

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 September 30, 2024  
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**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

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

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

**25-1897152**  
(IRS Employer Identification No.)

**15219-2800**  
(Zip 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 x No o

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 x No o

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 x

Common stock outstanding at October 28, 2024 – 225,170,942 shares

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### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains information regarding the Company that may constitute “forward-looking statements,” as that term is defined under the Private Securities Litigation Reform Act of 1995 and other securities laws, that are subject to risks and uncertainties. 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, statements expressing general views about future operating or financial results, operating or financial performance, trends, events or developments that we expect or anticipate will occur in the future, anticipated cost savings, potential capital and operational cash improvements and changes in the global economic environment, anticipated capital expenditures, the construction or operation of new or existing facilities or capabilities and the costs associated with such matters, statements regarding our greenhouse gas emissions reduction goals, as well as statements regarding the proposed transaction between the Company and Nippon Steel Corporation. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements include all statements that are not historical facts, but instead represent only the Company’s beliefs regarding future goals, plans and expectations about our prospects for the future and other 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 of the Company 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. In addition, forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company’s historical experience and our present expectations or projections. Risks and uncertainties include without limitation: the ability of the parties to consummate the proposed transaction between the Company and Nippon Steel Corporation, on a timely basis or at all; the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement and plan of merger relating to the proposed transaction (the “Merger Agreement”); the risk that the parties to the Merger Agreement may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed transaction; certain restrictions during the pendency of the proposed transaction that may impact the Company’s ability to pursue certain business opportunities or strategic transactions; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of the Company’s common stock; the risk of any unexpected costs or expenses resulting from the proposed transaction; the risk of any litigation relating to the proposed transaction; the risk that the proposed transaction and its announcement could have an adverse effect on the ability of the Company to retain customers and retain and hire key personnel and maintain relationships with customers, suppliers, employees, stockholders and other business relationships and on its operating results and business generally; and the risk the pending proposed transaction could distract management of the Company. The Company directs readers to its Form 10-K for the year ended December 31, 2023 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, and the other documents it files with the SEC for other risks associated with the Company’s future performance. These documents contain and identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements. All information in this report is as of the date above. The Company does not undertake any duty to update any forward-looking statement to conform the statement to actual results or changes in the Company’s expectations whether as a result of new information, future events or otherwise, except as required by law.

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 and (ii) “Big River Steel” refer to Big River Steel Holdings 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net sales:</b>				
Net sales	\$ 3,219	\$ 3,943	\$ 10,192	\$ 12,375
Net sales to related parties (Note 19)	634	488	1,939	1,534
Total (Note 6)	3,853	4,431	12,131	13,909
<b>Operating expenses (income):</b>				
Cost of sales (excludes items shown below)	3,448	3,838	10,742	11,952
Selling, general and administrative expenses	104	118	328	320
Depreciation, depletion and amortization	235	230	662	675
Earnings from investees	(17)	(51)	(76)	(76)
Asset impairment charges	—	—	19	4
Restructuring and other charges (Note 20)	5	18	11	21
Other losses (gains), net	30	1	62	(17)
Total	3,805	4,154	11,748	12,879
<b>Earnings before interest and income taxes</b>				
	48	277	383	1,030
Interest expense	5	16	9	63
Interest income	(23)	(39)	(80)	(103)
Loss on debt extinguishment	—	—	2	—
Other financial (benefits) costs	(1)	7	15	19
Net periodic benefit income	(33)	(42)	(99)	(125)
Net gain from investments related to active employee benefits (Note 16)	(9)	(6)	(21)	(36)
Net interest and other financial benefits	(61)	(64)	(174)	(182)
<b>Earnings before income taxes</b>	109	341	557	1,212
Income tax (benefit) expense (Note 12)	(10)	42	84	237
Net earnings	119	299	473	975
Less: Net earnings attributable to noncontrolling interests	—	—	—	—
<b>Net earnings attributable to United States Steel Corporation</b>	\$ 119	\$ 299	\$ 473	\$ 975
<b>Earnings per common share (Note 13):</b>				
Earnings per share attributable to United States Steel Corporation stockholders:				
-Basic	\$ 0.53	\$ 1.34	\$ 2.10	\$ 4.33
-Diluted	\$ 0.48	\$ 1.20	\$ 1.88	\$ 3.86

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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net earnings	\$ 119	\$ 299	\$ 473	\$ 975
Other comprehensive income (loss), net of tax:				
Changes in foreign currency translation adjustments	77	(35)	23	(4)
Changes in pension and other employee benefit accounts	(6)	(13)	(18)	(35)
Changes in derivative financial instruments	—	47	75	36
Changes in fair value of active employee benefit investments	1	1	1	3
Total other comprehensive income, net of tax	72	—	81	—
Comprehensive income including noncontrolling interest	191	299	554	975
Comprehensive income attributable to noncontrolling interest	—	—	—	—
Comprehensive income attributable to United States Steel Corporation	\$ 191	\$ 299	\$ 554	\$ 975

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)	September 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 7)	\$ 1,773	\$ 2,948
Receivables, less allowance of \$40 and \$38	1,465	1,390
Receivables from related parties (Note 19)	184	158
Inventories (Note 8)	2,039	2,128
Other current assets	305	319
Total current assets	5,766	6,943
Long-term restricted cash (Note 7)	32	32
Operating lease assets	82	109
Property, plant and equipment	25,856	23,975
Less accumulated depreciation and depletion	14,191	13,582
Total property, plant and equipment, net	11,665	10,393
Investments and long-term receivables, less allowance of \$3 in both periods	830	761
Intangibles, net (Note 9)	421	436
Deferred income tax benefits (Note 12)	4	19
Goodwill (Note 9)	920	920
Other noncurrent assets	913	838
Total assets	\$ 20,633	\$ 20,451
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 2,547	\$ 2,889
Accounts payable to related parties (Note 19)	198	139
Payroll and benefits payable	321	442
Accrued taxes	130	222
Accrued interest	55	70
Current operating lease liabilities	38	44
Short-term debt and current maturities of long-term debt (Note 15)	163	142
Total current liabilities	3,452	3,948
Noncurrent operating lease liabilities	51	73
Long-term debt, less unamortized discount and debt issuance costs (Note 15)	4,068	4,080
Employee benefits	124	126
Deferred income tax liabilities (Note 12)	732	587
Deferred credits and other noncurrent liabilities	535	497
Total liabilities	8,962	9,311
Contingencies and commitments (Note 21)		
<b>Stockholders' Equity (Note 17):</b>		
Common stock (288,071,084 and 285,959,739 shares issued) (Note 13)	288	286
Treasury stock, at cost (62,905,123 shares and 62,288,523 shares)	(1,447)	(1,418)
Additional paid-in capital	5,291	5,253
Retained earnings	7,319	6,880
Accumulated other comprehensive income (Note 18)	127	46
Total United States Steel Corporation stockholders' equity	11,578	11,047
Noncontrolling interests	93	93
Total liabilities and stockholders' equity	\$ 20,633	\$ 20,451

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)	Nine Months Ended September 30,	
	2024	2023
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>		
<b>Operating activities:</b>		
Net earnings	\$ 473	\$ 975
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation, depletion and amortization	662	675
Asset impairment charges	19	4
Restructuring and other charges (Note 20)	11	21
Loss on debt extinguishment	2	—
Pensions and other postretirement benefits	(99)	(124)
Active employee benefit investments	51	20
Deferred income taxes (Note 12)	141	275
Net gain on sale of assets	(2)	(2)
Equity investee earnings, net of distributions received	(65)	(75)
Changes in:		
Current receivables	(48)	99
Inventories	96	52
Current accounts payable and accrued expenses	(252)	76
Income taxes receivable/payable	(127)	(86)
All other, net	(151)	(199)
Net cash provided by operating activities	711	1,711
<b>Investing activities:</b>		
Capital expenditures	(1,782)	(1,939)
Proceeds from sale of assets	3	4
Other investing activities	(5)	—
Net cash used in investing activities	(1,784)	(1,935)
<b>Financing activities:</b>		
Issuance of long-term debt, net of financing costs (Note 15)	—	241
Repayment of long-term debt (Note 15)	(46)	(69)
Common stock repurchased (Note 22)	—	(175)
Other financing activities	(58)	(50)
Net cash used in financing activities	(104)	(53)
<b>Effect of exchange rate changes on cash</b>	4	(3)
<b>Net decrease in cash, cash equivalents and restricted cash</b>	(1,173)	(280)
<b>Cash, cash equivalents and restricted cash at beginning of year (Note 7)</b>	2,988	3,539
<b>Cash, cash equivalents and restricted cash at end of period (Note 7)</b>	\$ 1,815	\$ 3,259
<b>Non-cash investing and financing activities:</b>		
Change in accrued capital expenditures	\$ (137)	\$ (82)
U. S. Steel common stock issued for employee/non-employee director stock plans	45	29
Capital expenditures funded by finance lease borrowings	55	74
Export Credit Agreement (ECA) financing	—	5

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 consolidated 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 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 consolidated financial statements, including notes, have been prepared in accordance with the applicable rules of the SEC 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, 2023, which should be read in conjunction with these condensed consolidated financial statements.

#### *Agreement and Plan of Merger with Nippon Steel Corporation*

On December 18, 2023, the Company entered into an Agreement and Plan of Merger (such agreement, as it may be amended, modified or supplemented from time to time, the "Merger Agreement") by and among the Company, Nippon Steel North America, Inc., a New York corporation ("Purchaser"), 2023 Merger Subsidiary, Inc., a Delaware corporation and a wholly owned subsidiary of Purchaser ("Merger Sub"), and solely as provided in Section 9.13 therein, Nippon Steel Corporation, a Japanese corporation ("NSC"). Pursuant to the Merger Agreement, and upon the terms and subject to the conditions described therein, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of Purchaser (the "Merger"). On April 12, 2024, the Company obtained the approval of its stockholders required to adopt the Merger Agreement. U. S. Steel stockholders approved the Merger with 98.8% approval of shares voted, satisfying a significant condition to closing. Subject to the terms and conditions set forth in the Merger Agreement, each share of the Company's common stock, par value \$1.00 per share, outstanding immediately prior to the effective time of the Merger (the "Effective Time") will, at the Effective Time, automatically be converted into the right to receive \$55.00 per share in cash, without interest, subject to any required tax withholding. The Company and NSC are continuing to pursue certain required regulatory approvals in the United States and are working to close in the fourth quarter of 2024. The Company and NSC each received, and are working to respond to, a request for additional information and documentary materials from the U.S. Department of Justice in connection with the antitrust review of the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. All required regulatory approvals outside of the United States related to the Merger have been received.

The Merger Agreement requires us to operate in the ordinary course of business and restricts us, without the consent of Purchaser, from taking certain specified actions agreed by the parties to be outside the ordinary course of business until the pending Merger occurs or the Merger Agreement terminates.

### 2. New Accounting Standards

During the nine months ended September 30, 2024, and the twelve months ended December 31, 2023, there were no accounting standards and interpretations issued which are expected to have a material impact on the Company's financial position, operations or cash flows.

In March 2024, the Securities and Exchange Commission (SEC) adopted final rules that will require certain climate related disclosures. Certain disclosures will be required in a footnote to the audited financial statements beginning in fiscal year 2025. The audited financial statement disclosures include capitalized costs and expenses related to severe weather events and other natural conditions subject to certain materiality thresholds. Beginning in annual disclosures for fiscal year 2026, certain greenhouse gas emission disclosures will also be required. In April 2024, the SEC issued a stay on the rules until legal challenges to the rule are addressed. U. S. Steel is monitoring the legal challenges and assessing the impact of the rules on its disclosures.

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2023-09, *Improvements to Income Tax Disclosures* (ASU 2023-09). ASU 2023-09 includes requirements that an entity disclose specific categories in the rate reconciliation, provide additional information for reconciling items that are greater than 5 percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate, and income taxes paid by jurisdiction that are greater than 5 percent of total income taxes paid. The standard also requires that entities disclose income (or loss) from continuing operations before income tax expense (or benefit) and income tax expense (or benefit) each disaggregated between domestic and foreign. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. U. S. Steel is currently assessing the impact of ASU 2023-09 on its disclosures.

In November 2023, the FASB issued Accounting Standards Update 2023-07, *Improvements to Reportable Segment Disclosures* (ASU 2023-07). ASU 2023-07 includes requirements that an entity disclose the title of the chief operating decision maker (CODM) and on an interim and annual basis, significant segment expenses and the composition of other segment items for each segment's reported profit. The standard also permits disclosure of additional measures of segment profit. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. U. S. Steel is currently assessing the impact of ASU 2023-07 on its disclosures.

### **3. Recently Adopted Accounting Standards**

In September 2022, the FASB issued Accounting Standards Update 2022-04, *Disclosure of Supplier Finance Program Obligations* (ASU 2022-04). ASU 2022-04 requires that an entity disclose certain information about supplier finance programs used in connection with the purchase of goods and services. ASU 2022-04 is effective for all entities with fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, except for the amendment on annual roll-forward information, which is effective for fiscal years beginning after December 15, 2023. U. S. Steel adopted this guidance effective January 1, 2023, with the exception of the amendment on roll-forward information, which will be adopted in our fiscal year beginning on January 1, 2024.

The Company has a supply chain finance (SCF) arrangement with a third-party administrator which allows participating suppliers, at their sole discretion, to make offers to sell payment obligations of the Company prior to their scheduled due dates at a discounted price to a participating financial institution. The third-party administrator entered into a separate agreement with the Export Import Bank of the United States to guarantee 90 percent of supplier obligations sold for up to \$95 million. No guarantees or collateral are provided by the Company or any of its subsidiaries under the SCF program, and the Company does not benefit from any preferential payment terms or discounts as a result of supplier participation.

The Company's goal is to capture overall supplier savings and improve working capital efficiency. The agreements facilitate the suppliers' ability to sell payment obligations, while providing them with greater working capital flexibility. The Company has no economic interest in the sale of the suppliers' receivables and no direct financial relationship with the financial institution concerning these services. The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to sell amounts under the arrangements. The SCF program requires the Company to pay the third-party administrator the stated amount of the confirmed participating supplier invoices. The payment terms for confirmed invoices range from 75 to 90 days after the end of the month in which the invoice was issued.

The underlying costs from suppliers that elected to participate in the SCF program are generally recorded in cost of sales in the Company's Condensed Consolidated Statement of Operations. Amounts due to suppliers who participate in the SCF program are reflected in accounts payable and accrued expenses on the Company's Condensed Consolidated Balance Sheet and payments on the obligations by our suppliers are included in cash used in operating activities in the Condensed Consolidated Statement of Cash Flows. As of September 30, 2024, accounts payable and accrued expenses included \$60 million of outstanding payment obligations which suppliers elected to sell to participating financial institutions.

### **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 results of our real estate businesses are disclosed in the Other category.

The chief operating decision maker evaluates performance and determines resource allocations based on a number of factors, the primary measure being earnings (loss) before interest and income taxes. Earnings (loss) before interest and income taxes for reportable segments and the Other category does not include net interest and other financial costs (income), income taxes, stock-based compensation expense, and certain other items that management believes are not indicative of future results.

The accounting principles applied at the operating segment level in determining earnings (loss) before interest and income taxes are generally the same as those applied at the consolidated financial statement level. Intersegment sales and transfers are accounted for at market-based prices and are eliminated at the corporate consolidation level. Corporate-level selling, general and administrative expenses and costs related to certain former businesses are allocated to the reportable segments and Other based on measures of activity that management believes are reasonable.

The results of segment operations for the three months ended September 30, 2024, and 2023 are:

(In millions) Three Months Ended September 30, 2024	Customer Sales	Intersegment Sales	Net Sales	Earnings from investees	Earnings (loss) before interest and income taxes
Flat-Rolled	\$ 2,377	\$ 37	\$ 2,414	\$ 13	\$ 106
Mini Mill	505	77	582	—	(28)
USSE	745	6	751	—	7
Tubular	217	1	218	4	(4)
Total reportable segments	3,844	121	3,965	17	81
Other	9	—	9	—	3
Reconciling Items and Eliminations	—	(121)	(121)	—	(36)
Total	\$ 3,853	\$ —	\$ 3,853	\$ 17	\$ 48

**Three Months Ended September 30, 2023**

Flat-Rolled	\$ 2,749	\$ 85	\$ 2,834	\$ 39	\$ 225
Mini Mill	529	140	669	—	42
USSE	838	6	844	—	(13)
Tubular	314	—	314	12	87
Total reportable segments	4,430	231	4,661	51	341
Other	1	—	1	—	7
Reconciling Items and Eliminations	—	(231)	(231)	—	(71)
Total	\$ 4,431	\$ —	\$ 4,431	\$ 51	\$ 277

The results of segment operations for the nine months ended September 30, 2024, and 2023 are:

(In millions) Nine Months Ended September 30, 2024	Customer Sales	Intersegment Sales	Net Sales	Earnings from investees	Earnings (loss) before interest and income taxes
Flat-Rolled	\$ 7,391	\$ 163	\$ 7,554	\$ 58	\$ 323
Mini Mill	1,593	293	1,886	—	99
USSE	2,406	20	2,426	—	13
Tubular	729	7	736	18	82
Total reportable segments	12,119	483	12,602	76	517
Other	12	—	12	—	(3)
Reconciling Items and Eliminations	—	(483)	(483)	—	(131)
Total	\$ 12,131	\$ —	\$ 12,131	\$ 76	\$ 383

**Nine Months Ended September 30, 2023**

Flat-Rolled	\$ 8,275	\$ 268	\$ 8,543	\$ 52	\$ 449
Mini Mill	1,701	379	2,080	—	186
USSE	2,708	19	2,727	—	25
Tubular	1,217	1	1,218	24	476
Total reportable segments	13,901	667	14,568	76	1,136
Other	8	—	8	—	(2)
Reconciling Items and Eliminations	—	(667)	(667)	—	(104)
Total	\$ 13,909	\$ —	\$ 13,909	\$ 76	\$ 1,030

A summary of total assets by segment is as follows:

(In millions)	September 30, 2024	December 31, 2023
Flat-Rolled	\$ 7,356	\$ 7,546
Mini Mill <sup>(a)</sup>	8,917	7,569
USSE	2,180	2,229
Tubular	956	1,002
Total reportable segments	\$ 19,409	\$ 18,346
Other	\$ 126	\$ 140
Corporate, reconciling items, and eliminations <sup>(b)</sup>	1,098	1,965
Total assets	\$ 20,633	\$ 20,451

<sup>(a)</sup> Includes assets of \$4.3 billion and \$3.0 billion at September 30, 2024, and December 31, 2023, respectively, related to a new technologically advanced flat rolled steelmaking facility, Big River 2 (BR2), near 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Items not allocated to segments:				
Restructuring and other charges (Note 20)	\$ (5)	\$ (18)	\$ (11)	\$ (21)
Stock-based compensation expense (Note 11)	(10)	(14)	(37)	(37)
Asset impairment charges	—	—	(19)	(4)
Environmental remediation charges	(1)	(9)	(4)	(11)
Strategic alternatives review process costs	(18)	(16)	(59)	(16)
Granite City idling costs	—	(14)	—	(14)
Other charges, net	(2)	—	(1)	(1)
<b>Total reconciling items</b>	<b>\$ (36)</b>	<b>\$ (71)</b>	<b>\$ (131)</b>	<b>\$ (104)</b>

## 5. Disposition

In July 2024, the Company entered into a purchase and sale agreement with a third party for the sale of substantially all of the Company's former South Works real property. The Company will convey title of the property to the buyer for expected proceeds of approximately \$70 million. This transaction is expected to close within the next 12 months.

In December 2023, production at USS-UPI, LLC ("UPI") was indefinitely idled. The Company has accrued a total of \$55 million and \$108 million for severance, exit costs and employee benefits as of September 30, 2024 and December 31, 2023, respectively. Payments of \$6 million and \$51 million for these items were made during the three months and nine months ended September 30, 2024, respectively. The Company has previously committed to, and continues to intend to, pursue the disposition of certain assets related to the UPI facility.

As of September 30, 2024, the South Works property and the UPI facility are recorded as assets held-for-sale which are recorded in Other current assets on the Condensed Consolidated Balance Sheet.

## 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 immaterial 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 and nine months ended September 30, 2024, and 2023, respectively (Net Sales by Product, in millions, excluding intersegment sales):

Three Months Ended September 30, 2024	Flat-Rolled	Mini Mill	USSE	Tubular	Other	Total
Semi-finished	\$ 9	\$ —	\$ 21	\$ —	\$ —	\$ 30
Hot-rolled sheets	325	236	372	—	—	933
Cold-rolled sheets	907	79	53	—	—	1,039
Coated sheets	718	189	264	—	—	1,171
Tubular products	—	—	12	211	—	223
All Other <sup>(a)</sup>	418	1	23	6	9	457
<b>Total</b>	<b>\$ 2,377</b>	<b>\$ 505</b>	<b>\$ 745</b>	<b>\$ 217</b>	<b>\$ 9</b>	<b>\$ 3,853</b>

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

<b>Three Months Ended September 30, 2023</b>	<b>Flat-Rolled</b>	<b>Mini Mill</b>	<b>USSE</b>	<b>Tubular</b>	<b>Other</b>	<b>Total</b>
Semi-finished	\$ 68	\$ —	\$ 43	\$ —	\$ —	111
Hot-rolled sheets	422	263	388	—	—	1,073
Cold-rolled sheets	916	101	61	—	—	1,078
Coated sheets	893	164	312	—	—	1,369
Tubular products	—	—	13	310	—	323
All Other <sup>(a)</sup>	450	1	21	4	1	477
<b>Total</b>	<b>\$ 2,749</b>	<b>\$ 529</b>	<b>\$ 838</b>	<b>\$ 314</b>	<b>\$ 1</b>	<b>4,431</b>

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

<b>Nine Months Ended September 30, 2024</b>	<b>Flat-Rolled</b>	<b>Mini Mill</b>	<b>USSE</b>	<b>Tubular</b>	<b>Other</b>	<b>Total</b>
Semi-finished	\$ 60	\$ —	\$ 70	\$ —	\$ —	130
Hot-rolled sheets	1,223	825	1,199	—	—	3,247
Cold-rolled sheets	2,843	249	192	—	—	3,284
Coated sheets	2,262	515	829	—	—	3,606
Tubular products	—	—	39	716	—	755
All Other <sup>(a)</sup>	1,003	4	77	13	12	1,109
<b>Total</b>	<b>\$ 7,391</b>	<b>\$ 1,593</b>	<b>\$ 2,406</b>	<b>\$ 729</b>	<b>\$ 12</b>	<b>12,131</b>

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

<b>Nine Months Ended September 30, 2023</b>	<b>Flat-Rolled</b>	<b>Mini Mill</b>	<b>USSE</b>	<b>Tubular</b>	<b>Other</b>	<b>Total</b>
Semi-finished	\$ 204	\$ —	\$ 113	\$ —	\$ —	317
Hot-rolled sheets	1,525	926	1,243	—	—	3,694
Cold-rolled sheets	2,775	275	212	—	—	3,262
Coated sheets	2,668	496	1,009	—	—	4,173
Tubular products	—	—	40	1,203	—	1,243
All Other <sup>(a)</sup>	1,103	4	91	14	8	1,220
<b>Total</b>	<b>\$ 8,275</b>	<b>\$ 1,701</b>	<b>\$ 2,708</b>	<b>\$ 1,217</b>	<b>\$ 8</b>	<b>13,909</b>

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

#### 7. **Cash, Cash Equivalents and Restricted Cash**

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

<b>(In millions)</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cash and cash equivalents	\$ 1,773	\$ 2,948	\$ 3,222
Restricted cash in other current assets	10	8	5
Long-term restricted cash	32	32	32
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 1,815</b>	<b>\$ 2,988</b>	<b>\$ 3,259</b>

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

#### 8. **Inventories**

The last-in, first-out (LIFO) method is the predominant method of inventory costing for our Flat-Rolled and Tubular segments. The first-in, first-out (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 September 30, 2024, and December 31, 2023, the LIFO method accounted for 52 percent and 53 percent of total inventory values, respectively.



(In millions)	September 30, 2024		December 31, 2023	
Raw materials	\$	856	\$	773
Semi-finished products		776		877
Finished products		362		428
Supplies and sundry items		45		50
Total	\$	2,039	\$	2,128

Current acquisition costs for LIFO inventories were estimated to exceed the above inventory values by \$1.2 billion at both September 30, 2024, and December 31, 2023, respectively. Cost of sales increased and earnings before interest and income taxes decreased by \$5 million for the three months ended September 30, 2024, and cost of sales decreased and earnings before interest and income taxes increased by \$3 million for the nine months ended September 30, 2024, respectively, as a result of liquidation of LIFO inventories. Cost of sales decreased and earnings before interest and income taxes increased by \$33 million and \$45 million for the three months and nine months ended September 30, 2023, respectively, as a result of liquidation of LIFO inventories.

#### 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 September 30, 2024			As of December 31, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	22 Years	\$ 413	\$ 70	\$ 343	\$ 413	\$ 56	\$ 357
Patents	5-15 Years	17	14	3	17	13	4
Energy Contract	2 Years	—	—	—	54	54	—
Total amortizable intangible assets		\$ 430	\$ 84	\$ 346	\$ 484	\$ 123	\$ 361

Amortization expense was \$15 million and \$31 million for the nine months ended September 30, 2024 and 2023, respectively.

Total estimated amortization expense for the remainder of 2024 is \$5 million. We expect approximately \$97 million in total amortization expense from 2025 through 2029 and approximately \$244 million in remaining amortization expense thereafter.

The carrying amount of acquired water rights with indefinite lives as of September 30, 2024, and December 31, 2023, totaled \$75 million.

Below is a summary of goodwill by segment for the nine months ended September 30, 2024:

	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Balance at December 31, 2023	\$ —	\$ 916	\$ 4	\$ —	\$ 920
Additions	—	—	—	—	—
Balance at September 30, 2024	\$ —	\$ 916	\$ 4	\$ —	\$ 920

## 10. Pensions and Other Benefits

The following table reflects the components of net periodic benefit cost (income) for the three months ended September 30, 2024, and 2023:

(In millions)	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Service cost	\$ 7	\$ 9	\$ 1	\$ 1
Interest cost	53	56	15	17
Expected return on plan assets	(74)	(82)	(18)	(15)
Amortization of prior service cost (credit)	5	4	(6)	(6)
Amortization of actuarial net loss (gain)	10	3	(17)	(18)
Net periodic benefit cost (income), excluding below	1	(10)	(25)	(21)
Multiemployer plans	19	20	—	—
Net periodic benefit cost (income)	\$ 20	\$ 10	\$ (25)	\$ (21)

The following table reflects the components of net periodic benefit cost (income) for the nine months ended September 30, 2024, and 2023:

(In millions)	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Service cost	\$ 22	\$ 25	\$ 3	\$ 4
Interest cost	159	166	45	51
Expected return on plan assets	(223)	(246)	(55)	(45)
Amortization of prior service cost (credit)	13	13	(20)	(18)
Amortization of actuarial net loss (gain)	32	9	(49)	(54)
Net periodic benefit cost (income), excluding below	3	(33)	(76)	(62)
Multiemployer plans	59	62	—	—
Net periodic benefit cost (income)	\$ 62	\$ 29	\$ (76)	\$ (62)

### Employer Contributions

During the first nine months of 2024, U. S. Steel made cash payments of \$63 million to the Steelworkers Pension Trust and \$0.9 million of pension payments not funded by trusts.

During the first nine months of 2024, cash payments of \$23 million were made for other postretirement benefit payments not funded by trusts.

Company contributions to defined contribution plans totaled \$12 million and \$13 million for the three months ended September 30, 2024, and 2023, respectively. Company contributions to defined contribution plans totaled \$35 million and \$37 million for the nine months ended September 30, 2024, and 2023, respectively.

## 11. Stock-Based Compensation Plans

U. S. Steel has outstanding stock-based compensation awards that were granted by the Compensation & Organization Committee (the Committee) of the Board of Directors, or its designee, under the 2005 Stock Incentive Plan (the 2005 Plan) and the 2016 Omnibus Incentive Compensation Plan, as amended and restated (the Omnibus Plan). On April 26, 2016, the Company's stockholders approved the Omnibus Plan and, between 2016 and the present, authorized the Company to issue up to 32,700,000 shares in the aggregate 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 September 30, 2024, there were 4,066,904 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 nine months of 2024 and 2023.

Grant Details	2024		2023	
	Shares <sup>(a)</sup>	Fair Value <sup>(b)</sup>	Shares <sup>(a)</sup>	Fair Value <sup>(b)</sup>
Restricted Stock Units	801,540	\$ 47.30	1,281,020	\$ 29.90
Performance Awards <sup>(c)</sup>				
TSR	—	\$ —	185,120	\$ 37.41
ROCE <sup>(d)</sup>	230,350	\$ 46.96	357,020	\$ 29.35

<sup>(a)</sup> The share amounts shown in this table do not reflect an adjustment for estimated forfeitures.

<sup>(b)</sup> Represents the per share weighted average for all grants during the period.

<sup>(c)</sup> The number of performance awards shown represents the target share grant of the award.

<sup>(d)</sup> A portion of ROCE awards granted in 2024 and 2023 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 \$10 million and \$14 million in the three-month periods ended September 30, 2024, and 2023, respectively and \$37 million in both the first nine months of 2024 and 2023.

As of September 30, 2024, total future compensation expense related to nonvested stock-based compensation arrangements was \$54 million, and the weighted average period over which this expense is expected to be recognized is approximately 23 months.

### Stock Options

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 171,000 performance-based stock options granted in December 2021, which were valued using a lattice model, 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 <sup>(a)</sup>	Percentage of Performance-Based Stock Options Exercisable
\$ 35.00	33.33 %
\$ 45.00	33.33 %
\$ 55.00	33.34 %

<sup>(a)</sup> The \$35.00 tranche vested in April 2022 and the \$45.00 tranche vested in January 2024.

### Stock Awards

Restricted stock units awarded as part of annual grants generally vest ratably over three years. Their fair value is the average 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 shareholder return compared to the total shareholder return of a peer group of companies meets performance criteria during the three-year performance period. TSR is calculated as follows: 20 percent for each year in the three-year performance period and 40 percent for the full three-year period. TSR performance awards may vest and pay out 50 percent at the threshold level, 100 percent at the target level and 200 percent at the maximum level. Payment for performance in between the threshold percentages will be interpolated. The fair value of the 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 ROCE performance goals approved by the Committee. For the 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 may vest and pay out 50 percent at the threshold level, 100 percent at the target level and 200 percent at the maximum level. Payment for performance in between the threshold percentages will be interpolated. 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, and August 2022, 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 BR2 (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 nine months ended September 30, 2024, and 2023, the Company recorded a tax provision of \$84 million and \$237 million, respectively. The tax provisions for the first nine months of 2024 and 2023 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, if applicable.

The tax provision for the nine months ended September 30, 2024, includes a benefit of \$53 million related to the filing of the 2023 federal and state income tax returns, offset by expense of \$12 million related to tax reserve adjustments.

The tax provision for the nine months ended September 30, 2023, includes a benefit of \$31 million related to the filing of the 2022 federal income tax return, as well as an additional benefit of \$12 million related to the adjustment of prior years' federal income taxes.

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 2024 pretax results for U.S. and foreign income or loss vary from estimates applied herein, the actual tax provision or benefit recognized in 2024 could be materially different from the forecasted amount used to estimate the tax provision for the nine months ended September 30, 2024.

In March 2022, the Company and the Arkansas Economic Development Commission entered into the Recycling Tax Credit Incentive Agreement, whereby the Company may earn state income tax credits in an amount equal to 30 percent of the cost of waste reduction, reuse, or recycling equipment, subject to meeting the requirements of the Arkansas Code Ann. Section 26-51-506, for BR2 near Osceola, Arkansas. Documentation supporting the Company's investment in qualifying equipment must be submitted as part of an application for certification expected to be completed on or before 2025. In March 2022, the Company received a lump-sum payment of approximately \$82 million as proceeds from the sale of a portion of expected future tax credits to be earned by the Company (see Note 21 for additional information). The Company estimates that it could earn tax credits in excess of \$700 million, exclusive of the amount sold in March 2022, which the Company will recognize in the year the assets are placed into service and meet the requirements of Arkansas Code Ann. Section 26-51-506. Any unused tax credit that cannot be claimed in a tax year may be carried forward indefinitely by the Company and applied to its future state tax liability.

On August 16, 2022, H.R. 5376 (commonly called the Inflation Reduction Act of 2022) was signed into law, which, among other things, implemented a corporate alternative minimum tax (CAMT) of 15 percent on net book income of certain large corporations adjusted for certain items prescribed by the legislation.

The Organization for Economic Co-operation and Development (the "OECD"), an international association of 38 countries including the U.S., has proposed changes to numerous long-standing tax principles, including a global minimum tax initiative. On December 12, 2022, the European Union member states agreed to implement the OECD's Pillar 2 global corporate minimum tax rate of 15 percent on companies with revenues of at least €750 million, which went into effect in 2024. The law on minimum top-up tax for multinational enterprise groups and large-scale domestic groups in Slovakia was approved by the parliament on December 8, 2023 and signed by the President on December 21, 2023, with an effective date of December 31, 2023.

The tax provision for the nine months ended September 30, 2024, reflects the impact of CAMT and Pillar 2, which were not material to the Condensed Consolidated Financial Statements.

### **Unrecognized tax benefits**

As of September 30, 2024 and December 31, 2023, the total amount of gross unrecognized tax benefits was \$24 million and \$4 million, respectively. The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$17 million and \$4 million as of September 30, 2024 and December 31, 2023, respectively.

## 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 and nine months ended September 30, 2024, and September 30, 2023, were as follows.

(Dollars in millions, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Earnings attributable to United States Steel Corporation stockholders:				
Basic	\$ 119	\$ 299	\$ 473	\$ 975
Interest expense on Senior Convertible Notes, net of tax	3	3	5	10
Diluted	\$ 122	\$ 302	\$ 478	\$ 985
Weighted-average shares outstanding (in thousands):				
Basic	225,095	223,109	224,697	225,311
Effect of Senior Convertible Notes	26,156	26,194	26,160	26,194
Effect of stock options, restricted stock units and performance awards	2,809	3,767	3,267	3,575
Diluted	254,060	253,070	254,124	255,080
Earnings per share attributable to United States Steel Corporation stockholders:				
Basic	\$ 0.53	\$ 1.34	\$ 2.10	\$ 4.33
Diluted	\$ 0.48	\$ 1.20	\$ 1.88	\$ 3.86

Excluded from the computation of diluted earnings per common share due to their anti-dilutive effect were 0.2 million and 0.6 million outstanding securities granted under the Omnibus Plan for the three and nine months ended September 30, 2024, respectively, and 0.3 million and 0.4 million outstanding securities granted under the Omnibus Plan for the three and nine months ended September 30, 2023, respectively.

The dividend for each of the first, second and third quarters of 2024 and 2023 was five cents per common share.

#### 14. Derivative Instruments

U. S. Steel uses foreign exchange forward sales contracts (foreign exchange forwards) with maturities up to 12 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.

U. S. Steel also uses financial swaps to mitigate commodity price risks related to the procurement of natural gas, zinc, tin, electricity, and iron ore (commodity purchase swaps). We have elected cash flow hedge accounting for these commodity purchase swaps, which have maturities of up to 18 months.

U. S. Steel has entered into financial swaps that are used to partially manage the sales price risk of certain hot-rolled coil sales and iron ore sales (sales swaps). The sales swaps are accounted for using hedge accounting and have maturities of up to 15 months.

The table below shows the outstanding swap quantities used to hedge forecasted purchases and sales as of September 30, 2024, and September 30, 2023:

Hedge Contracts	Classification	September 30, 2024	September 30, 2023
Natural gas (in mmbtus)	Commodity purchase swaps	20,524,000	21,393,000
Tin (in metric tons)	Commodity purchase swaps	—	230
Zinc (in metric tons)	Commodity purchase swaps	14,000	21,100
Electricity (in megawatt hours)	Commodity purchase swaps	114,000	146,400
Iron ore (in metric tons)	Commodity purchase swaps	2,036,000	123,300
Iron ore (in metric tons)	Sales swaps	550,900	483,300
Hot-rolled coils (in tons)	Sales swaps	282,000	310,000
Foreign currency (in millions of euros)	Foreign exchange forwards	€ 430	€ 441
Foreign currency (in millions of dollars)	Foreign exchange forwards	\$ 11	\$ 57

The following summarizes the fair value amounts included in our Condensed Consolidated Balance Sheets as of September 30, 2024, and December 31, 2023:

Balance Sheet Location (in millions)	September 30, 2024	December 31, 2023
<b>Designated as Hedging Instruments</b>		
Accounts receivable	\$ 46	\$ 4
Accounts payable	20	81
Investments and long-term receivables	5	—
Other long-term liabilities	—	2

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 and nine months ended September 30, 2024, and 2023:

(In millions)	Gain (Loss) on Derivatives in AOCI		Location of Reclassification from AOCI	Amount of Gain (Loss) Recognized in Income	
	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023		Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Sales swaps	\$ (3)	\$ 10	Net sales	\$ 13	\$ (4)
Commodity purchase swaps	23	32	Cost of sales <sup>(a)</sup>	(7)	(32)
Foreign exchange forwards	(19)	19	Cost of sales	1	(5)

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

(In millions)	Gain (Loss) on Derivatives in AOCI		Location of Reclassification from AOCI	Amount of Gain (Loss) Recognized in Income	
	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023		Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Sales swaps	\$ 68	\$ 10	Net sales	\$ (16)	\$ (13)
Commodity purchase swaps	37	23	Cost of sales <sup>(a)</sup>	(33)	(77)
Foreign exchange forwards	(6)	14	Cost of sales	6	(2)

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

At current contract values, \$5 million currently in AOCI as of September 30, 2024, will be recognized as a decrease in cost of sales over the next year and \$22 million currently in AOCI as of September 30, 2024, will be recognized as an increase in net sales over the next year.

Foreign exchange forwards and commodity purchase swaps where hedge accounting was not elected generated a net loss of \$1 million for the nine months ended September 30, 2024. Foreign exchange forwards and commodity purchase swaps where hedge accounting was not elected generated a net loss of \$0.3 million and \$10 million for the three and nine months ended September 30, 2023, respectively.

15. **Debt**

(In millions)	Issuer/Borrower	Interest Rates %	Maturity	September 30, 2024	December 31, 2023
2037 Senior Notes	U. S. Steel	6.650	2037	\$ 274	\$ 274
2026 Senior Convertible Notes	U. S. Steel	5.000	2026	349	350
2029 Senior Notes	U. S. Steel	6.875	2029	475	475
2029 Senior Secured Notes	Big River Steel	6.625	2029	720	720
Environmental Revenue Bonds	U. S. Steel	4.125 - 6.750	2024 - 2053	1,164	1,164
Environmental Revenue Bonds	Big River Steel	4.500 - 4.750	2049	752	752
Finance leases and all other obligations	U. S. Steel	Various	2024 - 2029	176	157
Finance leases and all other obligations	Big River Steel	Various	2024 - 2027	165	167
Export Credit Agreement	U. S. Steel	Variable	2031	91	97
Credit Facility Agreement	U. S. Steel	Variable	2027	—	—
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	2027	—	—
Total Debt				\$ 4,166	\$ 4,156
Less unamortized discount, premium, and debt issuance costs				(65)	(66)
Less short-term debt, long-term debt due within one year, and short-term issuance costs				163	142
Long-term debt				\$ 4,068	\$ 4,080

**Arkansas Development Finance Authority Environmental Improvement Revenue Bonds, Series 2023**

On May 18, 2023, U. S. Steel closed on an offering consisting of an aggregate principal amount of \$240 million unsecured Arkansas Development Finance Authority environmental improvement revenue bonds, which carry a green bond designation. The bonds, issued through Arkansas Development Finance Authority, have a coupon rate of 5.700% and carry a final maturity of 2053 (2053 ADFA Green Bonds). U. S. Steel received net proceeds of approximately \$238 million after fees of approximately \$2 million related to the underwriting and third-party expenses, and will pay semiannual interest. The net proceeds from the issuance of the 2053 ADFA Green Bonds were used to partially fund work related to BR2, near Osceola, Arkansas.

On and after May 1, 2026, the Company may redeem the 2053 ADFA Green Bonds at its option, at any time in whole or from time to time in part at the redemption prices (expressed in percentages of principal amount) listed below, plus accrued and unpaid interest on the 2053 ADFA Green Bonds, if any, to, but excluding, the applicable redemption date, if redeemed during the twelve-month period beginning on May 1 of each of the years indicated below.

Year	Redemption Price
2026	105.000 %
2027	104.000 %
2028	103.000 %
2029	102.000 %
2030	101.000 %
2031 and thereafter	100.000 %

At any time prior to May 1, 2026, U. S. Steel may also redeem the 2053 ADFA Green Bonds, at our option, in whole or in part, or from time to time, at a price equal to the greater of 100 percent of the principal amount of the 2053 ADFA Green Bonds plus accrued and unpaid interest, if any, or the sum of the present value of the redemption price of the 2053 ADFA Green Bonds if they were redeemed on May 1, 2026, plus interest payments due through May 1, 2026, discounted to the date of redemption on a semi-annual basis at the applicable tax-exempt municipal bond rate, plus accrued and unpaid interest, if any.

#### **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 26,155,592 shares of U. S. Steel common stock and we reserved for the possible issuance of 33,348,361 shares, which is the maximum amount that could be issued upon conversion at maturity. 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. Anytime 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 greenhouse gas emissions intensity 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 September 30, 2024, 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 September 30, 2024. Availability under the Big River Steel ABL Facility, pursuant to the available borrowing base was \$349 million at September 30, 2024.

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

On May 27, 2022, U. S. Steel entered into the Sixth Amended and Restated Credit Facility Agreement (Credit Facility Agreement) to replace the existing Fifth Amended and Restated Credit Facility Agreement (Fifth Credit Facility Agreement). The Credit Facility Agreement has substantially the same terms as the Fifth Credit Facility Agreement, except the Credit Facility Agreement references the Secured Overnight Financing Rate instead of the London Interbank Offered Rate, adjusts the individual lenders' commitments, and renews the five-year maturity to May 27, 2027. The Credit Facility Agreement also adjusts the threshold for the fixed charge coverage ratio. The total availability under the facility remained the same at \$1,750 million, and the financial impact from replacing the Fifth Credit Facility Agreement was immaterial. Consistent with the Fifth Credit Facility Agreement, the Credit Facility Agreement is secured by first-priority liens on certain accounts receivable and inventory and includes targets related to greenhouse gas emissions intensity 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 September 30, 2024, there were approximately \$4 million of letters of credit issued and no amounts 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 maximum facility availability and \$140 million. Based on the most recent four quarters as of September 30, 2024, the Company would have met the fixed charge coverage ratio test.

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

On September 28, 2023, the Company elected to reduce the size of the USSK Credit Agreement from €300 million to €150 million (approximately \$168 million). The reduced credit facility size supports USSK's liquidity needs and is consistent with efforts to optimize costs and the global liquidity position. The USSK Credit Agreement matures in 2026



and contains sustainability targets related to greenhouse gas emissions intensity reduction, safety performance and facility certification by ResponsibleSteel™.

Under the USSK Credit Agreement, USSK is required to maintain a net debt to EBITDA ratio of less than 3.50:1.00 (the "EBITDA Ratio Covenant"), as measured on a rolling twelve month basis on June 30th and December 31st of each year. At September 30, 2024, USSK was in compliance with the EBITDA Ratio Covenant and the USSK Credit Agreement was undrawn and fully available.

During the first quarter of 2023, USSK increased the size of its €20 million credit facility to €30 million (approximately \$33 million) (the USSK Credit Facility). On September 13, 2024, the Company amended the USSK Credit Facility to extend the term by three years, maturing in 2027. At September 30, 2024, USSK had no borrowings under the USSK Credit Facility, and the availability was approximately \$16 million due to approximately \$17 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, 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 Interest, 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 noncontrolling interests in the Condensed Consolidated Balance Sheet. The option can be exercised any time before January 31, 2027, and 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.

##### **Surplus VEBA assets**

During the fourth quarter 2022, U. S. Steel and the United Steelworkers (USW) agreed to utilize the overfunded OPEB plans to support the benefits provided to active represented employees. Beginning January 1, 2023, this agreement allows the Company to use a certain amount of surplus VEBA assets (the surplus amount) to pay for legally permissible benefits under Section 501(c)(9) of the Internal Revenue Code for active employees and retirees of the USW. The surplus amount of \$595 million was determined as of December 31, 2022, and was the balance of VEBA assets in excess of 135% of the retiree obligation at that time. On January 1, 2023, a subaccount was created and consisted of a pro-rata share of the existing trust. On February 1, 2023, using January 31, 2023 asset values, a new investment strategy was implemented and comprised of existing investments from the VEBA trust and cash. On February 1, 2023, certain assets were transferred from the VEBA to the subaccount. The Company is permitted to withdraw a target of \$75 million annually, with a guaranteed annual minimum of \$50 million, on a quarterly pro rata basis, from the subaccount to cover the cost of the permissible benefits for active USW employees and USW retirees. If after the annual withdrawal of \$75 million, the subaccount value decreases by less than \$40 million annually (defined as the "Threshold Surplus"), the Company may withdraw the excess above the Threshold Surplus. Based on the value of the subaccount as of December 31, 2023, approximately \$15 million was withdrawn from the subaccount in January 2024 to pay for permissible benefits. The surplus VEBA assets subaccount portfolio consists of fixed income securities including corporate bonds, U.S. government bonds, and U.S. Treasury notes, in addition to alternatives including investments in private credit partnerships and real estate funds. A portion of the corporate bonds are classified as available-for-sale debt securities, with unrealized gains and losses reported in Accumulated other comprehensive income. Upon sale, realized gains and losses are reported in earnings. All other investments in the subaccount are financial instruments measured at fair value or net asset value, with gains and losses recognized through net earnings and are reported as Net gain from investments related to active employee benefits on the Company's Condensed Consolidated Statements of Operations.

As of September 30, 2024, the fair value of the surplus VEBA assets subaccount portfolio was \$520 million, with \$75 million in Other current assets and \$445 million in Other noncurrent assets on the Condensed Consolidated Balance Sheet.

As of December 31, 2023, the fair value of the surplus VEBA assets subaccount portfolio was \$570 million, with \$89 million in Other current assets and \$481 million in Other noncurrent assets on the Consolidated Balance Sheet.

The value of corporate bonds classified as available-for-sale debt securities was \$151 million and \$208 million as of September 30, 2024, and December 31, 2023, respectively. A total pretax net gain related to available-for-sale securities of \$9 million and \$7 million was included in Accumulated other comprehensive income as of September 30, 2024, and December 31, 2023, respectively.

During the three months and nine months ended September 30, 2024, pretax net gains of \$9 million and \$21 million were recognized in Net gain from investments related to active employee benefits, respectively. During the three months and nine months ended September 30, 2024, pretax net gains of \$2 million were recognized in Accumulated other comprehensive income.

During the three months and nine months ended September 30, 2023, pretax net gains of \$6 million and \$36 million were recognized in Net gain from investments related to active employee benefits, respectively. During the three months and nine months ended September 30, 2023, immaterial pretax net gains and pretax net gains of \$4 million were recognized in Accumulated other comprehensive income, respectively.

The fair value of the subaccount portfolio by asset category as of September 30, 2024, and December 31, 2023, were as follows (in millions):

Asset Category	September 30, 2024					December 31, 2023				
	Level 1	Level 2	Level 3	measured at NAV <sup>(a)</sup>	Total	Level 1	Level 2	Level 3	measured at NAV <sup>(a)</sup>	Total
<b>Fixed Income</b>										
Corporate bonds - U.S.	\$ —	\$ 145	\$ —	\$ —	\$ 145	\$ —	\$ 191	\$ —	\$ —	\$ 191
Corporate bonds - Non-U.S.	—	48	—	—	48	—	56	—	—	56
U.S. government bonds	—	104	—	—	104	—	86	—	—	86
Mortgage and asset-backed securities	—	15	—	—	15	—	12	—	—	12
<b>Total fixed income</b>	<b>\$ —</b>	<b>\$ 312</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 312</b>	<b>\$ —</b>	<b>\$ 345</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 345</b>
<b>Alternatives</b>										
Private credit partnerships	—	—	29	99	128	—	—	58	64	122
Other alternatives	—	—	—	19	19	—	—	—	18	18
<b>Total alternatives</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 29</b>	<b>\$ 118</b>	<b>\$ 147</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 58</b>	<b>\$ 82</b>	<b>\$ 140</b>
Commingled Funds	—	—	—	16	16	—	—	—	61	61
Other <sup>(b)</sup>	45	—	—	—	45	25	—	(1)	—	24
<b>Total assets at fair value</b>	<b>\$ 45</b>	<b>\$ 312</b>	<b>\$ 29</b>	<b>\$ 134</b>	<b>\$ 520</b>	<b>\$ 25</b>	<b>\$ 345</b>	<b>\$ 57</b>	<b>\$ 143</b>	<b>\$ 570</b>

<sup>(a)</sup> In accordance with ASC Topic 820, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

<sup>(b)</sup> Includes cash, accrued income, and miscellaneous payables.

The following table summarizes U. S. Steel's financial liabilities that were not carried at fair value at September 30, 2024, and December 31, 2023. The fair value of long-term debt was determined using Level 2 inputs.

(In millions)	As of September 30, 2024		As of December 31, 2023	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
<b>Financial liabilities:</b>				
Long-term debt <sup>(a)</sup>	\$ 4,489	\$ 3,890	\$ 4,797	\$ 3,899

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

## 17. Statement of Changes in Stockholders' Equity

The following table reflects the first nine months of 2024 and 2023 reconciliation of the carrying amount of total equity, equity attributable to U. S. Steel and equity attributable to noncontrolling interests:

Nine Months Ended September 30, 2024 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock	Treasury Stock	Paid-in Capital	Non-Controlling Interest
Balance at beginning of year	\$ 11,140	\$ 6,880	\$ 46	\$ 286	\$ (1,418)	\$ 5,253	\$ 93
Comprehensive income (loss):							
Net earnings	171	171	—	—	—	—	—
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	(7)	—	(7)	—	—	—	—
Currency translation adjustment	(36)	—	(36)	—	—	—	—
Derivative financial instruments	43	—	43	—	—	—	—
Employee stock plans	(8)	—	—	2	(23)	13	—
Dividends paid on common stock	(12)	(12)	—	—	—	—	—
Other	1	1	—	—	—	—	—
Balance at March 31, 2024	\$ 11,292	\$ 7,040	\$ 46	\$ 288	\$ (1,441)	\$ 5,266	\$ 93
Comprehensive income (loss):							
Net earnings	183	183	—	—	—	—	—
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	(5)	—	(5)	—	—	—	—
Currency translation adjustment	(18)	—	(18)	—	—	—	—
Derivative financial instruments	32	—	32	—	—	—	—
Employee stock plans	14	—	—	—	(1)	15	—
Dividends paid on common stock	(11)	(11)	—	—	—	—	—
Other	(1)	(1)	—	—	—	—	—
Balance at June 30, 2024	\$ 11,486	\$ 7,211	\$ 55	\$ 288	\$ (1,442)	\$ 5,281	\$ 93
Comprehensive income (loss):							
Net earnings	119	119	—	—	—	—	—
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	(6)	—	(6)	—	—	—	—
Currency translation adjustment	77	—	77	—	—	—	—
Active employee benefit investments	1	—	1	—	—	—	—
Employee stock plans	5	—	—	—	(5)	10	—
Dividends paid on common stock	(11)	(11)	—	—	—	—	—
Balance at September 30, 2024	\$ 11,671	\$ 7,319	\$ 127	\$ 288	\$ (1,447)	\$ 5,291	\$ 93

Nine Months Ended September 30, 2023 (In millions)	Total	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock	Treasury Stock	Paid-in Capital	Non-Controlling Interest
Balance at beginning of year	\$ 10,311	\$ 6,030	\$ (85)	\$ 283	\$ (1,204)	\$ 5,194	\$ 93
Comprehensive income (loss):							
Net earnings	199	199	—	—	—	—	—
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	(10)	—	(10)	—	—	—	—
Currency translation adjustment	32	—	32	—	—	—	—
Derivative financial instruments	(44)	—	(44)	—	—	—	—
Active employee benefit investments	3	—	3	—	—	—	—
Employee stock plans	(9)	—	—	2	(22)	11	—
Common stock repurchased	(75)	—	—	—	(75)	—	—
Dividends paid on common stock	(12)	(12)	—	—	—	—	—
Balance at March 31, 2023	\$ 10,395	\$ 6,217	\$ (104)	\$ 285	\$ (1,301)	\$ 5,205	\$ 93
Comprehensive income (loss):							
Net earnings	477	477	—	—	—	—	—
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	(12)	—	(12)	—	—	—	—
Currency translation adjustment	(1)	—	(1)	—	—	—	—
Derivative financial instruments	33	—	33	—	—	—	—
Active employee benefit investments	(1)	—	(1)	—	—	—	—
Employee stock plans	14	—	—	—	1	13	—
Common stock repurchased	(75)	—	—	—	(75)	—	—
Excise tax on common stock repurchased	(1)	—	—	—	(1)	—	—
Dividends paid on common stock	(11)	(11)	—	—	—	—	—
Balance at June 30, 2023	\$ 10,818	\$ 6,683	\$ (85)	\$ 285	\$ (1,376)	\$ 5,218	\$ 93
Comprehensive income (loss):							
Net earnings	299	299	—	—	—	—	—
Other comprehensive income (loss), net of tax:							
Pension and other benefit adjustments	(13)	—	(13)	—	—	—	—
Currency translation adjustment	(35)	—	(35)	—	—	—	—
Derivative financial instruments	47	—	47	—	—	—	—
Active employee benefit investments	1	—	1	—	—	—	—
Employee stock plans	16	—	—	—	(1)	17	—
Common stock repurchased	(25)	—	—	—	(25)	—	—
Dividends paid on common stock	(11)	(11)	—	—	—	—	—
Balance at September 30, 2023	\$ 11,097	\$ 6,971	\$ (85)	\$ 285	\$ (1,402)	\$ 5,235	\$ 93

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

(In millions)	Pension and Other Benefit Items	Foreign Currency Items	Unrealized (Loss) Gain on Derivatives	Active Employee Benefit Investments	Total
Balance at December 31, 2023	\$ (241)	\$ 334	\$ (52)	\$ 5	\$ 46
Other comprehensive income before reclassifications	—	23	49	3	75
Amounts reclassified from AOCI <sup>(a)</sup>	(18)	—	26	(2)	6
Net current-period other comprehensive (loss) income	(18)	23	75	1	81
Balance at September 30, 2024	\$ (259)	\$ 357	\$ 23	\$ 6	\$ 127
Balance at December 31, 2022	\$ (322)	\$ 280	\$ (43)	\$ —	\$ (85)
Other comprehensive income (loss) before reclassifications	2	(4)	(50)	3	(49)
Amounts reclassified from AOCI <sup>(a)</sup>	(37)	—	86	—	49
Net current-period other comprehensive (loss) income	(35)	(4)	36	3	—
Balance at September 30, 2023	\$ (357)	\$ 276	\$ (7)	\$ 3	\$ (85)

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

Details about AOCI components (in millions)	Amount reclassified from AOCI			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Amortization of pension and other benefit items <sup>(a)</sup>				
Prior service credits	\$ (1)	\$ (2)	\$ (7)	\$ (5)
Actuarial gains	(7)	(15)	(17)	(45)
Total pensions and other benefits items	(8)	(17)	(24)	(50)
Derivative reclassifications to Condensed Consolidated Statements of Operations	(6)	40	35	113
Active employee benefit investments reclassifications to Condensed Consolidated Statements of Operations	(1)	—	(2)	—
Total before tax	(15)	23	9	63
Tax provision (benefit)	3	(5)	(3)	(14)
Net of tax	\$ (12)	\$ 18	\$ 6	\$ 49

<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 \$634 million and \$488 million for the three months ended September 30, 2024, and 2023, respectively and \$1,939 million and \$1,534 million for the nine months ended September 30, 2024, and 2023, respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company, LLC (PRO-TEC) of \$196 million and \$137 million at September 30, 2024, and December 31, 2023, 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 \$2 million for both periods ending September 30, 2024 and December 31, 2023, respectively.

Purchases from related parties for outside processing services provided by equity investees amounted to \$5 million and \$8 million for the three months ended September 30, 2024, and 2023, respectively and \$15 million and \$18 million for the nine months ended September 30, 2024, and 2023, respectively. Purchases of iron ore pellets from related parties amounted to \$21 million and \$41 million for the three months ended September 30, 2024, and 2023, respectively and \$66 million and \$118 million for the nine months ended September 30, 2024, and 2023, respectively.

On December 18, 2023, the Company entered into the Merger Agreement by and among the Company, Purchaser, Merger Sub, and solely as provided in Section 9.13 therein, NSC. Pursuant to the Merger Agreement, and upon the terms and subject to the conditions described therein, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of Purchaser.

Wheeling-Nippon Steel, Inc., ("WNS") a wholly owned subsidiary of NSC (party to the Merger Agreement described above), currently is a customer of the Company. Net sales to related parties pertaining to business with WNS during the three and nine months ended September 30, 2024 were \$79 million and \$254 million, respectively. Receivables from related parties as of September 30, 2024 include \$7 million due from WNS.

## 20. Restructuring and Other Charges

During the three months and nine months ended September 30, 2024, the Company recorded restructuring and other charges of \$5 million and \$11 million, respectively, which related primarily to the idling of certain coke-making facilities. Cash payments related to previously accrued restructuring programs made during the nine months ended September 30, 2024, were approximately \$77 million.

During the three and nine months ended September 30, 2023, the Company recorded restructuring and other charges of \$18 million and \$21 million, respectively, which related primarily to Company-wide headcount reductions. Cash payments related to previously accrued restructuring programs made during the nine months ended September 30, 2023, were approximately \$48 million.

The activity in the accrued balances incurred in relation to restructuring during the nine months ended September 30, 2024, was as follows:

(In millions)	Employee Related Costs		Exit Costs	Non-cash Charges		Total
Balance at December 31, 2023	\$	110	\$ 30	\$	—	\$ 140
Additional charges		(4)	15		—	11
Cash payments/utilization <sup>(a)</sup>		(56)	(21)		—	(77)
Balance at September 30, 2024	\$	50	\$ 24	\$	—	\$ 74

<sup>(a)</sup> \$10 million of payments were made from the pension fund trust assets in the Employee Related Costs column during the nine months ended September 30, 2024.

Accrued liabilities for restructuring programs are recorded primarily in payroll and benefits and accounts payable on the Condensed Consolidated Balance Sheet.

## 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 September 30, 2024, U. S. Steel was a defendant in approximately 960 active asbestos cases involving approximately 2,555 plaintiffs. The vast majority of these cases involve multiple defendants. About 1,590, or approximately 62 percent, of these plaintiff claims are currently pending in a jurisdiction which permits filings with massive numbers of plaintiffs. At December 31, 2023, 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, 2021	2,445	200	260	2,505
December 31, 2022	2,505	230	235	2,510
December 31, 2023	2,510	235	230	2,505
September 30, 2024	2,505	175	225	2,555

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)	Nine Months Ended September 30, 2024	
Beginning of period	\$	107
Accruals for environmental remediation deemed probable and reasonably estimable		5
Obligations settled		(12)
End of period	\$	100

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

(In millions)	As of September 30, 2024		As of December 31, 2023	
Accounts payable	\$	18	\$	27
Deferred credits and other noncurrent liabilities		82		80
Total	\$	100	\$	107

Expenses related to remediation are recorded in cost of sales and were \$5 million and \$12 million for the nine months ended September 30, 2024, and September 30, 2023, respectively. 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 30 to 50 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 three environmental remediation projects where additional costs for completion are not currently estimable but could be material. These projects are at South Works, UPI and the former steelmaking plant at Joliet, Illinois. As of September 30, 2024, accrued liabilities for these projects totaled \$4 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 \$33 million to \$46 million.
- (2) *Projects with Significant Accrued liabilities with a Defined Scope* - As of September 30, 2024, there are four significant projects with defined scope greater than or equal to \$5 million each, with a total accrued liability of \$55 million. These projects are Gary Resource Conservation and Recovery Act (accrued liability of \$23 million), Duluth Works (accrued liability of \$7 million), Fairfield Works (accrued liability of \$8 million) and the former Geneva facility (accrued liability of \$17 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 September 30, 2024, was \$6 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 September 30, 2024, was approximately \$3 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 \$23 million at September 30, 2024, and were based on known scopes of work.

*Administrative and Legal Costs* – As of September 30, 2024, U. S. Steel had an accrued liability of \$9 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 \$44 million and \$55 million in the first nine months of 2024 and 2023, 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 updated 2021-2025 Slovak National Allocation table in February 2022. The Slovak Ministry of Environment allocated 6.2 million metric tons of European Union Emission Allowances (EUA) at no charge (free allowances or free allocation) to USSE in March 2024. As of September 30, 2024, we have pre-purchased approximately 2.22 million EUA totaling €161 million (approximately \$180 million) via spot purchases or settled forwards to cover the shortfall of emission allowances expected for 2024 and subsequent years.

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 go beyond BAT requirements were €138 million (approximately \$155 million). 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. 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. USSK complied with these covenants as of September 30, 2024, and no additional collateral will be required by the end of June 30, 2025. By this next assessment date, we expect that nine of the fifteen total projects will pass the sustainability monitoring and will be excluded from further assessment to provide additional collateral if the covenants are not met. The last assessment of financial covenants will be performed as of June 30, 2026.

*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 \$100 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 September 30, 2024.

**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 \$13 million at September 30, 2024). No liability has been recorded for these guarantees as the potential loss is not probable.

The Company's BR2 project near 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 as proceeds from the sale of a portion of expected future tax credits to be earned by the Company under the State of Arkansas's Recycling Tax Credit 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. In April 2022, the Company received a \$3 million grant from Mississippi County, Arkansas, and in May 2022, the Company received a \$50 million grant from the State of Arkansas Quick Action Closing Fund. Both grants pertain to the reimbursement of qualifying project costs. Deferred liabilities were recognized for each of these grants and are included in deferred credits and other noncurrent liabilities on the Condensed Consolidated Balance Sheet. For each of these incentives and grants, the balance of 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.

In July 2024, the Company also received a lump-sum payment of approximately \$75 million as proceeds from the sale of a portion of future tax credits to be earned by the Company under the State of Arkansas's Recycling Tax Credit program for the Phase II portion of the Big River Steel facilities. The Company is contingently liable for certain repayment penalties if the Company fails to meet certain employment requirements, and as such a deferred liability was recognized for this grant and will be amortized into other gains, net in the statement of operations on a systematic basis over the periods in which the Company earns the granted funds by complying with the employment requirements of the grant program.

We have incurred and expect to continue to incur significant expenses in connection with the pending Merger, including legal and investment banking fees.

**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 \$192 million as of September 30, 2024, 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 \$42 million and \$40 million at September 30, 2024, and December 31, 2023, respectively.

**Capital Commitments** – At September 30, 2024, U. S. Steel's contractual commitments to acquire property, plant and equipment totaled \$830 million.

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

Remainder of 2024	2025	2026	2027	2028	Later Years	Total
\$176	\$1,118	\$392	\$233	\$194	\$832	\$2,945

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 13 months to 20 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 September 30, 2024, if U. S. Steel were to terminate the agreement, it may be obligated to pay in excess of \$11 million.

As a result of the indefinite idling of the iron and steel making processes at Granite City Works, there were \$66 million and \$86 million of liabilities for unconditional purchase obligations as of September 30, 2024, and December 31, 2023, respectively.

Total payments relating to unconditional purchase obligations were \$193 million and \$207 million for the three months ended September 30, 2024, and 2023, respectively, and \$587 million and \$630 million for the nine months ended September 30, 2024, and 2023, respectively.

## **22. Common Stock Repurchased**

On July 25, 2022, the Board of Directors authorized a share repurchase program that allows for the repurchase of up to \$500 million of its outstanding common stock from time to time in the open market or privately negotiated transactions at the discretion of management. The Company's share repurchase program does not obligate it to acquire any specific number of shares.

U. S. Steel repurchased 7.1 million shares of common stock for approximately \$175 million under this program during the nine months ended September 30, 2023. We do not expect to utilize the remainder of this authorization. No share repurchases were completed in the nine months ended September 30, 2024 as the Merger Agreement prohibits us from engaging in additional share repurchases without the consent of Purchaser.

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

### Overview

#### *Business update*

As previously disclosed, on December 18, 2023, the Company entered into the Merger Agreement by and among the Company, Purchaser, Merger Sub, and solely as provided in Section 9.13 therein, NSC. Pursuant to the Merger Agreement, and upon the terms and subject to the conditions described therein, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of Purchaser (the "Merger").

On April 12, 2024, the Company obtained the approval of its stockholders required to adopt the Merger Agreement. U. S. Steel stockholders approved the Merger with 98.8% approval of shares voted, satisfying a significant condition to closing. On September 25, 2024, the U. S. Steel/United Steelworkers Board of Arbitration ruled that the Company has satisfied the successorship obligations in the Basic Labor Agreement (BLA) with the United Steelworkers (USW). All BLA issues between U. S. Steel and USW regarding the Merger are now resolved and no further action is necessary under the BLA for Nippon Steel to acquire U. S. Steel and assume all USW agreements in line with its commitments.

The Company and NSC each received, and are working to respond to, a request for additional information and documentary materials from the U.S. Department of Justice in connection with the antitrust review of the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. All required regulatory approvals outside of the United States related to the Merger have been received.

The Company and NSC are working to close the Merger in the fourth quarter of 2024, subject to the fulfillment of the remaining, customary closing conditions, including the receipt of the required U.S. regulatory approvals.

The Company continued to advance its Best for All<sup>®</sup> strategy during the third quarter of 2024. Construction of Big River 2 (BR2) near Osceola, Arkansas continued during the third quarter and first coil was achieved in October 2024. The Company expects shipments to customers to begin during the fourth quarter 2024. The Company expects total capital spend for BR2 will be approximately \$3.6 billion. Capital expenditures for strategic projects were \$346 million during the three months ended September 30, 2024. The Company now expects 2024 capital spending will be \$2.3 billion.

#### *Segments update*

U. S. Steel's results in the third quarter of 2024 were impacted by market challenges in each of the Company's four reportable segments: North American Flat-Rolled (Flat-Rolled), Mini Mill, U. S. Steel Europe (USSE) and Tubular.

The Flat-Rolled segment results were unfavorable compared to the second quarter 2024, primarily as a result of lower shipment volumes and lower average realized prices. We expect these unfavorable commercial trends to continue into the fourth quarter, with the Flat-Rolled segment results in the fourth quarter expected to be unfavorable compared to the third quarter as a result of lower average realized prices and unfavorable raw material pricing.

The Mini Mill segment results were lower compared to the second quarter 2024, primarily as a result of lower average realized selling prices that reflect spot price headwinds, which was partially offset by higher shipment volumes and by favorable metallics costs. We expect the Mini Mill segment's fourth quarter results to be improved in relation to the third quarter as a result of higher average realized selling prices and incremental shipment volumes from the start-up of BR2. Fourth quarter construction and related start-up costs are expected to be approximately \$25 million.

The U. S. Steel Europe (USSE) segment results were favorably impacted by a one-time adjustment to the reserve for CO<sub>2</sub> emissions and by lower coal, PCI and iron ore costs compared to the second quarter 2024. These impacts were partially offset by lower average realized prices. Fourth quarter performance is expected to be lower than the third quarter from a weak demand environment, reflecting softer steel prices, lower shipment volumes and higher energy costs. Repair costs due to unplanned downtime at the #1 Caster will also impact the fourth quarter. Subsequent to the planned 30-day outage beginning in August, Blast Furnace #1 has been temporarily idled due to market conditions. The Tubular segment results were lower than second quarter 2024 results due to lower average selling prices. The lower pricing environment was driven primarily by continued high levels of imports and lower rig counts. The Company expects fourth quarter results to be favorable in relation to the third quarter primarily driven by incrementally higher volume.

Fluctuations in the market price of raw materials and other inflationary impacts have affected the results of each of our reportable segments, and fluctuations going-forward are reasonably likely to have a material impact on future results. We could experience inflation related headwinds for certain raw materials and other costs.

## RESULTS OF OPERATIONS

U. S. Steel's results in the three months ended September 30, 2024, compared to the same period in 2023, decreased for the North American Flat-Rolled, Mini Mill, and Tubular segments and increased for the U. S. Steel Europe segment and in the nine months ended September 30, 2024, compared to the same period in 2023, declined for the North American Flat-Rolled, Mini Mill, U. S. Steel Europe, and Tubular segments.

- **North American Flat-Rolled:** Flat-Rolled results for the three and nine months ended September 30, 2024, decreased compared to the prior three and nine month periods, primarily due to lower sales price and volume across most products.
- **Mini Mill:** Mini Mill results for the three and nine months ended September 30, 2024, decreased compared to the prior three and nine month periods, primarily due to lower sales price across all products in the three month period and lower sales volume across most products in the nine month period.
- **U. S. Steel Europe:** USSE results for the three months ended September 30, 2024, increased compared to the prior three month period, primarily due to lower raw material and energy costs and CO<sub>2</sub> emissions accrual adjustments. USSE results for the nine months ended September 30, 2024, decreased compared to the prior nine month period, primarily due to lower sales price across all products.
- **Tubular:** Tubular results for the three and nine months ended September 30, 2024, decreased compared to the prior three and nine month periods, primarily due to lower sales price.

Net sales by segment for the three months and nine months ended September 30, 2024 and 2023 are set forth in the following table:

(Dollars in millions, excluding intersegment sales)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Flat-Rolled	\$ 2,377	\$ 2,749	(14)%	\$ 7,391	\$ 8,275	(11)%
Mini Mill	505	529	(5)%	1,593	1,701	(6)%
USSE	745	838	(11)%	2,406	2,708	(11)%
Tubular	217	314	(31)%	729	1,217	(40)%
Total sales from reportable segments	3,844	4,430	(13)%	12,119	13,901	(13)%
Other	9	1	800%	12	8	50%
Net sales	\$ 3,853	\$ 4,431	(13)%	\$ 12,131	\$ 13,909	(13)%

Management's analysis of the percentage change in net sales for U. S. Steel's reportable business segments for the three months ended September 30, 2024, versus the three months ended September 30, 2023:

	Steel Products <sup>(a)</sup>				Other <sup>(c)</sup>	Net Change
	Volume	Price	Mix	FX <sup>(b)</sup>		
Flat-Rolled	(10)%	(3)%	— %	— %	(1)%	(14)%
Mini Mill	7 %	(13)%	1 %	— %	— %	(5)%
USSE	(6)%	(5)%	(1)%	1 %	— %	(11)%
Tubular	6 %	(37)%	(1)%	— %	1 %	(31)%

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

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

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

Net sales for the three months ended September 30, 2024, compared to the same period in 2023 were \$3,853 million and \$4,431 million, respectively.

- For the Flat-Rolled segment, the decrease in sales primarily resulted from decreased shipments (255 thousand tons) across most products and lower average realized prices (\$43 per ton) across all products.
- For the Mini Mill segment, the decrease in sales primarily resulted from lower average realized prices (\$101 per ton) across all products, partially offset by increased shipments (41 thousand tons) across most products.
- For the USSE segment, the decrease in sales primarily resulted from decreased shipments (59 thousand tons) across most products and lower average realized prices (\$50 per ton) across most products.

- For the Tubular segment, the decrease in sales primarily resulted from lower average realized prices (\$1,122 per ton), partially offset by increased shipments (7 thousand tons).

Management's analysis of the percentage change in net sales for U. S. Steel's reportable business segments for the nine months ended September 30, 2024, versus the nine months ended September 30, 2023:

	Steel Products <sup>(a)</sup>				Other <sup>(c)</sup>	Net Change
	Volume	Price	Mix	FX <sup>(b)</sup>		
Flat-Rolled	(8)%	(2)%	— %	— %	(1)%	(11)%
Mini Mill	(4)%	(3)%	1 %	— %	— %	(6)%
USSE	(1)%	(9)%	(1)%	— %	— %	(11)%
Tubular	(4)%	(37)%	1 %	— %	— %	(40)%

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

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

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

Net sales for the nine months ended September 30, 2024, compared to the same period in 2023 were \$12,131 million and \$13,909 million, respectively.

- For the Flat-Rolled segment, the decrease in sales primarily resulted from decreased shipments (673 thousand tons) across most products and lower average realized prices (\$15 per ton) across most products.
- For the Mini Mill segment, the decrease in sales primarily resulted from decreased shipments (75 thousand tons) from lower value products and lower average realized prices (\$18 per ton) across all products.
- For the USSE segment, the decrease in sales primarily resulted from lower average realized prices (\$92 per ton) across all products and decreased shipments (29 thousand tons) across most products.
- For the Tubular segment, the decrease in sales primarily resulted from lower average realized prices (\$1,360 per ton) and decreased shipments (13 thousand tons).

#### Selling, general and administrative expenses

Selling, general and administrative expenses were \$104 million and \$328 million for the three months and nine months ended September 30, 2024, respectively, compared to \$118 million and \$320 million for the three months and nine months ended September 30, 2023, respectively. The change between three month periods was primarily due to lower profit and variable based incentive costs and between the nine month periods was primarily due to increased costs related to the Company's strategic alternatives review process.

#### Restructuring and other charges

During the three months and nine months ended September 30, 2024, the Company recognized restructuring and other charges of \$5 million and \$11 million, respectively, compared to charges of \$18 million and \$21 million recognized during the three months and nine months ended September 30, 2023, respectively. See Note 20 to the Condensed Consolidated Financial Statements for further details.

#### Operating configuration adjustments

The Company adjusts its operating configuration in response to changes in market conditions, global overcapacity, import competition arising from unfair trade practices, and changes in customer demand. These operating configuration adjustments can include indefinitely and temporarily idling certain of its facilities as well as re-starting production at certain of its facilities.

#### Idled Operations

In the third quarter of 2024, the Company extended a planned outage and temporarily idled Blast Furnace #1 at USSE until demand improves. As of September 30, 2024, the carrying value of the temporarily idled blast furnace assets at USSE is \$10 million.

In 2023, the Company indefinitely idled the iron and steel making assets at Granite City Works and the operations of UPI. These facilities remain indefinitely idled as of September 30, 2024. The net book value of the related fixed assets is immaterial.

In 2022, U. S. Steel indefinitely idled the majority of the tin mill operations at Gary Works. This included the Tin Line #5 and the Tin Line #6. As of September 30, 2024, the carrying value of the indefinitely idled tin mill operations assets at Gary Works is \$65 million. Tin mill operations continue to operate at the Midwest plant.

The Company's Lorain Tubular and Lone Star Tubular Operations were initially idled in 2020 and remain indefinitely idled as of September 30, 2024. The carrying value of these operations' assets as of September 30, 2024 are \$50 million and immaterial, respectively.

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

(Dollars in millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Flat-Rolled	\$ 106	\$ 225	(53)%	\$ 323	\$ 449	(28)%
Mini Mill	(28)	42	(167)%	99	186	(47)%
USSE	7	(13)	154 %	13	25	(48)%
Tubular	(4)	87	(105)%	82	476	(83)%
Total earnings from reportable segments	81	341	(76)%	517	1,136	(54)%
Other	3	7	(57)%	(3)	(2)	(50)%
Segment earnings before interest and income taxes	84	348	(76)%	514	1,134	(55)%
Items not allocated to segments:						
Restructuring and other charges	(5)	(18)		(11)	(21)	
Stock-based compensation expense	(10)	(14)		(37)	(37)	
Asset impairment charges	—	—		(19)	(4)	
Environmental remediation charges	(1)	(9)		(4)	(11)	
Strategic alternatives review process costs	(18)	(16)		(59)	(16)	
Granite City idling costs	—	(14)		—	(14)	
Other charges, net	(2)	—		(1)	(1)	
Total earnings before interest and income taxes	\$ 48	\$ 277	(83)%	\$ 383	\$ 1,030	(63)%

#### Segment results for Flat-Rolled

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Earnings before interest and taxes (\$ millions)	\$ 106	\$ 225	(53)%	\$ 323	\$ 449	(28)%
Gross margin	12 %	15 %	(3)%	11 %	12 %	(1)%
Raw steel production (mnt)	2,107	2,390	(12)%	6,290	7,312	(14)%
Capability utilization	63 %	72 %	(9)%	63 %	74 %	(11)%
Steel shipments (mnt)	1,905	2,159	(12)%	5,999	6,672	(10)%
Average realized steel price per ton	\$ 993	\$ 1,036	(4)%	\$ 1,030	\$ 1,045	(1)%

The decrease in Flat-Rolled results for the three months ended September 30, 2024, compared to the same period in 2023 was primarily due to:

- lower average realized prices, including mix (approximately \$90 million)
- decreased shipments (approximately \$65 million)
- lower other sales (approximately \$25 million)
- higher operating costs (approximately \$25 million),

these changes were partially offset by:

- lower energy costs (approximately \$25 million)
- lower other costs, primarily profit based payments (approximately \$60 million).

Gross margin for the three months ended September 30, 2024, compared to the same period in 2023 decreased primarily as a result of lower sales volume and lower average realized prices.

The decrease in Flat-Rolled results for the nine months ended September 30, 2024, compared to the same period in 2023 was primarily due to:

- lower average realized prices, including mix (approximately \$75 million)
- decreased shipments (approximately \$190 million)
- lower other sales (approximately \$35 million)
- higher operating costs (approximately \$135 million),

these changes were partially offset by:

- lower raw material costs, including inventory revaluations (approximately \$95 million)
- lower energy costs (approximately \$105 million)
- favorable equity affiliate income (approximately \$45 million)
- lower other costs, primarily profit based payments (approximately \$65 million).

Gross margin for the nine months ended September 30, 2024, compared to the same period in 2023 decreased primarily as a result of lower sales volume and lower average realized prices.

#### Segment results for Mini Mill

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
Earnings (loss) before interest and taxes (\$ millions)	\$ (28)	42	(167)%	\$ 99	186	(47)%
Gross margin	13 %	19 %	(6)%	21 %	20 %	1 %
Raw steel production (mnt)	732	693	6 %	2,174	2,201	(1)%
Capability utilization	88 %	83 %	5 %	88 %	89 %	(1)%
Steel shipments (mnt)	602	561	7 %	1,732	1,807	(4)%
Average realized steel price per ton	\$ 800	\$ 901	(11)%	\$ 880	\$ 898	(2)%

The decrease in Mini Mill results for the three months ended September 30, 2024, compared to the same period in 2023 was primarily due to:

- lower average realized prices, including mix (approximately \$70 million)
- higher other costs, primarily strategic projects startup costs (approximately \$35 million),

these changes were partially offset by:

- lower raw material costs (approximately \$30 million)
- lower energy costs (approximately \$5 million).

Gross margin for the three months ended September 30, 2024, compared to the same period in 2023 decreased primarily as a result of lower average realized sales prices.

The decrease in Mini Mill results for the nine months ended September 30, 2024, compared to the same period in 2023 was primarily due to:

- lower average realized prices, including mix (approximately \$35 million)
- decreased shipments (approximately \$135 million)
- higher other costs, primarily strategic projects startup costs (approximately \$85 million),

these changes were partially offset by:

- lower raw material costs (approximately \$165 million)
- lower energy costs (approximately \$5 million).

Gross margin for the nine months ended September 30, 2024, compared to the same period in 2023 increased primarily due to lower raw material costs.

## Segment results for USSE

	Three Months Ended September 30,			% Change	Nine Months Ended September 30,			% Change
	2024	2023			2024	2023		
Earnings (loss) before interest and taxes (\$ millions)	\$ 7	\$ (13)	154 %	\$ 13	\$ 25	(48)%		
Gross margin	7 %	2 %	5 %	6 %	5 %	1 %		
Raw steel production (mnt)	970	990	(2)%	3,029	3,295	(8)%		
Capability utilization	77 %	79 %	(2)%	81 %	88 %	(7)%		
Steel shipments (mnt)	899	958	(6)%	2,846	2,875	(1)%		
Average realized steel price per (\$/ton)	\$ 802	\$ 852	(6)%	\$ 818	\$ 910	(10)%		
Average realized steel price per (€/ton)	€ 730	€ 783	(7)%	€ 753	€ 840	(10)%		

The increase in USSE results for the three months ended September 30, 2024, compared to the same period in 2023 was primarily due to:

- lower raw material costs, including inventory revaluations and CO<sub>2</sub> accrual adjustments (approximately \$55 million)
- lower energy costs (approximately \$10 million)
- strengthening of the Euro versus the U.S. dollar (approximately \$10 million)

these changes were partially offset by:

- lower average realized prices, including mix (approximately \$45 million)
- higher other costs (approximately \$10 million).

Gross margin for the three months ended September 30, 2024, compared to the same period in 2023 increased, primarily due to lower raw material and energy costs.

The decrease in USSE results for the nine months ended September 30, 2024, compared to the same period in 2023 was primarily due to:

- lower average realized prices, including mix (approximately \$230 million)
- lower other sales (approximately \$5 million)
- higher operating costs (approximately \$50 million)
- higher other costs (approximately \$20 million),

these changes were partially offset by:

- lower raw material costs, including inventory revaluations and CO<sub>2</sub> accrual adjustments (approximately \$200 million)
- lower energy costs (approximately \$90 million)
- strengthening of the Euro versus the U.S. dollar (approximately \$5 million).

Gross margin for the nine months ended September 30, 2024, compared to the same period in 2023 increased, primarily due to lower raw material and energy costs.

## Segment results for Tubular

	Three Months Ended September 30,			% Change	Nine Months Ended September 30,			% Change
	2024	2023			2024	2023		
Earnings (loss) before interest and taxes (\$ millions)	\$ (4)	\$ 87	(105)%	\$ 82	\$ 476	(83)%		
Gross margin	5 %	30 %	(25)%	16 %	42 %	(26)%		
Raw steel production (mnt)	159	111	43 %	422	411	3 %		
Capability utilization	70 %	49 %	21 %	62 %	61 %	1 %		
Steel shipments (mnt)	110	104	6 %	333	346	(4)%		
Average realized steel price per ton	\$ 1,805	\$ 2,927	(38)%	\$ 2,062	\$ 3,422	(40)%		

The decrease in Tubular results for the three months ended September 30, 2024, compared to the same period in 2023 was primarily due to:

- lower average realized prices (approximately \$105 million),

these changes were partially offset by:

- increased shipments (approximately \$5 million)
- lower raw material costs (approximately \$5 million)
- lower other costs (approximately \$5 million).



Gross margin for the three months ended September 30, 2024, compared to the same period in 2023 decreased primarily as a result of lower average realized prices.

The decrease in Tubular results for the nine months ended September 30, 2024, compared to the same period in 2023 was primarily due to:

- lower average realized prices (approximately \$465 million), these changes were partially offset by:
- lower raw material costs (approximately \$15 million)
- lower operating costs (approximately \$20 million)
- lower other costs, primarily variable compensation (approximately \$35 million).

Gross margin for the nine months ended September 30, 2024, compared to the same period in 2023 decreased primarily as a result of lower average realized prices.

#### Net interest and other financial benefits

(Dollars in millions)	Three Months Ended September 30,		% Change	Nine Months Ended September 30,		% Change
	2024	2023		2024	2023	
Interest expense	\$ 5	\$ 16	69 %	\$ 9	\$ 63	86 %
Interest income	(23)	(39)	(41)%	(80)	(103)	(22)%
Loss on debt extinguishment	—	—	nm	2	—	nm
Other financial (benefits) costs	(1)	7	114 %	15	19	21 %
Net periodic benefit income	(33)	(42)	(21)%	(99)	(125)	(21)%
Net gain from investments related to active employee benefits	(9)	(6)	50 %	(21)	(36)	(42)%
<b>Total net interest and other financial benefits</b>	<b>\$ (61)</b>	<b>\$ (64)</b>	<b>(5)%</b>	<b>\$ (174)</b>	<b>\$ (182)</b>	<b>(4)%</b>

Net interest and other financial benefits declined in the three months ended September 30, 2024, as compared to the same period in 2023 primarily due to reduced net periodic benefit income from increases in actuarial losses and decreased interest income from a lower cash balance. This was partially offset by lower interest expense as a result of increased capitalized interest.

Net interest and other financial benefits declined in the nine months ended September 30, 2024, as compared to the same period in 2023 primarily due to reduced net periodic benefit income from increases in actuarial losses, reduced investment gains related to active employee benefits from lower 2024 asset performance, and decreased interest income from a lower cash balance. These were partially offset by lower interest expense as a result of increased capitalized interest.

#### Income tax (benefit) expense

Income tax (benefit) expense was a benefit of \$10 million and an expense of \$84 million for the three months and nine months ended September 30, 2024, respectively, compared to income tax expense of \$42 million and \$237 million for the three months and nine months ended September 30, 2023. The changes from the prior year periods were primarily due to a decrease in earnings before taxes. In addition, the current year period includes a benefit of \$53 million related to the filing of the 2023 federal and state income tax returns, offset by expense of \$12 million related to tax reserve adjustments.

#### Net earnings

Net earnings attributable to United States Steel Corporation were \$119 million and \$473 million for the three months and nine months ended September 30, 2024, respectively, compared to \$299 million and \$975 million for the three months and nine months ended September 30, 2023, respectively. 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 \$711 million for the nine months ended September 30, 2024, compared to net cash provided by operating activities of \$1,711 million in the same period in 2023. The period over period decrease in cash from operations from the prior year period was primarily due to lower net earnings and 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 third quarter of 2024 increased by 5 days as compared to the fourth quarter of 2023.

Cash Conversion Cycle	Third Quarter of 2024		Fourth Quarter of 2023	
	\$ millions	Days	\$ millions	Days
Accounts receivable, net <sup>(a)</sup>	\$1,650	40	\$1,549	34
+ Inventories <sup>(b)</sup>	\$2,039	54	\$2,128	53
- Accounts Payable and Other Accrued Liabilities <sup>(c)</sup>	\$2,622	70	\$2,867	68
= Cash Conversion Cycle <sup>(d)</sup>		24		19

<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 believes there will not be significant permanent LIFO liquidations that would impact earnings for the remainder of 2024.

### Net Cash Used in Investing Activities

Net cash used in investing activities was \$1,784 million for the nine months ended September 30, 2024, compared to \$1,935 million in the same period in 2023. The period over period decrease in net cash used in investing activities was primarily due to decreased capital expenditures (discussed in more detail below).

Capital expenditures for the nine months ended September 30, 2024, were \$1,782 million, compared with \$1,939 million in the same period in 2023. Mini Mill capital expenditures were \$1,302 million and included \$1,103 million for BR2, exclusive of the air separation unit, as well as spending for the dual Galvalume®/galvanized coating and color coating lines at the existing Big River Steel facility. Flat-Rolled capital expenditures were \$378 million which includes spending for the DR grade pellet facility at Keetac, as well as for mining equipment, blast furnace repairs and a stove rebuild at Gary Works, and other infrastructure and environmental projects across the Flat-Rolled footprint. USSE capital expenditures were \$82 million and included spending for the blast furnace stove repairs and upgrades, enterprise resource planning (ERP) project, 5-stand control system upgrades, and various other projects. Tubular capital expenditures were \$20 million and included spending to support steelmaking, infrastructure, and environmental projects within the Tubular footprint.

### Net Cash Used in Financing Activities

Net cash used in financing activities was \$104 million for the nine months ended September 30, 2024, compared to \$53 million in the same period in 2023. The period over period change in financing activities was primarily due to absence of proceeds received from the issuance of long-term debt in the current year period, partially offset by the absence of repurchases of common stock in the current year period.

### 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 use surety bonds, trusts and letters of credit to provide whole or partial 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 \$192 million of liquidity sources for financial assurance purposes as of September 30, 2024. Changes 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

On July 25, 2022, the Board of Directors authorized a share repurchase program that allows for the repurchase of up to \$500 million of its outstanding common stock from time to time in the open market or privately negotiated transactions at the discretion of management. The Company's share repurchase program does not obligate it to acquire any specific number of shares. There was no common stock repurchased under our share repurchase programs in the nine months ended September 30, 2024 and we do not expect to utilize the remainder of this authorization as the Merger Agreement prohibits us from engaging in additional share repurchases without the consent of Purchaser. 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 September 30, 2024, totaled \$830 million. The Company now expects 2024 capital spending will be \$2.3 billion.

#### Liquidity

The following table summarizes U. S. Steel's liquidity as of September 30, 2024:

(Dollars in millions)

Cash and cash equivalents	\$	1,773
Amount available under Credit Facility Agreement		1,746
Amount available under Big River Steel - Revolving Line of Credit		349
Amount available under USSK Credit Agreement and USSK Credit Facility		184
Total estimated liquidity	\$	4,052

We finished the third quarter of 2024 with \$1,773 million of cash and cash equivalents and \$4,052 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 our 2024 planned strategic capital expenditures, working capital requirements, debt service, and operating costs and employee benefits for our operations. Our available liquidity at September 30, 2024 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.

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.

The Company has a supply chain finance (SCF) arrangement with a third-party administrator which allows participating suppliers, at their sole discretion, to make offers to sell payment obligations of the Company prior to their scheduled due dates at a discounted price to a participating financial institution. The third-party administrator entered into a separate agreement with the Export Import Bank of the United States to guarantee 90 percent of supplier obligations sold for up to \$200 million. No guarantees or collateral are provided by the Company or any of its subsidiaries under the SCF program.

The Company's goal is to capture overall supplier savings and improve working capital efficiency. The agreements facilitate the suppliers' ability to sell payment obligations, while providing them with greater working capital flexibility. The Company has no

economic interest in the sale of the suppliers' receivables and no direct financial relationship with the financial institution concerning these services. The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to sell amounts under the arrangements. The SCF program requires the Company to pay the third-party administrator the stated amount of the confirmed participating supplier invoices. The payment terms for confirmed invoices range from 75 to 90 days after the end of the month in which the invoice was issued.

The underlying costs from suppliers that elected to participate in the SCF program are generally recorded in cost of sales in the Company's Condensed Consolidated Statement of Operations. Amounts due to suppliers who participate in the SCF program are reflected in accounts payable and accrued expenses on the Company's Condensed Consolidated Balance Sheet and payments on the obligations by our suppliers are included in cash used in operating activities in the Condensed Consolidated Statement of Cash Flows. As of September 30, 2024, accounts payable and accrued expenses included \$60 million of outstanding payment obligations which suppliers elected to sell to participating financial institutions.

### **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 (the EU ETS) commenced on January 1, 2021 and will finish on December 31, 2030. The European Commission issued final approval of the updated 2021-2025 Slovak National Allocation table in February 2022. The Slovak Ministry of Environment allocated 6.2 million metric tons of European Union Emission Allowances (EUA) at no charge (free allowances or free allocation) to USSE in March 2024. As of September 30, 2024, we have pre-purchased approximately 2.22 million EUA totaling €161 million (approximately \$180 million) via spot purchases or settled forwards to cover the shortfall of emission allowances expected for 2024 and subsequent years.

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 go beyond BAT requirements were €138 million (approximately \$155 million). 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. 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. USSK complied with these covenants as of September 30, 2024, and no additional collateral will be required by the end of June 30, 2025. By this next assessment date, we expect that nine of the fifteen total projects will pass the sustainability monitoring and will be excluded from further assessment to provide additional collateral if the covenants are not met. The last assessment of financial covenants will be performed as of June 30, 2026.

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**

The Phase IV EU ETS period spans 2021-2030 and is divided into two sub periods (2021-2025 and 2026-2030). Currently, the overall EU ETS 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 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 is assessed based on a rolling average of two precedent years. In 2023 and 2024, USSK received an allocation for hot metal in the amount corresponding to its historical average, however the allocation for sinter was slightly lower due to lower production.

Lower production in 2019 through 2023 will have an impact on the future free allocation for 2026-2030, where the historical production median for the years 2019-2023 is assessed. During the third quarter of 2024, USSK submitted a request for free allocation for the second sub period 2026-2030 to the European Commission via the Slovak Ministry of Environment. The decision on volume of free allocation is expected at the end of 2025.

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 (CBAM) 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 initial phase started on October 1, 2023, with only a reporting obligation without financial impact. The full scale of CBAM will commence on January 1, 2026. CBAM will have an impact on USSK's free allocation starting in 2026 where initial reduction to 97.5% starts until 2035 with no free allocation. Another implication of CBAM is the customs duty that will require USSK to cover all its imports from third parties with CBAM Certificates representing embedded emissions in goods imported. The legislative process is being impacted by the ongoing Russia-Ukraine crisis. The proposals are subject to the EU legislative process, and we cannot predict their future impact.

U. S. Steel continues to monitor emerging regulations on Per- and Polyfluoroalkyl Substances (PFAS). The U.S. EPA (United States Environmental Protection Agency) has issued regulations on PFAS under several environmental statutes and continues to introduce additional regulations. The Company does not knowingly introduce PFAS in its manufacturing processes, but U. S. Steel continues to review new regulations related to PFAS and their potential impact to the Company.

#### 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 CAA rules and 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. The U.S. EPA has several rules under consideration that will impact our operations, as described in the sections below. While many of these rules are not finalized and the impacts are not estimable at this time, the overall cumulative impact could be material.

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. The U.S. EPA proposed a revised iron and steel rule on July 31, 2023. U. S. Steel and other entities submitted extensive comments to the U.S. EPA on September 28, 2023. The U.S. EPA signed the final integrated iron and steel rule on March 11, 2024, and it was published in the Federal Register on April 3, 2024. U. S. Steel filed a Petition for Reconsideration with the U.S. EPA and a Petition for Review in the D.C. Circuit challenging the final iron and steel rule on June 6, 2024. U. S. Steel has sought a stay of the rule pending the legal challenges which remains before the Court. Any impacts are not estimable 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. The U.S. EPA proposed the Taconite Rule on May 15, 2023, and comments were submitted on July 7, 2023. The U.S. EPA signed the taconite rule on January 31, 2024 and it was published in the Federal Register on March 5, 2024. U. S. Steel filed a Petition for Reconsideration with the U.S. EPA and Petitions for Review with the 8th Circuit and D.C. Circuit courts on May 3, 2024, challenging the final taconite rule. The Petition for Review is now with the D.C. Circuit and briefing is ongoing. Any impacts are not estimable at this time.

The U.S. EPA published the final Coke MACT residual risk and technology rule in the Federal Register on July 5, 2024. The final rule imposes lower emission limits as well as new emission limits and work practices for many emission sources at by-product and heat recovery coke plants. U. S. Steel is reviewing the final version of the rule to determine next steps. On August 30, 2024, the Company, through the American Coke and Coal Chemicals Institute (ACCCI) and Coke Environmental Task Force (COETF), filed a petition for review of the coke rule with the United States Court of Appeals for the D.C. Circuit. On September 3, 2024, the Company separately and jointly with the ACCCI and COETF submitted Petitions for Reconsideration and Administrative Stay of the final coke rule with the U.S. EPA. The Company through ACCCI and COETF filed a motion to stay the final coke rule with the D.C. Circuit which remains pending. Any impacts are not estimable at this time.

In response to Court orders that invalidated prior U.S. EPA determinations regarding ozone attainment interference, on April 6, 2022, the 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-EQU 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. The U.S. EPA announced the final rule on March 15, 2023. The final rule only included regulation of boilers and reheat furnaces for the iron and steel industry limiting the potential impacts on the Company. U. S. Steel filed an administrative petition for review and a petition for judicial review to the rule on August 4, 2023. The matter remains before the U.S. EPA Administrator (administrative) and the United States Court of Appeals for the D.C. Circuit (judicial). While U. S. Steel's and others' petitions to stay the effectiveness of the rule were denied by the United States Court of Appeals for the D.C. Circuit, the Company, as well as other petitioners, filed applications to stay the effectiveness of the rule with the Supreme Court of the United States. The U.S. Supreme Court granted the Stay on June 27, 2024. The effective dates of the rule will be stayed during the pendency of the lower court challenges. Litigation in the United States Court of Appeals for the D.C. Circuit, in which U. S. Steel is a petitioner, remains ongoing.

The CAA also requires the U.S. EPA to develop and implement National Ambient Air Quality Standards (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 as the U.S. EPA voluntarily reconsiders the ozone NAAQS. On January 3, 2024, the U.S. EPA filed an unopposed motion to voluntarily remand without vacatur the 2020 rulemaking. In its motion, the U.S. EPA advised the court that it intends to conduct the voluntary remand simultaneously as it conducts an entirely new review of the ozone standard; and that it intends to complete the new review (which is already underway) "as expeditiously as possible". Any impacts related to the U.S. EPA's consideration to revise the ozone NAAQS are not estimable at this time.

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 as the U.S. EPA voluntarily reconsiders the PM<sub>2.5</sub> NAAQS. On January 6, 2023, the U.S. EPA proposed to lower the annual PM<sub>2.5</sub> NAAQS from the current 12 ug/m<sup>3</sup> standard to within the range of 9.0 to 10.0 ug/m<sup>3</sup>. On March 6, 2024, the U.S. EPA published a final rule to significantly lower the primary annual PM<sub>2.5</sub> NAAQS standard from 12.0 ug/m<sup>3</sup> to 9.0 ug/m<sup>3</sup>. In the rule, the U.S. EPA retained the primary 24-hour PM<sub>2.5</sub> standard at the level of 35 ug/m<sup>3</sup>. The rule is being challenged by 24 states as well as trade groups in the United States Court of Appeals for the D.C. Circuit. Because area designations and State Implementation Plans have not yet been made, any impacts to the Company are inestimable at this time.

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 third quarter of 2024.

#### **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 608 million net tons per year—more than six times the entire U.S. steel market and over twenty-two 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 imports from: (1) Argentina, Brazil, and South Korea, which are subject to restrictive quotas; (2) the European Union (EU) that are melted and poured in the EU, within tariff-rate quota (TRQ) limits through December 2025; (3) Japan that are melted and poured in Japan within TRQ limits; (4) United Kingdom (UK) that are melted and poured in the UK within TRQ limits; (5) Canada; (6) Mexico, if melted and poured in North America; (7) Ukraine, if melted and poured in Ukraine or the EU, until June 1, 2025; and (8) Australia.

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. Several challenges to the Section 232 action and retaliation thereto continue at the World Trade Organization (WTO).

Since its implementation in March 2018, the Section 232 action has supported the U.S. steel industries 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. The EC's safeguard is currently set to expire in June 2026.

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 69 U.S. AD/CVD orders and 14 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.

In August 2024, the EC initiated new AD investigations on EU imports of hot-rolled steel from Egypt, India, Japan, and Vietnam, with a preliminary decision expected by March 2025.

In September 2024, the DOC initiated new AD/CVD investigations on U.S. imports of corrosion-resistant steel (CORE) from ten countries based on petitions filed by U. S. Steel, Wheeling-Nippon, the USW, Nucor, and Steel Dynamics. On October 18, 2024, the ITC made affirmative preliminary determinations on all ten countries. The DOC will issue preliminary determinations in the first half of 2025.

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-intensive products, pursuant to Section 301 of the Trade Act of 1974. In September 2024, the Office of the United States Trade Representative (USTR) revised certain Section 301 tariffs on U.S. imports from China, including increased tariffs on steel from 7.5 to 25 percent and increased tariffs on electric vehicles from 25 to 100 percent.

The United States and EU are currently negotiating a global sustainable steel arrangement to restore market-oriented conditions and address carbon intensity. In June 2023, to inform these ongoing discussions with the EU, USTR requested that the ITC conduct a Section 332 investigation to assess greenhouse gas emissions intensity of steel produced in the United States. The ITC initiated the Section 332 proceeding in July 2023, held a hearing on December 7, 2023, collected information from domestic producers through mid-2024 and will issue a report in January 2025. U. S. Steel is actively participating in this Section 332 investigation. In the fourth quarter of 2023, the U.S. agreed to continue the Section 232 TRQs on U.S. imports from Europe through December 2025 and the EU agreed to continue to suspend retaliation on U.S. exports through March 2025.

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, 2023, there were no material changes in U. S. Steel's exposure to market risk from December 31, 2023.

### **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 September 30, 2024. 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 SEC 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 September 30, 2024, 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**

Following announcement of the Merger, the Company received eleven demand letters from putative stockholders (collectively, the "Demand Letters") alleging that the disclosures contained in the preliminary proxy statement, as amended, and/or the definitive proxy statement, in each case filed with the Securities and Exchange Commission in connection with a special meeting of stockholders to consider the Merger, were deficient and demanding that certain corrective disclosures be made. The Company believes that the Demand Letters are without merit; however solely in order to mitigate any risk of the Demand Letters delaying or otherwise adversely affecting the consummation of the Merger and to minimize any costs, risks, and uncertainties inherent in any potential litigation related thereto, and without admitting any liability or wrongdoing, voluntarily made supplemental disclosures on a Form 8-K.

The United Steelworkers union (the "USW") initiated a grievance against the Company pursuant to the Basic Labor Agreement ("BLA"), claiming that the Company had not complied with the successorship provisions of the BLA in connection with the Merger. The grievance was heard in arbitration before the USS/USW Board of Arbitration on August 15, 2024 and a decision was issued on September 25, 2024. The Board of Arbitration ruled in the Company's favor, holding that the successorship clause of the BLA has been satisfied.

### **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. JSW filed a timely notice of appeal with the United States Court of Appeals for the Fifth Circuit. The Fifth Circuit held oral argument on the appeal on February 6, 2023, and we are awaiting a ruling from the Court. The Company continues to vigorously defend 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 (Allegheny County Health Department), 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 April 29, 2019, PennEnvironment and Clean Air Council, both environmental, non-governmental organizations filed a Complaint in Federal Court in the Western District of Pennsylvania. The ACHD was subsequently granted intervenor status. The parties entered into a Consent Decree that was authorized by U.S. Department of Justice and U.S. EPA and subsequently approved by the Court on March 26, 2024 that resolved all claims in the suit. Separately, a class action has been filed in the Court of Common Pleas of Allegheny County on behalf of approximately 123,000 persons who claim that the impacts from the fire created a nuisance and seek damages for loss of use and enjoyment of properties. That action has been certified as a class action and the Company continues to vigorously defend against it.

### **ENVIRONMENTAL PROCEEDINGS**

The following is a summary of the proceedings of U. S. Steel that were pending or contemplated as of September 30, 2024, 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 September 30, 2024, 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 one of the other sites 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 U. S. Steel and GLNPO for the first phase of the remedial work at the site during the fourth quarter of 2020. U. S. Steel and GLNPO have completed the second phase of work at the site which extended 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. Execution of this final phase is in progress and is expected to extend through 2024 for habitat restoration. U. S. Steel's 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 September 30, 2024 at approximately \$7 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 four sites may involve remediation costs between \$1 million and \$5 million per site and five sites are estimated to, or could have, costs for remediation, investigation, restoration or compensation in excess of \$5 million per site.

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

#### **Gary Works**

On October 23, 1998, the U.S. EPA issued a final Administrative Order on Consent (Order) addressing Corrective Action for Solid Waste Management Units (SWMU) throughout Gary Works. This Order requires U. S. Steel to perform an RCRA Facility Investigation, a Corrective Measures Study and Corrective Measure Implementation. Evaluations are underway at six groundwater areas on the east side of the facility. A remedial groundwater treatment system has been operating at one of the six areas since 2021. An Interim Stabilization Measure work plan was approved by the U.S. EPA for a second area where installation and start-up of the remedial system was completed in 2023. 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 \$23 million as of September 30, 2024, based on our current estimate of known remaining costs.

#### **Geneva Works**

At U. S. Steel's former Geneva Works, liability for environmental remediation, including the closure of three hazardous waste impoundments and facility-wide corrective action, has been allocated between U. S. Steel and the current property owner pursuant to an agreement and a permit issued by the Utah Department of Environmental Quality (UDEQ). Having completed the investigation on a majority of the remaining areas identified in the permit, U. S. Steel 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 (CAMU). U. S. Steel awarded a contract for the implementation of the CAMU project during the fourth quarter of 2018. Construction, waste stabilization and placement, along with closure of the CAMU, were substantially completed in the

fourth quarter of 2020. Work at the site is now focused on addressing groundwater impacts in discrete areas. U. S. Steel has an accrued liability of approximately \$17 million as of September 30, 2024 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. Work began in early 2024 to complete removal of hazardous materials and decommission the northwest portion of Building A (SWMU 4.1) and the 54" and 66" Pickle Lines. Additionally, 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 nine months ended September 30, 2024. As of September 30, 2024, approximately \$3 million has been accrued for ongoing environmental studies, investigations and remedial 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 U.S. Department of Justice and filed with the United States District Court for the Northern District of Alabama (United States of America v. USX Corporation) in December 1997. In accordance with the consent decree, U. S. Steel initiated a RCRA corrective action program at the Fairfield Works facility. The Alabama Department of Environmental Management (ADEM), with the approval of the U.S. EPA, assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works. Corrective Measure Implementation Plans (CMIPs) have been submitted to and approved by ADEM for the last two areas on site where impacts to soil and sediments are required to be addressed. Plans are being finalized for contracting the work required under the CMIPs. U. S. Steel has an accrued liability of approximately \$8 million as of September 30, 2024 for the estimated remaining costs of remediation at the site.

#### **South Works**

On August 29, 2017, U. S. Steel was notified by the U.S. Coast Guard of a sheen on the water in the North Vessel Slip at our former South Works in Chicago, Illinois. U. S. Steel has been working with the Illinois EPA (IEPA) under their voluntary Site Remediation Program since 1993 to evaluate the condition of the property including the North Vessel Slip. The result of this cooperative effort has been the issuance of a series of "No Further Remediation" (NFR) notices to U. S. Steel including one specific to the North Vessel Slip. Following the discovery of the sheen, U. S. Steel notified the IEPA of the changed condition and has since been working closely with the IEPA and the USEPA to determine the source and extent of the sheen as well as options to address the issue. U. S. Steel has also filed a claim against an existing insurance policy at the site and is working closely with the Insurers to address the issue. U. S. Steel has an accrued liability of \$525,000 as of September 30, 2024. 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."

#### **Air Related Matters**

##### **Granite City Works**

In October 2015, Granite City Works received a Notice of Violation (NOV) from the Illinois Environmental Protection Agency (IEPA) alleging 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 continues to negotiate resolution of the NOV with IEPA.

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

##### **Minnesota Ore Operations**

On February 6, 2013, the U.S. EPA published a FIP that applies to taconite facilities in Minnesota. The FIP establishes and requires emission limits and the use of low NOx reduction technology on indurating furnaces as Best Available Retrofit Technology (BART). While U. S. Steel installed low NOx burners on three furnaces at Minntac and is currently obligated to install low NOx burners on the two other furnaces at Minntac pursuant to existing agreements and permits, the rule would require the installation of a low NOx burner on the one furnace at Keetac for which U. S. Steel did not have an otherwise existing obligation. U. S. Steel estimates expenditures associated with the installation of low NOx burners of as much as \$25 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 state implementation plan (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 reached a tentative settlement agreement to revise BART limits for Keetac. The proposed settlement agreement was subject to a 30-day public comment period as provided in the April 23, 2024, Federal Register. Per the terms of the proposed settlement agreement, U.S. EPA will sign a proposed rule to revise the FIP consistent with the settlement agreement by April 23, 2025.

#### **Mon Valley Works**

On March 7, 2022, the Company received an enforcement order from the ACHD that includes a civil penalty demand for \$1.8 million. 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 December 29, 2023, the Company received an enforcement order from the ACHD that includes a civil penalty demand for \$2.2 million. In the Order, the ACHD alleges that the Company's Clairton plant was the cause for 159 alleged exceedances of the Pennsylvania hydrogen sulfide ambient air standard that are reported to have occurred from March 2, 2022 through November 30, 2023. The Company disagrees with the bases for the demand and appealed the Order and consolidated the case with the Order from March 7, 2022. On September 27, 2024, the Company filed a Motion for Summary Judgment which is currently pending before the ACHD Hearing Officer.

On March 24, 2022, the Company received an enforcement order from the ACHD that includes a civil penalty demand for \$4.6 million 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. The ACHD Hearing Officer has scheduled a hearing on the appeal for October 14, 2024. On February 26, 2024, the Company received an enforcement order from the ACHD that includes a civil penalty demand for \$2.0 million for alleged air permit violations occurring from March 16, 2022 through December 31, 2023 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. The appeals of the 2022 and 2024 Orders have been consolidated. The ACHD Hearing Officer has scheduled a hearing on the consolidated appeals for October 29, 2024.

#### **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, 2023.

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

None.

#### **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 January 31, 2023. \(Incorporated by reference to Exhibit 3.1 to United States Steel Corporation's Form 8-K filed on February 2, 2023, Commission File Number 1-16811.\)](#)
- [10.1](#) Supplemental Agreement No. 12 between U. S. Steel Košice, s.r.o. and ING Bank N.V., dated September 13, 2024.
- [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 SEC 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 SEC 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 September 30, 2024 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Statement of Operations, (ii) the Condensed Consolidated Statement of Comprehensive Income, (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).





# SUPPLEMENTAL AGREEMENT NO. 12

DATED 13 SEPTEMBER 2024

BETWEEN

**U. S. STEEL KOŠICE, S.R.O.**

as the Company

AND

**ING BANK N.V., POBOČKA ZAHRANIČNEJ BANKY**

as Lender

relating to

the agreement for the (originally) €10,000,000 committed credit facility

**A&O SHEARMAN**

Allen Overy Shearman Sterling s.r.o.

0040772-0000056 EUO3: 2016419332.2









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THIS SUPPLEMENTAL AGREEMENT (the Agreement) is dated 13 September 2024 and is made BETWEEN:

- (1) **U. S. STEEL KOŠICE, S.R.O.** (U. S. Steel Košice, s.r.o.) with its registered seat at Vstupný areál U. S. Steel, Košice 044 54, Slovak Republic, registered in the Commercial Register of Municipal Court Košice, insert No. 11711/V, section Sro, company identification number (IČO): 36 199 222 as the borrower (the Company); and
- (2) **ING BANK N.V.**, with its registered seat at Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands, a company limited by shares, registered in the Trade Register of Chamber of Commerce and Industry for Amsterdam under file No. 33031431 acting through ING Bank N.V., **pobočka zahraničnej banky**, Plynárenská 5944/7C, 821 09 Bratislava, Slovak Republic, Identification No. 30 844 754, registered in the Commercial register maintained by the Municipal Court of Bratislava III, in Section Po, inserted file No. 130/B (the Lender).

#### BACKGROUND

- (A) This Agreement is supplemental to and amends and restates the agreement for (originally) €10,000,000 committed credit facility dated 11 December 2009, between the Company and the Lender, as amended and restated by supplemental agreement no. 1 dated 17 December 2011, supplemental agreement no. 2 dated 22 June 2011, supplemental agreement no. 3 dated 4 May 2012, supplemental agreement no. 4 dated 23 October 2012, supplemental agreement no. 5 dated 11 December 2015, supplemental agreement no. 6 dated 7 December 2018, supplemental agreement no. 7 dated 7 February 2020, supplemental agreement no. 8 dated 3 July 2020, supplemental agreement no. 9 dated 3 December 2021, a supplemental agreement no. 10 dated 27 March 2023 and a supplemental agreement no. 11 dated 3 May 2024 (the Credit Agreement).
- (B) The Parties wish to further amend the Credit Agreement on the terms specified in this Agreement.

IT IS AGREED as follows:

#### 1. INTERPRETATION

##### 1.1 Definitions

- (a) In this Agreement:

**Effective Date** means the date upon which the Lender issues the notification referred to in paragraph (b) of Clause 2 (Amendments).

**Restated Credit Agreement** means the Credit Agreement as amended and restated by this Agreement, as attached in Schedule 2 (Restated Credit Agreement).

**Syndicated Facility Agreement** means the EUR300,000,000 senior multicurrency revolving credit facility agreement dated 29 September 2021 (as amended from time to time) and entered into between (among others) the Company as a borrower and ING Bank N.V. as facility agent.

- (b) Capitalised terms defined in the Credit Agreement have, unless expressly defined in this Agreement, the same meaning in this Agreement.









## 1.2 Construction

The principles of construction set out in the Credit Agreement will have effect as if set out in this Agreement, except that references therein to the Credit Agreement are to be construed as references to this Agreement.

## 2. AMENDMENTS

- (a) Subject as set out below, the Credit Agreement will be amended from the Effective Date so that it reads as if it were restated in the form set out in Schedule 2 (Restated Credit Agreement).
- (b) The Credit Agreement will be amended by this Agreement with effect from the date on which the Lender notifies the Company that it has received all of the documents set out in Schedule 1 (Conditions Precedent Documents) in form and substance reasonably satisfactory to the Lender. The Lender must give this notification as soon as reasonably practicable, but in no event later than two Business Days after receipt of such documents.

## 3. REPRESENTATIONS AND WARRANTIES

### 3.1 Representations and warranties

The representations and warranties set out in this Clause are made by the Company to the Lender on the date of this Agreement and on the Effective Date.

### 3.2 Powers and authority

It has the power to enter into and perform and has taken all necessary action to authorise the execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement.

### 3.3 Legal validity

This Agreement:

- (a) constitutes its legal, valid and binding obligation enforceable in accordance with its terms; and
- (b) is in proper form for its enforcement in the Republic if accompanied by a certified Slovak translation,

save that enforcement of the Company's obligations under this Agreement may be affected by insolvency, bankruptcy and similar laws affecting the rights of creditors generally.

### 3.4 Non-conflict

The execution, delivery and performance by it of this Agreement will not:

- (a) violate in any respect any provision of:
  - (i) any applicable law or regulation of the Republic or any order of any governmental, judicial or public body or authority in the Republic binding on the Company;
  - (ii) the laws and documents incorporating and constituting the Company; or







- (iii) any mortgage, agreement or other financial undertaking or instrument to which the Company is a party or which is binding upon any Assets of the Company;  
or
- (b) to the best of the Company's knowledge, result in the creation or imposition of any Security Interest on any Assets of the Company pursuant to the provisions of any mortgage, agreement or other undertaking or instrument to which the Company is a party or which is binding upon it.

### 3.5 Authorisations

All authorisations and other requirements of governmental, judicial and public bodies and authorities required by any member of the Group or advisable in connection with the execution, delivery, performance, validity and enforceability of this Agreement have been obtained or effected and are in full force and effect.

### 3.6 No default

No Default is outstanding.

### 3.7 Immunity

- (a) The entry into by it of this Agreement constitutes, and the exercise by it of its rights and the performance of its obligations under, the Finance Documents will constitute, private and commercial acts performed for private and commercial purposes.
- (b) It will not be entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to the Finance Documents.

### 3.8 Credit Agreement

- (a) Subject to paragraph (b) below, the Company makes the representations and warranties set out in clause 19 (Representations and warranties) of the Credit Agreement and confirms to the Lender that these representations and warranties are true on the date of this Agreement and on the Effective Date, with reference to the facts and circumstances then existing.
- (b) The Company will not make a representation or warranty if such representation or warranty set out in clause 19 (Representations and warranties) of the Credit Agreement is expressed to be given at a specific date other than as a result of the operation of paragraph (a) of clause 19.21 (Times for making representations and warranties) of the Credit Agreement.

## 4. CONSENTS

The Company agrees to the amendment and restatement of the Credit Agreement as contemplated by this Agreement.

## 5. EXPENSES

The Company shall reimburse to the Lender within five Business Days from receipt of the relevant invoice from the Lender all fees and expenses reasonably incurred by the Lender in connection with the preparation, negotiation, and execution of this Agreement.









6. INCORPORATION

- (a) Each of this Agreement and the Restated Credit Agreement is a Finance Document.
- (b) Subject to the terms of this Agreement, the Credit Agreement will remain in full force and effect.
- (c) From the Effective Date:
  - (i) the Credit Agreement and this Agreement will be read and construed as one document; and
  - (ii) unless the context requires otherwise, all references in all Finance Documents to the Credit Agreement will be read and construed as references to the Restated Credit Agreement.
- (d) Except as otherwise provided in this Agreement, the Finance Documents remain in full force and effect.
- (e) No waiver is given by this Agreement, and the Lender expressly reserve all its rights and remedies that is has or may at the date of this Agreement or subsequently in respect of any breach of, or other Default under, the Finance Documents.

7. COUNTERPARTS

This Agreement may be signed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

8. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

9. ENFORCEMENT

Clause 38 (Enforcement) of the Credit Agreement shall apply to this Agreement as though it was set out in full in this Agreement except that references therein to the Credit Agreement are to be construed as references to this Agreement.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.







## SCHEDULE 1

### CONDITIONS PRECEDENT DOCUMENTS

1. A copy of the up-to-date constitutional documents of the Company being in full force and effect as at a date no earlier than the date of this Agreement or a confirmation of the Company that the constitutional documents of the Company submitted to the facility agent under the Syndicated Facility Agreement or the most recent supplemental agreement thereto are in full force and effect as at a date no earlier than the date of this Agreement.
2. An electronic copy of the extract from of the Company's entry in the Commercial Registry, as at a date no earlier than seven Business Days prior to the date of the Agreement.









SCHEDULE 2  
RESTATED CREDIT AGREEMENT

[follows after this page]







**AMENDED AND RESTATED CONSOLIDATED VERSION**

## **AGREEMENT**

**DATED 11 DECEMBER 2009**

**as amended and restated by  
supplemental agreement no. 1 dated 17 December 2010,  
supplemental agreement no. 2 dated 22 June 2011,  
supplemental agreement no. 3 dated 4 May 2012,  
supplemental agreement no. 4 dated 23 October 2012,  
supplemental agreement no. 5 dated 11 December 2015  
supplemental agreement no. 6 dated on or about 7 December 2018 and  
supplemental agreement no. 7 dated 7 February 2020  
supplemental agreement no. 8 dated 3 July 2020  
supplemental agreement no. 9 dated 3 December 2021  
supplemental agreement no. 10 dated 27 March 2023  
supplemental agreement no. 11 dated 3 May 2024  
supplemental agreement no. 12 dated 13 September 2024**

**EUR30,000,000**

**COMMITTED CREDIT FACILITY**

**FOR**

**U. S. STEEL KOŠICE, S.R.O.**

**PROVIDED BY**

**ING BANK N.V., POBOČKA ZAHRANIČNEJ BANKY**

**A&O SHEARMAN**

**Allen Overy Shearman Sterling s.r.o.**

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**THIS AGREEMENT** is dated 11 December 2009 as amended and restated by (i) supplemental agreement no. 1 on 17 December 2010, (ii) supplemental agreement no. 2 dated 22 June 2011, (iii) supplemental agreement no. 3 dated 4 May 2012, (iv) supplemental agreement no. 4 dated 23 October 2012, (v) supplemental agreement no. 5 dated 11 December 2015, (vi) supplemental agreement no. 6 dated on or about 7 December 2018, (vii) supplemental agreement no. 7 dated 7 February 2020, (viii) supplemental agreement no. 8 dated 3 July 2020, (ix) supplemental agreement no. 9 dated 3 December 2021, (x) supplemental agreement no. 10 dated 27 March 2023, (xi) supplemental agreement no. 11 dated 3 May 2024 and (xii) supplemental agreement no. 12 dated 13 September 2024 (as so amended and restated, the **Agreement**) is made

**BETWEEN:**

- (1) **U. S. STEEL KOŠICE, S.R.O.** (U. S. Steel Košice, s.r.o.) with its registered seat at Vstupný areál U. S. Steel, Košice 044 54, Slovak Republic, registered in the Commercial Register of Municipal Court Košice, insert No. 11711/V, section Sro, company identification number (*IČO*): 36 199 222 as the borrower (the **Company**); and
- (2) **ING BANK N.V.**, with its registered seat at Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands, a company limited by shares, registered in the Trade Register of Chamber of Commerce and Industry for Amsterdam under file No. 33031431 acting through **ING Bank N.V., pobočka zahraničnej banky**, Plynárenská 5944/7C, 821 09 Bratislava, Slovak Republic, Identification No. 30 844 754, registered in the Commercial register maintained by the Municipal Court of Bratislava III, in Section Po, inserted file No. 130/B (the **Lender**).

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 Definitions**

In this Agreement:

**Additional Business Day** means any day specified as such in the applicable Compounded Rate Terms.

**Backstop Rate Switch Date** means, in respect of USD, 30 June 2023 or any other date agreed as such between the Lender and the Company.

**Affiliate** means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

**Assets** mean a person's present and future business, undertaking, properties, assets and revenues (including, without limitation, any uncalled capital).

**Availability Period** means the period from and including the date of this Agreement until (but excluding) the Final Maturity Date.

**Break Costs** means the amount (if any) that the Lender is entitled to receive under Clause 25.3 (Break Costs).

**Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business in London, in New York and in Bratislava and:

- (a) if on that day a payment in euro is to be made, that is also a TARGET Day; and









- (b) (in relation to:
  - (i) any date for payment or purchase of an amount relating to a Compounded Rate Loan;  
or
  - (ii) the determination of the first day or the last day of a Term for a Compounded Rate Loan, or otherwise in relation to the determination of the length of such a Term),

which is an Additional Business Day relating to that Loan.

**Central Bank** means the National Bank of Slovakia.

**Central Bank Rate** has the meaning given to that term in the applicable Compounded Rate Terms.

**Central Bank Rate Adjustment** has the meaning given to that term in the applicable Compounded Rate Terms.

**Compounded Rate Currency** means any Rate Switch Currency in respect of which the Rate Switch Date has occurred.

**Compounded Rate Interest Payment** means the aggregate amount of interest that:

- (a) is, or is scheduled to become, payable under any Finance Document; and
- (b) relates to a Compounded Rate Loan.

**Compounded Rate Loan** means any Loan in a Compounded Rate Currency which is, or becomes, a "Compounded Rate Loan" pursuant to Clause 11A (Rate Switch).

**Compounded Rate Supplement** means, in relation to any currency, a document which:

- (a) is agreed in writing by the Company and the Lender;
- (b) specifies for that currency the relevant terms which are expressed in this Agreement to be determined by reference to Compounded Rate Terms; and
- (c) has been made available to the Company and the Lender.

**Compounded Rate Terms** means in relation to:

- (a) a currency;
- (b) a Loan in that currency;
- (c) a Term for such a Loan (or other period for the accrual of commission or fees in a currency);  
or
- (d) any term of this Agreement relating to the determination of a rate of interest in relation to such a Loan,

the terms set out for that currency in Schedule 4 (Compounded Rate Terms) or in any Compounded Rate Supplement.







**Compounded Reference Rate** means, in relation to any RFR Banking Day during the Term of a Compounded Rate Loan, the percentage rate per annum which is the aggregate of:

- (a) the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day; and
- (b) other than in respect of a Compounded Rate Loan that is an Overdraft, the applicable Credit Adjustment Spread.

**Compounding Methodology Supplement** means, in relation to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate, a document which:

- (a) is agreed in writing by the Company and the Lender;
- (b) specifies a calculation methodology for that rate; and
- (c) has been made available to the Company and the Lender.

**Credit Adjustment Spread** means, in respect of any Compounded Rate Loan, any rate which is either:

- (a) specified as such in the applicable Compounded Rate Terms; or
- (b) determined by the Lender in accordance with the methodology specified in the applicable Compounded Rate Terms.

**Cumulative Compounded RFR Rate** means, in relation to a Term for a Compounded Rate Loan, the percentage rate per annum determined by the Lender in accordance with the methodology set out in Schedule 6 (Cumulative Compounded RFR Rate) or in any relevant Compounding Methodology Supplement.

**Daily Non-Cumulative Compounded RFR Rate** means, in relation to any RFR Banking Day during a Term for a Compounded Rate Loan, the percentage rate per annum determined by the Lender in accordance with the methodology set out in Schedule 16 (Daily Non-Cumulative Compounded RFR Rate) or in any relevant Compounding Methodology Supplement.

**Daily Rate** means the rate specified as such in the applicable Compounded Rate Terms.

**Centre of Main Interests** means the “centre of main interests” of the Company for the purposes of the Council Regulation (EU) No 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the **Regulation**) as that term is used in Article 3(1) of the Regulation.

**Code** means the US Internal Revenue Code of 1986, as amended.

**Cost of Funds Rate** means the rate per annum determined by the Lender which represents the Lender’s actual funding costs of the respective Loan.

**Credit** means a Loan or a Letter of Credit.

**Current Account** means:

- (a) current account No. 9000025647 (IBAN: SK317300000009000025647) maintained by the Lender for the Company in CZK;
- (b) current account No. 9000017946 (IBAN: SK877300000009000017946) maintained by the Lender for the Company in EUR;









- (c) current account No. 9000017962 (IBAN: SK437300000009000017962) maintained by the Lender for the Company in USD; and
- (d) any other account agreed between the Parties after date of this Agreement in writing.

**CZK** mean the lawful currency for the time being of the Czech Republic.

**Default** means:

- (a) an Event of Default; or
- (b) an event or circumstance which, with the giving of notice, lapse of time or fulfilment of any other applicable condition (or any combination of the foregoing) set out in Clause 22 (Default), would constitute an Event of Default.

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

**ERISA** means the US Employee Retirement Income Security Act of 1974.

**ERISA Affiliate** means any person treated as a single employer with the Company for the purpose of section 414 of the Code.

**ERISA Plan** means an employee benefit plan as defined in section 3(3) of ERISA:

- (a) maintained by the Company or any ERISA Affiliate; or
- (b) to which the Company or any ERISA Affiliate is required to make any payment or contribution.

**Establishment** means any "establishment" of the Company for the purposes of the Council Regulation (EU) No 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the **Regulation**) as that term is used in Article 2(10) of the Regulation.

**EURIBOR** means for a Term Rate Overdraft or a Term of any Term Rate Revolving Loan denominated in euro:

- (a) the applicable Screen Rate; or
- (b) only in relation to a Term Rate Revolving Loan, if no Screen Rate is available for the Term of that Term Rate Revolving Loan, the Interpolated Screen Rate for that Term Rate Revolving Loan,

as of the Specified Time on the Rate Fixing Day for the offering of deposits in euro for a period equal in length to:

- (i) the case of a Term Rate Overdraft, one month; and
- (ii) in the case of a Term Rate Revolving Loan, the Term of that Term Rate Revolving Loan,

and, in each case, if any such rate is below zero, EURIBOR will be deemed to be zero.

**euro** or **EUR** or **€** means the single currency of the Participating Member States and the lawful currency for the time being of the Slovak Republic.







**Event of Default** means an event specified as such in Clause 22 (Default).

**Exchange Act** means the U.S. Securities Exchange Act of 1934.

**Facility** means the credit facility made available under this Agreement.

**Facility Office** means the office through which the Lender will perform its obligations under this Agreement.

**FATCA** means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a); or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

**FATCA Deduction** means a deduction or withholding from a payment under a Finance Document required by FATCA.

**FATCA Exempt Party** means a Party that is entitled to receive payments free from any FATCA Deduction.

**Final Maturity Date** means 13 September 2027.

**Finance Document** means:

- (a) this Agreement;
- (b) a Transfer Certificate;
- (c) any Compounded Rate Supplement;
- (d) any Compounding Methodology Supplement; or
- (e) any other document designated as such by the Lender and the Company.

**Financial Indebtedness** means, without duplication, Indebtedness (whether being principal, premium, interest or other amounts) for or in respect of:

- (a) money borrowed;
- (b) liabilities under or in respect of any acceptance or acceptance credit;
- (c) any notes, bonds, debentures, debenture stock, loan stock or other debt securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;
- (d) any interest rate and/or currency swap, forward foreign exchange transaction, financial or commodity futures transaction, commodity swap or other derivative transaction (and when









calculating the value of any of the foregoing transactions, only the mark-to market value shall be taken into account);

- (e) liabilities pursuant to any lease which are capitalised in accordance with USGAAP (other than operating lease obligations); or
- (f) liabilities under any guarantee, indemnity or other assurance against financial loss given in relation to any of the foregoing.

**Fixed Assets** means, in relation to the Company, those assets treated as Fixed Assets (e.g. property, plant and equipment) for the purposes of the Latest Accounts.

**General Terms and Conditions** means the Wholesale Banking Conditions of ING Bank N.V., pobočka zahraničnej banky.

**Group** means the Company and its Subsidiaries.

**Holding Company** of any other person means an entity in respect of which that other person is a Subsidiary.

**IBOR** means EURIBOR, LIBOR or PRIBOR.

**Increased Cost** means:

- (a) an additional or increased cost;
- (b) a reduction in the rate of return from a Facility or on the Lender's (or its Holding Company's) overall capital; or
- (c) a reduction of an amount due and payable under any Finance Document,

that is incurred or suffered by the Lender or its Holding Company but only to the extent attributable to the Lender having entered into any Finance Document or funding or performing its obligations under any Finance Document.

**Indebtedness** means any obligation for the payment or repayment of money in whatever currency denominated, whether as principal or as surety and whether present or future, actual, deferred or contingent.

**Interest Payment Date** has the meaning in Clause 12.4 (Payment of interest).

**Interpolated Screen Rate** means, in relation to EURIBOR, LIBOR or PRIBOR for any Term Rate Revolving Loan, the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Term of that Term Rate Revolving Loan, provided that if any such rate is below zero, then the applicable Screen Rate will be deemed to be zero; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Term of that Term Rate Revolving Loan, provided that if any such rate is below zero, then the applicable Screen Rate will be deemed to be zero,

each as of the Specified Time on the Rate Fixing Day for the currency of that Term Rate Revolving Loan.







**Latest Accounts** means the audited unconsolidated financial statements of the Company last delivered to the Lender under Clause 20.2 (Financial Information).

**Letter of Credit** means:

- (a) a letter of credit (*akreditív*); or
- (b) a bank guarantee (*banková záruka*) issued for the account of the Company or for the account of a third party identified by the Company in the Request,

in each case issued at the request of the Company for the benefit of a third party and in form and substance acceptable to the Lender and the Company.

**LIBOR** means for a Term Rate Overdraft or a Term of any Term Rate Revolving Loan denominated in USD:

- (a) the applicable Screen Rate; or
- (b) only in relation to a Term Rate Revolving Loan, if no Screen Rate is available for the Term of that Term Rate Revolving Loan, the Interpolated Screened Rate for that Term Rate Revolving Loan,

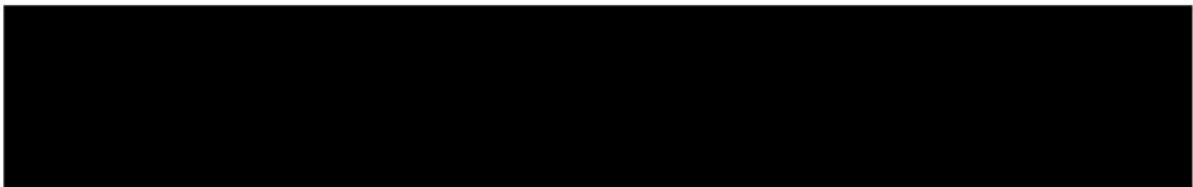
as of the Specified Time on the Rate Fixing Day for the offering of deposits in USD for a period equal in length to:

- (i) the case of an Term Rate Overdraft, one month; and
- (ii) in the case of a Term Rate Revolving Loan, the Term of that Term Rate Revolving Loan,

and, in each case, if any such rate is below zero, LIBOR will be deemed to be zero.

**Loan** means, unless otherwise stated in this Agreement, the principal amount of each borrowing under this Agreement or the principal amount outstanding of that borrowing.

**Lookback Period** means the number of days specified as such in the applicable Compounded Rate Terms.



**Margin Regulations** means Regulations U and X issued by the Board of Governors of the United States Federal Reserve System.

**Margin Stock** has the meaning given to it in the Margin Regulations.

**Maturity Date** means the last day of the Term of a Credit.

**Merger Agreement** means the Agreement and Plan of Merger dated 18 December 2023 by and among Nippon Steel North America, Inc., 2023 Merger Subsidiary, Inc., solely as provided in Section 9.13 therein, Nippon Steel Corporation and United States Steel Corporation.









**Merger Effective Date** means the date of the consummation of the merger contemplated by the Merger Agreement.

**Notice Effective Date** means the date of delivery of notice to the Lender by the Company that the financial year end of the Company shall be changed from 31 December to 31 March.

**Overdraft** means a Loan in the form of an overdraft.

**Participating Member State** means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

**Party** means a party to this Agreement.

**Permitted Debit Balance** means the aggregate debit balance on the Current Accounts up to the amount representing the difference between:

- (a) the Total Commitment; and
- (b) all of the then outstanding Letters of Credit and Revolving Loans.

**Permitted Disposal** means any of the following:

- (a) disposals of Assets in the ordinary course of trading at arms' length;
- (b) disposals on normal commercial terms of obsolete Assets or Assets no longer used or useful in the Company's business;
- (c) payment of cash as consideration for the acquisition of any Asset on normal commercial terms;
- (d) temporary application of funds not immediately required in the Company's business for the purchase of investments or the realisation of such investments;
- (e) exchange of Assets for other assets of a similar nature and value, or the sale of Assets on normal commercial terms for cash that is payable in full on completion of the sale and is to be, and is, applied toward the purchase of similar Assets within six months;
- (f) disposals of Assets located outside the Republic;
- (g) any disposal that the Lender agrees in writing is a Permitted Disposal; and
- (h) any disposal approved in writing by the Lender.

**Permitted Holder** means, on and after the Merger Effective Date, Nippon Steel Corporation, directly or indirectly through any of its Subsidiaries.

**Permitted Merger** means:

- (a) a merger of any Subsidiary of the Company into the Company, such that the Company acquires all the assets and liabilities of such Subsidiary and the Company is the surviving legal entity, provided the Company's post-merger consolidated net worth equals or exceeds the immediately preceding pre-merger consolidated net worth of the Company and that Subsidiary as determined on the basis of accounting principles and practices consistent with the preparation of the Latest Accounts;







- (b) any other merger or corporate restructuring approved in advance in writing by the Lender; and
- (c) a merger of any Subsidiary of United States Steel Corporation into the Company, such that the Company acquires all the assets and liabilities of such Subsidiary and the Company is the surviving legal entity, provided the Company's post-merger consolidated net worth equals or exceeds the immediately preceding pre-merger consolidated net worth of the Company and that Subsidiary as determined on the basis of accounting principles and practices consistent with the preparation of the Latest Accounts.

**Permitted Security Interest** means any of the following:

- (a) Security Interests existing on the date of this Agreement and disclosed to the Lender in writing;
- (b) any Security Interests incurred in connection with the acquisition of any asset, the assumption of any Security Interest previously existing on such acquired asset or any Security Interest existing on any asset of any person when it becomes a Subsidiary of the Company in each case provided that the Indebtedness secured by such Security Interest does not exceed the fair market value of that asset as at the date of that acquisition;
- (c) easements, rights-of-way, minor defects or irregularities in title and other similar encumbrances on real property having no material adverse effect on the then current use or value of such real property, or on the then current conduct of the business of any member of the Group;
- (d) unexercised liens for taxes not being delinquent or contested in good faith by appropriate proceedings and for which reserves, adequate under USGAAP, are being maintained;
- (e) any Security Interest on equipment of the Company arising solely under leases of such equipment that, in accordance with USGAAP, are required to be capitalised, provided that any such Security Interest extends to no other property and secures no other Indebtedness and the Indebtedness secured by any such Security Interest does not exceed the fair market value of such equipment;
- (f) purchase money Security Interests on equipment acquired by the Company after the Completion Date incurred simultaneously with or within 45 days after the completion of installation thereof solely to secure payment of all or part of the purchase price thereof provided that each such Security Interest secures no other Indebtedness and extends to no other property and the Indebtedness secured by any such Security Interest does not exceed the fair market value of such equipment;
- (g) liens arising solely by operation of law (or by an agreement evidencing the same) in the ordinary course of Company's business in respect of Indebtedness that either: (i) has been due for less than 90 days; or (ii) is being contested in good faith by appropriate means and for which reserves, adequate under USGAAP, are being maintained;
- (h) Security Interests arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired by Company in the ordinary course of its business;
- (i) any Security Interest approved by the Lender;
- (j) any lien in favour of a financial institution arising from a documentary letter of credit in the ordinary course of business;









- (k) any renewal of or substitution for any Security Interest permitted under any preceding paragraph; and
- (l) liens arising in the ordinary course of business in connection with: (i) the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature; (ii) deposit accounts; (iii) the issuance of documentary letters of credit by financial institutions; and (iv) deposits made in the ordinary course of business to cash collateralized letters of credit, provided that the aggregate book value of Assets to which the liens described in this paragraph (l) are attached does not exceed euro 50,000,000 or its equivalent at any time; provided, however, the maximum amount under this paragraph (l) does not apply to cash deposits that are subject to any bank's general right of set-off but does apply in situations where a specific security agreement exists, including, without limitation, any specific security interest providing a creditor with the treatment of a secured creditor with a right to separate satisfaction of its claim under the Slovak Act No. 7/2005 Coll., on bankruptcy and restructuring (as amended) or any similar right to separate satisfaction in case of bankruptcy or similar proceedings under any applicable laws.

**PRIBOR** means for an Overdraft or a Term of any Revolving Loan denominated in CZK:

- (a) the applicable Screen Rate; or
- (b) only in relation to a Revolving Loan, if no Screen Rate is available for the Term of that Revolving Loan, the Interpolated Screened Rate for that Revolving Loan, as of the Specified Time on the Rate Fixing Day for the offering of deposits in CZK for a period equal in length to:
  - (i) the case of an Overdraft, one month; and
  - (ii) in the case of a Revolving Loan, the Term of that Revolving Loan,

and, in each case, if any such rate is below zero, PRIBOR will be deemed to be zero.

**Quoted Tenor** means, in relation to the Screen Rate for a Term Reference Rate applicable to Loans in a currency, any period for which that Screen Rate is customarily displayed on the relevant page or screen of an information service other than the 1-week and 2-month USD LIBOR settings.

**Rate Switch Currency** means any currency for which there are Compounded Rate Terms.

**Rate Switch Date** means:

- (a) in relation to a Rate Switch Currency, the earlier of:
  - (i) the Backstop Rate Switch Date; and
  - (ii) any Rate Switch Trigger Event Date,

for that Rate Switch Currency; or

- (b) in relation to a Rate Switch Currency which:
  - (i) becomes a Rate Switch Currency after the date of this Agreement; and
  - (ii) for which there is a date specified as the "Rate Switch Date" in the Compounded Rate Terms for that currency,







that date.

**Rate Switch Trigger Event** means:

- (a) in relation to any Rate Switch Currency and the Screen Rate for the Term Reference Rate applicable to Loans in that Rate Switch Currency:
  - (i)
    - (A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
    - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,  
  
**provided that**, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;
  - (ii) the administrator of that Screen Rate publicly announces that it has ceased or will cease to provide that Screen Rate for any Quoted Tenor permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate for that Quoted Tenor;
  - (iii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued for any Quoted Tenor; or
  - (iv) the administrator of that Screen Rate or its supervisor publicly announces that that Screen Rate for any Quoted Tenor may no longer be used; and
- (b) in relation to any Rate Switch Currency and the Screen Rate for the LIBOR applicable to Loans in that Rate Switch Currency, the supervisor of the administrator of that Screen Rate publicly announces or publishes information stating that that Screen Rate for any Quoted Tenor is no longer, or as of a specified future date will no longer be, representative of the underlying market and the economic reality that it is intended to measure and that such representativeness will not be restored (as determined by such supervisor) .

**Rate Switch Trigger Event Date** means, in relation to a Rate Switch Currency:

- (a) in the case of an occurrence of a Rate Switch Trigger Event for that Rate Switch Currency described in paragraph (a)(i) of the definition of "Rate Switch Trigger Event", the date on which the relevant Screen Rate ceases to be published or otherwise becomes unavailable;
- (b) in the case of an occurrence of a Rate Switch Trigger Event for that Rate Switch Currency described in paragraphs (a)(ii), (a)(iii) or (a)(iv) of the definition of "Rate Switch Trigger Event", the date on which the relevant Screen Rate for the relevant Quoted Tenor ceases to be published or otherwise becomes unavailable; and
- (c) in the case of an occurrence of a Rate Switch Trigger Event for that Rate Switch Currency described in paragraph (b) of the definition of "Rate Switch Trigger Event", the date on which the relevant Screen Rate for the relevant Quoted Tenor ceases to be representative of the









underlying market and the economic reality that it is intended to measure (as determined by the supervisor of the administrator of such Screen Rate).

**Rate Fixing Day** means:

- (a) for a Revolving Loan, the second TARGET Day before the first day of a Term, or such other day as the Lender determines is generally treated as the rate fixing day by market practice in the relevant interbank market;
- (b) for an Overdraft in euro, each TARGET Day; or
- (c) for an overdue amount (including an Unauthorised Overdraft) or an Overdraft other than, in each case, euro, each Business Day.

**Relevant Taxes** means Taxes imposed or levied by the Republic (or any political subdivision or taxing authority of the Republic) or by any other jurisdiction from or through which any payment is made by the Company under the Finance Document, but excludes Taxes imposed by the Republic which are so imposed as a direct consequence of the Lender maintaining a permanent establishment in the Republic and of that establishment being directly involved in any Loan.

**Repeating Representations** means the representations and warranties that are then made or deemed to be repeated under Clause 19.21 (Times for making representations and warranties).

**Reportable Event** means:

- (a) an event specified as such in section 4043 of ERISA or any related regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation; or
- (b) a failure to meet the minimum funding standard under section 412 of the Code or section 302 of ERISA, whether or not there has been any waiver of notice or waiver of the minimum funding standard under section 412 of the Code.

**Reporting Day** means the day (if any) specified as such in the applicable Compounded Rate Terms.

**Reporting Time** means the relevant time (if any) specified as such in the applicable Compounded Rate Terms.

**RFR** means the rate specified as such in the applicable Compounded Rate Terms.

**RFR Banking Day** means any day specified as such in the applicable Compounded Rate Terms.

**Republic** means the Slovak Republic.

**Request** means:

- (a) a request for a Loan other than an Overdraft, substantially in the form of Schedule 2 (Form of Request - Loans);
- (b) a request for a Letter of Credit in the appropriate standard form of this kind of request approved by the Lender from time to time or in any other form acceptable to the Lender; and
- (c) for an Overdraft, a payment order from the Current Account in any form used by the Lender to make payments or a request for the withdrawal of money from the Current Account in any







form used by the Lender (including, for the avoidance of doubt, funds transfer orders, collection transfer orders and other similar instructions).

**Revolving Loan** means a Loan in the form of a revolving loan.

**Rollover Loan** means one or more Revolving Loans:

- (a) to be made on the same day that:
  - (i) a maturing Revolving Loan is due to be repaid; or
  - (ii) the Company is obliged to pay to the Lender the amount of any claim under a Letter of Credit;
- (b) the aggregate amount of which is equal to or less than the maturing Revolving Loan;
- (c) in the same currency as the maturing Revolving Loan; and
- (d) to be made for the purpose of:
  - (i) refinancing a maturing Revolving Loan; or
  - (ii) satisfying the obligations of the Company to pay the amount of any claim under a Letter of Credit.

**Screen Rate** means:

- (a) for EURIBOR, the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate);
- (b) for LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate);
- (c) for PRIBOR, the Prague Interbank Offered Rate administered by the Financial Markets Association of the Czech Republic (or any other person which takes over the administration of that rate) for the relevant currency and period displayed (before any correction, recalculation or republication by the administrator) on page PRIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate);

or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If the relevant page or the service ceases to be available, the Lender (after consultation with the Company) may specify another page or service displaying the appropriate rate.

**Security Interest** means any mortgage, pledge, lien, charge (including a floating charge), assignment (whether conditional or otherwise), hypothecation or security interest or any other agreement or arrangement having the effect of conferring security, or any other arrangement having a similar









economic effect including (without limitation) total transfer, 'flawed asset', sale and repurchase, buyback or conditional transfer arrangements.

**Slovak Banking Act** means the Slovak Act No. 483/2001 Coll., as amended.

**Slovak Public Sector Partners Act** means Slovak Act No. 315/2016 Coll. on the registry of public sector partners, as amended.

**Specified Time** means:

- (a) for the purposes of determining EURIBOR, 11.00 a.m. on the Rate Fixing Date;
- (b) for the purposes of determining LIBOR, noon on the Rate Fixing Date; and
- (c) for the purposes of determining PRIBOR, 11.00 a.m. on the Rate Fixing Date.

**Supplemental Agreement Date** means the date of the Twelfth Supplemental Agreement.

**Syndicated Facility** means the credit facility made available under the Syndicated Facility Agreement.

**Syndicated Facility Agent** means ING Bank N.V. or any other person appointed as Facility Agent under the Syndicated Facility Agreement.

**Syndicated Facility Agreement** means the EUR300,000,000 unsecured sustainability linked revolving credit facility agreement dated 29 September 2021 (as amended from time to time) and entered into between (among others) the Company as a borrower and the Syndicated Facility Agent.

**Subsidiary** means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

**TARGET2** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**TARGET Day** means any day on which TARGET2 is open for the settlement of payments in euro.

**Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest).

**Tax Deduction** means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

**Term** means each period determined under this Agreement:

- (a) in relation to:
  - (i) Revolving Loan; and
  - (ii) an overdue amount which is not an Unauthorised Overdraft,by reference to which interest on a Revolving Loan or an overdue amount is calculated;







- (b) in relation to Overdraft or Unauthorised Overdraft, each day on which the Company utilises the Overdraft or there is an Unauthorised Overdraft; or
- (c) for which the Lender may be liable under a Letter of Credit.

**Term Rate Overdraft** means any Overdraft which is not a Compounded Rate Loan.

**Term Rate Revolving Loan** means any Revolving Loan which is not a Compounded Rate Loan.

**Term Reference Rate** means:

- (a) in relation to any Loan in USD, LIBOR;
- (b) in relation to any Loan in EUR, EURIBOR; or
- (c) in relation to any Loan in CZK, PRIBOR.

**Total Commitment** means EUR 30,000,000 to the extent not cancelled or reduced under this Agreement.

**Transfer Certificate** means a certificate, substantially in the form of Schedule 3 (Form of Transfer Certificate), with such amendments as the Lender may approve or reasonably require or any other form agreed between the Lender and the Company.

**Twelfth Supplemental Agreement** means the supplemental agreement dated 13 September 2024 entered into between the Company and the Lender, in relation to this Agreement.

**Unauthorised Overdraft** means, at any time, the amount by which the debit balance on the Current Account exceeds the Permitted Debit Balance under this Agreement.

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

**USD** means the lawful currency for the time being of the US.

**USGAAP** means the generally accepted accounting principles and practices in the United States of America in effect from time to time.

**Utilisation Date** means each date on which the Facility is utilised.

**Voting Power** as applied to the stock of any corporation means the total voting power represented by all outstanding Voting Stock of such corporation.

**Voting Stock** as applied to the stock of any corporation means stock of any class or classes (however designated) having ordinary voting power for the election of the directors of such corporation, other than stock having such power only by reason of the happening of a contingency.

## 1.2 Construction

- (a) In this Agreement, unless the contrary intention appears, a reference to:
  - (i) an **amendment** includes a supplement, novation, restatement or re-enactment and **amended** will be construed accordingly;
  - (ii) **assets** mean assets as this term is defined in the Latest Accounts;









- (iii) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
  - (iv) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;
  - (v) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money;
  - (vi) **know your customer requirements** are the identification checks that the Lender requests in order to meet its obligations under any applicable law or regulation to identify a person who is (or is to become) its customer;
  - (vii) a **person** includes any individual, company, corporation, unincorporated association or body (including without limitation a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
  - (viii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (ix) a currency is a reference to the lawful currency for the time being of the relevant country;
  - (x) a Default being **outstanding** means that it has not been remedied or waived;
  - (xi) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
  - (xii) a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, this Agreement;
  - (xiii) a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
  - (xiv) the determination of the extent to which a rate is **for a period equal in length** to a Term shall disregard any inconsistency arising from the last day of that Term being determined pursuant to the terms of this Agreement;
  - (xv) a Finance Document or another document is a reference to that Finance Document or other document as amended;
  - (xvi) the word “**will**” shall be construed to have the same meaning and effect as the word “**shall**”; and
  - (xvii) a time of day is a reference to Central European time (i.e., CET or CEST, as applicable in the given time of year).
- (b) Unless the contrary intention appears, a reference to a **month** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:







- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
  - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
  - (iii) notwithstanding sub-paragraph (i) of this Clause 1.2(b), a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any Finance Document, no consent of any third party is required for any amendment (including, without limitation, any release or compromise of any liability) or termination of any Finance Document.
- (d) Unless the contrary intention appears:
- (i) a reference to a Party will not include that Party if it has ceased to be a Party under this Agreement;
  - (ii) a word or expression used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement;
  - (iii) if there is an inconsistency between this Agreement and any other Finance Document, this Agreement will prevail;
  - (iv) any non-payment obligations of the Company under the Finance Documents remain in force for so long as any payment obligation of the Company is or may be outstanding under the Finance Documents; and
  - (v) an accounting term used in this Agreement is to be construed in accordance with USGAAP.
- (e) Utilisation of Loan in the form of revolving loan means that the Loan may be utilised in several lump sums, which lump sums may be repaid and reused during the term of this Agreement until the end of the Availability Period.
- (f) Utilisation of Loan in the form of an overdraft means that the Loan may be utilised by giving a payment order or allowing withdrawal from the Current Account in any form provided for in the General Terms and Conditions even if there are not sufficient funds in the Current Account. The Loan may be repaid in full or in instalments at any time, but by no later than the Final Maturity Date.
- (g) The headings in this Agreement do not affect its interpretation.
- (h) A reference in this Agreement to a page or screen of an information service displaying a rate shall include:
- (i) any replacement page of that information service which displays that rate; and
  - (ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,









and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Lender after consultation with the Company.

- (i) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.
- (j) Any Compounded Rate Supplement relating to a currency overrides anything relating to that currency in:
  - (i) Schedule 4 (Compounded Rate Terms); or
  - (ii) any earlier Compounded Rate Supplement.
- (k) A Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate overrides anything relating to that rate in:
  - (i) Schedule 5 (Daily Non-Cumulative Compounded RFR Rate) or Schedule 6 (Cumulative Compounded RFR Rate), as the case may be; or
  - (ii) any earlier Compounding Methodology Supplement.

### 1.3 Slovak terms

In this Agreement and any other Finance Document (except if expressly stipulated otherwise in the relevant Finance Document), a reference to:

- (a) a **novation** includes *privatívna novácia* and *kumulatívna novácia*;
- (b) a **Security Interest** includes *záložné právo, zádržné právo, zabezpečovací prevod práva*, and *zabezpečovacie postúpenie pohľadávky*;
- (c) a **bankruptcy, insolvency** or **administration** includes *konkurzné konanie, konkurz, reštrukturalizačné konanie, reštrukturalizácia, verejná preventívna reštrukturalizácia* and *nútená správa*;
- (d) being **bankrupt** or **insolvent** includes being *v úpadku, predĺžený, platobne neschopný, v konkurze, v reštrukturalizácii, vo verejnej preventívnej reštrukturalizácii* and *v nútenej správe*;
- (e) an **expropriation, attachment, sequestration, distress, execution** or **analogous process** includes *vyvlastnenie, exekúcia* and *výkon rozhodnutia*;
- (f) **winding up, administration** or **dissolution** includes *likvidácia, zrušenie s likvidáciou, zrušenie bez likvidácie bez právneho nástupcu, konkurzné konanie, konkurz, reštrukturalizačné konanie, reštrukturalizácia, verejná preventívna reštrukturalizácia* and *nútená správa*;
- (g) a **receiver, administrator, administrative receiver, compulsory manager** or **similar officer** includes *likvidátor, konkurzný správca, reštrukturalizačný správca, nútený správca, správca vo verejnej preventívnej reštrukturalizácii* and *súdny exekútor*;
- (h) a **moratorium** includes *reštrukturalizačné konanie, reštrukturalizácia* and *dočasná ochrana*; and







- (i) **constitutional documents** include *spoločenská zmluva, zakladateľská listina, zakladateľská zmluva, zriaďovacia listina, štatút, and stanovy*.

## 2. FACILITY

Subject to the terms of this Agreement, the Lender makes available to the Company a multicurrency revolving credit facility in an aggregate amount equal to the Total Commitment to be utilised:

- (a) by way of a revolving credit facility;
- (b) by way of overdraft facility; and
- (c) by way of Letter(s) of Credit issued by the Lender.

## 3. PURPOSE

### 3.1 Credits

Each Credit may be used for general corporate purposes.

### 3.2 No obligation to monitor

The Lender is not bound to monitor or verify the utilisation of the Facility.

## 4. CONDITIONS PRECEDENT

### 4.1 Conditions precedent documents

A Request may not be given until the Lender has notified the Company that it has received all of the documents and evidence set out in Schedule 1 (Conditions precedent documents) in form and substance satisfactory to the Lender. The Lender must give this notification to the Company promptly upon being so satisfied.

### 4.2 Further conditions precedent

The obligation of the Lender to provide any Credit is subject to the further conditions precedent that on both the date of the Request and the Utilisation Date for that Credit:

- (a) the Repeating Representations are correct in all material respects; and
- (b) no Default or, in the case of a Rollover Loan, no Event of Default is outstanding or would result from that Credit.

### 4.3 Drawstop

No Request may be made if there is a Default continuing under, and as defined and construed in, the Syndicated Facility Agreement or if the lenders under the Syndicated Facility Agreement are not obliged to participate in any utilisation under the Syndicated Facility Agreement (a **Drawstop Event**). Following a Drawstop Event, no further Requests may be made until the Lender notifies the Company in writing that it may submit a Request. The Lender shall so notify the Company promptly after the Lender receives evidence reasonably satisfactory to it that such Drawstop Event (i) is no longer continuing; or (ii) has been waived in accordance with the Syndicated Facility Agreement; or (iii) a combination of (i) and (ii).









## **5. UTILISATION – REVOLVING LOANS**

### **5.1 Giving of Requests**

- (a) The Company may borrow a Revolving Loan by giving to the Lender a duly completed Request.
- (b) Unless the Lender otherwise agrees, the latest time for receipt by the Lender of a duly completed Request is 10.00 a.m. on the Rate Fixing Day for the proposed borrowing.
- (c) Each Request is irrevocable unless otherwise agreed by the Lender.

### **5.2 Completion of Requests**

A Request for a Loan will not be regarded as having been duly completed unless:

- (a) the Utilisation Date is a Business Day falling within the Availability Period;
- (b) the amount of the Revolving Loan requested is:
  - (i) a minimum of EUR250,000 and an integral multiple of EUR250,000;
  - (ii) the maximum undrawn amount available under the Facility on the proposed Utilisation Date; or
  - (iii) such other amount as the Lender may agree;
- (c) the proposed currency complies with this Agreement; and
- (d) the proposed Term complies with this Agreement.

Only one Revolving Loan may be requested in a Request.

### **5.3 Advance of Revolving Loan**

- (a) The Lender is not obliged to provide a Revolving Loan if, as a result the Credits would exceed the Total Commitment.
- (b) If the conditions set out in this Agreement have been met, the Lender must make the Revolving Loan available to the Company through its Facility Office on the Utilisation Date.

## **6. UTILISATION – OVERDRAFT**

### **6.1 Giving of Requests**

- (a) The Company may borrow an Overdraft by giving to the Lender a duly completed Request.
- (b) Each Request is irrevocable unless otherwise agreed by the Lender.

### **6.2 Completion of Requests**

A Request for a Loan will not be regarded as having been duly completed unless:

- (a) the Utilisation Date is a day falling within the Availability Period;







- (b) the proposed currency complies with this Agreement and corresponds to the currency in which the relevant Current Account is maintained.

### **6.3 Advance of Overdraft**

- (a) The Lender is not obliged to provide an Overdraft if, as a result the Credits would exceed the Total Commitment.
- (b) If the conditions set out in this Agreement have been met, the Lender must make the Overdraft available to the Company through its Facility Office on the Utilisation Date by executing the payment orders for the domestic or cross-border fund transfers and withdrawals as instructed by the Company in the form set out mainly in the General Conditions or in the agreement between the Lender and the Company which governs the establishment and maintenance of the Current Account and by debiting the Current Account by the Amount of the relevant Overdraft.

## **7. UTILISATION – LETTERS OF CREDIT**

### **7.1 Giving of Requests**

- (a) The Company may request a Letter of Credit to be issued by giving to the Lender a duly completed Request.
- (b) Unless the Lender otherwise agrees, the latest time for receipt by the Lender of a duly completed Request is 11.00 a.m. seven Business Days before the proposed Utilisation Date.
- (c) Each Request is irrevocable unless otherwise agreed by the Lender.

### **7.2 Completion of Requests**

A Request for a Letter of Credit will not be regarded as being duly completed unless:

- (a) it specifies that it is for a Letter of Credit;
- (b) it is made using the appropriate standard form for of this kind of request approved by the Lender at the time of making of the Request or in any other form acceptable to the Lender;
- (c) the Utilisation Date is a Business Day falling within the Availability Period;
- (d) the face amount of the Letter of Credit requested is denominated in euro and is:
  - (i) not more than the maximum undrawn amount available under the Facility on the proposed Utilisation Date; or
  - (ii) such other amount as the Lender may agree; and
- (e) the form of the requested Letter of Credit is attached;
- (f) the proposed beneficiary is acceptable to the Lender (acting reasonably);
- (g) the expiry date of the requested Letter of Credit does not exceed the earlier of:
  - (i) the date falling 36 months after the proposed issue date of that Letter of Credit; and
  - (ii) the Final Maturity Date,









provided, however, that the expiry date may be later than the Final Maturity Date if agreed between the Company and the Lender prior to submission of Request for such Letter of Credit; and

- (h) the delivery instructions for the requested Letter of Credit are specified.

Only one Letter of Credit may be requested in a Request.

### **7.3 Issue of Letter of Credit**

- (a) The Lender is not obliged to issue any Letter of Credit if as a result the Credits would exceed the Total Commitment.
- (b) The Lender is not obliged to issue any Letter of Credit if the content of the Letter of Credit as requested by the Company is not acceptable to the Lender (acting reasonably).
- (c) If the conditions set out in this Agreement have been met, the Lender must issue the Letter of Credit on the Utilisation Date.

## **8. LETTERS OF CREDIT**

### **8.1 General**

- (a) A Letter of Credit is **repaid** or **prepaid** to the extent that:
  - (i) the Company provides cash cover for that Letter of Credit;
  - (ii) the maximum amount payable under the Letter of Credit is reduced or cancelled in accordance with its terms; or
  - (iii) the Lender is reasonably satisfied that it has no further liability under that Letter of Credit.

The amount by which a Letter of Credit is repaid or prepaid under sub-paragraphs (i) and (ii) of this paragraph (a) is the amount of the relevant cash cover, reduction or cancellation.

- (b) When a Letter of Credit is repaid or prepaid, the Total Commitment will be available to the extent of the repayment or prepayment of that Letter of Credit, except when a Letter of Credit is prepaid by providing cash cover for that Letter of Credit in accordance with Clause 11.3 (Voluntary prepayment) at any time before the Lender is satisfied that it has no further liability under that Letter of Credit. In that case, the Total Commitment remains unavailable to the extent of the amount of that cash cover until the Lender is reasonably satisfied that it has no further liability under that Letter of Credit.
- (c) If a Letter of Credit or any amount outstanding under a Letter of Credit becomes immediately payable under this Agreement, the Company must repay or prepay that amount immediately.
- (d) **Cash cover** is provided for a Letter of Credit if the Company pays an amount in the currency of the Letter of Credit to an interest-bearing account with the Lender in the name of the Company and the following conditions are met:
  - (i) until no amount is or may be outstanding under that Letter of Credit, withdrawals from the account may only be made to pay the Lender under this Clause 8; and







- (ii) the Company has executed and delivered a security document over that account, in form and substance reasonably satisfactory to the Lender, creating a first ranking Security Interest over that account.
- (e) The **outstanding** or **principal** amount of a Letter of Credit at any time is the maximum amount that is or may be payable by the Company in respect of that Letter of Credit at that time.
- (f) When calculating the undrawn amount available under the Facility, the amount a Letter of Credit for which a cash cover has been provided, will still be considered to be an utilised amount of the Facility until the Lender is reasonably satisfied that it has no further liability under that Letter of Credit.

## **8.2 Illegality**

- (a) The Lender must notify the Company promptly in writing if it becomes aware that it is unlawful in any jurisdiction for the Lender to have outstanding a Letter of Credit (each an **Unlawful Letter of Credit**).
- (b) After notification under paragraph (a) above:
  - (i) the Company must employ all commercially reasonable efforts to ensure the release of the liability of the Lender under each Unlawful Letter of Credit or, failing this, repay or prepay each Unlawful Letter of Credit on the date specified in paragraph (c) below; and
  - (ii) no further Letters of Credit will be issued in the affected jurisdiction.
- (c) The date for the release of the liability of the Lender under an Unlawful Letter of Credit or for the repayment or prepayment of an Unlawful Letter of Credit will be the last day of any applicable grace period allowed by law (which date shall be specified by the Lender in the notification it provides pursuant to paragraph (a) above).

## **8.3 Fees in respect of Letters of Credit**

- (a) The Company must pay to the Lender a letter of credit fee computed at the rate of the Margin on the outstanding amount of each Letter of Credit requested by it for the period from the issue of that Letter of Credit until its Maturity Date.
- (b) Accrued letter of credit fee is payable quarterly in arrears (or any shorter period that ends on the Maturity Date for that Letter of Credit). Accrued letter of credit fee is also payable to the Lender on the cancelled amount of the Total Commitment at the time the cancellation is effective if the Total Commitment is cancelled in full and the Letters of Credit are prepaid or repaid in full.
- (c) If the Company provides cash cover for any part of a Letter of Credit, then:
  - (i) the letter of credit fee payable for the account of the Lender in respect of any part of a Letter of Credit which is the subject of cash cover will continue to be payable until the expiry of that Letter of Credit; but
  - (ii) the Company will be entitled to withdraw the interest accrued on the amount of the cash cover.
- (d) The Company must pay to the Lender all fees applicable under the General Terms and Conditions in relation to each Letter of Credit.









#### **8.4 Claims under a Letter of Credit**

- (a) The Company irrevocably and unconditionally authorises the Lender to pay any claim made or purported to be made under a Letter of Credit requested by it and that appears on its face to be in order (a **claim**).
- (b) The Company must immediately on demand pay to the Lender an amount equal to the amount of any claim.
- (c) The Company acknowledges that the Lender:
  - (i) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim; and
  - (ii) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.
- (d) The obligations of the Company under this Clause 8.4 will not be affected by:
  - (i) the sufficiency, accuracy or genuineness of any claim or any other document; or
  - (ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document.

#### **8.5 Indemnities**

- (a) The Company must immediately on demand indemnify the Lender against any loss or liability which the Lender incurs under or in connection with any Letter of Credit requested by it, except to the extent that the loss or liability is directly caused by: (i) the gross negligence or wilful misconduct of the Lender; or (ii) breach by the Lender of its obligations under this Agreement, including, without limitation, its obligation under Clause 8.8 (Lender's Obligations).
- (b) The obligations of the Company under this Clause 8.5 are continuing obligations and will extend to the ultimate balance of all sums payable by the Company under or in connection with any Letter of Credit, regardless of any intermediate payment or discharge in whole or in part.

#### **8.6 Rights of contribution**

The Company will not be entitled to any right of contribution or indemnity from the Lender in respect of any payment it may make under this Clause 8, save for where the loss is caused by the gross negligence or wilful misconduct of the Lender.

#### **8.7 Rights of subrogation**

Until all amounts which are or may become payable by the Company under the Finance Documents have been irrevocably paid in full, the Company shall not, by virtue of any payment made by it under or in connection with or referable to this Clause 8 or otherwise, be subrogated to any rights, security or moneys held or received by the Lender or be entitled at any time to exercise, claim or have the benefit of any right of contribution or subrogation or similar right against of the Lender.

#### **8.8 Lender's Obligations**

Before paying a claim, the Lender shall use its commercially reasonable efforts to determine whether documents presented to it under a Letter of Credit on their face comply with the terms of that Letter







of Credit. The Lender shall not make payment upon presented documents that, in the Lender's opinion, do not on their face comply with the terms of the relevant Letter of Credit.

## **9. OPTIONAL CURRENCIES**

### **9.1 General**

In this Clause 9:

**Lender's Spot Rate of Exchange** means the exchange rate published by European Central Bank on its website on a particular day for the relevant currency.

**euro Amount** of a Credit or part of a Credit means:

- (a) if the Credit is denominated in euros, its amount;
- (b) if the Credit is a Letter of Credit denominated in an Optional Currency, its equivalent in euros calculated on the basis of the Lender's Spot Rate of Exchange one Business Day before the Utilisation Date for that Letter of Credit, and thereafter adjusted in the same manner at each Facility utilisation as described in Clause 9.6 (Credit in Optional Currency); or
- (c) if the Credit is a Loan denominated in an Optional Currency, its equivalent in euros calculated on the basis of the Lender's Spot Rate of Exchange one Business Day before the Rate Fixing Day for its Term.

**Optional Currency** means any currency (other than euros) in which a Credit may be denominated under this Agreement.

### **9.2 Selection**

- (a) The Company must select the currency of a Credit in its Request.
- (b) The amount of a Credit requested in an Optional Currency must be a minimum amount of the equivalent of EUR250,000 in the Optional Currency. However, no such minimums apply if the Credit is a Letter of Credit, or if Lender agrees to different amount upfront.
- (c) Unless the Lender otherwise agrees, the Credits may not be denominated at any one time in more than four currencies.

### **9.3 Conditions relating to Optional Currencies**

- (a) A Credit may be denominated in an Optional Currency for a Term if:
  - (i) that Optional Currency is readily available in the amount required and freely convertible into euros in the relevant interbank market on the Rate Fixing Day and the first day of that Term;
  - (ii) that Optional Currency is CZK or USD or has been previously approved by the Lender; and
  - (iii) with respect to an Overdraft, the Current Account is maintained for the Company in such currency by the Lender.
- (b) If the Lender has received a request from the Company for a currency (other than the Optional Currency specified paragraph (a)(ii) above) to be approved as an Optional Currency, the Lender must, within five Business Days, confirm to the Company:









- (i) whether or not it approves the request; and
- (ii) if approval has been given, the minimum amount (and, if required, integral multiples) for any Credit in that currency.

#### **9.4 Revocation of currency**

- (a) Notwithstanding any other term of this Agreement, if before 9.30 a.m. on any Rate Fixing Day the Lender finds out that:
  - (i) the Optional Currency requested is not readily available to it in the relevant interbank market in the amount and for the period required; or
  - (ii) making a Loan in the proposed Optional Currency contravenes or could reasonably be expected to contravene any law or regulation applicable to it,

the Lender must give notice to the Company to that effect promptly and in any event before noon on that day.

- (b) In this event:
  - (i) the Lender must make the Loan in euros; and
  - (ii) the Loan will be treated as a separate Loan denominated in euros during that Term.
- (c) Any part of a Loan treated as a separate Loan under this Subclause will not be taken into account for the purposes of any limit on the number of Loans or currencies outstanding at any one time.
- (d) A Revolving Loan will still be treated as a Rollover Loan if it is not denominated in the same currency as the maturing Revolving Loan by reason only of the operation of this Subclause.

#### **9.5 Optional Currency equivalents**

The euro Amount of a Credit or part of a Credit in an Optional Currency shall be used for the purposes of calculating:

- (a) whether any limit under this Agreement has been exceeded;
- (b) the amount of a Credit;
- (c) the amount of any repayment or prepayment of a Credit; or
- (d) the undrawn amount of the Total Commitment.

#### **9.6 Credit in Optional Currency**

- (a) If a Credit is denominated in an Optional Currency, the Lender will at each utilization of the Facility recalculate the euro Amount of that Credit by notionally converting the outstanding amount of that Credit into euro on the basis of the Lender's Spot Rate of Exchange on the date of calculation.
- (b) The Company must, if requested by the Lender within 10 Business Days of any calculation under paragraph (a) above, ensure that sufficient Credits are prepaid to prevent the euro Amount of the Credits under the Facility exceeding the Total Commitment following any adjustment to the euro Amount under paragraph (a) above.







## **9.7 Notification**

The Lender must notify the Company of the relevant euro Amount (and the applicable Lender's Spot Rate of Exchange) promptly after they are ascertained.

## **10. REPAYMENT**

### **10.1 Repayment of Revolving Loans**

- (a) The Company must repay each Revolving Loan made to it in full on its Maturity Date.
- (b) Where the Maturity Date for an outstanding Revolving Loan coincides with the Utilisation Date for a new Revolving Loan to be denominated in the same currency as the outstanding Revolving Loan, the Lender will apply the new Revolving Loan in or towards repayment of the outstanding Revolving Loan so that:
  - (i) where the amount of the outstanding Revolving Loan exceeds the amount of the new Revolving Loan, the Company will only be required to repay the excess;
  - (ii) where the amount of the outstanding Revolving Loan is exactly the same as the amount of the new Revolving Loan, the Company will not be required to make any payment;
  - (iii) where the amount of the new Revolving Loan exceeds the amount of the outstanding Loan, the Company will not be required to make any payment and the excess will be advanced to the Company,

provided that nothing in this paragraph (b) shall have the effect or be deemed to have the effect of converting the whole of the Revolving Loan or any part of it into a term loan.

- (c) Subject to the other terms of this Agreement, any amounts repaid under paragraph (a) above may be re-borrowed.

### **10.2 Repayment of Overdraft**

- (a) The Company must repay each Overdraft by paying in full the debit balance on each Current Account on the Final Maturity Date at the latest; provided, however, that the Company may repay an Overdraft in full or in instalments at any earlier time.
- (b) If any funds are credited to the Current Account when the Overdraft is utilised, such payment shall represent an immediate repayment of the Overdraft and shall decrease the amount of the Overdraft by the amount of such credit.

### **10.3 Repayment of Unauthorised Overdraft**

The Company must repay any Unauthorised Overdraft immediately after its occurrence by ensuring that the debit balance on any of the Current Accounts does not exceed the Permitted Debit Balance.

### **10.4 Repayment of Letters of Credit**

- (a) The Company must repay each Letter of Credit in full on its Maturity Date.
- (b) Subject to the other terms of this Agreement, any amounts repaid under paragraph (a) above may be re-utilised.









## **11. PREPAYMENT AND CANCELLATION**

### **11.1 Mandatory prepayment - illegality**

- (a) If at any time:
- (i) it is necessary under the laws and constitution of the Republic:
    - (A) in order to enable the Lender to enforce its rights under the Finance Documents; or
    - (B) by reason only of the execution, delivery and performance of this Agreement by the Lender,that the Lender should be licensed, qualified or otherwise entitled to carry on business in the Republic;
  - (ii) the Lender is or will be deemed to be resident, domiciled or carrying on business in or subject to the laws of the Republic by reason only of the execution, delivery, performance and/or enforcement of any Finance Document;
  - (iii) in any proceedings taken in the Republic in respect of any Finance Document or for the enforcement of any Finance Document, the choice of English law as the governing law of the Finance Document will not be recognised; or
  - (iv) it is or becomes unlawful in any applicable jurisdiction for a Lender to give effect to any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Credit,

and the occurrence of any of the foregoing causes the Lender (acting reasonably) to believe it is materially prejudiced thereby then:

- (A) the Lender must notify the Company accordingly; and
- (B) the Company shall prepay the Credits on the date specified in paragraph (b) below, together with all other amounts payable by it to the Lender under the Finance Documents and the Total Commitment shall forthwith be reduced to zero,

except that subparagraphs (a)(i) and (ii) above do not apply to the Lender acting through its Facility Office or having a permanently established office or branch in the Republic.

- (b) The date for repayment or prepayment of the Credit will be:
- (i) the last day of the current Term of that Credit; or
  - (ii) if earlier, the date specified by the Lender in the notification under paragraph (a)(iv)(A) above and which must not be earlier than the last day of any applicable grace period allowed by law.

### **11.2 Mandatory prepayment - change of control**

- (a) The Company shall, within ten days after the occurrence of a Change of Control notify such to the Lender. Such notice shall describe in reasonable detail the facts and circumstances giving rise thereto and the date of such Change of Control and the Lender may, by notice to the Company given not later than fifty days after the date of such Change of Control, declare any amounts payable by the Company under the Finance Documents for its account to be, and such amounts shall become, due and payable,







in each case on the sixtieth day after the date of such Change of Control (or if such day is not a Business Day, the succeeding day that is), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company.

- (b) Prior to the Merger Effective Date, for the purposes of paragraph (a) above, the following terms have the following meanings:

A **Change of Control** shall occur on the occurrence of any of the following:

- (i) any **person** or **group** of persons shall have acquired **beneficial ownership** (within the meaning of Section 13(d) or 14(d) of the Exchange Act, and the applicable rules and regulations thereunder), or shares of Voting Stock representing 35 per cent. or more of the Voting Power of United States Steel Corporation;
- (ii) any person or group of related persons shall acquire all or substantially all of the assets of United States Steel Corporation, unless United States Steel Corporation shall have merged or consolidated with or transferred all or substantially all of its assets to another corporation and the surviving or successor or transferee corporation is no more leveraged than was United States Steel Corporation immediately prior to such event. For the purposes of this definition, the term **leveraged** when used with respect to any corporation shall mean the percentage represented by the total assets of that corporation divided by its stockholders' equity, in each case determined and as would be shown in a consolidated balance sheet of such corporation prepared in accordance with USGAAP; or
- (iii) the entire commercial participation of the Company or any part thereof after the date of this Agreement ceases to be directly or indirectly beneficially owned by United States Steel Corporation, unless such cessation results from a Permitted Merger.

- (c) On and after the Merger Effective Date, for the purposes of paragraph (a) above, the following terms have the following meanings:

A **Change of Control** shall occur on the occurrence of any of the following:

- (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) (other than any Permitted Holder) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 35% of either the aggregate ordinary Voting Power or the aggregate equity value represented by the issued and outstanding Equity Interests of United States Steel Corporation, unless, the Permitted Holders have, at such time, directly or indirectly, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of United States Steel Corporation;
- (ii) the adoption of a plan relating to the liquidation or dissolution of United States Steel Corporation;
- (iii) the merger or consolidation of United States Steel Corporation with or into another entity, or the merger of another entity with or into United States Steel Corporation, other than a merger or consolidation transaction in which holders of Equity Interests representing 100% of the ordinary Voting Power represented by the Equity Interests in United States Steel Corporation immediately prior to such transaction own directly or indirectly at least a majority of the ordinary Voting Power represented by the Equity Interests (or other securities into which such securities are converted as part of such merger or consolidation transaction) in the surviving person resulting from such merger or consolidation transaction, and in substantially the same proportion as before the transaction;









- (iv) the sale of all or substantially all the assets of United States Steel Corporation (determined on a consolidated basis) to another person; or
- (v) the Company after the date of this Agreement ceases to be directly or indirectly beneficially owned by United States Steel Corporation, unless such cessation:

- (A) was approved in advance in writing by the Lender; or

- (B) results from a Permitted Merger,

provided that for the purposes of subparagraphs (i) and (iv) of this definition and notwithstanding anything to the contrary in this definition or any provision of the Exchange Act:

- (I) if any person includes one or more Permitted Holders, the issued and outstanding Equity Interests of United States Steel Corporation directly or indirectly owned by Permitted Holders that are part of such person shall not be treated as being beneficially owned by such person or any other member of such person for purposes of this definition; and

- (II) a person shall be deemed not to beneficially own securities subject to an equity or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the securities in connection with the transactions contemplated by such agreement.

- (d) Notwithstanding anything to the contrary in the definition of Change of Control, the consummation of transactions contemplated by or effected in accordance with the Merger Agreement do not constitute a Change of Control.

### **11.3 Voluntary prepayment**

- (a) The Company may:

- (i) in respect of Term Rate Revolving Loan, by giving not less than 15 Business Days' prior notice to the Lender; or

- (ii) in the case of a Compounded Rate Loan, five RFR Banking Days' (or such shorter period as the Lender and the Company may agree) prior notice,

prepay any Credit at any time in whole or in part.

- (b) A prepayment of part of a Credit must be in a minimum amount of EUR250,000 and an integral multiple of EUR250,000 (or its equivalent in an Optional Currency).

- (c) A prepayment of all or part of a Credit must be on an Interest Payment Date.

- (d) For avoidance of doubt, repayment of an Overdraft under paragraph (b) of Clause 10.2 (Repayment of Overdraft) before the date of delivery of notice by the Lender requesting repayment of the debit balance on the Current Accounts or before the Final Maturity Date shall not be considered to be an event of voluntary prepayment.







#### **11.4 Automatic cancellation**

The Total Commitment will be automatically cancelled at the close of business on the last day of the Availability Period.

#### **11.5 Voluntary cancellation**

- (a) The Company may, by giving not less than five Business Days' prior notice to the Lender, cancel the unutilised amount of the Total Commitment in whole or in part.
- (b) Partial cancellation of the Total Commitment must be in a minimum amount of EUR250,000 and an integral multiple of EUR250,000.

#### **11.6 Additional right of repayment and cancellation**

- (a) If the Company is, or will be, required to pay to the Lender:
  - (i) a Tax Payment; or
  - (ii) an Increased Cost,the Company may, while the requirement continues, give notice to the Lender requesting prepayment and cancellation.
- (b) After notification under paragraph (a) above:
  - (i) the Company must repay or prepay the Credit on the date specified in paragraph (c) below; and
  - (ii) the Total Commitment will be immediately cancelled.
- (c) The date for repayment or prepayment of the Credit will be:
  - (i) the last day of the Term for that Credit or, in case of a Letter of Credit, 10 Business Days after the date of the notification; or
  - (ii) if earlier, the date specified by the Company in its notification.

#### **11.7 Mandatory prepayment and cancellation due to an Syndicated Facility Agreement Cancellation Event**

- (a) The Company shall notify the Lender of an Syndicated Facility Agreement Cancellation Event within three Business Days of its occurrence and shall include in that notice the total commitments under the Syndicated Facility Agreement immediately prior to the Syndicated Facility Agreement Cancellation Event, the amount of cancelled commitment(s) and the percentage of cancelled commitment(s) to the total commitments under, in each case, the Syndicated Facility Agreement (the **Cancellation Percentage**) and the date of that Syndicated Facility Agreement Cancellation Event.
- (b) The Total Commitment will be automatically cancelled on the date falling five Business Days following such Syndicated Facility Agreement Cancellation Event in a proportion equal to the Cancellation Percentage.
- (c) If the amount of any Loans outstanding would exceed the Total Commitment after the cancellation in paragraph (b) above, the Company shall, on the date falling no later than immediately prior to the









cancellation of the Total Commitment in accordance with paragraph (a) above, prepay sufficient amounts outstanding under the Loans in order for the amount outstanding to not exceed the Total Commitment after the cancellation in paragraph (b) above.

In this Clause 11.7, **Syndicated Facility Agreement Cancellation Event** means any of the commitments being cancelled, in whole or in part, under the Syndicated Facility Agreement.

#### **11.8 Re-borrowing of Credits**

Any voluntary prepayment of a Credit under Clause 11.3 (Voluntary prepayment) may be re-borrowed subject to the terms of this Agreement. Any mandatory or involuntary prepayment of a Credit may not be re-borrowed.

#### **11.9 Miscellaneous provisions**

- (a) Any notice of prepayment and/or cancellation under this Agreement is irrevocable and must specify the relevant date(s) and the affected Credits, and, in case of cancellation, if any of the affected Credit is an Overdraft, how the Permitted Debit Balance on the relevant Current Account has been reduced.
- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except for Break Costs.
- (c) The Lender may agree a shorter notice period for a voluntary prepayment or a voluntary cancellation.
- (d) No prepayment or cancellation is allowed except in accordance with the express terms of this Agreement.
- (e) No amount of the Total Commitment cancelled under this Agreement may subsequently be reinstated.

### **11A. RATE SWITCH**

#### **11A.1 Switch to Compounded Reference Rate**

Subject to Clause 11A.2 (Delayed switch for existing Term Rate Overdrafts and Term Rate Revolving Loans), on and from the Rate Switch Date for a Rate Switch Currency:

- (a) use of the Compounded Reference Rate will replace the use of the Term Reference Rate for the calculation of interest for Loans in that Rate Switch Currency; and
- (b) any Loan in that Rate Switch Currency shall be a "Compounded Rate Loan" and Clause 12.3 (Calculation of interest – Compounded Rate Loans) shall apply to each such Loan.

#### **11A.2 Delayed switch for existing Term Rate Overdrafts and Term Rate Revolving Loans**

If the Rate Switch Date for a Rate Switch Currency falls before the last day of a Term for Term Rate Overdraft or Term Rate Revolving Loan in that currency:

- (a) that Loan or Overdraft shall continue to be a Term Rate Overdraft or Term Rate Revolving Loan for that Term and Clause 12.1 (Calculation of interest – Term Rate Revolving Loan) or Clause 12.2 (Calculation of interest – Term Rate Overdraft), as applicable, shall continue to apply to that Loan for that Term;
- (b) any provision of this Agreement which is expressed to relate to a Compounded Rate Currency shall not apply in relation to that Loan for that Term; and







- (c) on and from the first day of the next Term (if any) for that Loan:
  - (i) that Loan shall be a "Compounded Rate Loan"; and
  - (ii) Clause 12.3 (Calculation of interest – Compounded Rate Loans) shall apply to that Loan.

### **11A.3 Notifications by the Lender**

- (a) Subject to paragraph (c) below, following the occurrence of a Rate Switch Trigger Event for a Rate Switch Currency, the Lender shall:
  - (i) promptly upon becoming aware of the occurrence of that Rate Switch Trigger Event, notify the Company of that occurrence; and
  - (ii) promptly upon becoming aware of the date of the Rate Switch Trigger Event Date applicable to that Rate Switch Trigger Event, notify the Company of that date.
- (b) The Lender shall, promptly upon becoming aware of the occurrence of the Rate Switch Date for a Rate Switch Currency, notify the Company of that occurrence.
- (c) The Parties agree that the FCA Cessation Announcement constitutes a Rate Switch Trigger Event in relation to USD, that the Rate Switch Trigger Event Date applicable to such Rate Switch Trigger Event in relation to USD will be 30 June 2023 and that the Lender is not under any obligation under paragraph (a) above to notify the Company of such Rate Switch Trigger Event or Rate Switch Trigger Event Date resulting from the FCA Cessation Announcement.
- (d) For the purposes of paragraph (c) above, the "FCA Cessation Announcement" means the announcement on 5 March 2021 by the UK's Financial Conduct Authority that all LIBOR settings will, as of certain specified future dates, either cease to be provided by any administrator or no longer be representative of the market and economic reality that they are intended to measure and that such representativeness will not be restored.

## **12. INTEREST**

### **12.1 Calculation of interest – Term Rate Revolving Loan**

The rate of interest on each Term Rate Revolving Loan for its Term is the percentage rate per annum equal to the aggregate of the applicable:

- (a) Margin; and
- (b) the respective IBOR.

### **12.2 Calculation of interest – Term Rate Overdraft**

The rate of interest on each Term Rate Overdraft for its Term is the percentage rate per annum equal to the aggregate of the applicable:

- (a) Margin; and
- (b) the respective IBOR applicable for the relevant day for which the interest is calculated.









### **12.3 Calculation of interest – Compounded Rate Loans**

- (a) The rate of interest on each Compounded Rate Loan for any day during a Term is the percentage rate per annum which is the aggregate of the applicable:
  - (i) Margin; and
  - (ii) Compounded Reference Rate for that day.
- (b) If any day during a Term for a Compounded Rate Loan is not an RFR Banking Day, the rate of interest on that Compounded Rate Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

### **12.4 Payment of interest**

Except where it is provided to the contrary in this Agreement, the Company must pay accrued interest:

- (a) on each Revolving Loan made to it on the last day of its Term; or
- (b) on each Overdraft on the first day of each calendar month, in respect of the immediately preceding calendar month;

(the **Interest Payment Date**) in any case in accordance with supporting documentation supplied to the Company by the Lender via email on monthly basis in a form agreed between the Parties.

### **12.5 Interest on overdue amounts**

- (a) If the Company fails to pay any amount payable by it under the Finance Documents, it must immediately on demand by the Lender pay interest on the overdue amount from its due date up to the date of actual payment.
- (b) Interest on an overdue amount is payable at a percentage rate per annum equal to the aggregate of the applicable:
  - (i) Margin;
  - (ii) Cost of Funds Rate; and
  - (iii) two per cent. per annum.

For the purposes of this paragraph, the Lender may (acting reasonably) (except with respect to an Unauthorised Overdraft) in respect of a Term Rate Overdraft or Term Rate Revolving Loan:

- (A) select successive Terms of any duration of up to (i) three months with respect to Term Rate Revolving Loans and (ii) one month with respect to Term Rate Overdraft; and
- (B) determine the appropriate Rate Fixing Day for that Term.
- (c) Notwithstanding paragraph (b) above, if the overdue amount is a principal amount of a Term Rate Overdraft or Term Rate Revolving Loan and becomes due and payable before the last day of its current Term, then:
  - (i) the first Term for that overdue amount will be the unexpired portion of that Term; and







- (ii) the rate of interest on the overdue amount for that first Term will be two per cent. per annum above the rate then payable on that Loan.

After the expiry of the first Term for that overdue amount, the rate on the overdue amount will be calculated in accordance with paragraph (b) above.

- (d) Interest (if unpaid) on an overdue amount will be compounded with that overdue amount at the end of each of its Terms but will remain immediately due and payable.

#### **12.6 Notification of rates of interest**

- (a) The Lender must promptly notify the Company of the determination of a rate of interest relating to a Term Rate Overdraft or a Term Rate Revolving Loan.
- (b) The Lender shall promptly upon a Compounded Rate Interest Payment being determinable notify:
  - (i) the Company of that Compounded Rate Interest Payment; and
  - (ii) the Company of each applicable rate of interest relating to the determination of that Compounded Rate Interest Payment.

This paragraph (b) shall not apply to any Compounded Rate Interest Payment in relation to a Loan to which the Cost of Funds Rate applies.

- (c) The Lender shall promptly notify the Company of the determination of a rate of interest relating to a Compounded Rate Loan to which the Cost of Funds Rate applies.
- (d) This Clause 12.5 shall not require the Lender to make any notification to the Company on a day which is not a Business Day.

#### **12.7 Acknowledgement**

The Company acknowledges and confirms for the benefit of the Lender that it has been informed about the amount of the annual percentage rate of interest of each Loan and on the fees that the Company shall pay under the Finance Documents in compliance with section 37(2) of the Slovak Banking Act.

### **13. TERMS**

#### **13.1 Selection**

- (a) Each Revolving Loan has one Term only.
- (b) The Company must select the Term for a Revolving Loan in the relevant Request.
- (c) Subject to the following provisions of this Clause 13, each Term for a Revolving Term Rate Loan will be one, two or three months.

#### **13.2 No overrunning the Final Maturity Date**

If a Term would otherwise overrun the Final Maturity Date, it will be shortened (subject to paragraph (g) of Clause 7.2 (Completion of Requests) so that it ends on the Final Maturity Date. The Company will have no obligation to pay Break Costs or other costs arising from such shortening.









### **13.3 Notification**

The Lender must notify the Company of the duration of each Term promptly after ascertaining its duration.

## **14. MARKET DISRUPTION**

### **14.1 Market disruption – prior to Rate Switch Date**

- (a) In this Clause 14, a **market disruption event** occurs if:
  - (i) the Screen Rate is not available; and
  - (ii) in relation to a Term Rate Revolving Loan only, it is not possible to calculate an Interpolated Screen Rate for that Term Rate Revolving Loan.
- (b) The Lender must promptly notify the Company of a market disruption event.
- (c) After notification under paragraph (b) above, the rate of interest on the affected Loan for the relevant Term will be the aggregate of the applicable:
  - (i) Margin; and
  - (ii) Cost of Funds Rate.

### **14.2 Alternative basis of interest or funding**

- (a) If a market disruption event occurs and the Lender or the Company so requires, the Company and the Lender must enter into negotiations for a period of not more than 30 days with a view to agreeing an alternative basis for determining the rate of interest and/or funding for the affected Loan.
- (b) Any alternative basis agreed will be binding on all the Parties.

### **14.3 Interest calculation if no RFR or Central Bank Rate**

If:

- (a) there is no applicable RFR or Central Bank Rate for the purposes of calculating the Daily Non-Cumulative Compounded RFR Rate for an RFR Banking Day during a Term for a Compounded Rate Loan; and
- (b) "Cost of funds will apply as a fallback" is specified in respect of that Loan in the Compounded Rate Terms for that Loan,

the Cost of Funds Rate shall apply to that Loan for that Term.

## **15. TAXES**

### **15.1 Gross-up**

All payments by the Company under the Finance Documents shall be made without any Tax Deduction, except to the extent that the Company is required by law to make payment subject to any Taxes. If any Relevant Tax or amounts in respect of any Relevant Tax must be deducted from any amounts payable or paid by the Company, or paid or payable by the Lender under the Finance Documents, the Company shall, subject to Clause 15.4 (Exception to the gross-up), pay such additional







amounts as may be necessary to ensure that the Lender receives a net amount equal to the full amount which it would have received had that payment not been made subject to any Relevant Tax.

## **15.2 Tax receipts**

All Taxes required by law to be deducted or withheld by the Company from any amounts paid or payable under the Finance Documents shall be paid by the Company when due and the Company shall, within 15 days of receipt of evidence of the payment being made, deliver the same to the Lender.

## **15.3 Reimbursement of tax credit**

If the Company pays any additional amount (a **Tax Payment**) under Clause 15.1 (Gross-up) for the account of a Lender, and the Lender effectively obtains, or could have effectively obtained by taking reasonable action (in which case the Lender shall be treated as actually having obtained), a refund of Tax, or credit against Tax, by reason of that Tax Payment (a **Tax Credit**), then the Lender shall reimburse to the Company such amount as the Lender shall reasonably determine to be the proportion of the Tax Credit as will leave the Lender (after that reimbursement) in no better or worse position than it would have been in if the Tax Payment had not been required. Notwithstanding the foregoing, the Lender may choose not to make or to limit the amount or alter the timing of any Tax Credit if to do otherwise would result in a material adverse effect to the Lender or on its relationship with the relevant Tax authority. Upon reasonable request from the Company, the Lender shall provide the Company with a certification concerning whether or not a Tax Credit was obtained or was attempted to be obtained by the Lender as well as reasonable detail concerning the amount of the Tax Credit. The Lender is not obliged to disclose any information regarding its Tax affairs or computations to any other person.

## **15.4 Exception to the gross-up**

The Company is not required to pay an additional amount for the account of a Lender under Clause 15.1 (Gross-up):

- (a) to the extent that the obligation to pay the additional amount would not have arisen but for the failure by the Lender to provide (within a reasonable period after being requested to do so by the Company and at the cost of the Company) any form, certificate or other documentation:
  - (i) the provision of which would have relieved (in whole or in part) the Company from the relevant withholding obligation; and
  - (ii) which it is fully within the power of the Lender to provide;
- (b) if the Lender has not complied with its obligations under paragraph (a) of Clause 15.5 (Tax confirmation) for a period of 90 days from the date that Lender became aware that it could not give the confirmation referred to in paragraph (a) of Clause 15.5 (Tax confirmation); or
- (c) if the confirmation provided by the Lender under paragraph (a) of Clause 15.5 (Tax confirmation) is incorrect when made.

## **15.5 Tax confirmation**

- (a) The Lender confirms to the Company that on the date of this Agreement under the terms of a double taxation treaty between the jurisdiction in which the Lender is resident and the Republic payments due to it under the Finance Documents may be made without deduction or withholding on account of any Tax imposed or levied by the Republic (or any political subdivision or taxing authority of the Republic) under the laws of the Republic, as interpreted and applied on the date of this Agreement.









- (b) If a Lender becomes aware that it could not, on any particular day, give the confirmation referred to in paragraph (a) above, it shall promptly but in any event within 90 days, notify such to the Company.

#### **15.6 Stamp taxes**

The Company must pay and indemnify the Lender against any stamp duty, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any Finance Document, except for any such Tax payable in connection with the entry into a Transfer Certificate.

#### **15.7 Value added taxes**

- (a) Any amount (including costs, fees and expenses) payable under a Finance Document by the Company is exclusive of any value added tax or similar tax that might be chargeable in connection with that amount. If any such value added tax or similar tax is chargeable, the Company must pay (in addition to and at the same time as it pays that amount) an amount equal to the amount of that value added tax or similar tax.
- (b) The obligation of the Company under paragraph (a) above will be reduced to the extent that the Lender is entitled to repayment or a credit in respect of the relevant value added tax or similar tax.

#### **15.8 FATCA information**

- (a) Subject to paragraph (c) below, each Party must, within ten Business Days of a reasonable request by another Party:
  - (i) confirm to that other Party whether it is:
    - (A) a FATCA Exempt Party; or
    - (B) not a FATCA Exempt Party; and
  - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party requests to enable that other Party to comply with FATCA.
- (b) If a Party confirms to another Party pursuant to subparagraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be, a FATCA Exempt Party, that Party must notify that other Party reasonably promptly.
- (c) No Party is obliged to do anything under paragraphs (a) or (b) above which would reasonably be expected to constitute a breach of any of the following:
  - (i) applicable law or regulation;
  - (ii) its fiduciary duty to any third party; or
  - (iii) its duty of confidentiality to any third party.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information relating to its status under FATCA requested in accordance with paragraph (a) (including where paragraph (c) above applies), then that Party may be treated for the purposes of the Finance Documents (and payments made under them) as if it is not a FATCA Exempt Party until it provides the requested confirmation, forms, documentation or other information.







## **15.9 Other information**

- (a) Subject to paragraph (b) below, each Party must, within ten Business Days of a reasonable request by another Party, supply to that other Party such forms, documentation and other information relating to its status as that other Party requests to enable that other Party to comply with any regulations made under any applicable law or regulation implementing international arrangements for the exchange of Tax or financial information between jurisdictions.
- (b) No Party is obliged to do anything under paragraph (a) above which would reasonably be expected to constitute a breach of any of the following:
  - (i) applicable law or regulation;
  - (ii) its fiduciary duty to any third party; or
  - (iii) its duty of confidentiality to any third party.

## **15.10 FATCA Deduction**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party is required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party must, promptly on becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment.

## **16. INCREASED COSTS**

### **16.1 Increased Costs**

Except as hereinafter provided in this Clause 16, the Company must pay to the Lender the amount of any Increased Cost incurred by the Lender or its Holding Company as a result of:

- (a) the introduction of, or any change in, or any change in the interpretation, or application of, any law or regulation; or
- (b) compliance with any law or regulation made after the date of this Agreement; or
- (c) the implementation or application of, or compliance with, Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV.

The Lender agrees to notify the Company promptly upon becoming aware that this Clause 16.1 applies.

### **16.2 Exceptions**

- (a) The Company need not make any payment for an Increased Cost to the extent that the Increased Cost is:
  - (i) compensated for under another Clause or would have been but for an exception to that Clause;
  - (ii) a tax on the overall net income of the Lender or its Holding Company;
  - (iii) attributable to a FATCA Deduction required to be made by a Party;









- (iv) attributable to the Lender or its Holding Company wilfully failing to comply with any law or regulation;
- (v) on failure of the Lender or its Holding Company to notify the Company of that increased cost within 45 days of becoming aware of it; or
- (vi) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III or CRD IV) (**Basel II**) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, the Lender or any of its Affiliates).

(b) In this Agreement:

**Basel III** means:

- (i) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee in December 2010, each as amended; and
- (ii) any further guidance or standards published by the Basel Committee relating to "Basel III".

**Basel Committee** means the Basel Committee on Banking Supervision.

**CRD IV** means:

- (i) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012; and
- (ii) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

### 16.3 Claims

- (a) The Lender intending to make a claim for an Increased Cost must notify the Company of the circumstances giving rise to and the amount of the claim.
- (b) The Lender must, as soon as practicable after a demand by the Company, provide a certificate confirming the amount of its Increased Cost.

### 17. MITIGATION

If circumstances arise that would, or would on the giving of notice, result in:

- (a) any additional amounts becoming payable under Clause 15 (Taxes);
- (b) any amount becoming payable under Clause 16 (Increased Costs);







- (c) any prepayment or cancellation under Clause 11 (Prepayment and Cancellation); or
- (d) the Lender incurring any cost of complying with the minimum reserve requirements of its supervising and regulating entity,

then, without limiting the obligations of the Company under this Agreement and without prejudice to the terms of Clauses 15 (Taxes), 16 (Increased Costs) and 11 (Prepayment and Cancellation), the Lender shall, in consultation with the Company, take such reasonable steps as may be open to it to mitigate or remove the relevant circumstance, including (without limitation) changing its Facility Office to one in another jurisdiction or the transfer of its rights and obligations under this Agreement to another person, unless to do so might (in the reasonable opinion of the Lender) be materially prejudicial to it.

## **18. PAYMENTS**

### **18.1 Place**

Unless a Finance Document specifies that payments under it are to be made in another manner, all payments by the Company under the Finance Documents must be made to the Lender to its account at such office or bank in the principal financial centre of a Participating Member State or London, as it may notify to the Company for this purpose by not less than ten Business Days' prior notice.

### **18.2 Funds**

Payments under the Finance Documents to the Lender must be made for value on the due date at such times and in such funds as the Lender may acting reasonably specify to the Party concerned as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

### **18.3 Currency**

- (a) Unless a Finance Document specifies that payments under it are to be made in a different manner, the currency of each amount payable under the Finance Documents is determined under this Clause 18.3.
- (b) Interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.
- (c) A repayment or prepayment of any principal amount is payable in the currency in which that principal amount is denominated on its due date.
- (d) Amounts payable in respect of Taxes, fees, costs and expenses are payable in the currency in which they are incurred.
- (e) Each other amount payable under the Finance Documents is payable in euros.

### **18.4 No set-off or counterclaim**

All payments made by the Company under the Finance Documents must be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

### **18.5 Business Days**

- (a) If a payment under the Finance Documents is due on a day that is not a Business Day, the due date for that payment will instead be the next Business Day.









- (b) During any extension of the due date for payment of any principal under this Agreement interest is payable on that principal at the rate payable on the original due date.

#### **18.6 Partial payments**

- (a) If the Lender receives a payment insufficient to discharge all the amounts then due and payable by the Company under the Finance Documents, the Lender must apply that payment towards the obligations of the Company under the Finance Documents in the following order:
  - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Lender under the Finance Documents;
  - (ii) **secondly**, in or towards payment pro rata of any accrued interest or fee due but unpaid under this Agreement;
  - (iii) **thirdly**, in or towards payment pro rata of any principal amount due but unpaid under this Agreement; and
  - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Lender may vary the order set out in sub-paragraphs (a)(ii) to (iv) above.
- (c) This Subclause will override any appropriation made by the Company.

#### **18.7 Timing of payments**

If a Finance Document does not provide for when a particular payment is due, that payment will be due 30 days after receipt by the Company of a claim (accompanied by, if available, separate invoices) signed on behalf of the Lender specifying the amount due, the provision of the Finance Document under which the Company's liability to pay arises and setting out in reasonable detail a calculation of the amount due.

### **19. REPRESENTATIONS AND WARRANTIES**

#### **19.1 Representations and warranties**

The Company makes the representations and warranties set out in this Clause 19 (Representations and warranties) to the Lender.

#### **19.2 Status**

- (a) It is a limited liability company duly organised and validly existing under the laws of the Republic.
- (b) It has the power to own its property and Assets.
- (c) It has power to carry on its business as it is now being conducted.

#### **19.3 Powers and authority**

It has the power to enter into and perform, and has taken all necessary action to authorise, the execution, delivery and performance of the Finance Documents to which it is or will be a party and the transactions contemplated by those Finance Documents.







#### **19.4 Legal validity**

Each Finance Document to which it is a party:

- (a) constitutes, or when executed will constitute, its legal, valid and binding obligation enforceable in accordance with its terms; and
- (b) is in proper form for its enforcement in the Republic if accompanied by a certified Slovak translation,

save that enforcement of the Company's obligations under the Finance Documents may be affected by insolvency, bankruptcy and similar laws affecting the rights of creditors generally.

#### **19.5 Non-conflict**

The execution, delivery and performance of the Finance Documents to which it is or will be a party by it will not:

- (a) violate in any respect any provision of:
  - (i) any applicable law or regulation of the Republic or any order of any governmental, judicial or public body or authority in the Republic binding on the Company;
  - (ii) the laws and documents incorporating and constituting the Company; or
  - (iii) any mortgage, agreement or other financial undertaking or instrument to which the Company is a party or which is binding upon any Assets of the Company; or
- (b) to the best of the Company's knowledge result in the creation or imposition of any Security Interest on any Assets of the Company pursuant to the provisions of any mortgage, agreement or other undertaking or instrument to which the Company is a party or which is binding upon it.

#### **19.6 No default**

No Default is outstanding.

#### **19.7 Authorisations**

All authorisations and other requirements of governmental, judicial and public bodies and authorities required by any member of the Group or advisable in connection with the execution, delivery, performance, validity and enforceability of the Finance Documents have been obtained or effected and are in full force and effect.

#### **19.8 Litigation**

Except to the extent as disclosed in writing to the Lender:

- (a) there is no litigation, arbitration or administrative proceedings relating to any member of the Group that is material to the Company, the same are not current or pending or, to the knowledge of the Company, threatened; and
- (b) no litigation, arbitration or administrative proceedings are current or pending or, to the knowledge of the Company, threatened, which would reasonably be expected to have a









material adverse effect on the ability of the Company to perform its obligations under the Finance Documents.

#### **19.9 Title**

Except to the extent disclosed in writing to the Lender, it has valid leases or good and marketable title to all its material Fixed Assets which are reflected in the most recent audited unconsolidated financial statements of the Company delivered to the Lender under Clause 20.2 (Financial Information), subject to any disposal permitted under Clause 21.7 (Disposals) and to no Security Interest securing Financial Indebtedness over such Fixed Assets, except any Permitted Security Interest.

#### **19.10 Borrowing limits**

The borrowing of the full amount available under this Agreement will not cause any limit on its borrowing or other powers or on the exercise of such powers by its board of directors whether imposed by the Company's Articles of Association or similar document or by statute, regulation, or agreement, to be exceeded.

#### **19.11 Immunity**

Subject to any general provisions of law with respect to immunity of certain assets from attachment and from execution, referred to in any legal opinion required under this Agreement, it is not entitled to claim immunity from suit, attachment, enforcement or other legal process in the Republic.

#### **19.12 Solvency**

- (a) It is not insolvent (*v úpadku*); and
- (b) it has not taken any action nor, so far as it is aware have any steps been taken or legal proceedings been started or threatened against it for winding-up, dissolution, reorganisation, or bankruptcy the enforcement of any encumbrance over its assets or for the appointment of a receiver, administrative receiver or administrator, trustee or similar officer of it or of any or all of its assets or revenues.

#### **19.13 Information**

- (a) All factual information provided in writing by an officer of any member of the Group, United States Steel Corporation or any Subsidiary of United States Steel Corporation to the Lender in connection with the Finance Documents was true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given by that person.
- (b) Nothing was omitted from the information referred to in paragraph (a) above which, if disclosed, would make that information untrue or misleading in any material respect.
- (c) Nothing has occurred since the date of the information referred to in paragraph (a) above which, if disclosed, would make that information untrue or mislead in any material respect.

#### **19.14 No notarial deed**

No member of the Group has created any notarial deed (as referred to in section 45.2 of the Slovak Act No. 233/1995 Coll., as amended) in relation to any Financial Indebtedness.







### **19.15 Financial statements**

Its audited unconsolidated financial statements most recently delivered to the Lender (which, at the date of the Twelfth Supplemental Agreement are the Financial Statements dated 31 December 2023):

- (a) have been prepared in accordance with the International Financial Reporting Standards, consistently applied; and
- (b) fairly represent its unconsolidated financial condition as at the date to which they were drawn up,

except, in each case, as disclosed to the contrary in those financial statements.

### **19.16 Slovak Banking Act**

- (a) It represents that it is not a person having any special relationship (*osobitný vzťah*) as defined in the Slovak Banking Act, to the Lender.
- (b) When making any payment under or in connection with any Finance Document, it will use solely the funds owned by it.
- (c) It is entering into each Finance Document as a principal and not as agent and, in its own name on its own account.

### **19.17 Slovak Public Sector Partners Act**

It is duly registered as a public sector partner (*partner verejného sektora*) in the register of public sector partners (*register partnerov verejného sektora*) in accordance with the Slovak Public Sector Partners Act.

### **19.18 ERISA**

Each ERISA Plan of the Company and of each ERISA Affiliate of the Company complies in all material respects with all applicable requirements of law and regulation. No Reportable Event has occurred with respect to any ERISA Plan, and no steps have been taken to terminate any ERISA Plan that would reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations under the Finance Documents. Neither the Company nor any of its ERISA Affiliates has had a complete or partial withdrawal from any Multiemployer Plan or initiated any steps to do so that would reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations under the Finance Documents.

### **19.19 Margin Regulations**

Neither the Company nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

### **19.20 Centre of Main Interests**

Its Centre of Main Interests is situated in its jurisdiction of incorporation and it has no Establishment in any other jurisdiction.









### **19.21 Times for making representations and warranties**

- (a) The Company makes the representations and warranties set out in this Clause 19 on the date of this Agreement.
- (b) Unless a representation and warranty is expressed to be given at a specific date (other than as a result of the operation of paragraph (a) above), each representation and warranty is deemed to be repeated by the Company on the date of each Request and the first day of each Term except that the representations and warranties in Clauses 19.5(a)(iii) and 19.5(b) (Non-conflict), 19.8(a) (Litigation) and 19.18 (ERISA) shall not be repeated by the Company.
- (c) When the representation and warranty in Clause 19.6 (No default) is repeated on a Request for a Rollover Loan or the first day of a Term for a Loan (other than the first Term for that Loan), the reference to a Default will be construed as a reference to an Event of Default.
- (d) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

## **20. INFORMATION COVENANTS**

### **20.1 Duration**

The undertakings in this Clause 20 (Information Covenants) remain in force from the date of this Agreement for so long as any amount is or may be outstanding under any Finance Document.

### **20.2 Financial Information**

The Company shall furnish to the Lender:

- (a) the annual audited unconsolidated financial statements of the Company including the report of independent auditors and accompanying notes for each of its financial years as soon as practicable (and in any event within 210 days from the financial year-end), such financial statements:
  - (i) to be prepared in accordance with the International Financial Reporting Standards consistently applied;
  - (ii) to be audited by an internationally recognised firm of accountants;
  - (iii) to give a true and fair view of the financial condition of the Company and the result of its operations for the period ended on the date to which such financial statements were prepared; and
  - (iv) signed by the chief financial officer (or equivalent), or by two senior officers of the Company;
- (b) the annual unaudited consolidated financial statements of the Group to be prepared in accordance with USGAAP consistently applied, annually, i.e. for each of its financial years as soon as practicable (and in any event within 120 days after the end of each of its financial years) certified by the chief financial officer (or equivalent) of the Company;
- (c)







- (i) prior to the Notice Effective Date, the quarterly unaudited consolidated financial statements of the Group to be prepared in accordance with USGAAP consistently applied, i.e. for the first three quarters (i.e. each of the quarterly periods ending on 31 March, 30 June and 30 September each year) of each financial year, and, for the avoidance of doubt:
  - (A) financial statements submitted for the quarter ending on 31 March shall contain financial data for the period starting on 1 January of the given financial year and ending on 31 March of the given financial year;
  - (B) financial statements submitted for the quarter ending on 30 June shall contain financial data for the period starting on 1 January of the given financial year and ending on 30 June of the given financial year; and
  - (C) financial statements submitted for the quarter ending on 30 September shall contain financial data for the period starting on 1 January of the given financial year and ending on 30 September of the given financial year;
  - (D) as soon as practicable (and in any event within 60 days after the end of the relevant quarter) certified by the chief financial officer (or equivalent) of the Company;
- (ii) on and after the Notice Effective Date, the quarterly unaudited consolidated financial statements of the Group to be prepared in accordance with US GAAP consistently applied for the first three quarters (i.e. each of the quarterly periods ending on 30 June, 30 September, and 31 December each year) of each financial year and, for the avoidance of doubt:
  - (A) financial statements submitted for the quarter ending on 30 June shall contain financial data for the period starting on 1 April of the given financial year and ending on 30 June of the given financial year;
  - (B) financial statements submitted for the quarter ending on 30 September shall contain financial data for the period starting on 1 April of the given financial year and ending on 30 September of the given financial year; and
  - (C) financial statements submitted for the quarter ending on 31 December shall contain financial data for the period starting on 1 April of the given financial year and ending on 31 December of the given financial year,

as soon as practicable (and in any event within 60 days after the end of the relevant quarter) certified by the chief financial officer (or equivalent) of the Company;

- (d) together with the financial statements referred to in paragraph (a) above, a certificate of the Company signed by the chief financial officer (or equivalent) of the Company certifying:
  - (i) that no Event of Default has occurred (or, if it has, specifying it and the steps being taken to remedy it); and
  - (ii) the identity of its all Subsidiaries:
    - (A) whose total assets (being the total of fixed assets and current assets) (consolidated in the case of a Subsidiary which itself has one or more









Subsidiaries) represent not less than 7.5 per cent, of the Company's total consolidated fixed assets: and/or

- (B) whose gross revenues (being gross revenues less internal revenues (excluding exceptionals), before operating expenses and depreciation) (consolidated in the case of a Subsidiary which itself has one or more Subsidiaries) represent not less than 7.5 per cent, of the consolidated gross revenues of the Group (being gross revenues (excluding exceptionals) before operating expenses and depreciation on a consolidated basis as shown in the Latest Accounts); and
- (e) together with the financial statements referred to in paragraph (c) above, a certificate of the Company signed by the chief financial officer (or equivalent) of the Company listing the following information:
  - (i) the average production capacity (in percentage) which the Company used in the quarter for which such certificate is furnished to the Lender;
  - (ii) the average selling prices of steel which the Company realised in the quarter for which such certificate is furnished to the Lender.

### **20.3 Information - miscellaneous**

- (a) The Company shall furnish to the Lender from time to time with reasonable promptness, such further information regarding the business and financial condition of the Company as the Lender may reasonably request.
- (b) The Company shall promptly notify the Lender of any material business or financial event, including without limitation, any litigation, arbitration, administrative or other proceedings being commenced, which would reasonably be expected to adversely affect its ability to perform its obligations under the Finance Documents.
- (c) Subject to paragraph (d) below, the Company must promptly on the request of Lender supply to the Lender any documentation or other evidence that is reasonably requested by the Lender (whether for itself or any prospective new Lender) to enable the Lender or prospective new Lender to carry out and be satisfied with the results of all applicable know your customer requirements.
- (d) The Company is only required to supply any information under paragraph (c) above, if the necessary information is not already available to the Lender and the requirement arises as a result of:
  - (i) the introduction of any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
  - (ii) any change in the status of the Company or any change in the composition of shareholders of the Company after the date of this Agreement; or
  - (iii) a proposed assignment or transfer by the Lender of any of its rights and/or obligations under this Agreement to a person that is not a Lender before that assignment or transfer.

### **20.4 Notification of Default**

The Company must notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.







## **20.5 Slovak banking regulations**

- (a) Subject to paragraph (b) below, in case of any change to: (i) the amount of the Company's registered capital; or (ii) the participation interest(s) in the Company; or (iii) the voting rights attached to any and all participation interest(s) in the Company, the Company must supply to the Lender a list of its participants reflecting the situation after such change, promptly after the effectiveness of such change but in each case no later than within five Business Days after the effectiveness of such change.
- (b) The Company is not obliged to supply the list of participants under paragraph (a) above if any such change concerns a participant (*spoločník*) holding: (i) a participation interest not exceeding 10 per cent. of the registered capital of the Company; or (ii) voting rights not exceeding 10 per cent. of all voting rights in the Company.
- (c) For the purposes of this Clause 20.5, a **list of participants** means a list of persons (whether individuals or legal entities) holding: (i) a participation interest exceeding 10 per cent. of the registered capital of the Company; or (ii) voting rights exceeding 10 per cent. of all voting rights in the Company, containing:
  - (i) in case of individuals, the name, family name, business name, identification number or birth certificate number, permanent address or place of business (if different from the permanent address) of that participant; and
  - (ii) in case of legal entities, the business name, the legal form, identification number and the registered seat of that participant.

## **21. GENERAL COVENANTS**

### **21.1 Authorisations**

The Company shall obtain and promptly renew from time to time all authorisations as may be required under any applicable law or regulation to enable it to perform its obligations under the Finance Documents, or required for the validity or enforceability of any Finance Document, shall comply with the terms of the same and will ensure the availability and transferability of sufficient foreign exchange to enable it to comply with its obligations under the Finance Documents.

### **21.2 Slovak Public Sector Partners Act**

The Company shall, to the extent required by law or regulation including without limitation legal regulations, in particular the Slovak Public Sector Partners Act, ensure that it is at all times duly registered as a public sector partner (*partner verejného sektora*) in the register of public sector partners (*register partnerov verejného sektora*) in accordance with the Slovak Public Sector Partners Act.

### **21.3 Corporate existence**

- (a) The Company shall maintain its corporate existence and its right to carry on its operations and will acquire, maintain and renew all rights, licences, concessions, contracts, powers, privileges, leases, lands, sanctions and franchises necessary or useful for the conduct of its operations except, in each case, where the failure to do so would not reasonably be expected to materially adversely affect the Company's ability to perform its obligations under the Finance Documents.
- (b) The Company shall not:
  - (i) change its name;









- (ii) prior to the Notice Effective Date, change its financial year end from 31 December; or
- (iii) on and after the Notice Effective Date, change its financial year end from 31 March.

#### **21.4 Insurance**

The Company shall effect and maintain such insurance over and in respect of its Assets and business covering such risks and in such amounts as United States Steel Corporation maintains from time to time with respect to other similar steel-making facilities owned by United States Steel Corporation, subject to such deductibles and other forms of self-insurance as from time to time are generally applicable to such other steel-making facilities provided such coverage is available to the Company on similar or better terms.

#### **21.5 Pari passu**

The Company shall procure that its obligations under the Finance Documents do and will constitute its direct, unconditional, unsecured, unsubordinated and general obligations and do and will rank at least *pari passu* with all other present and future unsecured and unsubordinated Financial Indebtedness issued, created or assumed by it other than amounts which are afforded priority by applicable law.

#### **21.6 Negative pledge**

The Company shall not without the prior consent of the Lender in writing, create, assume or permit to exist any Security Interest over all or any of its Assets to secure Financial Indebtedness other than a Permitted Security Interest.

#### **21.7 Disposals**

- (a) Except with the prior consent of the Lender in writing or as provided in paragraph (b) below, the Company shall not either in a single transaction or in a series of transactions whether related or not and whether voluntary or involuntary, sell, transfer, grant or lease or otherwise dispose of (in each case whether conditionally or otherwise) any of its Fixed Assets other than Permitted Disposals.
- (b) Notwithstanding paragraph (a) above, in any financial year of the Company, Fixed Assets having an aggregate book value in, or included for the purposes of, the Latest Accounts, not exceeding the aggregate of 30 per cent. of all Fixed Assets (as shown in or included for the purposes of the Latest Accounts) may be disposed of where the disposal is on arm's length commercial terms; provided, however, that in no case shall the Company be permitted to dispose of more than 50 per cent of all Fixed Assets (as shown in or included for purpose of the financial statement of the Company for the six-month period ended 30 June 2021).

#### **21.8 Mergers**

The Company shall not, without the prior consent of the Lender in writing, enter into any merger or other arrangement of a similar nature other than a Permitted Merger.

#### **21.9 Change of business**

Except with the prior consent of the Lender in writing, the Company shall not make or threaten to make any substantial change in its business as conducted on the date of this Agreement.







### **21.10 Environmental compliance**

Except to the extent disclosed in writing to the Lender, the Company shall comply with applicable Environmental Law except where failure to do so would not reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations under the Finance Documents. For this purpose, **Environmental Law** means:

- (a) all environmental authorisations applicable to the Company; and
- (b) all other applicable environmental laws, rules and regulations concerning the protection of human health or the environment or the transportation of any substance capable of causing harm to man or any other living organism or the environment or public health or welfare, including, without limitation, hazardous, toxic, radioactive or dangerous waste.

### **21.11 Lending and Borrowing**

- (a) Subject to paragraph (b) below, the Company shall not, and the Company shall procure that no member of the Group shall incur any Financial Indebtedness other than:
  - (i) Financial Indebtedness not exceeding EUR600,000,000 (or its equivalent) in aggregate (including amounts borrowed under the Finance Documents);
  - (ii) Financial Indebtedness upon terms approved by the Lender;
  - (iii) currency and commodity hedging used only to mitigate the risks relating to fluctuations in currencies and commodity prices, provided each such hedging arrangement is entered into for a period no longer than 18 months;
  - (iv) for the avoidance of doubt, operating lease obligations;
  - (v) for the avoidance of doubt, trade payables and other contractual obligations to suppliers and customers in the ordinary course of trading;
  - (vi) debt subordinated to the Loans under subordination agreements acceptable to the Lender; and
  - (vii) any refinancing of any of the foregoing up to the same principal amount.
- (b) The obligation under paragraph (a) above shall apply only until the Company delivers to the Facility Agent under, and as defined in, the Syndicated Facility Agreement the first Compliance Certificate (as defined in the Syndicated Facility Agreement) in accordance with clause 17.4 (Compliance Certificate) of the Syndicated Facility Agreement which confirms that the Company complies with its obligations under clause 18 (Financial covenants) of the Syndicated Facility Agreement.

### **21.12 No notarial deed**

The Company shall not and the Company shall procure that no other member of the Group will, create any notarial deed (as referred to in section 45.2 of the Slovak Act No. 233/1995 Coll., as amended) in relation to any Financial Indebtedness.

### **21.13 No Margin Stock**

The Company may not:

- (a) extend credit for the purpose, directly or indirectly, of buying or carrying Margin Stock; or









- (b) use any Loan or allow any Loan to be used, directly or indirectly, to buy or carry Margin Stock or for any other purpose in violation of the Margin Regulations.

#### **21.14 Centre of Main Interests**

The Company must not cause or allow its registered office or Centre of Main Interests to be in, or maintain an Establishment in, any jurisdiction other than its jurisdiction of incorporation.

### **22. DEFAULT**

#### **22.1 Events of Default**

Each of the events set out in Clauses 22.2 (Non-payment) to 22.10 (Cross-acceleration) (inclusive) is an Event of Default (whether or not caused by any reason whatsoever outside the control of the Company or any other person).

#### **22.2 Non-payment**

The Company does not pay on the due date any amount payable by it under the Finance Documents at the place at and in the currency in which it is expressed to be payable and (if the failure to pay is caused solely by technical or administrative error) it is not remedied within five Business Days of its due date.

#### **22.3 Breach of other obligations**

The Company fails to comply with any of its obligations under the Finance Documents (other than those referred to in Clause 22.2 (Non-payment)) and the failure to comply (if it is capable of remedy) remains unremedied for 30 days after the earlier of:

- (a) the day when the Lender gives the Company notice of the failure to comply; and
- (b) the day when the Company became aware of the failure to comply.

#### **22.4 Misrepresentation**

Any representation, warranty or statement made or repeated in the Finance Documents or in any written certificate or statement delivered, made or issued by or on behalf of the Company under the Finance Documents or in connection with the Finance Documents shall at any time be incorrect in any respect when so made or repeated or deemed to be made or repeated and the circumstances giving rise to such misrepresentation would reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations under the Finance Documents.

#### **22.5 Insolvency/enforcement**

- (a) Any action is taken by the Company or one of its Affiliates for the dissolution or termination of existence or liquidation of the Company;
- (b) an application by the Company for bankruptcy (*konkurz*), restructuring (*reštrukturalizácia*) or moratorium, or an arrangement with creditors of the Company is entered into, or any other proceeding or arrangement by which the Assets of the Company are submitted to the control of its creditors occurs or is entered into;
- (c) the Company is adjudged bankrupt pursuant to a final non-appealable order;







- (d) there is appointed a liquidator, trustee, administrator, receiver or similar officer of the Company or a receiver of all or substantially all of the Assets of the Company;
- (e) all or substantially all of the Assets of the Company are attached or distrained upon or the same become subject at any time to any order of a court or other process and such attachment, distraint, order or process remains in effect and is not discharged within thirty days;
- (f) the Company becomes insolvent (*v úpadku*) or is declared insolvent by a competent governmental or judicial authority or admits in writing its inability to pay its debts as they fall due;
- (g) a moratorium is made or declared in respect of all or any Financial Indebtedness of the Company; or
- (h) the Company becomes a “company in crisis” for the purposes of section 67a of the Slovak Commercial Code (Act No. 513/1991 Coll., as amended).

#### **22.6 Cessation of business**

The Company ceases or threatens to cease to carry on the whole or a substantial part of its business, save as permitted by Clause 21.7 (Disposals) and Clause 21.8 (Mergers).

#### **22.7 Revocation of authorisation**

- (a) Any authorisation or other requirement of any governmental, judicial or public body or authority necessary to enable the Company under any applicable law or regulation to perform its obligations under the Finance Documents or for its businesses or required for the validity or enforceability of the Finance Documents is modified, revoked, withdrawn or withheld in any material respect or fails to remain in full force and effect for more than 30 days.
- (b) The Company fails to comply with any authorisation or other requirement set out in paragraph (a) above.

#### **22.8 Expropriation**

All or any substantial part of the Assets of the Company is seized or expropriated by any authority.

#### **22.9 Unlawfulness**

At any time it is unlawful for the Company to perform such of its obligations under the Finance Document as are, in the reasonable opinion of the Lender, material.

#### **22.10 Cross-acceleration**

- (a) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (b) No Event of Default will occur under this Clause 22.10 if the aggregate amount of Financial Indebtedness for Financial Indebtedness falling within paragraph (a) above is less than EUR50,000,000 (or its equivalent in any other currency or currencies).

#### **22.11 Acceleration**

If an Event of Default is outstanding, the Lender may by notice to the Company:

- (a) cancel all or any part of the Total Commitments; and/or









- (b) declare that all or part of any amounts outstanding under the Finance Documents are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand by the Lender; and/or
- (c) declare that full cash cover in respect of each Letter of Credit is immediately due and payable.

Any such notice will take effect in accordance with its terms.

## **23. EVIDENCE AND CALCULATIONS**

### **23.1 Accounts**

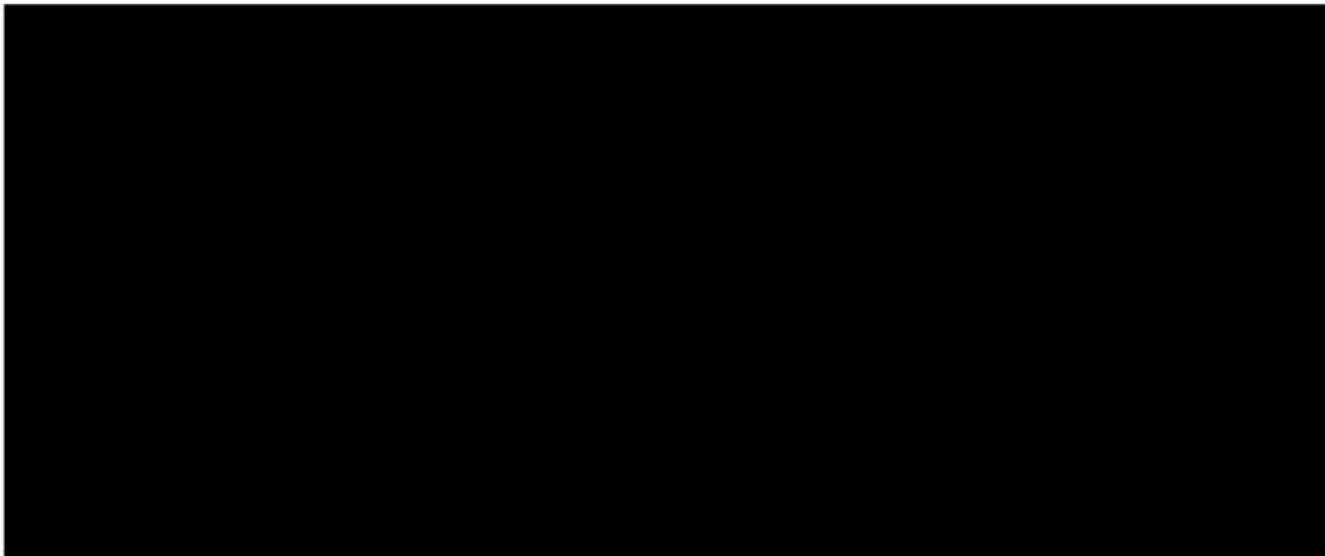
Accounts maintained by the Lender in connection with this Agreement are prima facie evidence of the matters to which they relate for the purpose of any litigation or arbitration proceedings.

### **23.2 Certificates and determinations**

Any certification or determination by the Lender of a rate or amount under the Finance Documents will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

### **23.3 Calculations**

- (a) Any interest or fee accruing under this Agreement accrues from day to day and the amount of any such interest, commission or fee is calculated:
  - (i) on the basis of the actual number of days elapsed and a year of 360 days or otherwise, depending on what the Lender determines is market practice; and
  - (ii) subject to paragraph (b) below, without rounding.
- (b) The aggregate amount of any accrued interest, commission or fee which is, or becomes, payable by the Company under a Finance Document shall be rounded to two decimal places.









## **25. INDEMNITIES AND BREAK COSTS**

### **25.1 Currency indemnity**

- (a) If the Lender receives an amount in respect of the Company's liability under the Finance Documents or if that liability is converted into a claim, proof, judgement or order in a currency other than the currency (the contractual currency) in which the liability is expressed to be payable under the relevant Finance Document:
- (i) the Company shall indemnify the Lender against any loss or liability arising out of or as a result of the conversion;
  - (ii) if the amount received by the Lender, when converted into the contractual currency at a market rate in the usual course of its business is less than the amount owed in the contractual currency, the Company shall pay to the Lender an amount in the contractual currency equal to the deficit; and
  - (iii) the Company shall pay to the Lender concerned any exchange costs and taxes payable in connection with any such conversion.
- (b) The Company waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

### **25.2 Other indemnities**

- (a) The Company must indemnify the Lender against any loss or liability which the Lender incurs as a consequence of:
- (i) the occurrence of any Event of Default;
  - (ii) Clause 22.11 (Acceleration);
  - (iii) any failure by the Company to pay any amount due under a Finance Document on its due date;
  - (iv) (other than by reason of negligence or default by the Lender) a Credit not being made after a Request has been delivered for that Credit; or
  - (v) a Credit (or part of a Credit) not being prepaid in accordance with this Agreement.

The Company's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document or any Credit.

- (b) The Company must indemnify the Lender against any loss or liability incurred by the Lender as a result of:
- (i) investigating any event which the Lender reasonably believes to be a Default; or
  - (ii) acting or relying on any notice that the Lender reasonably believes to be genuine, correct and appropriately authorised.

### **25.3 Break Costs**

- (a) Subject to paragraph (b) below, the Company must pay to the Lender its Break Costs as compensation if any part of a Loan is prepaid.









- (b) Paragraph (a) above shall apply in respect of a Compounded Rate Loan if an amount is specified as Break Costs in the applicable Compounded Rate Terms.
- (c) Break Costs are:
  - (i) in respect of any Term Rate Revolving Loan or Term Rate Overdraft, the amount (if any) reasonably determined by the relevant Lender by which:
    - (A) the interest which the Lender would have received for the period from the date of receipt of any part of that Loan in that currency to the last day of the applicable Term for that Loan if the principal received had been paid on the last day of that Term;  
  
exceeds
    - (B) the amount which the Lender would be able to obtain by placing an amount equal to the amount received by it on deposit with a leading bank in the appropriate interbank market for a period starting on the Business Day following receipt and ending on the last day of the applicable Term; or
  - (ii) in respect of any Compounded Rate Loan, any amount specified as such in the applicable Compounded Rate Terms.
- (d) The Lender must promptly supply to the Company details of the amount of any Break Costs claimed by it under this Clause 25.3.

## **26. EXPENSES**

### **26.1 Subsequent costs**

The Company must pay to or reimburse on demand the Lender the amount of all costs and expenses (including documented legal fees) reasonably incurred by it in connection with:

- (a) the negotiation, preparation, printing and entry into of any Finance Document (other than a Transfer Certificate) executed after the date of this Agreement; and
- (b) any amendment, waiver or consent requested by or on behalf of the Company or specifically allowed by this Agreement.

### **26.2 Enforcement costs**

The Company must pay to or reimburse on demand the Lender the amount of all costs and expenses (including documented legal fees) reasonably incurred by it in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

## **27. AMENDMENTS AND WAIVERS**

Any term of the Finance Documents may be amended or waived with the agreement of the Company and the Lender.

### **27.1 Change of currency**

If a change in any currency of a country occurs (including where there is more than one currency or currency unit recognised at the same time as the lawful currency of a country), the Finance Documents







will be amended to the extent the Lender (acting reasonably and after consultation with the Company) determines is necessary to reflect the change.

## **27.2 Waivers and remedies cumulative**

The rights of the Lender under the Finance Documents:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that right.

## **27.3 Changes to reference rates**

(a) Any amendment or waiver which relates to:

- (i) providing for the use of a Replacement Reference Rate; and
- (ii) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;
  - (A) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);
  - (B) implementing market conventions applicable to that Replacement Reference Rate;
  - (C) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
  - (D) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Lender and the Company.

(b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on a Compounded Rate Loan in any currency under this Agreement to any recommendation of a Relevant Nominating Body which:

- (i) relates to the use of a risk-free reference rate on a compounded basis in the international or any relevant domestic syndicated loan markets; and
- (ii) is issued on or after the date of this Agreement,

may be made with the consent of the Company and the Lender.

(c) For the purposes of this Clause:









**Published Rate** means:

- (i) an RFR; or
- (ii) the Screen Rate for any Quoted Tenor.

**Relevant Nominating Body** means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

**Replacement Reference Rate** means a reference rate which is:

- (i) formally designated, nominated or recommended as the replacement for a Published Rate by:
  - (A) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or
  - (B) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under paragraph (B) above;
- (ii) in the opinion of the Lender and the Company, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Published Rate; or
- (iii) in the opinion of the Lender and the Company, an appropriate successor to a Published Rate.

## **28. CHANGES TO THE PARTIES**

### **28.1 Assignments and transfers by the Company**

The Company may not assign or transfer any of its rights and obligations under the Finance Documents without the prior consent of the Lender.

### **28.2 Assignments and transfers by Lender**

- (a) Subject to paragraph (b) below, Lender (the **Existing Lender**) may, with the consent of the Company (such consent not to be unreasonably withheld or delayed), at any time assign or transfer (including by way of novation) any of its rights and obligations under this Agreement to another bank or financial institution (the **New Lender**).
- (b) No consent shall be required from the Company if:
  - (i) the proposed New Lender is an Affiliate of the Existing Lender; or
  - (ii) if an Event of Default is outstanding on the date of the assignment/transfer.
- (c) A transfer of obligations will be effective only if either:
  - (i) the obligations are novated in accordance with the following provisions of this Clause 28; or







- (ii) the New Lender confirms to the Company in form and substance satisfactory to the Lender that it is bound by the terms of this Agreement as a Lender. On the transfer becoming effective in this manner the Existing Lender will be released from its obligations under this Agreement to the extent that they are transferred to the New Lender.
- (d) Any reference in this Agreement to the Lender includes a New Lender but excludes the Lender if no amount is or may be owed to or by it under this Agreement.

### **28.3 Procedure for transfer by way of novations**

- (a) In this Subclause:

**Transfer Date** means, for a Transfer Certificate, the Transfer Date specified in that Transfer Certificate.

- (b) A novation is effected if the Existing Lender and the New Lender duly complete the Transfer Certificate. The New Lender must send a copy of that Transfer Certificate to the Company.
- (c) The Company irrevocably authorises the Lender to execute any duly completed Transfer Certificate on its behalf.
- (d) On the Transfer Date:
  - (i) the New Lender will assume the rights and obligations of the Existing Lender expressed to be the subject of the novation in the Transfer Certificate in substitution for the Existing Lender; and
  - (ii) the Existing Lender will be released from those obligations and cease to have those rights.

### **28.4 Limitation of responsibility of Existing Lender**

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
  - (i) the financial condition of the Company; or
  - (ii) the legality, validity, effectiveness, enforceability, adequacy, accuracy, completeness or performance of:
    - (A) any Finance Document or any other document;
    - (B) any statement or information (whether written or oral) made in or supplied in connection with any Finance Document, or
    - (C) any observance by the Company of its obligations under any Finance Document or other documents,

and any representations or warranties implied by law are excluded.

- (b) Each New Lender confirms to the Existing Lender that it:
  - (i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Finance Documents (including, without limitation, the financial condition and affairs of the Company and its related entities and the nature and extent of any









recourse against any Party or its assets) in connection with its participation in this Agreement;  
and

- (ii) has not relied exclusively on any information supplied to it by the Existing Lender in connection with any Finance Document.
- (c) Nothing in any Finance Document requires an Existing Lender to:
- (i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause 28; or
  - (ii) support any losses incurred by the New Lender by reason of the non-performance by the Company of its obligations under any Finance Document or otherwise.

### **28.5 Costs resulting from change of Lender or Facility Office**

If:

- (a) the Lender assigns or transfers any of its rights and obligations under the Finance Documents or changes its Facility Office; and
- (b) as a result of circumstances existing at the date the assignment, transfer or change occurs, the Company would be obliged to pay a Tax Payment or an Increased Cost,

then, unless the assignment, transfer or change is made by the Lender to mitigate any circumstances giving rise to the Tax Payment, Increased Cost or right to be prepaid and/or cancelled by reason of illegality, the Company need only pay that Tax Payment or Increased Cost to the same extent that it would have been obliged to if no assignment, transfer or change had occurred.

### **28.6 Security over Lender's rights**

- (a) In addition to the other rights provided to the Lender under this Clause 28 and subject to paragraph (b) below, the Lender may at any time charge, assign or otherwise create Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of the Lender including, without limitation:
  - (i) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and
  - (ii) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by the Lender as security for those obligations or securities,

except that no such charge, assignment or Security Interest shall:

- (A) release the Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
  - (B) require any payments to be made by the Company other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.
- (b) The Lender may proceed pursuant to paragraph (a) above:







- (i) without consulting with, or obtaining consent from, the Company, if the charge, assignment, or other form of Security Interest over the rights of the Lender is created:
  - (A) in favour of a federal reserve or central bank; or
  - (B) in connection with receipt by the Lender or any of its Affiliates of public aid or other form of state or international subsidy in favour of:
    - I. any government, governmental entity or agency, regulatory agency, international or public institution or other similar entity; or
    - II. any entity or institution appointed for this purpose by any institution specified in paragraph I. by any such person for this purpose; or
- (ii) with the consent of the Company (such consent not to be unreasonably withheld or delayed) in case other than pursuant to subparagraph (b)(i) above.

## 29. DISCLOSURE OF INFORMATION

- (a) The Lender must keep confidential any information supplied to it by or on behalf of the Company in connection with the Finance Documents. However, the Lender is entitled to disclose information:
  - (i) which is publicly available, other than as a result of a breach by the Lender of this Clause 29;
  - (ii) in connection with any legal or arbitration proceedings;
  - (iii) if required to do so under any law or regulation;
  - (iv) to a governmental, banking, taxation or other regulatory authority;
  - (v) to its professional advisers;
  - (vi) to any person to whom or for whose benefit the Lender charges, assigns or otherwise creates Security Interest (or may do so) pursuant to Clause 28.6 (Security over Lender's rights)
  - (vii) to the extent allowed under paragraph (b) below; or
  - (viii) with the agreement of the Company.
- (b) Lender may disclose to an Affiliate or any person with whom it may enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement (a **participant**):
  - (i) a copy of any Finance Document; and
  - (ii) any information that the Lender has acquired under or in connection with any Finance Document.

However, before a participant may receive any confidential information, it must agree with the Lender to keep that information confidential on the terms of paragraph (a) above.
- (c) This Clause 29 supersedes any previous confidentiality undertaking given by the Lender in connection with this Agreement prior to it becoming a Party.









### **30. SET-OFF**

- (a) Lender may set off any matured obligation owed to it by the Company under the Finance Documents (to the extent beneficially owned by the Lender) against any obligation (whether or not matured) owed by the Lender to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Lender may set off in an amount estimated by it in good faith to be the amount of that obligation.
- (b) The Company agrees to and confirms a Lender's rights of banker's lien and set-off under applicable law and nothing herein shall be deemed a waiver or prohibition of such right. The Lender agrees to exercise such rights only after the Company's failure to pay following proper demand and to promptly notify the Company after any such set off and application; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

### **31. SEVERABILITY**

If a term of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of the Finance Documents; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of the Finance Documents.

### **32. COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

### **33. NOTICES**

#### **33.1 Giving of notices**

All notices or other communications under or in connection with this Agreement shall be given in writing and, unless otherwise stated, may be made by letter or facsimile. Any such notice will be deemed to be given as follows:

- (a) if by letter, when delivered personally or on actual receipt; and
- (b) if by facsimile, when received in legible form.

However, a notice given in accordance with this Clause 33.1 but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

#### **33.2 Addresses for notices**

- (a) The address and contact information of the Company are:

U. S. Steel Košice, s.r.o.  
Vstupný areál U. S. Steel







04454 Košice,  
The Slovak Republic  
Attention: GM Credit and Banking  
E-mail: mzupcanova@sk.uss.com  
milanjusko@sk.uss.com

and copied to:

United States Steel Corporation  
600 Grant Street, 61st Floor  
Pittsburgh, PA 15219  
Attention: Treasurer and Chief Risk Officer  
E-mail: ASJahn@uss.com

or such other as the Company may notify to the Lender by not less than five Business Days' notice.

- (b) The address and facsimile number of the Lender are:

ING BANK N.V., pobočka zahraničnej banky  
Plynárenská 5944/7C  
821 09 Bratislava  
Slovakia  
Attention: Peter Kover  
Tel. No.: +421 907 789 180  
E-mail: peter.kover@ing.com

or such other as the Lender may notify to the other Parties by not less than five Business Days' notice.

### **34. LANGUAGE**

- (a) Any notice given in connection with a Finance Document must be in English.
- (b) Any other document provided in connection with a Finance Document must be:
- (i) in English; or
  - (ii) (unless the Lender otherwise agrees) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

### **35. GENERAL TERMS AND CONDITIONS**

- (a) The General Terms and Conditions apply to this Agreement only to the extent to which the General Terms and Conditions do not contravene the terms and conditions of this Agreement.
- (b) In case there is a discrepancy between the provisions of this Agreement and the General Terms and Conditions, the provisions of this Agreement shall apply.

### **36. CONTRACTUAL RECOGNITION OF BAIL-IN**

- (a) Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of the other under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:









- (i) any Bail-In Action in relation to any such liability, including (without limitation):
    - (A) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
    - (B) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
    - (C) a cancellation of any such liability; and
  - (ii) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.
- (b) In this Clause:

**Article 55 BRRD** means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

**Bail-In Action** means the exercise of any Write-down and Conversion Powers.

**Bail-In Legislation** means:

- (i) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (ii) in relation to the United Kingdom, the UK Bail-In Legislation; and
- (iii) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

**EEA Member Country** means any member state of the European Union, Iceland, Liechtenstein and Norway.

**EU Bail-In Legislation Schedule** means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

**Resolution Authority** means any body which has authority to exercise any Write-down and Conversion Powers.

**UK Bail-In Legislation** means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

**Write-down and Conversion Powers** means:

- (i) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (ii) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other







financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

- (iii) in relation to any other applicable Bail-In Legislation:
  - (A) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
  - (B) any similar or analogous powers under that Bail-In Legislation.

### **37. GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

### **38. ENFORCEMENT**

#### **38.1 Jurisdiction**

- (a) The English courts have jurisdiction to settle any dispute in connection with any Finance Document.
- (b) References in this Clause 38.1 to a **dispute** in connection with a Finance Document include any dispute as to the existence, validity or termination of that Finance Document.

#### **38.2 Service of process**

Without prejudice to any other mode of service, the Company:

- (a) irrevocably appoints The London Law Agency Limited 69 Southampton Row, London WC1B 4ET, England as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document;
- (b) agrees to maintain such an agent for service of process in England for so long as any amount is outstanding under this Agreement;
- (c) agrees that failure by the process agent to notify the Company of the process will not invalidate the proceedings concerned;
- (d) consents to the service of process relating to any such proceedings by the delivery a copy of the process at its address for the time being applying under Clause 33.2 (Addresses for notices); and









- (e) agrees that if the appointment of any person mentioned in paragraph (a) of this Clause 38.2 ceases to be effective, the Company shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within 15 days, the Lender is entitled to appoint such a person by notice to the Company.

### **38.3 Forum convenience and enforcement abroad**

The Company:

- (a) waives objection to the English courts on grounds of inconvenient forum or otherwise as regards proceedings in connection with a Finance Document; and
- (b) agrees that a judgement or order of an English court in connection with a Finance Document is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

### **38.4 Non-exclusivity**

Nothing in this Clause 38 limits the right of the Lender to bring proceedings against the Company in connection with any Finance Document:

- (a) in any other court of competent jurisdiction; or
- (b) concurrently in more than one jurisdiction.

### **38.5 Waiver of immunity**

The Company irrevocably and unconditionally:-

- (a) agrees not to claim any immunity from proceedings brought by the Lender against the Company in relation to a Finance Document and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

### **38.6 Waiver of trial by jury**

EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH ANY FINANCE DOCUMENT OR ANY TRANSACTION CONTEMPLATED BY ANY FINANCE DOCUMENT. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY COURT.

### **38.7 Alternative forms of dispute resolution**

The Lender in accordance with section 93b of the Slovak Banking Act hereby informs the Company that:

- (a) if the Lender and the Company enter into an arbitration agreement, any disputes between the Parties arising from or in connection with this Agreement subject to such arbitration agreement may be, in addition to a complaints procedure or court proceedings, resolved in







arbitration proceedings pursuant to the Slovak Act No. 244/2002 Coll. on arbitration proceedings; and

- (b) if the Lender and the Company enter into an agreement to resolve disputes in mediation, any disputes between the Parties arising from or in connection with this Agreement subject to such agreement on mediation may be resolved in mediation pursuant to the Slovak Act No. 420/2004 Coll. on mediation.

This Agreement has been entered into on the date stated at the beginning of this Agreement.









**SCHEDULE 1**

**CONDITIONS PRECEDENT DOCUMENTS**

[OMITTED FROM THE AMENDED AND RESTATED FORM OF THIS AGREEMENT]







## SCHEDULE 2

### FORM OF REQUEST - LOANS

To: ING Bank, N.V., pobočka zahraničnej banky as the Lender

From: [            ]

Date: [            ]

#### **U. S. Steel Košice, s.r.o. - EUR30,000,000 committed credit facility agreement (the Agreement)**

1. We refer to the Agreement. This is a Request.
2. We wish to borrow a Loan on the following terms:
  - (a) Utilisation Date: [            ]
  - (b) Amount/currency: [            ] / [\*\*\*]
  - (c) Term: [            ].
3. Our [payment/delivery]<sup>1</sup> instructions are: [            ].
4. We confirm that each condition precedent under the Agreement that must be satisfied on the date of this Request is so satisfied.
5. This Request is irrevocable.
6. With reference to Clause 20.5 (Slovak banking regulations), we [confirm that no change referred to in Clause 20.5 (Slovak banking regulations) has occurred since [the date of the Agreement/the date of our preceding Request]<sup>2</sup>/attach the up-to-date list of participants of the Company].<sup>3</sup>

By:

[            ]

---

<sup>1</sup> Delete as applicable.

<sup>2</sup> Delete as applicable.

<sup>3</sup> Delete as applicable.









**SCHEDULE 3**  
**FORM OF TRANSFER CERTIFICATE**

To: U. S. Steel Košice, s.r.o.

From: [THE EXISTING LENDER] (the **Existing Lender**) and [THE NEW LENDER] (the **New Lender**)

Date: [        ]

**U. S. Steel Košice, s.r.o. - EUR30,000,000 committed credit facility agreement**  
(the **Agreement**)

We refer to the Agreement. This is a Transfer Certificate.

1. The Existing Lender transfers by novation to the New Lender the Existing Lender's rights and obligations referred to in the attached Schedule in accordance with the terms of the Agreement.
2. The proposed Transfer Date is [    ].
3. The administrative details of the New Lender for the purposes of the Agreement are set out in the Schedule.
4. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations in respect of this Transfer Certificate contained in the Agreement.
5. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterpart were on a single copy of the Transfer Certificate.
6. This Transfer Certificate is governed by English law.







**THE SCHEDULE**

**Rights and obligations to be transferred by novation**

[insert relevant details, including applicable Commitment (or part)]

**Administrative details of the New Lender**

[insert details of Facility Office, address for notices and payment details etc.]

**[EXISTING LENDER]**

**[NEW LENDER]**

By:

By:

Accepted:

U. S. Steel Košice, s.r.o.

By: \_\_\_\_\_

By: \_\_\_\_\_









**SCHEDULE 4**  
**COMPOUNDED RATE TERMS**

**CURRENCY:** USD.

***Cost of funds as a fallback***

Cost of funds will apply as a fallback.

***Definitions***

**Additional Business Days:** An RFR Banking Day.

**Break Costs:** Any cost or amount which is incurred or suffered by the Lender (as reasonably determined by the Lender) to the extent that it is attributable to a payment by the Company to the Lender of any amount of principal or interest due or which would have become due under the this Agreement prior to the date upon which such amount should have been repaid in accordance with the terms and conditions of this Agreement.

**Business Day Conventions (definition of "month"):**

- (a) If any period is expressed to accrue by reference to a month or any number of months then, in respect of the last month of that period:
  - (i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
  - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
  - (iii) if a Term begins on the last Business Day of a calendar month, that Term shall end on the last Business Day in the calendar month in which that Term is to end.
- (b) If a Term would otherwise end on a day which is not a Business Day, that Term will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).







**Central Bank Rate:**

- (a) The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or
- (b) if that target is not a single figure, the arithmetic mean of:
  - (i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and
  - (ii) the lower bound of that target range.

**Central Bank Rate Adjustment:**

In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day, the 20% trimmed arithmetic mean (calculated by the Lender) of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR was available.

**Credit Adjustment Spread:**

1 Month – 0.11448%

2 Months – 0.18456%

3 Months – 0.26161%

If an Interest Period is not 1, 2 or 3 Months (a **Standard Duration**), the Credit Adjustment Spread shall be the rate for the Interest Period with the next longest Standard Duration.

**Daily Rate:**

The "**Daily Rate**" for any RFR Banking Day is:

- (a) the RFR for that RFR Banking Day;
- (b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:
  - (i) the Central Bank Rate for that RFR Banking Day; and
  - (ii) the applicable Central Bank Rate Adjustment; or
- (c) if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:
  - (i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and









(ii) the applicable Central Bank Rate Adjustment,

rounded, in either case, to four decimal places and if, in either case, the aggregate of that rate and the applicable Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the applicable Credit Adjustment Spread is zero.

<b>Lookback Period:</b>	Five RFR Banking Days.
<b>Relevant Market:</b>	The market for overnight cash borrowing collateralised by US Government securities.
<b>Reporting Day:</b>	The Business Day which follows the day which is the Lookback Period prior to the last day of the Term.
<b>RFR:</b>	The secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).
<b>RFR Banking Day:</b>	Any day other than: <ul style="list-style-type: none"><li>(a) a Saturday or Sunday; and</li><li>(b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.</li></ul>

***Terms***

Length of Term in absence of selection (paragraph (b) of Clause 13.1 (Selection)): Three months

Periods capable of selection as Terms (paragraph (c) of Clause 13.1 (Selection)): One, two or three months







## SCHEDULE 5

### DAILY NON-CUMULATIVE COMPOUNDED RFR RATE

The "**Daily Non-Cumulative Compounded RFR Rate**" for any RFR Banking Day "i" during a Term for a Compounded Rate Loan is the percentage rate per annum (without rounding, to the extent reasonably practicable for the Lender, taking into account the capabilities of any software used for that purpose) calculated as set out below:

$$(UCCDR_i - UCCDR_{i-1}) \times \frac{dcc}{n_i}$$

where:

"**UCCDR<sub>i</sub>**" means the Unannualised Cumulative Compounded Daily Rate for that RFR Banking Day "i";

"**UCCDR<sub>i-1</sub>**" means, in relation to that RFR Banking Day "i", the Unannualised Cumulative Compounded Daily Rate for the immediately preceding RFR Banking Day (if any) during that Term;

"**dcc**" means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number;

"**n<sub>i</sub>**" means the number of calendar days from, and including, that RFR Banking Day "i" up to, but excluding, the following RFR Banking Day; and

the "**Unannualised Cumulative Compounded Daily Rate**" for any RFR Banking Day (the "**Cumulated RFR Banking Day**") during that Term is the result of the below calculation (without rounding, to the extent reasonably practicable for the Lender, taking into account the capabilities of any software used for that purpose):

$$ACCDR \times \frac{tn_i}{dcc}$$

where:

"**ACCDR**" means the Annualised Cumulative Compounded Daily Rate for that Cumulated RFR Banking Day;

"**tn<sub>i</sub>**" means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the Cumulation Period;

"**Cumulation Period**" means the period from, and including, the first RFR Banking Day of that Term to, and including, that Cumulated RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

the "**Annualised Cumulative Compounded Daily Rate**" for that Cumulated RFR Banking Day is the percentage rate per annum (rounded to five decimal places) calculated as set out below:









$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{DailyRate}_{i-LP} \times n_i}{\text{dcc}} \right) - 1 \right] \times \frac{\text{dcc}}{\text{tn}_i}$$

where:

"**d<sub>0</sub>**" means the number of RFR Banking Days in the Cumulation Period;

"**Cumulation Period**" has the meaning given to that term above;

"**i**" means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant RFR Banking Day in chronological order in the Cumulation Period;

"**DailyRate<sub>i-LP</sub>**" means, for any RFR Banking Day "**i**" in the Cumulation Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "**i**";

"**ni**" means, for any RFR Banking Day "**i**" in the Cumulation Period, the number of calendar days from, and including, that RFR Banking Day "**i**" up to, but excluding, the following RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

"**tn<sub>i</sub>**" has the meaning given to that term above.







## SCHEDULE 6

### CUMULATIVE COMPOUNDED RFR RATE

The "**Cumulative Compounded RFR Rate**" for any Term for a Compounded Rate Loan is the percentage rate per annum (rounded to the same number of decimal places as is specified in the definition of "**Annualised Cumulative Compounded Daily Rate**" in Schedule 5 (Daily Non-Cumulative Compounded RFR Rate) calculated as set out below:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{DailyRate}_{i-LP} \times n_i}{\text{dcc}} \right) - 1 \right] \times \frac{\text{dcc}}{d}$$

where:

"**d<sub>0</sub>**" means the number of RFR Banking Days during the Term;

"**i**" means a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant RFR Banking Day in chronological order during the Term;

"**DailyRate<sub>i-LP</sub>**" means for any RFR Banking Day "**i**" during the Term, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "**i**";

"**n<sub>i</sub>**" means, for any RFR Banking Day "**i**", the number of calendar days from, and including, that RFR Banking Day "**i**" up to, but excluding, the following RFR Banking Day;

"**dcc**" means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number; and

"**d**" means the number of calendar days during that Term.

[Original signature page deleted.]

**END OF AMENDED AND RESTATED AGREEMENT**









SIGNATORIES

Company

U. S. STEEL KOŠICE, S.R.O.

By:



\_\_\_\_\_

Name: Ing. Silvia Gaálová, FCCA

Title: Company Executive

By:



\_\_\_\_\_

Name: JUDr. Elena Petrášková, LL.M

Title: Company Executive










Lender

ING BANK N.V., POBOČKA ZAHRANIČNEJ BANKY

By:  \_\_\_\_\_

Name: **Martin Urban**  
Country Manager  
ING Bank N.V., pobočka zahraničnej banky  
Title:

By:  \_\_\_\_\_

Name: **Peter Kóvér**  
Vice President  
Corporate Clients  
Title: **ING Bank N.V., pobočka zahraničnej banky**







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.

November 1, 2024

/s/ David B. Burritt

David B. Burritt

President and Chief Executive Officer

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Jessica T. Graziano, 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.

November 1, 2024

/s/ Jessica T. Graziano

\_\_\_\_\_  
Jessica T. Graziano

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 September 30, 2024, 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

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David B. Burritt

President and Chief Executive Officer

November 1, 2024

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, Jessica T. Graziano, 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 September 30, 2024, 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/ Jessica T. Graziano

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Jessica T. Graziano

Senior Vice President and Chief Financial Officer

November 1, 2024

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 September 30, 2024 follows:

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)	—	—	—	—	—	\$—	—	no	no	244	136	101
Keewatin (2103352)	—	—	—	—	—	\$—	—	no	no	—	—	1

<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 but one of the legal actions were initiated by us to contest citations, orders or proposed assessments issued by the Federal Mine Safety and Health administrations. One legal action was initiated by an employee under Section 105(c) of the Mine Act. As of the last day of the period, all 244 legal actions were to contest citations and proposed assessments.