) solicit 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 goods or services similar to or competitive with those offered by the Company; or
- (b) solicit 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 by the parties 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.

Note: For Illinois employees, the Employee shall have at least 14 days to review this Agreement and is advised to consult with and seek the advice of an attorney prior to entering into this Agreement. The Employee may voluntarily elect to sign the Agreement before the expiration of the 14-day period.



## EXHIBIT D

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

#### TERMS AND CONDITIONS

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

#### NOTIFICATIONS

This Exhibit D also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the laws in effect in the applicable countries as of January 2022. Such laws are often complex and change frequently. As a result, the Corporation strongly recommends that the Participant not rely on the information in this Exhibit D as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that the Participant vests in the Performance Share Award or sells Shares acquired under the Plan.

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

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

#### 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 a certain legally designated amount. 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](http://www.nbs.sk).

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

**Securities Disclaimer.** The grant of the Performance Share Award is exempt from the requirement to publish a prospectus under current securities rules applicable in the Slovak Republic.

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

#### UNITED KINGDOM

#### NOTIFICATIONS

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

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

**Tax Withholding.** The Participant acknowledges that, regardless of any action taken by the Corporation, the ultimate liability for all tax-related items is and remains the responsibility of the Participant and may exceed the amount actually withheld by the Corporation.

**Prohibition Against Insider Dealing.** The Participant should be aware of the UK's insider dealing rules under the Criminal Justice Act 1993, which may affect transactions under the Plan such as the acquisition or sale of Shares acquired under the Plan, if the Participant has inside information regarding the Corporation. If the Participant is uncertain whether the insider dealing rules apply, the Corporation recommends that the Participant consults with a legal

advisor. The Corporation cannot be held liable if the Participant violates the UK's insider dealing rules. The Participant is responsible for ensuring his or her compliance with these rules.

#### **UNITED KINGDOM, EUROPEAN UNION AND EUROPEAN ECONOMIC AREA**

For Participants who reside in the United Kingdom, 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 Share 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 Share 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](mailto:dataprotection@sk.uss.com) or [complianceofficer@uss.com](mailto: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](mailto:dataprotection@sk.uss.com).

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

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

<b>Name of Participant:</b>	<b>PARTICIPANT NAME</b>
<b>Name of Employing Company on Date Hereof:</b>	<b>(The company recognized by the Corporation as employing the Participant)</b>
<b>Target Number of Shares Subject to Award:</b>	<b># SHARES</b>
<b>Maximum Number of Shares Subject to Award:</b>	<b>(Two times the Number of Shares Subject to the Award)</b>
<b>Performance Period:</b>	<b>January 1, 2022 through December 31, 2024</b>
<b>Performance Goals:</b>	<b>See Exhibit A</b>
<b>Date of Grant:</b>	<b>GRANT DATE</b>

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

United States Steel Corporation

By: \_\_\_\_\_  
Authorized Officer

### Terms and Conditions

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

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

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

4. Change in Control: Notwithstanding anything to the contrary stated herein, in the case of a Change in Control of the Corporation, (a) the Performance Period shall automatically end on the business day immediately preceding the closing date of the Change in Control, (b) the actual performance for the abbreviated Performance Period as calculated 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 Share Award”), and the balance of the Performance Share Award, if any, shall be forfeited, and (c) the Achieved Performance Share Award shall remain subject to forfeiture until the third anniversary of the Date of Grant of this Performance Share Award if the Participant’s employment is terminated after the Change in Control but before the third anniversary of the Date of Grant; provided, however, notwithstanding Section 5, (i) if the Participant’s employment is terminated by the Corporation other than for Cause or is terminated voluntarily by the Participant for Good Reason in the case of participants designated as executive management at the time of the Change in Control (“Executive Management”), within 24 months following a Change in Control, then, except as otherwise determined by the Corporation if the

Participant is not Executive Management, the Achieved Performance Share Award shall not be forfeited upon such Termination; rather, the Achieved Performance Share Award shall vest immediately upon the termination, (ii) if the Participant's employment is terminated by reason of death, due to the Participant becoming Disabled, or following attainment of Normal Retirement Age, then the Achieved Performance Share Award shall not be forfeited upon such Termination; rather, the Achieved Performance Share Award shall vest immediately upon such Termination; and (iii) if the Participant's employment is terminated following attainment of Early Retirement Age, then a prorated portion of the Achieved Performance Share Award will vest, based upon the number of complete months worked during the original Performance Period in relation to the number of whole months in the original Performance Period and the remainder shall be forfeited. The Corporation's actual performance for the abbreviated Performance Period shall be calculated as follows: completed measurement periods shall be measured against the established Performance Goals and the performance criteria shall be deemed satisfied only to the extent the actual performance was achieved; and incomplete measurement periods shall be deemed achieved at the established target Performance Goal.

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

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

<b>Termination</b>	<b>Vested Percentage</b>
During First Year of Performance Period	0%
During Second Year of Performance Period	50%
During Third Year of Performance Period	100%

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

6. **Termination of Employment:** Except as provided in Sections 4 and 5 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 rights under this Agreement will terminate effective as of the date that the Participant is no longer actively employed by an Employing Company and will not be extended by any notice period. For purposes of the Performance Share Award, active employment does not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any. The Committee shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of the Performance Share Award.

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

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

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

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

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

relevant taxable event, the Participant acknowledges that the Corporation and/or the Employing Company (or former Employing Company, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

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

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

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

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

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

- (a) the Plan is established voluntarily by the Corporation, it is discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by its terms;
- (b) the grant of the Performance Share Award is voluntary and occasional and does not create any contractual or other right to receive future Performance Awards, or benefits in lieu of Performance Awards, even if Performance Awards have been granted in the past;
- (c) all decisions with respect to future Performance Award grants, if any, will be at the sole discretion of the Committee;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the Performance Share Award and the Shares subject to the Performance Share Award are extraordinary items which do not constitute compensation of any kind for services of any kind rendered to the Corporation or to the Employing Company, and which are outside the scope of the Participant's employment contract, if any;
- (f) the Performance Share Award and the Shares subject to the Performance Share Award are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, dismissal, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Corporation or the Employing Company or any Subsidiary or affiliate of the Corporation;
- (g) the Performance Share Award and the Shares subject to the Performance Share Award are not intended to replace any pension rights or compensation;
- (h) the grant of the Performance Share Award will not be interpreted to form an employment contract or relationship with the Corporation, the Employing Company or any Subsidiary or affiliate of the Corporation;
- (i) the future value of the Shares underlying the Performance Share Award is unknown, indeterminable and cannot be predicted with certainty;
- (j) no claim or entitlement to compensation or damages arises from forfeiture of the Performance Share Award resulting from termination of the Participant's employment by the Corporation or the Employing Company (for any reason whether or not in breach of applicable labor laws or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Performance Share Award to which the Participant is not otherwise entitled, the Participant irrevocably agrees never to institute any claim against the Corporation or the Employing Company, waives his or her ability, if any, to bring any such claim, and releases the Corporation and the Employing Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;
- (k) it is the Participant's sole responsibility to investigate and comply with any applicable exchange control laws in connection with the issuance and delivery of Shares pursuant to the vesting of the Performance Share Award;

- (l) the Corporation and the Employing Company are not providing any tax, legal or financial advice, nor are the Corporation or the Employing Company making any recommendations regarding the Participant's participation in the Plan or the Participant's acquisition or sale of the Shares underlying the Performance Share Award;
- (m) the Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan;
- (n) unless otherwise provided in the Plan or by the Corporation in its discretion, the Performance Share Award and the benefits evidenced by this Agreement do not create any entitlement to have the Performance Share Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Corporation; and
- (o) the following provisions apply only if the Participant is providing services outside the United States:
  - (i) the Performance Share Award and Shares underlying the Performance Share Award are not part of normal or expected compensation for any purpose; and
  - (ii) the Participant acknowledges and agrees that neither the Corporation nor the Employing Company shall be liable for any foreign exchange rate fluctuation between the local currency and the United States Dollar that may affect the value of the Performance Share Award or 80% of any amounts due to the Participant pursuant to the settlement of the Performance Share Award or the subsequent sale of any Shares acquired upon settlement.

13. Data Privacy:

(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 Share 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 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 Performance Share 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 Share 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 Share Awards under the Plan or administer or maintain Performance Share 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 Share 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.

14. Electronic Delivery: The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any online 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. The Participant agrees that the foregoing online or electronic participation in the Plan shall have the same force and effect as documentation executed in hardcopy written form. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

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

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

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

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

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

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

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

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

23. No Advice Regarding Grant: The Corporation is not providing any tax, legal or financial advice, nor is the Corporation making any recommendations or assessments regarding the Participant's participation in the Plan, or his or her acquisition or sale of the underlying Shares. 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.

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
<b>Performance Goal</b>	<b>U. S. Steel's TSR Performance Relative to Peer Group Companies</b>				
<b>Payment Levels</b>	<b>% of Target Number of Shares Subject to Award</b>	<b>0%</b>	<b>50%</b>	<b>100%</b>	<b>200%</b>

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

- (a) The payout shall be determined as follows: (i) performance shall be measured based on the Annual TSR for each separate one-year measurement period in the three-year Performance Period with each year representing 20% of the total Award, and (ii) performance shall be measured over the full three-year Performance Period based on the Annualized TSR for the measurement period with the full three-year period representing 40% of the total Award. All payouts shall be made following the end of the Performance Period in accordance with Section 2 of the Agreement.
- (b) Interpolation will be used to determine the payout for the actual awards for performance that correlates to an award between threshold and target or target and maximum award levels.
- (c) In calculating the number of shares to be awarded, the Corporation's TSR shall be rounded to the nearest hundredth of a percent, rounding up if the thousandth's place is 5 or more and truncating if the thousandth's place is 4 or less. The related payout rate also shall be calculated to the nearest hundredth's place using the same rounding procedure. Additionally, the calculated number of shares shall be rounded to the nearest whole share, rounding up if the fractional share is 5 tenths or more and truncating the fractional share if it is less than 5 tenths.
- (d) The payout for the full three-year Performance Period (40% of the total Award) shall be capped at Target if the Corporation's Annualized TSR for the three-year Performance Period is below 0%. This payout cap shall not apply to the separate one-year measurement periods described in paragraph (a)(i) above or in the event of a Change in Control.

#### **Definitions.**

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

#### **Peer Group:**

Allegheny Technologies Inc.	Reliance Steel & Aluminum Co.
Carpenter Technology Corp.	Schnitzer Steel Industries, Inc.
Cleveland-Cliffs Inc.	Steel Dynamics Inc.
Commercial Metals Company	Timken Steel Corporation
Nucor Corporation	Worthington Industries Inc.
Olympic Steel Inc.	

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

- (a) If a Peer Group Company becomes bankrupt, the bankrupt company will remain in the Peer Group positioned at one level below the lowest performing non-bankrupt Peer Group Company. In the case of multiple bankruptcies, the bankrupt companies will be positioned below the non-bankrupt companies in chronological order by bankruptcy date with the first to be bankrupt at the bottom.



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

## EXHIBIT B

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

#### TERMS AND CONDITIONS

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

#### NOTIFICATIONS

This Exhibit B also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the laws in effect in the applicable countries as of January 2022. Such laws are often complex and change frequently. As a result, the Corporation strongly recommends that the Participant not rely on the information in this Exhibit B as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that the Participant vests in the Performance Share Award or sells Shares acquired under the Plan.

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

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

#### 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 a certain legally designated amount. 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](http://www.nbs.sk).

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

**Securities Disclaimer.** The grant of the Performance Share Award is exempt from the requirement to publish a prospectus under the EU Prospectus 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 Share 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 Share Award are exclusively available in the UK to bona fide employees and former employees and any other UK subsidiary of the Corporation.

**Taxation.** The Performance Share Award is not intended to be tax-qualified or tax-preferred 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.

**Tax Withholding.** The Participant acknowledges that, regardless of any action taken by the Corporation, the ultimate liability for all tax-related items is and remains the responsibility of the Participant and may exceed the amount actually withheld by the Corporation.

**Prohibition Against Insider Dealing.** The Participant should be aware of the UK's insider dealing rules under the Criminal Justice Act 1993, which may affect transactions under the Plan such as the acquisition or sale of Shares acquired under the Plan, if the Participant has inside information regarding the Corporation. If the Participant is uncertain whether the insider dealing rules apply, the Corporation recommends that the Participant consults with a legal advisor. The Corporation cannot be held liable if the Participant violates the UK's insider dealing rules. The Participant is responsible for ensuring his or her compliance with these rules.

#### **UNITED KINGDOM, EUROPEAN UNION AND EUROPEAN ECONOMIC AREA**

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

(a) **Data Collected and Purposes of Collection.** The Participant understands that the Corporation, acting as the 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 Share 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 Share 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](mailto:dataprotection@sk.uss.com) or [complianceofficer@uss.com](mailto: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](mailto:dataprotection@sk.uss.com).

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 the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2022

/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 the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2022

/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, 2022, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of United States Steel Corporation.

/s/ David B. Burritt

David B. Burritt

President and Chief Executive Officer

April 29, 2022

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, 2022, 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

April 29, 2022

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, 2022**

Mine (Federal Mine Safety and Health Administration (MSHA) ID)	Total # of Significant & Substantial violations under §104(a) <sup>(a)</sup>	Total # of orders under §104(b) <sup>(a)</sup>	Total # of unwarrantable failure citations and orders under §104(d) <sup>(a)</sup>	Total # of violations under §110(b)(2) <sup>(a)</sup>	Total # of orders under §107(a) <sup>(a)</sup>	Total dollar value of proposed assessments from MSHA	Total # of mining related fatalities	Received Notice of Pattern of Violations under §104(e) <sup>(a)</sup> (yes/no)?	Received Notice of Potential to have Pattern under §104(e) <sup>(a)</sup> (yes/no)?	Total # of Legal Actions Pending with the Mine Safety and Health Review Commission as of Last Day of Period <sup>(b)</sup>	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Mt. Iron (2100820, 2100282)	46	2	1	—	—	\$417,638	—	no	no	—	—	—
Keewatin (2103352)	7	—	—	—	—	\$36,779	—	no	no	—	—	—

<sup>(a)</sup> References to Section numbers are to sections of the Federal Mine Safety and Health Act of 1977.

<sup>(b)</sup> 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 legal actions were to contest citations and proposed assessments.