

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

(Mark One)

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

For the Fiscal Year Ended December 31, 2022
Or

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

For the transition period from _____ to _____
Commission file number 1-16811



United States Steel Corporation

United States Steel Corporation
(Exact name of registrant as specified in its charter)

Delaware

(State of Incorporation)

25-1897152

(I.R.S. Employer Identification No.)

600 Grant Street, Pittsburgh, PA 15219-2800

(Address of principal executive offices)

Tel. No. (412) 433-1121

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

Title of Each Class	Trading Symbol	Name of Exchange on which Registered
United States Steel Corporation Common Stock, par value \$1.00	X	New York Stock Exchange
United States Steel Corporation Common Stock, par value \$1.00	X	Chicago Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 at least the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Aggregate market value of Common Stock held by non-affiliates as of June 30, 2022 (the last business day of the registrant's most recently completed second fiscal quarter): \$4.3 billion. The amount shown is based on the closing price of the registrant's Common Stock on the New York Stock Exchange composite tape on that date. Shares of Common Stock held by executive officers and directors of the registrant are not included in the computation. However, the registrant has made no determination that such individuals are "affiliates" within the meaning of Rule 405 under the Securities Act of 1933.

There were 226,603,781 shares of United States Steel Corporation Common Stock outstanding as of January 30, 2023.

Documents Incorporated By Reference:

Portions of the Proxy Statement for the 2023 Annual Meeting of Stockholders are incorporated into Part III.

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FORWARD-LOOKING STATEMENTS

This report contains information that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words "believe," "expect," "intend," "estimate," "anticipate," "project," "target," "forecast," "aim," "should," "plan," "goal," "future," "will," "may" and similar expressions or by using future dates in connection with any discussion of, among other things, the construction or operation of new or existing facilities or operating capabilities, the timing, size and form of share repurchase transactions, operating or financial performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume changes, share of sales and earnings per share changes, anticipated cost savings, potential capital and operational cash improvements, changes in the global economic environment, including supply and demand conditions, inflation, interest rates, supply chain disruptions and changes in prices for our products, international trade duties and other aspects of international trade policy, statements regarding our future strategies, products and innovations, statements regarding our greenhouse gas emissions reduction goals, statements regarding existing or new regulations and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to the risks and uncertainties described in this report in "Item 1A. Risk Factors" and those described from time to time in our future reports filed with the Securities and Exchange Commission.

References in this Annual Report on Form 10-K to (i) "U. S. Steel," "the Company," "we," "us" and "our" refer to United States Steel Corporation and its consolidated subsidiaries unless otherwise indicated by the context, (ii) "Big River Steel" refers to Big River Steel Holdings LLC and its direct and indirect subsidiaries unless otherwise indicated by the context and (iii) "Transtar" refers to Transtar LLC and its direct and indirect subsidiaries unless otherwise indicated by the context.

Non-Generally Accepted Accounting Principles (non-GAAP) Financial Measures

This report contains the non-GAAP financial measure cash conversion cycle. 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.

PART I

Item 1. BUSINESS

United States Steel Corporation, with operations in the United States of America (U.S.) and Central Europe, is transforming itself into a customer-centric, world-competitive, Best for All® steelmaker by investing in the competitive advantages that differentiate us in our customers' eyes. We are executing on our strategy by investing where we have distinct cost and capability advantages so that we are a superior steel solutions provider for our customers. By offering the new steels that our customers are increasingly demanding, we aim to achieve world-competitive positioning in strategic, high-margin end markets and deliver high-quality, value-added products and innovative solutions utilizing a lower carbon footprint than previously available through our traditional integrated steelmaking model.

During 2022, U. S. Steel had annual raw steel production capability of 22.4 million net tons (17.4 million tons in North America and 5.0 million tons in Europe). U. S. Steel performs a wide range of applied research, development and technical support functions at facilities in Pennsylvania, Michigan, Texas and Slovakia. U. S. Steel supplies customers throughout the world primarily in the automotive, construction, consumer (packaging and appliance), electrical, industrial equipment, service center/distribution, structural tubing and energy (oil country tubular goods (OCTG) and line pipe) markets. According to the worldsteel Association's latest published statistics, U. S. Steel is the second largest U.S. based steel producer and the twenty-fourth largest steel producer in the world. U. S. Steel is a Delaware corporation established in 1901.

Segments

U. S. Steel has four reportable segments: North American Flat-Rolled (Flat-Rolled), Mini Mill, U. S. Steel Europe (USSE) and Tubular Products (Tubular). The Mini Mill segment reflects the full ownership of Big River Steel after January 15, 2021, when U. S. Steel purchased the remaining equity interest in Big River Steel that it did not previously own, and a second mini mill currently under construction in Osceola, Arkansas. Prior to the acquisition, the minority interest equity earnings of Big River Steel were included in the Other category. The Tubular segment includes the electric arc furnace at our Fairfield Tubular Operations in Fairfield, Alabama. The Other category includes results of our real estate business, the previously held equity method investment in Big River Steel, and our former Transtar business. On July 28, 2021, the Company sold 100% of the equity interests in Transtar, its short-line railroad business.

Flat-Rolled

The Flat-Rolled segment includes the operating results of U. S. Steel's integrated steel plants and equity investees in North America involved in the production of slabs, strip mill plates, sheets and tin mill products, as well as all iron ore and coke production facilities in the United States. These operations primarily serve North American customers in the automotive, appliance, construction, container, pipe and tube, sheet converter, industrial equipment and service center markets.

During 2022, Flat-Rolled had aggregate annual raw steel production capability of 13.2 million tons at our Gary Works, Mon Valley Works, and Granite City Works facilities. In December 2021, U. S. Steel permanently idled the steelmaking operations at Great Lakes Works which reduced the Company's overall annual raw steel production capability by 3.8 million net tons. Raw steel production was 8.8 million tons in 2022, 9.9 million tons in 2021 and 9.3 million tons in 2020. Raw steel production averaged 67 percent of capability in 2022, 58 percent of capability in 2021 and 55 percent of capability in 2020.

Mini Mill

The Mini Mill segment includes the operating results of U. S. Steel's Big River Steel facility in North America and a second mini mill currently under construction in Osceola, Arkansas. The Mini Mill segment produces hot-rolled, cold-rolled and coated sheets and electrical steels. This operation primarily serves North American customers in the automotive, appliance, construction, container, pipe and tube, sheet converter, electrical, industrial equipment and service center markets.

Mini Mill has aggregate annual raw steel production capability of 3.3 million tons at our Big River Steel facility. Raw steel production was 2.7 million tons in 2022 and 2.7 million tons in 2021. Raw steel production averaged 80 percent of capability in 2022 and 81 percent of capability in 2021.

European Operations

The USSE segment includes the operating results of U. S. Steel Košice (USSK), U. S. Steel's integrated steel plant and coke production facilities in Slovakia, and its subsidiaries. USSE conducts its business mainly in Central and Western Europe and primarily serves customers in the European transportation (including automotive), construction, container, appliance, electrical, service center, conversion and oil, gas and petrochemical markets. USSE produces and sells slabs, strip mill plate, sheet, tin mill products and spiral welded pipe.

USSE has annual raw steel production capability of 5.0 million tons. USSE's raw steel production was 3.8 million tons in 2022, 4.9 million tons in 2021 and 3.4 million tons in 2020. USSE's raw steel production averaged 77 percent of capability in 2022, 99 percent of capability in 2021 and 67 percent of capability in 2020.

Tubular

The Tubular segment includes the operating results of U. S. Steel's tubular production facilities and an equity investee in the United States. These operations can produce and sell rounds, seamless and electric resistance welded (ERW) steel casing and tubing (commonly known as OCTG), and standard and line pipe and mechanical tubing and primarily serve customers in the oil, gas and petrochemical markets. The Tubular segment has annual raw steel production capability of 900 thousand tons. Raw steel production was 634 thousand tons in 2022, 464 thousand tons in 2021 and 16 thousand tons in 2020. Raw steel production averaged 70 percent of capability in 2022, 52 percent of capability in 2021 and 7 percent of capability in 2020. Tubular has total production capability of 1.9 million tons. In 2020, Tubular indefinitely idled the Lone Star Tubular Operations and Lorain Tubular Operations thereby effectively reducing on-line tubular production capacity by 790 thousand and 380 thousand tons, respectively. U. S. Steel Tubular Products LLC (USSTP), a wholly owned subsidiary of U. S. Steel, continues to design and develop a range of premium and semi-premium connections to address our customers' needs.

For further information, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 4 to the Consolidated Financial Statements.

[Table of Contents](#)**Steel Shipments by Market and Segment**

The following table, except as noted in Footnote 1 below, does not include shipments to end customers by joint ventures and other equity investees of U. S. Steel. Shipments of materials to these entities are included in the "Further Conversion – Joint Ventures" market classification. No single customer accounted for more than 10 percent of gross annual revenue for the three consecutive years ended December 31, 2022.

(Thousands of Tons)	Flat-Rolled	Mini Mill	USSE	Tubular	Total
Major Market – 2022					
Steel Service Centers	1,128	1,080	839	—	3,047
Further Conversion – Trade Customers	2,163	772	289	—	3,224
– Joint Ventures ⁽¹⁾	256	—	—	—	256
Transportation and Automotive ⁽¹⁾	2,611	20	619	—	3,250
Construction and Construction Products	922	310	1,052	30	2,314
Containers and Packaging	693	13	423	—	1,129
Appliances and Electrical Equipment	416	93	225	—	734
Oil, Gas and Petrochemicals	—	—	3	494	497
All Other	183	—	309	—	492
TOTAL	8,372	2,288	3,759	524	14,943
Major Market – 2021					
Steel Service Centers	1,539	1,121	995	—	3,655
Further Conversion – Trade Customers	1,701	684	314	—	2,699
– Joint Ventures ⁽¹⁾	490	—	—	—	490
Transportation and Automotive ⁽¹⁾	2,355	17	590	—	2,962
Construction and Construction Products	1,224	282	1,346	18	2,870
Containers and Packaging	942	17	449	—	1,408
Appliances and Electrical Equipment	570	109	266	—	945
Oil, Gas and Petrochemicals	—	—	8	426	434
All Other	197	—	334	—	531
TOTAL	9,018	2,230	4,302	444	15,994
Major Market – 2020					
Steel Service Centers	1,450	—	690	—	2,140
Further Conversion – Trade Customers	2,063	—	202	—	2,265
– Joint Ventures ⁽¹⁾	415	—	—	—	415
Transportation and Automotive ⁽¹⁾	2,012	—	517	—	2,529
Construction and Construction Products	1,261	—	775	34	2,070
Containers and Packaging	913	—	435	—	1,348
Appliances and Electrical Equipment	497	—	194	—	691
Oil, Gas and Petrochemicals	—	—	5	430	435
All Other	100	—	223	—	323
TOTAL	8,711	—	3,041	464	12,216

⁽¹⁾ PRO-TEC automotive substrate shipments are included in the Transportation and Automotive category.

Steel Industry Background and Competition

The global steel industry is cyclical, highly competitive and has historically been characterized by global overcapacity.

U. S. Steel's competitive position may be affected by, among other things, differences among U. S. Steel's and its competitors' cost structure, labor costs, environmental remediation and compliance costs, global capacity, achievement of innovations in new technologies and sustainable products and the existence and magnitude of government support.

U. S. Steel competes with many North American and international steel producers. Competitors include 1) integrated producers, which use iron ore and coke as the primary raw materials for steel production, 2) Electric Arc Furnace (EAF) producers, which primarily use steel scrap and other iron-bearing feedstocks as raw materials and 3) slab re-rollers, who purchase mostly imported, but some domestic, semi-finished products and convert them into sheet products. In addition, other materials, such as aluminum, plastics and composites, compete with steel in several applications. According to worldsteel Association, global steel production in 2022 declined compared to 2021, decreasing by 4 percent, or approximately 80 million metric tons, to 1.88 billion metric tons. Steel production generally decreased across the world, with the global decline primarily being driven by the top five steel producing countries and Ukraine, which collectively represents approximately 60 percent of the total global decline. Among the top five steel producing countries, production decreased in China by 22 million metric tons, or 2 percent; Japan by 7 million metric tons, or 7 percent; the U.S. by 5 million metric tons, or 6 percent; and Russia by 6 million metric tons, or 7 percent. These declines were partially offset however by India, which increased crude steel production by 7 million metric tons, or 5 percent, from 2021. Steel production in Ukraine decreased by 15 million metric tons, or 71 percent, from 2021 as a result of the Russian invasion and the impact of the ongoing conflict. The top five steel producing countries accounted for 73 percent of the world's steel production in 2022.

See "International Trade" below for a discussion of global overcapacity and the Company's efforts to mitigate the competitive impact.

EAF producers typically require lower capital expenditures for construction and operation of facilities and may have lower total employment costs. Some EAF producers utilize thin slab casting technology to produce flat-rolled products and are increasingly able to compete directly with integrated producers in many flat-rolled product applications previously produced only by integrated steelmakers. Slab re-rollers do not incur the cost of melting steel; their input costs are largely driven by the market price of slabs.

U. S. Steel provides defined benefit pension and/or other post-employment benefits to approximately 65,000 current employees, retirees and their beneficiaries. Many of our competitors do not have comparable retiree obligations. Participation in U. S. Steel's main defined benefit pension plan was closed to new entrants on July 1, 2003 and benefit accruals for all non-represented participants were frozen effective December 31, 2015. Participation in U. S. Steel's retiree medical and life insurance programs for United Steelworkers (USW)-represented employees were closed to employees hired or rehired (except in limited circumstances) on or after January 1, 2016. For non-represented employees, retiree medical benefits were eliminated December 31, 2017, and retiree life insurance benefits for non-represented employees were eliminated for those who retired after December 31, 2017.

We believe that our major North American and many European integrated steel competitors are confronted with substantially similar environmental regulatory conditions and therefore do not believe that our relative position with regard to such competitors will be materially affected by the impact of environmental laws and regulations. However, if future regulations do not recognize that the integrated steel process involves a series of chemical reactions involving carbon that create carbon dioxide (CO₂) emissions without linking these emissions to steel scrap as well, the competitive position of our integrated operations will be adversely impacted compared to mini mills. Our competitive position compared to producers in developing nations such as China, Russia, Brazil and India will be harmed unless such nations require commensurate reductions in CO₂ emissions or there are policies to adjust for the carbon emissions disparities. Competing materials such as plastics may not be similarly impacted. The specific impact on each competitor will vary depending on a number of factors, including the age and location of its operating facilities and its production methods. U. S. Steel is also responsible for remediation costs related to former and present operating locations and disposal of environmentally sensitive materials. Many of our competitors, including North American producers, or their successors, that have been the subject of bankruptcy relief have no or substantially lower liabilities for such environmental remediation matters.

In 2023, we expect additional steelmaking capacity will enter the domestic steel market as competitors' growth projects come online or ramp up to full production in North America throughout the year.

Business Strategy

We are executing on our customer-centric Best for All® strategy to provide customers with profitable steel solutions for people and planet. Our strategy is focused on developing quality products and customer process solutions by investing where we have distinct cost or capability competitive advantages. We are expanding our competitive advantages in low-cost iron ore, mini mill steelmaking, and best-in-class finishing assets with innovative solutions and commercial acumen. These competitive advantages are built on a foundation of research, innovation and deep customer relationships. In executing our strategy, we aim to enhance our earnings profile, deliver long-term cash flow through industry cycles and reduce our cost, capital, and carbon intensity. By offering the product capabilities, including the more sustainable steels (steels made with lower greenhouse gas emissions) our customers are increasingly demanding, we can achieve more competitive positioning in strategic, high-margin end markets, and deliver high-quality, sustainable, value-added products and innovative solutions.

Our strategy is informed by our critical success factors, which are the bedrock of the Best for All® strategy: (1) Win in Strategic Markets; (2) Move Up the Talent Curve; and (3) Move Down the Cost Curve. We are enhancing our competitive advantage in low-cost iron ore by expanding this advantage to serve our growing fleet of EAF producers (EAFs). We are currently investing in pig iron capability to enhance the efficiencies of our blast furnace operations as well as reduce the cost structure and reduce the global supply chain risk of our EAFs by increasingly feeding them with internally-produced pig iron. In the future, we may plan to further expand our low-cost iron ore advantage by incorporating in direct reduced iron (DRI) or hot briquetted iron (HBI) capabilities into our internal supply chain. We recently took an important step in this direction by investing in direct reduced (DR)-grade pellet capabilities to produce the feedstock for a potential future investment in DRI/HBI. We are also investing in new technologies to improve our cost position and increase our capabilities, including our mini mill steelmaking and best-in-class finishing capabilities. We will focus on strategic markets, where there is the greatest opportunity to provide differentiated, innovative and value-added solutions that will help our customers succeed. We know that to accomplish our objectives, we also need to continue to move up the talent curve. We are investing in our employees and providing the training and resources they need to succeed. This will help us reinforce a culture of caring, where accountability, fairness and respect are foundational, and high performance and inclusion in all its forms are valued and celebrated. See "Human Capital Management" below for additional information on our talent attraction, development, and retention initiatives.

U. S. Steel will continue to evaluate potential strategic and organizational opportunities, which may include the acquisition, divestiture or consolidation of assets. Given the cyclical nature of our industry, we are focused on strategically deploying our capital, in-line with our capital allocation framework, in order to invest in areas consistent with the execution of our Best for All strategy and are considering various possibilities, including exiting lines of business and the sale of certain assets, that we believe would ultimately result in greater stockholder value. The Company will pursue opportunities based on its long-term strategy that is aligned with what is in the best interests of the Company's stockholders.

Strategic Projects, Technology Investments and Operating Configuration Adjustments

Throughout 2022, the Company continued to advance its Best for All strategy. On January 11, 2022, the Company announced Osceola, Arkansas as the site of a new sustainable and technologically advanced steel mill. The planned mini mill is expected to have about 3 million tons per year of steelmaking capability, and will combine two state-of-the-art EAFs with differentiated steelmaking and finishing technology, including endless casting and rolling equipment and a planned advanced high-strength steel (AHSS) finishing line. The Company is working with the same technical advisors and engineers who were instrumental in the successful construction of the adjacent Big River Steel facilities. Upon completion, we expect that this project will apply to become LEED® certified. We believe that the continued adoption of mini mill technology will expand our ability to produce the next generation of proprietary sustainable steel solutions, including AHSS. The project is expected to be completed in 2024.

In the second quarter 2022, the Company began the construction of a pig iron caster at our Gary Works facility. The approximately \$60 million capital investment will produce up to 500,000 tons of pig iron annually and provide a critical raw material input for the Company's EAFs. The Gary Works pig iron project is expected to provide nearly 50 percent of Big River Steel's ore-based metallurgical needs and deliver an internal rate of return in excess of 30 percent. Pig iron production at Gary Works and shipments to Big River Steel began in the fourth quarter 2022.

In the third quarter 2022, the Company began construction of a DR grade pellet facility at its Keetac ore operations. The approximately \$150 million investment is expected to be operational in 2024. In addition to producing DR-grade pellets to ultimately feed EAFs with DRI or HBI, the production facility will maintain flexibility to continue producing blast furnace grade pellets. Upon completion, the Company could also sell the DR-grade pellets to third-party DRI or HBI producers. The DR-grade pellets produced will be a new product line for U. S. Steel.

In August 2021, the Company commenced construction on a non-grain oriented (NGO) electrical steel line at Big River Steel. The Company expects this \$450 million investment to make Big River Steel a leader in NGO electrical steels by delivering product capabilities in this growing market. The 200 thousand ton NGO electrical steel line is expected to deliver first coil in September 2023 and be available to meet the growing electric vehicle demand expected in North America over the coming years.

In the third quarter 2021, the Company also began construction on a 325 thousand ton galvanize/Galvalume® line at Big River Steel. This \$280 million investment is expected to grow the Company's best-in-class finishing capabilities, by expanding the

Company's presence in value-added construction applications and enhancing Big River Steel's product mix. This finishing line is expected to begin production in second quarter 2024.

As the Company advances and expands its mini mill capability, it seeks to become better, not bigger and will adjust its footprint accordingly by re-evaluating cost and capability advantages within its evolving footprint. In December 2021 and June 2022, the Company permanently idled the steelmaking and ironmaking operations, respectively, at its Great Lakes Works facility. In addition, in March 2022, the Company permanently idled the finishing facilities at its East Chicago Tin operations, which had been idled on an indefinite basis during 2019. The coil finishing process at Great Lakes Works continues to operate and remains a component of the Company's operating plans. In December 2022, we the Company indefinitely idled the majority of tin operations at our Gary Works facility.

Commercial Strategy

Our commercial strategy is focused on providing customer-centric solutions with differentiated and value-added steel products, which includes advanced high strength steels such as our newer grades of generation 3 (GEN3) steel, coated sheets for the automotive and appliance industries, electrical steel sheets for the manufacture of motors and electrical equipment, both bare and prepainted galvanized and Galvalume® sheets for construction, heavy gauge hot rolled coils used in the production of construction and agricultural-related heavy machinery as well as skelp for line pipe used for energy transmission as well as extraction, tin mill products for the packaging industry and OCTG pipe, connections, accessories and rig site services for use in drilling for oil and gas. In addition, our portfolio of customers serves a variety of different traditional and emerging industries meeting the needs of numerous markets.

U. S. Steel is committed to leveraging our Best for All strategy to develop and commercialize our low-carbon footprint and advanced high-strength steels for our current and future customers. Over the next five years, U. S. Steel plans to develop and commercialize numerous differentiated grades of low-carbon footprint, high rate of recycled-content steels, providing compelling new options for customers in automotive, appliance, industrial equipment, construction, renewable energy and other markets to enhance the sustainability of their products. For example, in April 2021, we announced a new sustainable steel product line, verdeX™, which is made with up to 90% recycled steel content and a reduced carbon footprint - as much as 70-80% smaller than traditional integrated steelmaking methods. After launching our verdeX™ brand of sustainable steel products in 2021, we worked closely with customers on their own sustainability goals. In 2022, we reached agreements with multiple customers on the sale of verdeX™ products moving forward in industries such as automotive, construction, and distribution, setting the stage for increased sales of verdeX™ in these and other industries in 2023 and beyond. In addition, we continue to work with customers in numerous industries to help them implement AHSS solutions in the products they manufacture. While the automotive industry has been most active in the application of these products in new vehicle platforms, and it continues to accelerate the deployment of AHSS solutions in new vehicle launches, U. S. Steel is successfully introducing AHSS in other industries as well. Our collaboration with Greenbrier and Norfolk-Southern generated new AHSS sales into the railcar market in 2022, and we also commenced new projects in other industries such as appliance, construction, and in the renewable energy sector to create stronger, lightweight, cost-effective AHSS applications.

We are responsive to our customers' changing needs by developing new steel products and uses for steel that meet their evolving markets and regulatory demands. We have research centers in Munhall, Pennsylvania, Košice, Slovakia, and Houston, Texas, as well as a technology center in Troy, Michigan. The focus of these centers is to engineer new products and to co-create innovative solutions that meet our customers' toughest challenges to reduce carbon emissions, increase strength, improve longevity and serve the needs of their customers. In the fourth quarter 2022, we continued to invest in our talent by hiring a Chief Technology Officer to provide overall enterprise leadership, focusing on driving innovation and product development, as well as enhancing our manufacturing capability.

For automotive customers leveraging advanced high strength steels, we commissioned a first of its kind GEN3 hot dipped galvanize line at our PRO-TEC Coating Company (PRO-TEC) joint venture in 2020, and have embedded application engineers at original equipment manufacturers (OEMs) to demonstrate how to best utilize the high strength, highly formable, cost effective material in body design to meet passenger safety requirements while significantly reducing weight to meet future vehicle fuel efficiency standards.

In our tubular markets, we continue development of premium and semi-premium tubular connections designed for our customers that operate in challenging drilling environments. These connections optimize well construction activities and provide outstanding sealing capabilities for onshore and offshore oil and gas drilling in North America. An example is the USS-TALON HTQ™, which was introduced in 2020 for customers that are constructing onshore natural gas and oil wells with long laterals requiring best-in-class torque capacity and optimized well-bore clearances.

Commercial Sales of Product

U. S. Steel characterizes sales as contract sales if sold pursuant to an agreement with a defined volume and pricing and a duration of longer than three months, and as spot if sold without a defined volume and pricing agreement, typically three months or less. In 2022, approximately 76 percent, 61 percent, 48 percent and 78 percent of sales by Flat-Rolled, Mini Mill, USSE and Tubular, respectively, were contract sales. Some contract pricing agreements include fixed prices while others are adjusted periodically based upon published prices of steel products or cost components.

Human Capital Management

At U. S. Steel, we are focused on attracting and retaining the top talent needed to support our strategic transformation and meet our customers' evolving needs as a sustainable steel solutions provider. The support and development of our people is foundational to achieving our Best for All strategy. We refer to this strategic talent pillar as "Moving Up the Talent Curve."

Our focus on people extends to our current and future employees. We aim to have an engaged and diverse workforce to promote new ideas and innovation, reflect the communities where we operate, and deliver exceptional customer service. We seek to build an inclusive environment where people feel free to bring their professional selves to work. To achieve the Best for All strategy, we must have the "Best from All."

Active Employees as of December 31, 2022

North America	14,487
Slovakia	8,253
Total	22,740

Ethics & Compliance

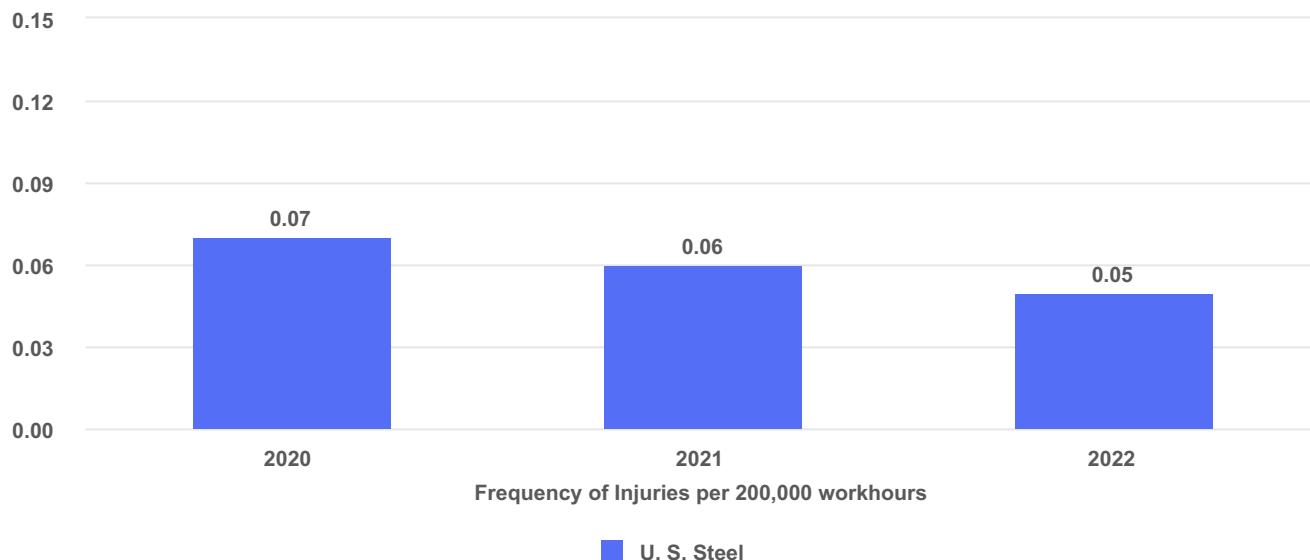
Our culture is based on our S.T.E.E.L. Principles: **Safety First**; **Trust and Respect**; **Environmental Stewardship**; **Excellence and Accountability**; and **Lawful and Ethical Conduct**. We expect our employees and members of our board of directors to take personal responsibility to "do what's right," and our Code of Ethical Business Conduct serves as the foundation for the actions of our employees and directors. To further ensure that employees understand the Company's expectations and all applicable rules, we provide annual formal ethics and compliance training to our employees and have frequent communications with information about key compliance topics, which include messages from senior management underscoring the importance of doing business with integrity. Employees also receive summaries of current events that demonstrate the need to do business lawfully and ethically that include reminders of the company's expectations for all employees. In addition, through our annual policy certification process, employees of USSK, non-represented employees in the United States, and members of our board of directors certify their ongoing compliance with our Code of Ethical Business Conduct.

Employee Health & Safety

At U. S. Steel, we have a long-standing commitment to the safety and health of every person who works in our facilities. Every employee deserves to return home safely at the end of every day, and we are working to eliminate all injuries and incidents. In addition, the psychological safety of all employees is important to us. We have combined physical safety and psychological safety into the construct of 360° safety. Ensuring a safe workplace also improves productivity, quality, reliability and financial performance. By making safety and health a personal responsibility, our employees are making a daily commitment to follow safe work practices, look out for the safety of co-workers and ensure safe working conditions for everyone. A "Safety First" mindset is as essential to our success as the tools and technologies we rely on to do business.

Our objective is to attain a sustainable zero harm culture supported by leadership and owned by an engaged and highly skilled workforce, empowered with the capabilities and resources needed to assess, reduce and eliminate workplace risks and hazards. In support of these objectives, we have developed an enhanced Safety Management System, initiated new safety communication methods and enhanced contractor safety processes. One of our most important safety protocols is our fatality prevention audit program. These proactive assessments of the processes and protocols we have in place, and adherence to them, to avoid fatalities and severe injuries are conducted annually at the enterprise level and more frequently at each of our facilities. We assess our safety performance through a variety of lagging and leading indicators, including OSHA Days Away From Work (DAFW). This measurement allows us to evaluate the frequency of injuries sustained at our facilities requiring an employee to stay at home for more than one day. U. S. Steel has achieved record-safety performance in this measurement in the last several years, routinely achieving performance better than industry benchmarks.

OSHA Global Days Away From Work (DAFW) Incidence Rates
January 2020 through December 2022



For 2022, we had a corporate DAFW rate of 0.05, which is 18 times better than the U.S. Bureau of Labor Statistics' Iron and Steel benchmark DAFW rate of 0.90.

Diversity, Equity, & Inclusion

Attracting, developing, and retaining a workforce of talented, diverse people is essential to having high-performing teams that drive results for our Company's stakeholders. As part of our commitment to cultivating a culture of caring, we have inclusive benefits available for our U.S. non-represented workforce, including expanded parental leave, back-up dependent care, infertility coverage, gender reassignment coverage and healthcare continuation for the families of employees who suffered work-related or military service fatalities. We also support several employee resource groups (ERGs) to enhance employee engagement, promote a culture of belonging, foster diversity in the workplace, and raise awareness related to issues of identity and intersectionality. Our ERGs also provide training and education, mentorship and networking opportunities for their members.

Talent Attraction, Development and Retention

We believe that attraction, development and retention of talent is essential to our success, especially in today's competitive labor market. We offer internship programs, partner with universities, community colleges and technical schools, and collaborate with community employment centers and economic development nonprofit organizations to build strong and diverse internal and external sources of potential employees and opportunities for our existing employee's growth and development.

Once at U. S. Steel, we seek to provide opportunities for continuous learning and development. All of our employees at a director-level and above have a formal professional development plan that is assessed at least annually. In addition, we proactively monitor our attrition rates and take targeted actions to ensure our highest potential and performing employees are motivated to remain with the Company. Over the past five years, our regrettable voluntary turnover rate has been at or below 5 percent.

We offer a competitive total rewards package of compensation and benefits that we regularly evaluate and benchmark across the manufacturing industry to ensure that we position U. S. Steel as an employer of choice.

At the onset of the pandemic in early 2020, we quickly transitioned our corporate and administrative employees, approximately 10% of our workforce, to a work-from-home environment. We've invested in technology to maintain this virtual community and found that our employees are more productive and have more flexibility and autonomy in managing their workload in a way that best fits their situation. We plan to maintain a virtual / hybrid working option for these employees in order to promote workplace flexibility and attract and retain highly qualified employees across the country.

Labor Relations

Approximately 80% of our employees in North America and Slovakia are covered by collective bargaining agreements. We work closely with union representatives to provide safe and productive workplaces that enable our employees to deliver high-quality products and meet the needs of our customers. Our relationship with the United Steelworkers (USW) includes not only a

commitment to safety programs, but also a common approach to combating the unfairly traded imports that threaten our industry, our company and ultimately the jobs of our employees.

Certain hourly employees of U. S. Steel's flat-rolled, tubular, cokemaking and iron ore operations in the United States are covered by collective bargaining agreements with the USW entered into effective September 1, 2022, (the 2022 Labor Agreements) that expire on September 1, 2026. The 2022 Labor Agreements include a signing bonus for each eligible USW-represented employee and annual 5% wage increases effective September 1, 2022, 2023, 2024 and 2025. The 2022 Labor Agreements also provide for certain increases to pension and retirement benefits, including increases in our defined benefit pension plan, retiree healthcare contributions, and to the contribution rate to the Steelworkers Pension Trust from \$3.50 to \$4.00 per hour, effective January 1, 2023. During the fourth quarter of 2022, U. S. Steel recorded a charge of approximately \$67 million for the 2022 Labor Agreements signing bonus and related costs.

In addition, as part of the collective bargaining process, U. S. Steel and the USW agreed to leverage the overfunded OPEB plans to support the benefits provided to active represented employees. The OPEB plans were modified to allow the Company to utilize a certain amount of surplus assets to pay additional legally permissible benefits previously paid by the Company. The arrangement permits the Company to utilize a target of \$75 million annually for active and retiree employee benefits, with an annual minimum of \$50 million, beginning in 2023 and continuing through December 31, 2026. For additional information, see Note 18 to the Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

Capital Structure, Liquidity and Capital Allocation

Our Best for All strategy's primary financial goal is to enhance stockholder value by utilizing our capital structure, liquidity and enhanced capital allocation priorities to advance the Company's strategic objectives, generate long-term value and reward stockholders. Our cash deployment strategy is aligned with our corporate strategy and includes: executing on strategic projects and portfolio moves; maintaining a strong balance sheet and a healthy pension plan; and delivering sustainable growth with a focus on core values such as safety and environmental stewardship and rewarding stockholders for the continued progress we make. Cash deployment is also performed with a customer-centric focus on improving safety, our environment, quality, delivery and cost.

Our liquidity supports our ability to satisfy short-term obligations, fund working capital requirements and provides a foundation to execute key strategic priorities. We are focused on maintaining a strong balance sheet and may proactively refinance or repay our debt from time to time to protect our capital structure from unforeseen external events and re-financing risks.

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, and the financial impact from replacing the Fifth Credit Facility Agreement was immaterial. 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. 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™.

On September 6, 2022, U. S. Steel closed on an offering of \$290 million aggregate principal amount of 5.450% Environmental Improvement Revenue Bonds due 2052 (2052 ADFA Green Bonds). U. S. Steel received net proceeds of approximately \$287 million after fees of approximately \$3 million related to the underwriting and third-party expenses. The net proceeds from the issuance of the 2052 ADFA Green Bonds will be used to partially fund work related to U. S. Steel's solid waste disposal facilities, including two EAFs and other equipment facilities at its new technologically-advanced flat rolled steel making facility, BR2, currently under construction near Osceola, Arkansas.

In 2022, we repurchased approximately \$365 million in debt, and we ended the year with \$5.9 billion of total liquidity.

On July 25, 2022, following the completion of previously authorized \$800 million share repurchase programs, the Board of Directors authorized a new share repurchase program for the repurchase of up to \$500 million of the Company's 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 37.6 million shares of common stock for approximately \$849 million under these programs during the year ended December 31, 2022, and there is approximately \$301 million remaining under the current stock repurchase authorization. In addition, the Board of Directors declared quarterly dividends of five cents per common share for each of the quarters in 2022.

Facilities and Locations as of December 31, 2022

Location Overview

Flat-Rolled Segment

- ① Gary Works
- ② Great Lakes Works
- ③ ④ Mon Valley Works
- ⑤ Granite City Works
- ⑥ Fairfield Sheet
- ⑦ Minntac
- ⑦ Keetac
- ⑦ Hibbing Taconite
- ⑧ USS-UPI, LLC
- ⑨ PRO-TEC Coating Company

- ⑩ Double G Coatings Company
- ⑪ Worthington Specialty Processing

- ① Chrome Deposit*
- ② Automotive Center

Mini Mill Segment

- ⑯ Big River Steel

Tubular Segment

- ⑥ Fairfield Tubular
- ⑮ Lorain Tubular
- ⑯ Offshore Operations Houston
- ⑰ Lone Star Tubular
- ⑰ Wheeling Machine Products

- ⑬ Patriot Premium Threading Services

Administrative and Research

- ③ Corporate Headquarters
- ③ Research and Technology Center
- ⑯ U. S. Steel Tubular Products Innovation
- ⑭ USSE Research

USSE Segment

- ⑭ U. S. Steel Košice



*Chrome Deposit locations are near major steel mills and are not all reflected on the map above.

Map of Europe not drawn to scale

Flat-Rolled

The operating results of all U. S. Steel's domestic-integrated steel and sheet plants, coke and iron ore operations and ore and sheet production joint ventures are included in Flat-Rolled. Also, included within Flat-Rolled is a research and technology center located in Munhall, Pennsylvania (near Pittsburgh) and a technology center in Troy, Michigan. The research and technology center carries out a wide range of applied research, development and technical support functions. The technology center brings automotive sales, service, distribution and logistics services, product technology and applications research into one location and much of U. S. Steel's work in developing new grades of steel to meet the demands of automakers for high-strength, light-weight and formable materials is carried out at this location.

Flat-Rolled Operations Table

Operations, (Property Location)	Annual Production Capability	Principal Products and/or Services
Gary Works , (Gary, Indiana) ^(a)	7.5 million tons of raw steel	strip mill plate in coil; hot-rolled, cold-rolled and coated sheets; and tin mill products
Midwest , (Portage, Indiana)	finishing facility	hot-rolled, cold-rolled and coated sheets; and tin mill products
Great Lakes Works ^(b) , (Ecorse, River Rouge and Dearborn, Michigan)	finishing facility	cold-rolled and coated sheets
Mon Valley Works ^(c) : Edgar Thompson, (Braddock, Pennsylvania), Irvin, (West Mifflin, Pennsylvania), Fairless, (Fairless Hills, Pennsylvania), and Clairton, (Clairton, Pennsylvania)	2.9 million tons of raw steel and 4.3 million tons of coke	hot-rolled, cold-rolled and coated sheets; and coke and coke by-products
Granite City Works ^(d) , (Granite City, Illinois)	2.8 million tons of raw steel	slabs and hot-rolled, cold-rolled and coated sheets
Granite City Works , (Granite City, Illinois); Gateway Energy and Coke Company LLC (Gateway)	coke supply agreement	not applicable
USS-UPI, LLC (UPI) ^(e) , (Pittsburg, California)	finishing facility	cold-rolled and coated sheets; tin mill products
Fairfield Works , (Fairfield, Alabama)	finishing facility	coated sheets
Minnesota Ore Operations : Minntac, (Mt. Iron, Minnesota) and Keetac, (Keewatin, Minnesota)	22.4 million tons of iron ore pellets	iron ore pellets

^(a) The majority of tin operations were indefinitely idled as of December 31, 2022.

^(b) The steel and ironmaking production facilities were permanently idled in December of 2021 and June of 2022, respectively. Great Lakes Works' pickle line, cold mill and CGL continue to operate, while the DESCO and electrolytic galvanizing lines are indefinitely idled.

^(c) From time to time, we may swap coke with other domestic steel producers or sell on the open market. Coke by-products are sold to the chemicals and raw materials industries.

^(d) In March 2020, one of the blast furnaces at Granite City Works was indefinitely idled.

^(e) In February 2020, UPI was added with the purchase of the remaining 50% ownership interest from POSCO.

Joint Ventures Within Flat-Rolled

U. S. Steel participates in a number of joint ventures that are included in Flat-Rolled, most of which are conducted through subsidiaries. All of these joint ventures are accounted for under the equity method. The significant joint ventures and other investments are described below.

Joint Ventures^(a) Within Flat-Rolled Table

Joint Venture, (Property Location)	U. S. Steel's Ownership Percentage	Annual Production Capability
Hibbing Taconite Company (Hibbing); (Hibbing, Minnesota)	14.7%	9 million tons of which U. S. Steel's share is 1.3 million tons
PRO-TEC Coating Company (PRO-TEC), (Leipsic, Ohio)	50.0%	2.0 million tons ^(b)
Double G Coatings Company (Double G) ^(c) ; Jackson, Mississippi	50.0%	315 thousand tons
Worthington Specialty Processing (Worthington) ^(d)	49.0%	not applicable
Chrome Deposit Corporation (CDC), (six locations near major steel plants)	50.0%	not applicable

^(a) See further information about our equity investees in Note 12 to the Consolidated Financial Statements.

^(b) U. S. Steel's domestic production facilities supply PRO-TEC with cold-rolled sheets and U. S. Steel markets all of PRO-TEC's products.

^(c) Each partner supplies its own steel to Double G and markets what is processed by Double G.

^(d) In 2022, Worthington Specialty Processing sold its remaining manufacturing facilities. The joint venture is expected to be dissolved in 2023.

Mini Mill

The operations of Big River Steel are included in Mini Mill. Big River Steel, located in Osceola, Arkansas, is an EAF sheet steel production facility.

Mini Mill Operations Table

Operations, (Property Location)	Annual Production Capability	Principal Products and/or Services
Big River Steel, (Osceola, Arkansas)	3.3 million tons of raw steel	hot-rolled, cold-rolled and coated sheets; and electrical steels

USSE

USSE operates in Košice, Slovakia an integrated facility and a research laboratory, which, in conjunction with our Research and Technology Center, supports efforts in coke making, electrical steels, and design and instrumentation.

USSE Operations Table

Operations, (Property Location)	Annual Production Capability	Principal Products and/or Services
U. S. Steel Košice, (Košice, Slovakia)	5.0 million tons of raw steel	coke; slabs; strip mill plate: hot, cold and coated sheets; tin mill products; and spiral welded pipe

Tubular

Tubular manufactures seamless and welded OCTG, standard pipe, line pipe and mechanical tubing.

Tubular Operations Table

Operations, (Property Location)	Production Capability	Principal Products and Services
Fairfield Tubular Operations, (Fairfield, Alabama)	0.9 million tons of raw steel ^(a) and 750 thousand tons of tubular	seamless tubular pipe
Lorain Tubular Operations ^(b), (Lorain, Ohio)	380 thousand tons of tubular	seamless tubular pipe
Lone Star Tubular ^(b), (Lone Star, Texas)	#1 electric-weld pipe mill (EWPM) 400 thousand tons and #2 EWPM 380 thousand tons of tubular	welded tubular pipe
Wheeling Machine Products ^(c), (Pine Bluff, Arkansas and Hughes Springs, Texas)	not applicable	tubular couplings
Offshore Operations, (Houston, Texas)	not applicable	tubular threading, inspection, accessories and storage services and premium connections
Tubular Processing ^(d), (Houston, Texas)	not applicable	tubular processing

^(a) Based on the rounds caster capacity which is its constraining production unit.

^(b) In April 2020, the Lorain Tubular and Lone Star Tubular operations were temporarily idled for an indefinite period of time.

^(c) In April 2020, the Wheeling Machine Products at Hughes Springs, Texas was temporarily idled for an indefinite period of time.

^(d) Tubular Processing has been temporarily idled since 2015.

Joint Ventures ^(a) Within Tubular Table

Operations, (Property Location)	U. S. Steel's Ownership Percentage	Production Capability	Principal Products and/or Services
Patriot Premium Threading Services, (Midland, Texas)	50%	not applicable	Tubular threading, accessories and premium connections

^(a) See further information about our equity investees in Note 12 to the Consolidated Financial Statements.

Other

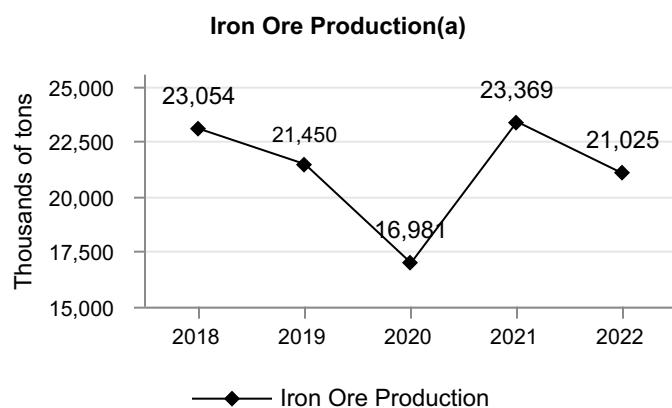
U. S. Steel's Other category includes the operating results relating to our real estate operations, the previously held equity method investment in Big River Steel, and our former railroad business. The Company owns approximately 45,000 acres of real estate assets, either held for development or managed, in Alabama, Illinois, Michigan, Minnesota and Pennsylvania.

Raw Materials and Energy

As a predominantly integrated producer, U. S. Steel's primary raw materials are iron units in the form of iron ore pellets and sinter ore, carbon units in the form of coal and coke (which is produced from coking coal) and steel scrap. For our EAF production, our primary raw material is scrap. U. S. Steel's raw materials supply strategy consists of acquiring and expanding captive sources of certain primary raw materials and entering into flexible supply contracts for certain other raw materials at competitive market prices that are subject to fluctuations based on market conditions at the time.

The amounts of such raw materials needed to produce a ton of steel will fluctuate based upon the specifications of the final steel products, the quality of raw materials and, to a lesser extent, differences among steel producing equipment. In broad terms, the Company's integrated steel process consumes approximately 1.4 tons of coal to produce one ton of coke and then it consumes approximately 0.3 tons of coke, 0.3 tons of steel scrap (approximately 60 percent of which is internally generated) and 1.3 tons of iron ore pellets to produce one ton of raw steel. In addition, we consume approximately 10 mmbtu's of natural gas per ton produced. Generally, the Company's mini mill operations consumes approximately 0.8 tons of steel scrap, 0.3 tons of pig iron, and 0.1 tons of HBI to produce one ton of raw steel. In addition, the mini mill operations consume approximately 0.6 MKWH of electricity per ton of raw steel produced. While we believe that these estimated consumption amounts are useful for planning purposes, and are presented to give a general sense of raw material and energy consumption related to steel production, substantial variations may occur.

Iron Ore



^(a) Includes our share of production from Hibbing through December 31, 2022.

The iron ore facilities at Minntac and Keetac contain approximately 900 million short tons of indicated resources and probable reserves and our share of recoverable reserves at the Hibbing joint venture is approximately 4 million short tons. Refer to Mining Properties in Item 2 of this Form 10-K for additional information. Recoverable reserves are defined as the tons of product that can be used internally or delivered to a customer after considering mining and beneficiation or preparation losses. Minntac and Keetac's annual capability and our share of annual capability for the Hibbing joint venture total approximately 23 million tons. We have iron ore pellet production capability that exceeds our steelmaking capability in the U.S.

We historically have sold iron ore pellets to third parties, including in 2022, 2021 and 2020. The Company has agreements to supply iron ore pellets to third-party customers over the next several years.

Substantially all of USSE's iron ore requirements are purchased from outside sources, primarily Ukrainian and Brazilian mining companies. Prices are determined in long-term contracts with strategic suppliers or as spot prices negotiated monthly or quarterly. USSE also has received iron ore from U. S. Steel's iron ore facilities in North America. We believe that supplies of iron ore adequate to meet USSE's needs are available at competitive market prices.

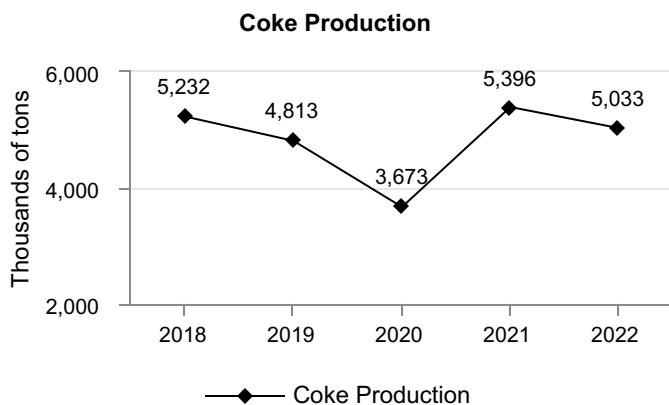
Coking Coal

All of U. S. Steel's coal requirements for our cokemaking facilities are purchased from outside sources. Pricing for Flat-Rolled's coking coal contracts are typically negotiated on a yearly basis, and from time to time we have entered into multi-year agreements for a portion of our coking coal requirements.

Prices for European contracts are negotiated quarterly, annually or determined as index-based prices.

We believe that supplies of coking coal adequate to meet our needs are available from outside sources at competitive market prices. The main source of coking coal for Flat-Rolled is the United States, and sources for USSE include Poland, Ukraine, Canada, Australia and the United States.

Coke



In North America, the Flat-Rolled segment operates a cokemaking facility at the Clairton Plant of Mon Valley Works. At our Granite City Works, we have a 15-year coke supply agreement with Gateway that expires on December 31, 2024. Blast furnace injection of coal, and self-generated coke oven gas is also used to reduce coke usage.

With Flat-Rolled's cokemaking facilities and the Gateway long-term supply agreement, it has the capability to be nearly self-sufficient with respect to its annual coke requirements at normal operating levels. Coke from time to time has been purchased from, sold to, or swapped with suppliers and other end-users to adjust for production needs and reduce transportation costs.

In Europe, the USSE segment operates cokemaking facilities at USSK. While USSE is self-sufficient for coke at normal operating levels, it periodically purchases coke from Polish and Czech coke producers to meet production needs. Volume and price are negotiated quarterly.

Steel Scrap and Other Materials

We believe that supplies of steel scrap and alloys that are adequate to meet our needs are readily available from outside sources at competitive market prices for the Flat-Rolled, Mini Mill and USSE segments. Generally, approximately 38 percent of our steel scrap requirements were internally generated through normal operations for these segments.

Limestone

All of Flat-Rolled's limestone requirements and USSE's lime and limestone requirements are purchased from outside sources. We believe that supplies of limestone and lime adequate to meet our needs are readily available from outside sources at competitive market prices.

Zinc and Tin

We believe that supplies of zinc and tin required to fulfill the requirements for Flat-Rolled, Mini Mill and USSE are available from outside sources at competitive market prices. For Flat-Rolled and Mini Mill the main sources of zinc are Canada, Mexico and the United States and the main sources of tin are Bolivia, Brazil and Peru. For USSE, the main sources of zinc are Finland, Poland, the Netherlands, Germany and Slovakia and the main sources of tin are Peru, Indonesia, China and Bolivia.

During 2022, Flat-Rolled protected approximately 40 percent and 75 percent of its operation's zinc and tin purchases, respectively, with financial swap derivatives to manage exposure to zinc and tin price fluctuations. During 2022, USSE protected approximately 16 percent of its operation's zinc purchases with forward physical contracts to manage our exposure to zinc price fluctuations and protected approximately 68 percent of its operation's tin purchases with financial swaps to manage our exposure to tin price fluctuations. For further information, see Note 16 to the Consolidated Financial Statements.

Natural Gas

All of U. S. Steel's natural gas requirements are purchased from outside sources.

We believe that adequate supplies to meet Flat-Rolled's, Mini Mill's and Tubular's needs are available at competitive market prices. For 2022, approximately 70 percent of our natural gas purchases in Flat-Rolled were based on bids solicited on a monthly basis from various vendors; the remainder were made daily or with term agreements.

We believe that adequate natural gas supplies to meet USSE's needs are available at competitive market prices. During 2022, we routinely executed fixed-price forward physical purchase contracts for natural gas to partially manage our exposure to natural gas price increases. For 2022, approximately 48 percent of our natural gas purchases in USSE were made with fixed-price forward physical purchase contracts; the remainder were based on bids solicited on a quarterly or monthly basis.

Flat-Rolled and USSE use self-generated coke oven and blast furnace gas to reduce consumption of natural gas. USSE uses self-generated coke oven, converter and blast furnace gas to reduce consumption of natural gas and steam coal that results in lower CO₂ emissions production.

Additionally, Russian supply of natural gas to Europe has decreased significantly in response to enacted sanctions. However, Slovakia has natural gas storage and access to additional supply from countries including Norway, the U.S. and Africa. Together, these sources are enough to support the country's expected consumption through the 2023 winter season, which includes demand for natural gas for our USSE segment operations.

Industrial Gases

U. S. Steel purchases industrial gas in the U.S. under long-term contracts with various suppliers. USSE owns and operates its own industrial gas facility, but also may purchase industrial gases from time to time from third parties.

International Trade

U. S. Steel continues to face import competition, much of which is unfairly traded and fueled by massive global steel overcapacity, currently estimated to be over 500 million metric tons per year—more than five times the entire U.S. steel market and over seventeen times total U.S. steel imports. These imports and overcapacity negatively impact the Company's operational and financial performance. U. S. Steel continues to lead efforts to address these challenges that threaten the Company, our workers, our stockholders and our country's national and economic security.

As of the date of this filing, pursuant to a series of Presidential Proclamations issued in accordance with Section 232 of the Trade Expansion Act of 1962, U.S. imports of certain steel products are subject to a 25 percent tariff, except imports from: (1) Argentina, Brazil, and South Korea, which are subject to restrictive quotas; (2) the European Union (EU), Japan and the United Kingdom (UK) that are melted and poured in the EU/Japan/UK, within quarterly tariff-rate quota (TRQ) limits; (3) Canada and Mexico, which are not subject to tariffs or quotas, but tariffs could be re-imposed on surging product groups after consultations; (4) Ukraine, which are exempt from tariffs until June 1, 2023; and (5) Australia, which are not subject to tariffs, quotas or an anti-surge mechanism.

The U.S. Department of Commerce (DOC) is managing a process in which U.S. companies may request and/or oppose temporary product exclusions from the Section 232 tariffs and quotas. U. S. Steel opposes exclusion requests for imported products that are the same as, or substitutes for, products manufactured by U. S. Steel.

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

Since its implementation in March 2018, the Section 232 action has supported the U.S. steel industry's and U. S. Steel's investments in advanced steel production capabilities, technology and skills, strengthening U.S. national and economic security. The Company continues to actively defend the Section 232 action.

In February 2019, the European Commission (EC) implemented a definitive safeguard on global steel imports in the form of TRQs that impose 25 percent tariffs on steel imports that exceed the TRQ limit, effective through June 2024. In December 2022, the EC initiated a fourth review of the safeguard.

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 61 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 World Trade Organization (WTO).

In July 2022, the ITC voted to continue the AD/CVD orders on corrosion-resistant steel from China, India, Italy, South Korea and Taiwan and cold-rolled steel from China, India, Japan, South Korea and the UK for another five years, but voted to revoke the AD/CVD orders on cold-rolled steel from Brazil. In October 2022, the ITC voted to continue the AD/CVD orders on hot-rolled

steel from Australia, Japan, Korea, Netherlands, Russia, Turkey and the United Kingdom for another five years, but voted to revoke the AD/CVD orders on hot-rolled steel from Brazil. Also, in October 2022, the ITC voted to impose new AD/CVD orders on imports of OCTG from Argentina, Mexico, Korea and Russia.

In August 2022, the EC imposed definitive AD measures on imports of hot-dipped galvanized steel from Russia and Turkey and announced the continuation of AD measures on imports of cold-rolled steel from China and Russia for another five years. The EC is conducting five-year reviews of the AD/CVD orders on hot-rolled steel from five countries with a decision expected in 2023.

In April 2022, the U.S. suspended normal trade relations with Russia and Belarus, resulting in higher than normal tariffs on imports from Russia and Belarus, including steel and raw materials. In June, President Biden announced additional tariff increases on certain products from Russia, including certain steel products and ferroalloys, effective August 1, 2022.

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. The Office of the United States Trade Representative (USTR) is currently conducting a statutory review of the Section 301 tariffs.

The United States and EU are currently negotiating a global sustainable steel arrangement to restore market-oriented conditions and address carbon intensity that is targeted for completion by the end of 2023.

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.

Environmental Stewardship

U. S. Steel is committed to effective environmental stewardship. We have implemented and continue to develop business practices that are designed to reduce negative environmental impacts. We believe part of being a good corporate citizen requires a dedicated focus on how our industry affects the environment. We have taken the actions described below in furtherance of that goal. U. S. Steel's environmental expenditures totaled \$334 million in 2022, \$302 million in 2021 and \$278 million in 2020. Overall, environmental compliance expenditures represent approximately 2 percent of U. S. Steel's total costs and expenses in 2022, 2021 and 2020. For further information, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Environmental Matters."

We continue to work on the promotion of cost-effective environmental strategies by supporting the development of appropriate air, water and waste laws and regulations at the local, state, national and international levels. We are committed to reducing our emissions and are investigating, creating and implementing innovative, best practice solutions throughout our operations to improve our environmental performance and to manage and reduce energy consumption.

U. S. Steel's North America operations recycled 4.8 million tons of purchased and produced steel scrap annually in 2022 and in 2021. USSK recycled approximately 754 thousand tons and 970 thousand tons of produced steel scrap in 2022 and 2021, respectively. Because of steel's physical properties, our products can be recycled at the end of their useful life without loss of quality, contributing to steel's high recycling rate and affordability. North America operations recycled approximately 2.2 million tons of blast furnace slag, 58 thousand tons of Basic Oxygen Process steel slag, and 75 thousand tons of electric arc furnace slag by selling it for use as aggregate and in highway construction. In 2022, USSK recycled approximately 1.1 million tons of blast furnace slag, and 168 thousand tons of Basic Oxygen Process steel slag.

Many of our major production facilities have Environmental Management Systems that are certified to the ISO 14001 Standard. This standard, published by the International Organization for Standardization (ISO), provides the framework for the measurement and improvement of environmental impacts of the certified facility.

In 2019, and in each succeeding year since, we published the Clairton Operating and Environmental Report related to our Clairton Plant of Mon Valley Works. While U. S. Steel agreed to publish an annual report as part of the 2019 Allegheny County Health Department Settlement Order and Agreement, we took the opportunity to enhance the report by including detailed descriptions of our operations, our safety and environmental performance and community involvement in order to provide easily accessible information for the public. The Report details battery combustion stack and fugitive emission performance at Clairton and Clairton's continued commitment to environmental stewardship. In 2021, we published a similar report for the Edgar Thomson facility.

Reduction of Greenhouse Gas Emissions

In 2019, the Company announced its commitment to reduce greenhouse gas emissions intensity across its global footprint by 20 percent, as measured by the rate of CO₂ equivalents emitted per ton of finished steel shipped, by 2030 based on 2018 baseline levels. Then, in 2021, the Company announced its goal to achieve net-zero emissions by 2050, as measured by the rate of CO₂

equivalents emitted per ton of finished steel shipped. The Company has provided information on paths to achieve this goal on its website. These targets apply to U. S. Steel's global operations.

U. S. Steel plans to achieve its greenhouse gas emissions intensity reduction goals through the execution of multiple initiatives. These include the use of EAF steelmaking technology at U. S. Steel's Fairfield Works and at Big River Steel, the first LEED-certified steel mill in the United States and the first steel mill in North America to receive ResponsibleSteel™ site certification. EAF steelmaking primarily relies on recycled scrap, rather than iron ore, to produce new steel products, which is a less carbon intensive process and leverages the ability to continuously recycle steel. Further carbon intensity reductions are expected to come from the implementation of ongoing energy efficiency measures, continued use of renewable energy sources and other process improvements to be developed.

The carbon reduction targets reflect our continued commitment to improvement in production efficiency and the manufacture of products that are environmentally friendly. In addition to a commitment to reduce its own greenhouse gas emissions intensity, U. S. Steel is committed to helping its customers achieve their environmental goals. Our industry-leading XG3™ advanced high-strength steel enables automakers to manufacture lighter weight vehicles that meet federal Corporate Average Fuel Economy (CAFE) standards with reduced carbon emissions. As part of our innovation efforts, we continue to look at new steelmaking technologies so that we can produce green steels and further reduce carbon emissions.

Environmental Matters, Litigation and Contingencies

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

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

U. S. Steel has incurred and will continue to incur substantial capital, operating and maintenance and remediation expenditures as a result of environmental laws and regulations, related to release of hazardous materials, which in recent years have been mainly for process changes to meet CAA obligations and similar obligations in Europe.

EU Environmental Requirements and Slovak Operations

Phase IV of the EU Emissions Trading System (EU ETS) commenced on January 1, 2021, and will finish on December 31, 2030. The European Commission issued final approval of the updated 2021-2025 Slovak National Allocation table in February 2022. Subsequently, the Slovak Ministry of Environment allocated the full amount of 2022 free allowances totaling 6.3 million European Union Emission Allowances (EUA) to USSE in February and April 2022. As of December 31, 2022, we have pre-purchased approximately 2.1 million EUA totaling €147 million (approximately \$157 million) to cover the expected 2022 and 2023 shortfall of emission allowances.

The EU's Industrial Emissions Directive requires implementation of EU determined best available techniques (BAT) for Iron and Steel production to reduce environmental impacts as well as compliance with BAT associated emission levels. Total capital expenditures for projects to comply with or go beyond BAT requirements were €138 million (approximately \$147 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. USSK complied with these covenants as of December 31, 2022. If we are unable to meet these covenants in the future, USSK might be required to provide additional collateral (e.g., bank guarantee) to secure 50 percent of the EU funding received.

For further discussion of laws applicable in Slovakia and the EU and their impact on USSE, see Note 26 to the Consolidated Financial Statements, "Contingencies and Commitments, Environmental Matters, EU Environmental Requirements."

Minnesota Mining Operations - Water

The State of Minnesota has a sulfate wild rice water quality standard (WQS) set at 10mg/L. This sulfate WQS was established in 1973, since this time industry has been working with the legislature and the Minnesota Pollution Control Agency (MPCA) to reevaluate the environmental protection and science behind the 10 mg/L standard. In 2011, the legislature passed a law requiring MPCA to revise the sulfate standard. MPCA started the process to revise the rulemaking for the sulfate WQS, but it was never completed. During the interim the Keetac National Pollutant Discharge Elimination System (NPDES) permit was issued in November 2011 with a sulfate standard of 14 mg/L and a compliance schedule. Then in 2015, the Minnesota legislature passed a law that MPCA could not require businesses to expend funds to comply with the sulfate limit until the rulemaking was revised by MPCA as directed by the legislature in 2011. To date the sulfate WQS rulemaking has not been revised. During this time Minntac has also received a NPDES permit with a sulfate limit and compliance schedule.

Both Minntac and Keetac have been working to determine the best options to address sulfate. One of the options in process is that both sites have submitted and even renewed site-specific standard (SSS) requests to MPCA. The SSS present plans specific to each location and explain the actual impact on sulfate from the facilities. To date MPCA has not taken any action on

the SSS plans. The United States Environmental Protection Agency (the U.S. EPA) partially rejected the CWA 303(d) list for impaired waters submitted by MPCA for 2021. The MPCA's impaired waters list was in part rejected to add Hay Lake as being impaired for wild rice sulfate. In February 2022, the U.S. EPA Region V sent a letter to MPCA recognizing the conflict between state law and the CWA.

U. S. Steel is continuing to work to determine the most efficient and effective options to meet the sulfate standard. However, if MPCA does not revise the sulfate standard of 10mg/L or approve the SSS it is likely to have an impact on mining operations as it will require extensive changes to water collection and treatment.

New and Emerging Environmental Regulations

United States and European Greenhouse Gas Emissions Regulations

The Phase IV EU ETS period spans 2021-2030 and began on January 1, 2021. The Phase IV period is divided into two sub periods (2021-2025 and 2026-2030), rules for the first subperiod are finalized, however we expect that rules for the second subperiod may be more stringent than those for the first one. Once approved, the rules may impact subperiod 2026-2030. Currently, the overall EU ETS target is a 40 percent reduction of 1990 emissions by 2030. Free allocation of CO₂ allowances is based on reduced benchmark values which have been published in the first quarter of 2021 and historical levels of production from 2014-2018. Allocations to individual installations may be adjusted annually to reflect relevant increases and decreases in production. The threshold for adjustments is set at 15 percent and will be assessed on the basis of a rolling average of two precedent years. Production data verified by an external auditor shows that USSE rolling average for 2020-2021 returned to base limit for hot metal production resulting in increase of the free allocation for 2022 compared to 2021, however 2022 free allocation was still slightly reduced due to missing the 15 percent threshold for sinter production. Additionally, lower production in 2019 through 2021 will have an impact on the future free allocation for 2026-2030, where the historical production average for years 2019-2023 will be assessed. Based on actual production data for 2022, we expect that free allocation for hot metal will remain unchanged for 2023, however allocations for sinter will be lower.

In order to achieve the EU political goal of carbon emissions neutrality by 2050, on July 14, 2021, the European Commission released a package of legislative proposals called Fit for 55. The proposals contain significant changes to current EU ETS functions and requirements, including: a new carbon border adjustment mechanism to impose carbon fees on EU imports, further reduction of free CO₂ allowance allocation to heavy industry and measures to strengthen the supply of carbon allowances. 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.

United States - Air

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

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

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

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AISI intervened. The U.S. EPA is required by court order to issue a final rule by November 16, 2023. Because the U.S. EPA has yet to propose a revised taconite rule, any impacts are not estimable at this time.

The U.S. EPA is in the process of conducting its statutorily obligated residual risk and technology review of coke oven standards. Because the U.S. EPA has not completed its review of the Coke MACT regulations, any impacts related to the U.S. EPA's review of the coke standards cannot be estimated at this time. The U.S. EPA is under a court-ordered deadline to complete the residual risk and technology rulemaking by May 23, 2024.

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-EGU 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 impacts of the rule, if promulgated as proposed, could be material. U. S. Steel submitted comments on the proposed rule on June 21, 2022. Based upon the U.S. EPA agreements with non-governmental organizations the rule is likely to be published as final by the U.S. EPA during the first quarter 2023. Once the rule is final, U. S. Steel will further evaluate the potential impacts to operations.

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 PM₁₀ and PM_{2.5}, lead, carbon monoxide, nitrogen dioxide, sulfur dioxide (SO₂) and ozone.

In October 2015, the U.S. EPA lowered the NAAQS for ozone from 75 parts per billion (ppb) to 70 ppb. On November 6, 2017, the U.S. EPA designated most areas in which we operate as attainment with the 2015 standard. In a separate ruling, on June 4, 2018, the U.S. EPA designated other areas in which we operate as "marginal nonattainment" with the 2015 ozone standard. On December 6, 2018, the U.S. EPA published a final rule regarding implementation of the 2015 ozone standard. Because no state regulatory or permitting actions to bring the ozone nonattainment areas into attainment have yet to be proposed or developed for U. S. Steel facilities, the operational and financial impact of the ozone NAAQS cannot be reasonably estimated at this time. On December 31, 2020, the U.S. EPA published a final rule pursuant to its statutorily required review of NAAQS that retains the ozone NAAQS at 70 ppb. In January 2021, New York, along with several states and non-governmental organizations filed petitions for judicial review of the action with the United States Court of Appeals for the D.C. Circuit. Several other states and industry trade groups intervened in support of the U. S. EPA's action. The case remains in abeyance before the court until December 15, 2023, as the U.S. EPA voluntarily reconsiders the ozone NAAQS. Because the U.S. EPA has yet to complete its reconsideration and propose a revised ozone NAAQS, any impacts are 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_{2.5} standards without revision. In early 2021, several states and non-governmental organizations filed petitions for judicial review of the action with the United States Court of Appeals for the D.C. Circuit. Several industry trade groups intervened in support of the U.S. EPA's action. The case remains in abeyance before the court until March 1, 2023, as the U.S. EPA voluntarily reconsiders the PM_{2.5} NAAQS. On January 6, 2023, the U.S. EPA proposed to lower the annual PM_{2.5} NAAQS from the current 12 ug/m³ standard to within the range of 9.0 to 10.0 ug/m³. U. S. Steel is currently reviewing the proposal to determine the impacts and evaluate any need to comment. Because the U.S. EPA has very recently proposed the rule without specificity, any impacts are inestimable at this time.

For calendar year 2022, all Allegheny County ambient air quality monitors met all U.S. EPA health based National Ambient Air Quality Standards for the second consecutive year. On March 16, 2022, the U.S. EPA published a final rule, a clean data determination, showing that Allegheny County has attained the 2012 annual PM_{2.5} NAAQS based on the 2018 – 2020 ambient air quality data. Based on these and other data, ACHD submitted a Redesignation Request and Maintenance Plan to the U.S. EPA requesting that the U.S. EPA redesignate all of Allegheny County in attainment with the current PM_{2.5} NAAQS.

United States – Water

The U.S. EPA issued the final rule redefining the Waters of the United States (WOTUS), set to become effective March 1, 2023. The definition of WOTUS has had many changes and legal challenges over the last several years. The new WOTUS rule expands the definition of what all waters will be considered to be a waters of the United States. The expansion of the WOTUS definition is likely to lead to additional legal challenges. It is also possible that the ruling in the U. S. Supreme court case Sackett v. EPA would impact the WOTUS definition as it relates to wetlands. The Sackett case was heard by the Court in the Fall 2022 term and decision is expected early in 2023. U. S. Steel will continue to review the final WOTUS definition and its potential impact on the Company.

Environmental Remediation

For further discussion of relevant environmental matters, including environmental remediation obligations, see "Item 3. Legal Proceedings, Environmental Proceedings."

Property, Plant and Equipment Additions

For property, plant and equipment additions, including finance leases, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Financial Condition, Liquidity and Capital Resources” and Note 13 to the Consolidated Financial Statements.

Available Information

U. S. Steel’s Internet address is www.ussteel.com. We post our Annual Report on Form 10-K, our quarterly reports on Form 10-Q, our proxy statement, our current reports on Form 8-K, amendments to those reports and our interactive data files to our website free of charge as soon as reasonably practicable after such reports are filed, or furnished to, with the Securities and Exchange Commission (SEC). We also post all press releases and earnings releases to our website.

All other filings with the SEC are available via a direct link on the U. S. Steel website to the SEC’s website, www.sec.gov.

Also available on the U. S. Steel website are U. S. Steel’s Corporate Governance Principles, Code of Ethical Business Conduct and the charters of the Audit Committee, the Compensation & Organization Committee and the Corporate Governance & Sustainability Committee of the Board of Directors. These documents and the Annual Report on Form 10-K and proxy statement are also available in print to any stockholder who requests them. Such requests should be sent to the Office of the Corporate Secretary, United States Steel Corporation, 600 Grant Street, Suite 1844, Pittsburgh, Pennsylvania, 15219-2800 (telephone: 412-433-1121).

U. S. Steel does not incorporate into this document the contents of any website or the documents referred to in the immediately preceding paragraphs.

Other Information

Information on net sales, depreciation, capital expenditures, earnings (loss) before interest and income taxes and assets by reportable segment and for business in the Other category and on net sales and assets by geographic area are set forth in Note 4 to the Consolidated Financial Statements.

For significant operating data for U. S. Steel for each of the last five years, see “Five-Year Operating Summary (Unaudited)” within this document.

Item 1A. RISK FACTORS

Economic and Market Risk Factors

The changing global economic climate is having adverse impacts on our business, which may create new risks and exacerbate certain other risks set forth below.

Changes in the global economic environment, inflation, rising interest rates, recessions or prolonged periods of slow economic growth, and global instability and actual and threatened geopolitical conflict, could have an adverse effect on our industry and business, as well as those of our customers and suppliers.

Overall economic conditions in the U.S. and globally, including in Europe, including adverse factors such as inflation, rising interest rates, supply chain disruptions and the impacts of the war in Ukraine, significantly impact our business. Periods of economic downturn or continued uncertainty could result in difficulty increasing or maintaining our level of sales or profitability and we may experience an adverse effect on our business, results of operations, financial condition and cash flows.

Our U.S. operations are subject to economic conditions, including credit and capital market conditions, inflation, prevailing interest rates, and political factors, which if changed could negatively affect our results of operations, cash flows and liquidity. Political factors include, but are not limited to, changes to tax laws and regulations resulting in increased income tax liability, increased regulation, such as carbon emissions limitations or trading mechanisms, limitations on exports of energy and raw materials, and trade remedies. Actions taken by the U.S. government could affect our results of operations, cash flows and liquidity.

USSE is subject to economic conditions and political factors associated with the EU, Slovakia and neighboring countries, and the euro currency. Changes in any of these economic conditions or political factors could negatively affect our results of operations, cash flows and liquidity. Political factors include, but are not limited to, taxation, nationalization, inflation, government instability, regional conflict, civil unrest, increased regulation and quotas, tariffs, sanctions and other market-distorting measures. The ongoing war in Ukraine has had a broad range of adverse impacts on global economic conditions, some of which have had and are likely to continue to have adverse impacts on our business, including increased raw material and energy costs, softer

customer demand and lower steel prices. USSE purchases a significant portion of its iron ore and coal from suppliers based in Ukraine.

Additionally, we are also exposed to risks associated with the business success and creditworthiness of our suppliers and customers. If our customers or suppliers are negatively impacted by a slowdown in economic markets, we may face the reduction, delay or cancellation of customer orders, delays or interruptions of the supply of raw materials, and increased risk of insolvency and other credit related issues of customers or suppliers, which could delay payments from customers, result in increased customer defaults and cause our suppliers to delay filling, or to be unable to fill, our needs at all or on a timely or cost-effective basis. The occurrence of any of these events may adversely affect our business, results of operations, financial condition and cash flows.

The steel industry, as well as the industries of our customers and suppliers upon whom we are reliant, is highly cyclical, which may have an adverse effect on our customer demand and results of operations.

Steel consumption is highly cyclical and generally follows economic and industrial conditions both worldwide and in regional markets. Price fluctuations are impacted by the timing, magnitude and duration of these cycles, and are difficult to predict. This volatility makes it difficult to balance the procurement of raw materials and energy with global steel prices, our steel production and customer product demand. U. S. Steel has implemented strategic initiatives to produce more stable and consistent results, even during periods of economic and market downturns, but this may not be enough to mitigate the effect that the volatility inherent in the steel industry has on our results of operations.

Additionally, our business is reliant on certain other industries that are cyclical in nature. We sell to the automotive, service center, converter, energy and appliance and construction-related industries. Some of these industries are highly sensitive to general economic conditions and may also face meaningful fluctuations in demand based on a number of factors outside of our control, including regulatory factors, supply chain disruptions, changing customer demand, economic conditions and raw material and energy costs. As a result, downturns or volatility in any of the markets we serve could adversely affect our financial position, results of operations and cash flows.

U. S. Steel has been and continues to be adversely affected by unfairly traded imports and global overcapacity, which may cause downward pricing pressure, lost sales and revenue, market share, decreased production, investment, and profitability.

Currently, global steel production capacity significantly exceeds global steel demand, which adversely affects U.S. and global steel prices. Global overcapacity continues to result in high levels of dumped and subsidized steel imports into the markets we serve. Domestic and international trade laws provide mechanisms to address the injury caused by such imports to domestic industries. Excessive steel imports have resulted and may continue to result in downward pricing pressure and lost sales and revenue, which adversely impacts our business, operations, financial condition and cash flows.

Although U. S. Steel currently benefits from 61 U.S. AD and CVD or anti-subsidy duty orders and 14 EU AD/CVD orders, petitions for trade relief are not always successful or effective. When implemented, such relief is generally subject to periodic reviews and challenges, which can result in revocation of AD/CVD orders or reduction of effective duty rates. There can be no assurance that any relief will be obtained or continued in the future or that such relief will adequately combat unfairly traded imports.

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 EU, Japan, and UK that are melted and poured in the EU/Japan/UK, within quarterly TRQ limits; (3) Canada and Mexico, which are not subject to tariffs or quotas, but tariffs could be re-imposed on surging product groups after consultations; (4) Ukraine, which are exempt from tariffs until June 1, 2023; and (5) Australia, which are not subject to tariffs, quotas, or an anti-surge mechanism. The Section 232 national security action on steel imports currently provides U. S. Steel and other domestic steel producers critical relief from imports. With no scheduled end date, the future coverage and duration of the Section 232 action is not known. Further, the U.S. government may negotiate alternatives to the Section 232 tariffs for certain countries, similar to TRQ agreements with the EU, Japan, and the UK.

USTR's review of additional imports tariffs of 7.5 to 25 percent on 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 could change the coverage and levels of such tariffs.

In February 2019, the EC implemented a definitive safeguard on global steel imports in the form of TRQs. The TRQs, which impose 25 percent tariffs on steel imports that exceed the TRQ limit, are currently effective through June 2024. In December 2022, the EC initiated its fourth periodic review of this safeguard, which may result in adjustments to the safeguard TRQ limits.

All of the above factors present a degree of uncertainty to our financial and operational performance, our customers, and overall economic conditions, all of which could impact steel demand and our performance. Faced with significant import competition and

overcapacity in various markets, we will continue to evaluate potential strategic and organizational opportunities, which may include exiting lines of business and the sale of certain assets, temporary shutdowns or closures of facilities.

Shortages of skilled labor, increased labor costs or our failure to attract and retain other highly qualified personnel in the future could disrupt our operations and adversely affect our financial results.

We depend on skilled labor for the manufacture of our products. Some of our facilities are located in areas where demand for skilled labor often exceeds supply. Shortages of some types of skilled labor, such as electricians and qualified maintenance technicians, could restrict our ability to maintain or increase production rates, lead to production inefficiencies and increase our labor costs. Our shift to the Best for All strategy will also require a set of job skills that is different from our prior needs. Our continued success depends on the active participation of our key employees. We have recently observed an overall tightening and increasingly competitive labor market. The competitive nature of the labor markets in which we operate, the cyclical nature of the steel industry and our resulting needs for skilled employees increase our risk of not being able to recruit, train and retain the employees we require at efficient costs and on reasonable terms, and could lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees. In addition, many companies, including U. S. Steel, have had employee layoffs as a result of reduced business activities during industry downturns. The loss of our key people or our inability to attract new key employees could adversely affect our operations. Additionally, layoffs or other adverse actions could result in an adverse relationship with our workforce or third-party labor providers. If we are unable to recruit, train and retain adequate numbers of qualified employees and third-party labor providers on a timely basis or at a reasonable cost or on reasonable terms, our business and results of operations could be adversely affected. Additionally, an overall labor shortage, lack of skilled labor, increased turnover or labor inflation as a result of general macroeconomic factors that affect our customers or suppliers could have a material adverse impact on the company's operations, results of operations, liquidity or cash flows.

Strategic Risk Factors

Our investments in new technologies and products may not be fully successful.

Execution of our Best for All® strategy depends, in part, on the success of a number of investments we have made and plan to make in new facilities, technologies and products and successfully transitioning our footprint to a lower-cost, carbon and capital intensive model. Our Best for All strategy is centered around expanding our competitive advantages in low-cost iron ore mini mill steelmaking, and best-in-class finishing capabilities. These competitive advantages are built on a foundation of research, innovation and deep customer relationships. We are expanding our low-cost iron ore competitive advantage by investing in ways to translate the advantage to feed our growing EAF footprint. This includes investments in a pig iron caster at the Gary Works facility and DR-grade pellet capabilities in Keetac, Minnesota. We are expanding our mini mill steelmaking capabilities through the construction of a second mini mill facility in Osceola, Arkansas. We are also expanding our best-in-class finishing capabilities through investments in a non-grain oriented electrical steel line and galvanizing construction line at Big River Steel. In executing our strategy, we aim to enhance our earnings profile, deliver long-term cash flow through industry cycles and reduce our cost, capital, and carbon intensity. By offering the product capabilities, including the more sustainable steels (steels made with lower greenhouse gas emissions) our customers are increasingly demanding, we believe that we can achieve more competitive positioning in strategic, high-margin end markets, and deliver high-quality, sustainable, value-added products and innovative solutions.

Construction of our strategic projects is subject to changing market conditions and demand for our completed projects, delays, inflation and cost overruns, work stoppages, labor shortages, engineering issues, weather interferences, supply chain delays, changes required by governmental authorities, delays or the inability to acquire required permits or licenses, changes in the ability to finance the projects or disruption of existing operations, any of which could have an adverse impact on our operational and financial results. Furthermore, new product development or modification is costly, may be restricted by regulatory requirements, involves significant research, development, time, expense and human capital and may not necessarily result in the successful commercialization of new products, customer adoption of new technologies or products or new technologies may not perform as intended or expected. Unsuccessful execution of these strategic projects, underperformance of any of these assets or failure of new products to gain market acceptance could adversely affect our business, results of operations and financial condition and may limit the benefits of our stockholder value creation strategy.

From time to time, we engage in acquisitions, divestitures and joint ventures and may encounter difficulties in integrating and separating these businesses and therefore we may not realize the anticipated benefits.

As we pursue our Best for All® strategy, we may seek growth opportunities through strategic acquisitions as well as evaluate our portfolio for potential divestitures to optimize our business footprint and portfolio. The success of these transactions will depend on our ability to integrate or separate, as applicable, assets and personnel in these transactions and to cooperate with our strategic partners. We may encounter difficulties in integrating acquisitions with our operations as well as separating divested businesses, and in managing strategic investments. Furthermore, we may not realize the degree, or timing, of benefits we anticipate when we first enter into a transaction.

Additionally, we seek opportunities to monetize non-core and excess iron assets, including through real estate sales, third party agreements and option agreements. These opportunities may not materialize or generate the financial benefits expected. For

example, Stelco Inc. holds an option (Option) to acquire an undivided 25 percent interest in a to-be-formed entity that will own the Company's current iron ore mine located in Mt. Iron, Minnesota. There is a possibility that Stelco may not exercise its Option in the anticipated timeframe or at all. If the proposed joint venture with Stelco is not successful, fails to provide the benefits we expect, or is not created at all, we may in the future have more iron ore than we need to support the business. Additionally, the existence of the Option may deter future potential opportunities to monetize the iron ore assets. Any of the foregoing could adversely affect our business and results of operations.

Operational and Commercial Risk Factors

Our operational footprint, unplanned equipment outages and other unforeseen disruptions may adversely impact our results of operations or result in idle facility costs or impairment charges.

U. S. Steel has adjusted its operating configuration to advance its Best for All® strategy, in response to market conditions, including global economic volatility, declining steel prices, oil and gas industry disruption, global overcapacity and unfairly traded imports, and to optimize capability and cost performance, by idling and restarting production at certain facilities. Due to our existing operational footprint, the Company may not be able to respond in an efficient manner to fully realize the benefits from changing market conditions that are favorable to integrated steel producers or most efficiently mitigate the negative impacts of such changes. Our decisions concerning which facilities to operate and at what levels are made based upon execution of our Best for All strategy, market conditions, our customers' orders for products as well as the capabilities and cost performance of our locations. We may concentrate production operations at several plant locations and not operate others, and as a result we may incur idle facility costs or impairment charges.

Our steel production depends on the operation of critical structures and pieces of equipment, such as blast furnaces, electric arc furnaces, steel shops, casters, hot strip mills and various structures and operations, including information technology systems, that support them, as well as finishing lines at our facilities and certain of our joint ventures. While we invested in operational and reliability enhancements to our assets through the asset revitalization program, launched in 2017, and continue to implement initiatives focused on proactive maintenance of key machinery and equipment at our production facilities, we may experience prolonged periods of reduced production and increased maintenance and repair costs due to equipment failures at our facilities or those of our key suppliers.

It is also possible that operations may be disrupted due to other unforeseen circumstances such as power outages, explosions, fires, floods, pandemics, terrorism, accidents, severe weather conditions, and changes in U.S., European Union and other foreign tariffs, free trade agreements, trade regulations, laws and policies. We are also exposed to similar risks involving major customers and suppliers such as force majeure events of raw materials suppliers that have occurred and may occur in the future. Availability of raw materials and delivery of products to customers could be affected by logistical disruptions, such as shortages of barges, ocean vessels, rail cars or trucks or unavailability of rail lines or of the locks on the Great Lakes or other bodies of water. To the extent that lost production could not be compensated for at unaffected facilities and depending on the length of the outage, our sales and our unit production costs could be adversely affected.

We are subject to risks related to the global COVID-19 pandemic, which has had adverse impacts on economic and market conditions and our business. COVID-19 has created significant volatility, uncertainty and economic disruption in the regions in which we operate. We expect that certain parts of our operations will continue to be impacted by the continuing effects of COVID-19, including resurgences and variants of the virus. It remains difficult to predict the full impact of the COVID-19 pandemic on the broader economy, and whether such change is temporary or permanent.

The physical impacts of climate change may also have a material adverse effect on our results of operations. Climate change may be associated with increased occurrence of extreme weather conditions, which could include, among other things, increased risk of flooding, potential heat stress at facilities and other natural disasters that may lead our customers to curtail or shut down production or to supply chain and operational disruptions.

We face increased competition within our industry and from alternative materials and risks concerning innovation, new technologies, products and increasing customer demand for lower-carbon products.

As a result of increasingly stringent regulatory requirements and increased market and technological changes driven by broader trends such as decarbonization and electrification efforts in response to climate change, designers, engineers and industrial manufacturers, especially those in the automotive industry, are increasing their use of lighter weight, less carbon intense and alternative materials, such as aluminum, composites, plastics and carbon fiber. Use of such materials could reduce the demand for our steel products or steel products generally, which may reduce our profitability and cash flow. Additionally, the trend toward light weighting in the automotive industry, which requires lighter gauges of steel at higher strengths, could result in lower steel volumes required by that industry over time.

Additionally, technologies such as direct iron reduction, oxygen-coal injection and experimental technologies such as molten oxide electrolysis and hydrogen flash smelting may be more cost effective than our current production methods. However, we may not have sufficient capital to invest in such technologies and may incur difficulties adapting and fully integrating these

technologies into our existing operations. We may also encounter production restrictions, or not realize the cost benefit from such capital intensive technology adaptations to our current production processes.

Limited availability, or volatility in prices of raw materials, scrap and energy may constrain operating levels and reduce profit margins.

U. S. Steel and other steel producers have periodically faced problems obtaining sufficient raw materials and energy in a timely manner due to delays, defaults, severe weather conditions, or force majeure events, shortages or transportation problems (such as shortages of barges, ore vessels, rail cars or trucks, or disruption of rail lines, waterways, or natural gas transmission lines), resulting in production curtailments. As a result, we may be exposed to risks concerning pricing and availability of raw materials and energy resources from third parties as well as logistics constraints moving our own raw materials and scrap to our plants. USSE purchases substantially all of its iron ore and coking coal requirements from outside sources. Any curtailments or escalated costs may further reduce profit margins.

U. S. Steel has agreed, and may continue to agree, to purchase raw materials and energy at prices that have been, and may be, above future market prices or in greater volumes than required in the future. Additionally, any future decreases in iron ore, scrap, natural gas, electricity and oil prices may place downward pressure on steel prices. If steel prices decline, our profit margins on indexed contracts and spot business could be reduced.

A failure of our information technology infrastructure and cybersecurity threats may adversely affect our business operations.

Despite efforts to protect confidential business information, personal data of employees and contractors, and the control systems of manufacturing plants, U. S. Steel systems and those of our third-party service providers have been and may be subject to cyber-attacks or system breaches. System breaches can lead to theft, unauthorized disclosure, modification or destruction of proprietary business data, personally identifiable information (PII), or other sensitive information, to defective products, production downtime and damage to production assets, and the inaccessibility of key systems, with a resulting impact to our reputation, competitiveness and operations. We have experienced cybersecurity attacks that have resulted in unauthorized persons gaining access to our information technology systems and networks, and we could in the future experience similar attacks. To date, no cybersecurity attack has had a material impact on our financial condition, results of operations or liquidity.

While the Company continually works to safeguard our systems and mitigate potential risks, there can be no assurance that such actions will be sufficient to prevent cyber-attacks or security breaches or mitigate all potential risks to our systems, networks and data, particularly with the recent proliferation and sophistication of ransomware attacks around the world. The potential consequences of a material cybersecurity attack include reputational damage, investigations and/or adverse proceedings with government regulators or enforcement agencies, litigation with third parties, disruption to our systems, including production capabilities, unauthorized release of confidential, personally identifiable or otherwise protected information, corruption of data, diminution in the value of our investment in research, development and engineering and increased cybersecurity protection and remediation costs, which in turn could adversely affect our competitiveness, results of operations and financial condition. The amount of insurance coverage we maintain may be inadequate to cover claims or liabilities resulting from a cybersecurity attack.

We depend on third parties for transportation services and increases in costs or the availability of transportation may adversely affect our business and operations.

Our business depends on the transportation of a large number of products, both domestically and internationally. We rely primarily on third parties, including the recently divested Transtar business, for transportation of the products we manufacture as well as delivery of our raw materials. Any increase in the cost of the transportation of our raw materials or products, as a result of increases in fuel or labor costs, higher demand for logistics services, consolidation in the transportation industry or otherwise, may adversely affect our results of operations as we may not be able to pass such cost increases on to our customers.

Our transportation service providers may face disruptions due to weather conditions or events, strikes, labor shortages or other constraints. If any of these providers were to fail to deliver raw materials to us or deliver our products in a timely manner, we may be unable to manufacture and deliver our products in response to customer demand. In addition, if any of these third parties were to cease operations or cease doing business with us, we may be unable to replace them at a reasonable cost. Such failure of a third-party transportation provider could harm our reputation, negatively affect our customer relationships and have a material adverse effect on our financial position and results of operations.

Our 2022 Labor Agreements with the USW contain provisions that may impact certain business activities.

Our 2022 Labor Agreements with the USW contain provisions that grant the USW a limited right to bid on the Company's sale of a facility (or sale of a controlling interest in an entity owning a facility) covered by the 2022 Labor Agreements, excluding public equity offerings and/or the transfer of assets between U. S. Steel and its wholly owned subsidiaries. These agreements also require a minimum level of capital expenditures (subject to approval of the Board of Directors) to maintain the competitive status

of the covered facilities, and place certain limited restrictions on our ability to replace product produced at a covered facility with product produced at other than Company facilities or affiliates or U.S. or Canadian facilities with employee protections similar to the protections found in the 2022 Labor Agreements when the Company is operating covered facilities below capacity. The provisions in the 2022 Labor Agreements, as well as current or future proposed labor legislation or regulations, could unfavorably impact certain business activities including pricing, operating costs, margins and/or our competitiveness in the marketplace.

Financial Risk Factors

Our business and execution of our strategy require substantial expenditures for capital investments, debt service obligations, operating leases and maintenance that we may be unable to fund, which may require other actions to satisfy our obligations under our debt.

We have approximately \$3.9 billion of total debt (see Note 17 to the Consolidated Financial Statements). If our cash flows and capital resources are insufficient to fund our planned capital expenditures or debt service obligations, we may face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures, terminate strategic projects, or to dispose of material assets or operations or issue additional debt or equity. We may not be able to take such actions, if necessary, on commercially reasonable terms or at all. The Credit Facility Agreement, the documents governing the USSK Credit Facility, the documents governing the Big River Steel ABL Facility and Big River Steel notes, and the indentures governing our existing senior unsecured notes may restrict our ability to dispose of assets and may also restrict our ability to raise debt or equity capital to be used to repay other debt when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results or operations and may place us at a competitive disadvantage with competitors who may have less indebtedness and other obligations or greater access to financing. In addition, the availability under our Credit Facility Agreement and Big River ABL Facility may be reduced if we have insufficient collateral, or if we do not meet a fixed charge coverage ratio test. Availability under the USSK Credit Agreement could be limited if USSK does not meet certain financial covenants.

Our ability to service or refinance our debt or fund investments and capital expenditures required to maintain or expand our business operations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control, such as inflation, rising interest rates, supply chain disruptions and the impacts of the war in Ukraine. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to satisfy our liquidity needs. In addition, the availability under certain of our debt instruments may be limited if we do not meet certain financial covenants. Furthermore, the agreements governing the BRS ABL Facility and other outstanding indebtedness of Big River Steel LLC and its subsidiaries limit their ability, subject to certain exceptions, to pay dividends or distributions or make other restricted payments, such that we may not be able to access the cash generated by these subsidiaries to fund our other expenditures.

If we cannot make scheduled payments on our debt, we will be in default and holders of our senior unsecured notes could declare all outstanding principal and interest to be due and payable, the lenders under the Sixth Amended and Restated Credit Agreement, the USSK Credit Facility and the Export Credit Facility could terminate their commitments to loan money, accelerate full repayment of any or all amounts outstanding (which may result in the cross acceleration of certain of our other debt obligations) and the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events would materially and adversely affect our financial position and results of operations.

Furthermore, ratings agencies could downgrade our ratings either due to factors specific to our business, a prolonged cyclical downturn in the steel industry, macroeconomic trends such as global or regional recessions and trends in credit and capital markets more generally. Ratings agencies also may lower, suspend or withdraw ratings on the outstanding securities of U. S. Steel or Big River Steel. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market prices of such securities.

Any decline in our operating results or downgrades in our credit ratings may make raising capital or entering into any business transaction more difficult, lead to reductions in the availability of credit or increased cost of credit, adversely affect the terms of future borrowings, may limit our ability to take advantage of potential business opportunities, may have an adverse effect on the terms under which we purchase goods and services, and lead to reductions in the availability of credit.

We have significant retiree health care, retiree life insurance and pension plan costs, which may negatively affect our results of operations and cash flows.

We maintain retiree health care and life insurance and defined benefit pension plans covering many of our domestic employees and former employees upon their retirement. Some of these benefit plans are not fully funded, and thus will require cash funding in future years. Minimum contributions to domestic qualified pension plans (other than contributions to the Steelworkers Pension Trust (SPT) described below) are regulated under the Employee Retirement Income Security Act of 1974 (ERISA) and the Pension Protection Act of 2006 (PPA).

The level of cash funding for our defined benefit pension plans in future years depends upon various factors, including voluntary contributions that we may make, future pension plan asset performance, actual interest rates under the law, the impact of business acquisitions or divestitures, union negotiated benefit changes and future government regulations, many of which are not within our control. In addition, assets held by the trusts for our pension plan and our trust for retiree health care and life insurance benefits are subject to the risks, uncertainties and variability of the financial markets. Future funding requirements could also be materially affected by differences between expected and actual returns on plan assets, actuarial data and assumptions relating to plan participants, the discount rate used to measure the pension obligations and changes to regulatory funding requirements. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 18 to the Consolidated Financial Statements for a discussion of assumptions and further information associated with these benefit plans.

U. S. Steel contributes to a domestic multiemployer defined benefit pension plan, the SPT, for USW-represented employees formerly employed by National Steel and represented employees hired after May 2003. We have legal requirements for future funding of this plan should the SPT become significantly underfunded or we decide to withdraw from the plan. Either of these scenarios may negatively impact our future cash flows. The 2022 Labor Agreements increased the contribution rate for most steelworker employees. Collectively bargained company contributions to the plan could increase further as a result of future changes agreed to by the Company and the USW.

The accounting treatment of goodwill, equity method investments and other long-lived assets could result in future asset impairments, which would reduce our earnings.

We periodically test our goodwill, equity method investments and other long-lived assets to determine whether their estimated fair value is less than their value recorded on our balance sheet. The results of this testing for potential impairment may be adversely affected by uncertain market conditions for the global steel industry and general economic conditions. If we determine that the fair value of any of these assets is less than the value recorded on our balance sheet, and, in the case of equity method investments the decline is other than temporary, we would likely incur a non-cash impairment loss that would negatively impact our results of operations. We have incurred asset impairment charges in recent years, including during the year ended December 31, 2022, and there can be no assurances that continued market dynamics or other factors may not result in future impairment charges.

We are subject to foreign currency risks, which may negatively impact our profitability and cash flows.

The financial condition and results of operations of USSE are reported in euros and then translated into U.S. dollars at the applicable exchange rate for inclusion in our financial statements. The appreciation of the U.S. dollar against the euro negatively affects our Consolidated Results of Operations. International cash requirements have been and in the future may be funded by intercompany loans, which may create intercompany monetary assets and liabilities in currencies other than the functional currencies of the entities involved, which can have a non-cash impact on income when they are remeasured at the end of each period. Procurement of equipment of announced strategic projects may be denominated in foreign currencies, which could adversely affect the costs of these projects.

In addition, foreign producers, including foreign producers of subsidized or unfairly traded steel with foreign currency denominated costs may gain additional competitive advantages or target our home markets if the U.S. dollar or euro exchange rates strengthen relative to those producers' currencies. Volatility in the markets and exchange rates for foreign currencies and contracts in foreign currencies could have a significant impact on our reported financial results and condition.

Financial regulatory frameworks introduced by U.S. and EU regulators may limit our financial flexibility or increase our costs.

We use swaps, forward contracts and similar agreements to mitigate our exposure to volatility, which entails a variety of risks. The Commodity Future Trading Commission's Dodd Frank and the EU's European Market Infrastructure Regulation and other government agencies' regulatory frameworks can limit the Company's ability to hedge interest rate, foreign exchange (FX), or commodity pricing exposures, which could expose us to increased economic risk. These frameworks may introduce additional compliance costs or liquidity requirements. Some counterparties may cease hedging as a result of increased regulatory cost burdens, which in turn may reduce U. S. Steel's ability to hedge its interest rate, FX or commodity exposures.

We are a party to various legal proceedings, the resolution of which could negatively affect our profitability and cash flows in a particular period.

We are involved at any given time in various litigation matters, including administrative and regulatory proceedings, governmental investigations, environmental matters and commercial disputes. Our profitability and cash flows in a particular period could be negatively affected by an adverse ruling or settlement in any legal proceeding or investigation. While we believe that we have taken appropriate actions to mitigate and effectively manage these risks, due to the nature of our operations, these risks will continue to exist and additional legal proceedings or investigations may arise from time to time.

Additionally, we may be subject to product liability claims that may have an adverse effect on our financial position, results of operations and cash flows. Events such as well failures, line pipe leaks, blowouts, bursts, fires and product recalls could result in claims that our products or services were defective and caused death, personal injury, property damage or environmental pollution. The insurance we maintain may not be adequate, available to protect us in the event of a claim, or its coverage may be limited, canceled or otherwise terminated, or the amount of our insurance may be less than the related impact on our enterprise value after a loss. We establish reserves based on our assessment of contingencies, including contingencies for claims asserted against us in connection with litigation, arbitrations and environmental issues. Adverse developments in litigation, arbitrations, environmental issues or other legal proceedings may affect our assessment and estimates of the loss contingency recorded as a reserve and require us to make payments in excess of our reserves, which could negatively affect our operations, financial results and cash flows. See "Item 3. Legal Proceedings" and Note 26 to the Consolidated Financial Statements for further details.

Regulatory Risk Factors

Compliance with existing and new environmental regulations, environmental permitting and approval requirements may result in delays or other adverse impacts on planned projects, our results of operations and cash flows.

Steel producers in the U.S., along with their customers and suppliers, are subject to numerous federal, state and local laws and regulations relating to the protection of the environment. These laws and regulations concern the generation, storage, transportation, disposal, emission or discharge of pollutants, contaminants and hazardous substances into the environment, the reporting of such matters, and the general protection of public health and safety, natural resources, wildlife and the environment. Steel producers in the EU are subject to similar laws. These laws and regulations continue to evolve and are becoming increasingly stringent. The ultimate impact of complying with such laws and regulations is not always clearly known or determinable because regulations under some of these laws have not yet been promulgated or are undergoing revision. Additionally, compliance with certain of these laws and regulations, such as the CAA and similar state and local requirements, governing air emissions, could result in substantially increased capital requirements and operating costs and could change the equipment or facilities we operate. Compliance with current or future regulations could entail substantial costs for emission-based systems and could have a negative impact on our results of operations and cash flows. Failure to comply with the requirements may result in administrative, civil and criminal penalties, revocation of permits to conduct business or construct certain facilities, substantial fines or sanctions, enforcement actions (including orders limiting our operations or requiring corrective measures), natural resource damages claims, cleanup and closure costs, and third-party claims for property damage and personal injury as a result of violations of, or liabilities under, environmental laws, regulations, codes and common law. The amount and timing of environmental expenditures is difficult to predict, and, in some cases, liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances.

In addition, the Company must obtain, maintain and comply with numerous permits, leases, approvals, consents and certificates from various governmental authorities in connection with the construction and operation of new production facilities or modifications to existing facilities. In connection with such activities, the Company may need to make significant capital and operating expenditures to detect, repair and/or control air emissions, to control water discharges or to perform certain corrective actions to meet the conditions of the permits issued pursuant to applicable environmental laws and regulations.

There can be no assurance that future approvals, licenses and permits will be granted or that we will be able to maintain and renew the approvals, licenses and permits we currently hold. Failure to do so could have a material adverse effect on our results of operations and cash flows. Furthermore, compliance with the environmental permitting and approval requirements may be costly and time consuming and could result in delays or other adverse impacts on planned projects, our results of operations and cash flows.

We have significant environmental remediation costs that negatively affect our results of operations and cash flows.

Some of U. S. Steel's current and former facilities were in operation before many federal and state environmental regulations were in place. Hazardous materials associated with those facilities have been and may continue to be encountered at current or former operating sites or delivered to sites operated by third parties.

U. S. Steel is involved in numerous remediation projects at currently operating facilities, facilities that have been closed or sold to unrelated parties and other sites where material generated by U. S. Steel was deposited. In addition, there are numerous other former operating or disposal sites that could become subject to remediation, which may negatively affect our results of operations and cash flows.

Reducing greenhouse gas (GHG) emissions from steelmaking operations to meet corporate targets or comply with new regulations as well as stakeholder expectations and mitigate potential physical impacts of climate change could significantly increase costs to manufacture future materials or reduce the amount of materials being manufactured.

Iron and steel producers around the world are facing mounting pressure to reduce greenhouse gas emissions from operations. The majority of greenhouse gas emissions from the production of iron and steel are caused by the combustion of fossil fuels, the use of electrical energy, and the use of coal, lime, and iron ore as feedstock. The two main production processes are the integrated route of blast furnace ironmaking in combination with basic oxygen furnace steelmaking (BOF) and the alternative route of electric arc furnace steelmaking. Both routes generate greenhouse gas emissions with the latter process, involving the electric arc melting of a majority of steel scrap, generating less than half that of the traditional integrated steelmaking process.

Federal, state and local governmental agencies within the United States may introduce regulatory changes in response to the potential impacts of climate change, including the introduction of carbon emissions limitations or trading mechanisms. Any such regulation regarding climate change and GHG emissions could impose significant costs on our operations and on the operations of our customers and suppliers, including increased energy, capital equipment, emissions controls, environmental monitoring and reporting and other costs in order to comply with current or future laws or regulations concerning climate change and GHG emissions. Any adopted future climate change and GHG regulations could negatively impact our ability, and that of our customers and suppliers, to compete with companies situated in areas not subject to or not complying with such limitations. Inconsistency of regulations may also change the attractiveness of the locations of some of the Company's assets and investments. In addition, changes in certain environmental regulations, including those that may impose output limitations or higher costs associated with climate change or greenhouse gas emissions, could substantially increase the cost of manufacturing and raw materials to us and other steel producers. For additional details, see "Part I – Item 1, Business – New and Emerging Environmental Regulations – United States and European Greenhouse Gas Emissions Regulations" above.

Additionally, the European Union has established aggressive CO₂ reduction targets of 40 percent by 2030, against a 1990 baseline, and full carbon neutrality by 2050. As part of the European Green Deal the Commission proposed in September 2020 to raise the 2030 reduction target to at least 55 percent compared to 1990. The new target has yet to be endorsed by the European Parliament. An emission trading system (ETS) was established to encourage compliance with set emissions reduction targets. These aggressive targets require drastic measures within the steel industry to comply. The transition to EAF technology, as well as incremental gains in energy reduction, use of renewable energy, hydrogen-based steelmaking and continued asset and process improvements are expected to reduce our GHG footprint. However, the development of breakthrough technologies is likely required to continue the path of low to no carbon footprint in the steel industry. Implementation of new technologies will most likely require significant amounts of capital and an abundant source of low-cost hydrogen and/or green power, most likely leading to an increase in the cost of future steelmaking. In addition, the cost of emission allowances is forecast to increase, along with the number of allowances decreasing in the next several years. The price of CO₂ emission allowances was 81 euro per metric ton as of December 31, 2022 and forecasts call for potential prices exceeding 100 euro per metric ton in future years.

Environmental, social and governance matters may impact our business and reputation.

In addition to the changing rules and regulations related to environmental, social and governance (ESG) matters imposed by governmental and self-regulatory organizations such as the SEC and the New York Stock Exchange, a variety of third-party organizations and institutional investors evaluate the performance of companies on ESG topics, and the results of these assessments are widely publicized. These changing rules, regulations and stakeholder expectations have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting such regulations and expectations. Reduced access to or increased cost of capital may occur as financial institutions and investors increase expectations related to ESG matters.

Developing and acting on initiatives within the scope of ESG, and collecting, measuring and reporting ESG-related information and metrics can be costly, difficult and time consuming and is subject to evolving reporting standards. We may also communicate certain initiatives and goals, regarding environmental matters, diversity, social investments and other ESG-related matters, in our SEC filings or in other public disclosures. These initiatives and goals within the scope of ESG could be difficult and expensive to implement, the technologies needed to implement them may not be cost effective and may not advance at a sufficient pace, and we could be criticized for the accuracy, adequacy or completeness of the disclosure. Furthermore, statements about our ESG-related initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. In addition, we could be criticized for the scope or nature of such initiatives or goals, or for any revisions to these goals. If our ESG-related data, processes and reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to our goals, including our previously announced commitments to reduce greenhouse gas emissions, within the scope of ESG on a timely basis, or at all, our reputation, business, financial performance and growth could be adversely affected.

New and changing data privacy laws and cross-border transfer requirements could have a negative impact on our business and operations.

Our business depends on the processing and transfer of data between our affiliated entities, to and from our business partners, and with third-party service providers, and of our employees, which may be subject to data privacy laws and/or cross-border transfer restrictions. In North America and Europe, new legislation and changes to the requirements or applicability of existing laws, as well as evolving standards and judicial and regulatory interpretations of such laws, may impact U. S. Steel's ability to effectively process and transfer data both within the United States and across borders in support of our business operations and/or keep pace with specific requirements regarding safeguarding and handling personal information. While U. S. Steel takes steps to comply with these legal requirements, non-compliance could lead to possible administrative, civil, or criminal liability, as well as

reputational harm to the Company and its employees. The costs of compliance with privacy laws and the potential for fines and penalties in the event of a breach may have a negative impact on our business and operations.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

See Item 1. Business, Facilities and Locations for listings of U. S. Steel's main properties, their locations and their products and services.

U. S. Steel and its predecessors have owned their properties for many years with no material adverse title claims asserted. In the case of Great Lakes Works, Granite City Works, the Midwest Plant and Keetac iron ore operations, U. S. Steel or its subsidiaries are the beneficiaries of bankruptcy laws and orders providing that properties are held free and clear of past liens and liabilities. In addition, U. S. Steel or its predecessors obtained title insurance, local counsel opinions or similar protections when significant properties were initially acquired or since acquisition.

At the Midwest Plant in Indiana, U. S. Steel has a supply agreement for various utility services with a company that owns a cogeneration facility located on U. S. Steel property. The Midwest Plant agreement expires in 2028.

U. S. Steel leases its headquarters office space in Pittsburgh, Pennsylvania.

For property, plant and equipment additions, including finance leases, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, Liquidity and Capital Resources" and Note 13 to the Consolidated Financial Statements.

Mining Properties

Summary Overview of Mining Operations

U. S. Steel operates two surface iron ore mining complexes in Minnesota consisting of the Minntac Mine and Pellet Plant and the Keetac Mine and Pellet Plant, which are wholly owned by the Company. As of December 31, 2022, U. S. Steel owns a minority interest in the iron ore mining assets of Hibbing Taconite Company.

The following table provides a summary of the net book value of the land and PP&E at the Minntac and Keetac mines as of December 31, 2022:

(in millions)	Gross Value	Accumulated Depreciation	Net Book Value
Minntac Mine and Pellet Plant			
Land	\$ 30	\$ —	\$ 30
Other property, plant and equipment	1,558	1,232	326
Total	\$ 1,588	\$ 1,232	\$ 356
Keetac Mine and Pellet Plant			
Land	\$ 7	\$ —	\$ 7
Other property, plant and equipment	298	177	121
Total	\$ 305	\$ 177	\$ 128

The following table provides a summary of our mineral production by mining complex for each reportable period:

Iron Ore Pellets (Millions of short tons)	Production		
	2022	2021	2020
Iron Ore Pellets			
Minntac Mine and Pellet Plant	15.1	16.1	14.1
Keetac Mine and Pellet Plant	5.9	6.0	2.0
Hibbing Taconite Company ⁽¹⁾	0.9	1.3	0.9
Total	21.9	23.4	17.0

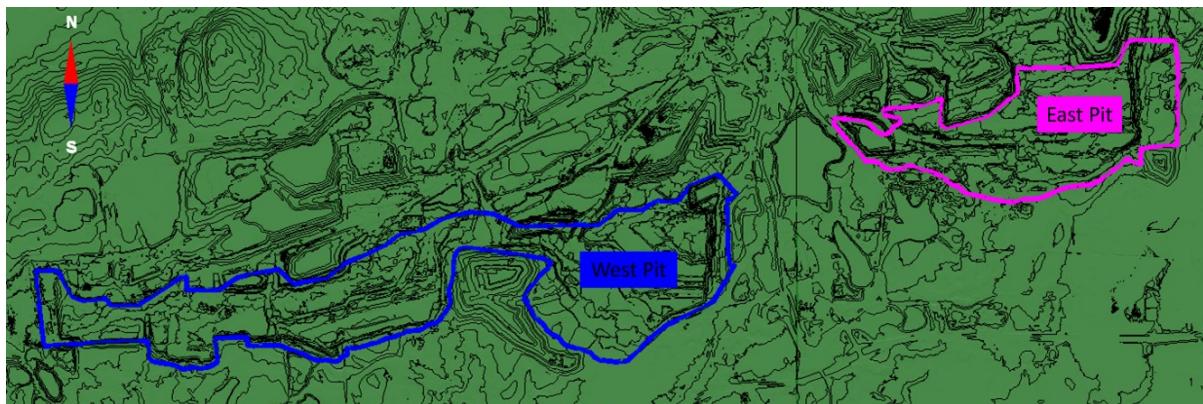
⁽¹⁾ Represents U. S. Steel's proportionate share of production as these investments are unconsolidated equity affiliates.

In accordance with Regulation S-K, Items 1300-1305, we engaged DRA Global and Barr Engineering Co. to provide feasibility studies and technical report summaries for our material mining operations at Minntac and Keetac in 2021. The majority shareholders of the Hibbing Taconite Company separately engaged qualified persons to perform the same procedures at the Hibbing Taconite Mine in 2021. Accordingly, the figures below for the Hibbing Taconite Mine were provided by the majority shareholders using the reports provided by the qualified persons. The tables showing resources and reserves by mining property were prepared using the results of the procedures performed by the qualified persons designated by each organization, which have no affiliation with or interest in our material mining properties.

Regulation S-K, Item 1302, requires registrants to file the technical report summary as an exhibit to the Form 10-K filing when disclosing for the first time mineral reserves or resources or when there has been a material change in the mineral reserves or resources since the last technical report summary filed for the properties. The Company did not have any material changes to its reserves or resources during 2022, nor is it disclosing any mineral reserves or resources for the first time. Accordingly, the technical report summary is not filed as an exhibit with the 2022 Form 10-K.

Minntac Mine and Pellet Plant

The Minntac Mine and Pellet Plant is located in Mountain Iron, Minnesota and is wholly owned and operated by U. S. Steel. On April 30, 2020, the Company granted Stelco Inc. (Stelco) a purchase option to acquire a 25 percent interest in the Minntac mining operations. The option can be exercised at any time before January 31, 2027. For more information regarding the purchase option, please see Note 20 to the Consolidated Financial Statements. The Minntac Mine has 25,420 acres of surface rights. The surface mine is in the production stage whereby taconite iron ore is mined using the Truck-Shovel method. The mine is approximately 55 years old and has been operated by U. S. Steel since 1967. For discussions regarding encumbrances, violations, fines, etc. related to the Minntac Mine, see Item 3. Legal Proceedings.



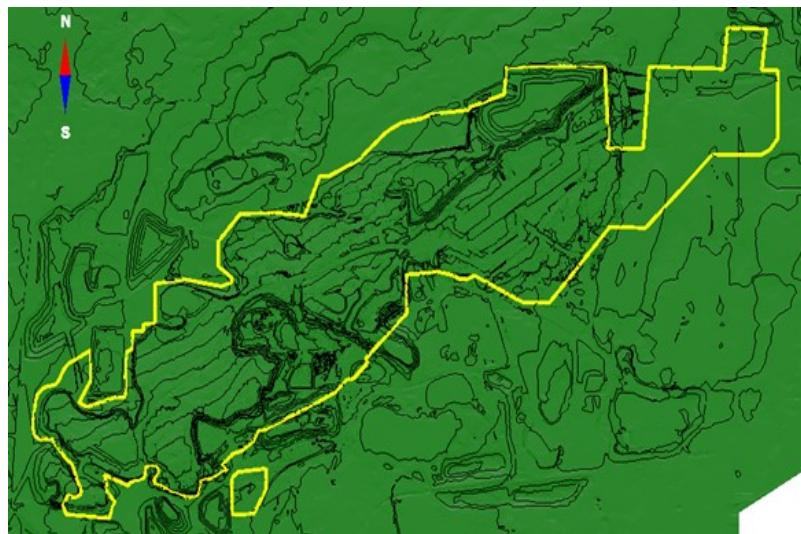
The following table provides details of our iron ore resources and reserves at Minntac for the year ended December 31, 2022. Resources below are stated exclusive of reserves.

Minntac Mine and Pellet Plant

(Millions of short tons)	Amount		Grades/Qualities		Cut-off Grades		Metallurgical Recovery	
	2022	2021	Change (%)	MagFe%	Concentrate Silica %	Min MagFe %	Max Concentrate Silica %	Weight Recovery %
Measured mineral resources	—	—	— %	—	—	—	—	—
Indicated mineral resources	251.00	251.00	— %	18.20	5.51	14.00	10.00	23.65
Measured + indicated mineral resources	251.00	251.00	— %	18.20	5.51	14.00	10.00	23.65
Inferred mineral resources	149.10	149.10	— %	18.05	6.27	14.00	10.00	22.50
Proven mineral reserves	—	—	— %	—	—	—	—	—
Probable mineral reserves	266.10	281.20	(5)%	19.29	5.59	14.00	10.00	25.11
Total mineral reserves	266.10	281.20	(5)%	19.29	5.59	14.00	10.00	25.11

Keetac Mine and Pellet Plant

The Keetac Mine and Pellet Plant is located in Keewatin, Minnesota and is wholly owned and operated by U. S. Steel. The Keetac Mine has 18,020 acres of surface rights. The surface mine is in the production stage whereby taconite iron ore is mined using the Truck-Shovel method. The mine is approximately 55 years old and has been operated by U. S. Steel since 2003, when it was acquired as part of the Company's purchase of National Steel Corporation. For discussions regarding encumbrances, violations, fines, etc. related to the Keetac Mine, see Item 3. Legal Proceedings.



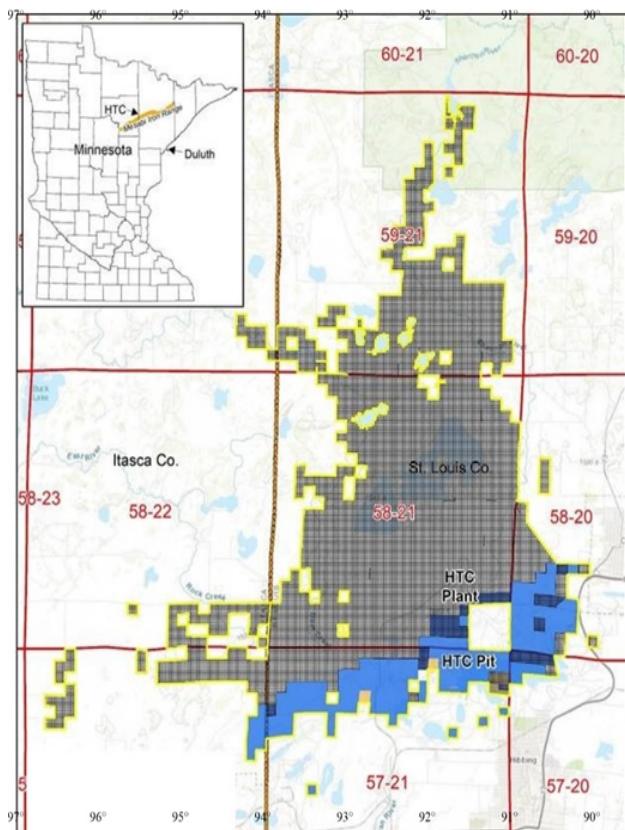
The following table provides details of our iron ore resources and reserves at Keetac for the year ended December 31, 2022. Resources below are stated exclusive of reserves.

Keetac Mine and Pellet Plant

(Millions of short tons)	Amount		Grades/Qualities		Cut-off Grades		Metallurgical Recovery	
	2022	2021	Change (%)	MagFe%	Concentrate Silica %	Min MagFe %	Max Concentrate Silica %	Weight Recovery %
Measured mineral resources	—	—	— %	—	—	—	—	—
Indicated mineral resources	192.90	192.90	— %	18.93	3.40	14.00	9.00	27.34
Measured + indicated mineral resources	192.90	192.90	— %	18.93	3.40	14.00	9.00	27.34
Inferred mineral resources	160.50	160.50	— %	18.83	3.81	14.00	9.00	27.30
Proven mineral reserves	—	—	— %	—	—	—	—	—
Probable mineral reserves	179.30	185.20	(3)%	19.29	3.57	14.00	9.00	20.97
Total mineral reserves	179.30	185.20	(3)%	19.29	3.57	14.00	9.00	20.97

Hibbing Taconite Mine

U. S. Steel maintains a minority interest in the Hibbing Taconite Mine, which is majority-owned by Cleveland-Cliffs, Inc. and located in Hibbing, Minnesota. The Hibbing Mine has 30,760 acres of surface rights, of which 1,150 acres are associated with mineral leases. The majority of the mineral rights are leased. 6,640 acres of mineral leases are expiring between 2023 and 2056. The taconite iron ore mine is currently in the production stage.



The following table provides details of our proportionate share of iron ore resources and reserves at Hibbing for the year ended December 31, 2022. Resources below are stated exclusive of reserves.

(Millions of short tons)	Hibbing Taconite Company ⁽¹⁾			Grades/Qualities MagFe%
	2022	2021	Change (%)	
Measured mineral resources	0.40	0.40	— %	19.20
Indicated mineral resources	—	—	— %	18.70
Measured + indicated mineral resources	0.40	0.40	— %	19.20
Inferred mineral resources	—	—	— %	—
Proven mineral reserves	3.30	4.20	(21.43)%	18.70
Probable mineral reserves	0.40	0.40	— %	18.70
Total mineral reserves	3.70	4.60	(19.57)%	18.70

⁽¹⁾ Represents U. S. Steel's proportionate share of proven and probable reserves and production as these investments are unconsolidated equity affiliates.

Internal Controls

U. S. Steel estimates its iron ore resources and reserves using exploration drill holes, physical inspections, sampling, laboratory testing, 3-D computer models, economic pit analysis and fully-developed pit designs for its operating mines. Estimates for our share of unconsolidated equity affiliates are based upon information supplied by the joint ventures. Refer to sections 2 and 3 of the technical report summaries filed as Exhibit 96.1 to our 2021 Form 10-K for further details.

Item 3. LEGAL PROCEEDINGS

General Litigation

On June 8, 2021, JSW Steel (USA) Inc. and JSW Steel USA Ohio, Inc. (collectively, JSW), U.S. based subsidiaries of Indian steelmaker JSW Steel, filed suit in the United States District Court for the Southern District of Texas against Nucor, U. S. Steel, AK Steel Holding Group and Cleveland-Cliffs (collectively, the JSW Defendants) alleging that the Defendants operated as a cartel and formed a conspiracy to boycott JSW from obtaining semi-finished steel slabs. JSW alleges that the JSW Defendants acted in violation of Section 1 of the Sherman Act and the Clayton Act (federal antitrust), and violation of the Texas Free Enterprise and Antitrust Act. JSW also alleges that the JSW Defendants formed a civil conspiracy in violation of Texas common law, and that the JSW Defendants tortiously interfered with JSW's business relationships. The basis for JSW's allegations relate to the JSW Defendants participation in the DOC's Section 232 process, including the JSW Defendants' support of the enactment of the President's Section 232 proclamation, statements made by the JSW Defendants after the enactment of Section 232, and the JSW Defendants' participation in the Section 232 exclusion process. Plaintiffs seek monetary damages including \$45 million for payment of Section 232 tariffs and unspecified amounts for financial penalties, termination fees and lost profits as well as other damages. U. S. Steel, along with the other JSW Defendants, filed a Motion to Dismiss the case on August 17, 2021. On February 17, 2022, the Court issued an opinion dismissing JSW's antitrust complaint with prejudice. JSW filed a timely notice of appeal with the United States Court of Appeals for the Fifth Circuit. The matter is fully briefed and is scheduled for oral argument at the Fifth Circuit in first quarter 2023. The Company continues to vigorously defend the matter.

On October 2, 2017, an Amended Shareholder Class Action Complaint was filed in the United States District Court for the Western District of Pennsylvania consolidating previously-filed actions. Separately, five related shareholder derivative lawsuits were filed in state and federal courts in Pittsburgh, Pennsylvania and the Delaware Court of Chancery. The underlying consolidated class action lawsuit alleges that U. S. Steel, certain current and former officers, an upper-level manager of the Company and the financial underwriters who participated in the August 2016 secondary public offering of the Company's common stock (collectively, the "Class Action Defendants") violated federal securities laws in making false statements and/or failing to discover and disclose material information regarding the financial condition of the Company. The lawsuit claims that this conduct caused a prospective class of plaintiffs to sustain damages during the period from January 27, 2016 to April 25, 2017 as a result of the prospective class purchasing the Company's common stock at artificially inflated prices and/or suffering losses when the price of the common stock dropped. The derivative lawsuits generally make the same allegations against the same officers and also allege that certain current and former members of the Board of Directors failed to exercise appropriate control and oversight over the Company and were unjustly compensated. The plaintiffs seek to recover losses that were allegedly sustained. The Class Action Defendants moved to dismiss plaintiffs' claims. On September 29, 2018 the Court ruled on those motions granting them in part and denying them in part. On March 18, 2019, the plaintiffs withdrew the claims against the Class Action Defendants related to the 2016 secondary offering. As a result, the underwriters are no longer parties to the case. On December 31, 2019, the court granted the Plaintiffs' motion to certify the proceeding as a class action. The Company's appeal of that decision was denied. Discovery followed and concluded. On May 20, 2022, the Plaintiffs and Class Action Defendants agreed to settle the Shareholder Class Action in the amount of \$40 million to be fully funded by the Company's insurers. Court approval of the class action settlement is currently pending with a Final Approval Hearing set for March 20, 2023. The related derivative cases, which were previously stayed, are now proceeding and the Company will vigorously defend against the derivative lawsuits.

On December 24, 2018, U. S. Steel's Clairton Plant experienced a fire, affecting portions of the facility involved in desulfurization of the coke oven gas generated during the coking process. With the desulfurization process out of operation as a result of the fire, U. S. Steel was not able to certify compliance with Clairton Plant's Title V permit levels for sulfur emissions. U. S. Steel promptly notified ACHD, which has regulatory jurisdiction for the Title V permit, and updated the ACHD regularly on efforts to mitigate any potential environmental impacts until the desulfurization process was returned to normal operations. Of the approximately 2,400 hours between the date of the fire and April 4, 2019, when the Company resumed desulfurization, there were ten intermittent hours where average SO₂ emissions exceeded the hourly NAAQS for SO₂ at the Allegheny County regional air quality monitors located in Liberty and North Braddock boroughs, which are near U. S. Steel's Mon Valley Works facilities. On 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. Collectively the parties seek injunctive relief and civil penalties regarding the alleged Permit violations following the fire. Discovery has concluded. The court denied the parties' respective Motions for Summary Judgment. A non-jury trial is currently scheduled to take place in April and May of 2023. The Company will continue to vigorously defend against the matter.

Asbestos Litigation

See Note 26 to our Consolidated Financial Statements, Contingencies and Commitments for a description of our asbestos litigation.

ENVIRONMENTAL PROCEEDINGS

The following is a summary of the proceedings of U. S. Steel that were pending or contemplated as of December 31, 2022, under federal and state environmental laws, and which U. S. Steel reasonably believes may result in monetary sanctions of at

least \$1 million (the threshold chosen by U. S. Steel as permitted by Item 103 of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended). Information about specific sites where U. S. Steel is or has been engaged in significant clean up or remediation activities is also summarized below. Except as described herein, it is not possible to accurately predict the ultimate outcome of these matters.

CERCLA Remediation Sites

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

As of December 31, 2022, U. S. Steel has received information requests or been identified as a PRP at a total of four CERCLA sites, three of which have liabilities that have not been resolved. Based on currently available information, which is in many cases preliminary and incomplete, management believes that U. S. Steel's liability for CERCLA cleanup and remediation costs at the other site will be over \$5 million as described below.

Duluth Works

The former U. S. Steel Duluth Works site was placed on the National Priorities List under CERCLA in 1983 and on the State of Minnesota's Superfund list in 1984. Liability for environmental remediation at the site is governed by a Response Order by Consent executed with the MPCA in 1985 and a Record of Decision signed by MPCA in 1989. U. S. Steel has partnered with the Great Lakes National Program Office (GLNPO) of the U.S. EPA Region 5 to address contaminated sediments in the St. Louis River Estuary and several other operable units that could impact the estuary if not addressed. An amendment to the Project Agreement between U. S. Steel and GLNPO was executed during the second quarter of 2018 to recognize the initial costs associated with implementing the first two phases of the proposed remedial plan at the site.

Remediation contracts were issued by both USS and GLNPO for the first phase of the remedial work at the site during the fourth quarter of 2020. USS and GLNPO have 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 2023. USS' portion of additional, design, oversight costs and implementation of all three phases of the preferred remedial alternative on the upland property and Estuary are currently estimated as of December 31, 2022 at approximately \$22 million.

Resource Conservation Recovery Act (RCRA) and Other Remediation Sites

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

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

Gary Works

On October 23, 1998, the U.S. EPA issued a final Administrative Order on Consent (Order) addressing Corrective Action for Solid Waste Management Units (SWMU) throughout Gary Works. This Order requires U. S. Steel to perform a RCRA Facility Investigation (RFI), a Corrective Measures Study (CMS) and Corrective Measure Implementation. Evaluations are underway at six groundwater areas on the east side of the facility. A remedial groundwater treatment system has been operating at one of the six areas since 2021. An Interim Stabilization Measure work plan was recently approved by the U.S. EPA for a second area and a contractor has begun installation of the remedial system. Until the remaining Phase I work and Phase II field investigations are completed, it is not possible to assess what additional expenditures will be necessary for Corrective Action projects at Gary Works. In total, the accrued liability for Corrective Action projects is approximately \$28 million as of December 31, 2022, based on our current estimate of known remaining costs.

Geneva Works

At U. S. Steel's former Geneva Works, liability for environmental remediation, including the closure of three hazardous waste impoundments and facility-wide corrective action, has been allocated between U. S. Steel and the current property owner pursuant to an agreement and a permit issued by the Utah Department of Environmental Quality (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 majority of impacted materials 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. U. S. Steel has an accrued liability of approximately \$19 million as of December 31, 2022, for our estimated share of the remaining costs of remediation at the site.

USS-UPI LLC (UPI)

In February 2020, U. S. Steel purchased the remaining 50 percent interest in USS-POSCO Industries, a former joint venture that is located in Pittsburg, California between subsidiaries of U. S. Steel and POSCO, now known as USS-UPI, LLC. Prior to formation of the joint venture, UPI's facilities were previously owned and operated solely by U. S. Steel, which assumed responsibility for the existing environmental conditions. U. S. Steel continues to monitor the impacts of the remedial plan implemented in 2016 to address groundwater impacts from trichloroethylene at SWMU 4. Evaluations continue for the SWMUs, known as the Northern Boundary Group, and it is likely that corrective measures will be required, but it is not possible at this time to define a scope or estimate costs for what may be required by the California Department of Toxic Substances Control. As such, there has been no material change in the status of the project during the twelve months ended December 31, 2022. As of December 31, 2022, approximately \$1 million has been accrued for ongoing environmental studies, investigations and remedy monitoring. Significant additional costs associated with this site are possible and are referenced in Note 26 to the Consolidated Financial Statements, Contingencies and Commitments, Environmental Matters, Remediation Projects, Projects with Ongoing Study and Scope Development. See Note 5 to the Consolidated Financial Statements for further details regarding U. S. Steel's purchase of UPI.

Cherryvale, KS Zinc

In April 2003, U. S. Steel and Salomon Smith Barney Holdings, Inc. entered into a Consent Order with the Kansas Department of Health & Environment (KDHE) concerning a former zinc smelting operation in Cherryvale, Kansas. Remediation of the site proper was essentially completed in 2007. The Consent Order was amended on May 3, 2013 to require investigation (but not remediation) of potential contamination beyond the boundary of the former zinc smelting operation. On November 22, 2016, KDHE approved a State Cooperative Final Agency Decision Statement that identified the remedy selected to address potential contamination beyond the boundary of the former zinc smelting site. The Removal Action Design Plan was approved during the second quarter of 2018. The Waste Deposition Area design and the Interim Risk Management Plan (which includes institutional controls) were approved by KDHE during the fourth quarter of 2018. An amended consent order for remediation was signed in May 2019 and a remediation contract was executed in June 2019. Remediation work was substantially completed in the 4th quarter of 2022. U. S. Steel has an accrued liability of approximately \$908,000 as of December 31, 2022, for our estimated share of the remaining cost of remediation.

Fairfield Works

A consent decree was signed by U. S. Steel, the U.S EPA and the U.S. Department of Justice and filed with the United States District Court for the Northern District of Alabama (United States of America v. USX Corporation) in December 1997. In accordance with the consent decree, U. S. Steel initiated a RCRA corrective action program at the Fairfield Works facility. The Alabama Department of Environmental Management, with the approval of the U.S. EPA, assumed primary responsibility for regulation and oversight of the RCRA corrective action program at Fairfield Works. While work continues on different aspects of the program, there has been no material change in the status of the project during the year ended December 31, 2022. In total, the accrued liability for remaining work under the Corrective Action Program, was approximately \$377,000 at December 31, 2022. Significant additional costs associated with this site are possible and are referenced in Note 26 to the 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 Violation Notice from Illinois Environmental Protection Agency (IEPA) in which the IEPA alleges that U. S. Steel violated the emission limits for nitrogen oxides (NOx) and volatile organic compounds from the Basic Oxygen Furnace Electrostatic Precipitator Stack. In addition, the IEPA alleges that U. S. Steel exceeded its natural gas usage limit at its CoGeneration Boiler. U. S. Steel responded to the notice and is currently discussing resolution of the matter with IEPA.

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

Minnesota Ore Operations

On February 6, 2013, the U.S. EPA published a FIP that applies to taconite facilities in Minnesota. The FIP establishes and requires emission limits and the use of low NOx reduction technology on indurating furnaces as Best Available Retrofit Technology (BART). While U. S. Steel installed low NOx burners on three furnaces at Minntac and is currently obligated to install low NOx burners on the two other furnaces at Minntac pursuant to existing agreements and permits, the rule would require the installation of a low NOx burner on the one furnace at Keetac for which U. S. Steel did not have an otherwise existing obligation. U. S. Steel estimates expenditures associated with the installation of low NOx burners of as much as \$25 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 continue to negotiate resolution for Keetac.

Mon Valley Works

On November 9, 2017, the U.S. EPA Region III and ACHD jointly issued a Notice of Violation (NOV) regarding the Company's Edgar Thomson facility in Braddock, Pennsylvania. In addition, on November 20, 2017, ACHD issued a separate, but related, NOV to the Company regarding the Edgar Thomson facility. In the NOVs, based upon their inspections and review of documents collected, the agencies allege that the Company has violated the CAA by exceeding the allowable visible emission standards from certain operations during isolated events. In addition, the agencies allege that the Company has violated certain maintenance, reporting, and recordkeeping requirements. U. S. Steel met with the U.S. EPA Region III and ACHD several times. On May 17, 2022, the United States Department of Justice (the DOJ), the U.S. EPA Region III and the ACHD filed a Complaint in the United States District Court for the Western District of Pennsylvania and lodged a proposed Consent Decree negotiated in good faith between U. S. Steel, DOJ, the U.S. EPA Region III and ACHD that will resolve this matter. On December 16, 2022, the Court approved the Consent Decree and it is currently in effect.

On March 2, 2022, the Company received a stipulated penalty demand for \$0.9 million from the Allegheny County Health Department (ACHD) pursuant to the June 2019 Settlement Agreement and Order (SAO) between the Company and ACHD. In the demand notice, ACHD alleges that based upon daily visible emission observation inspections occurring April 1, 2021 through December 31, 2021, the Company's Clairton plant violated applicable opacity standards from coke battery fugitive emission sources. The Company disagrees with the bases for the demand. The Company has initiated dispute resolution in accordance with the SAO and is attempting to reach a negotiated resolution of the matter.

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 September 1, 2022, after conferring with ACHD and the Company, the ACHD Hearing Officer issued an order requiring discovery to be completed by June 1, 2023 with a hearing date of September 18, 2023.

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. On September 1, 2022, after conferring with ACHD and the Company, the ACHD Hearing Officer issued an order requiring discovery to be completed by June 1, 2023 with a hearing date of September 25, 2023.

Item 4. MINE SAFETY DISCLOSURE

The information concerning mine safety violations and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Form 10-K.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The executive officers of U. S. Steel and their ages as of February 1, 2023, are as follows:

Name	Age	Title	Executive Officer Since
Daniel R. Brown	50	Senior Vice President - Advanced Technology Steelmaking & Chief Operating Officer, Big River Steel Works	February 1, 2022
James E. Bruno	57	Senior Vice President - European Solutions and President USSK	December 1, 2014
Scott D. Buckiso	55	Senior Vice President and Chief Manufacturing Officer North American Flat-Rolled	May 31, 2015
David B. Burritt	67	President & Chief Executive Officer	September 1, 2013
Richard L. Fruehauf	55	Senior Vice President - Chief Strategy & Sustainability Officer	March 1, 2019
Jessica T. Graziano	49	Senior Vice President & Chief Financial Officer	August 8, 2022
Manpreet S. Grewal	43	Vice President, Controller & Chief Accounting Officer	March 30, 2020
Duane D. Holloway	50	Senior Vice President, General Counsel and Chief Ethics & Compliance Officer	April 16, 2018
Kenneth E. Jaycox	55	Senior Vice President and Chief Commercial Officer	September 28, 2020

Messrs. Brown, Bruno, Buckiso, Burritt and Fruehauf have held responsible management or professional positions with U. S. Steel or its subsidiaries for more than the past five years. Prior to joining U. S. Steel in 2022, Ms. Graziano spent eight years with United Rentals, Inc, culminating in her position as Executive Vice President and Chief Financial Officer. Prior to her work with United Rentals, Ms. Graziano spent five years at Revlon, Inc. where she advanced through positions of increasing responsibility culminating in her being named Senior Vice President, Chief Accounting Officer and Corporate Controller. Prior to joining U. S. Steel in 2020, Mr. Jaycox served as Vice President, Transformation at Sysco Corporation where during his seven-year tenure, he progressed through a series of executive responsibilities including transformation, sales development and support, and revenue management. Prior to joining U. S. Steel in 2020, Mr. Grewal served as vice president, business finance, controller and chief accounting officer at Covanta since February 2017. Prior to Covanta, Mr. Grewal spent fourteen years at Johnson Controls Incorporated (formerly Tyco International) in increasingly responsible roles, including internal audit, accounting, controllership, and financial planning and analysis. Prior to joining U. S. Steel in 2018, Mr. Holloway served as executive vice president and general counsel at Ascena Retail Group Inc. During his time at Ascena, Mr. Holloway served as global chief legal, compliance, sustainability and diversity officer. Prior to his work at Ascena, Mr. Holloway served as vice president and deputy general counsel for CoreLogic Inc., the leading global residential property information, analytics and data-enabled solutions provider.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock Information

The principal market on which United States Steel Corporation (U. S. Steel) common stock is traded is the New York Stock Exchange, where the common stock trades under trading symbol "X". U. S. Steel common stock is also traded on the Chicago Stock Exchange under the symbol "X".

As of January 30, 2023, there were 10,657 registered holders of U. S. Steel common stock.

The Board of Directors currently intends to declare and pay dividends on shares of U. S. Steel common stock based on the financial condition and results of operations of U. S. Steel out of legally available funds and in accordance with the requirements set forth by applicable law. Quarterly dividends were declared by U. S. Steel in 2022 in the amount of five cents per share. Quarterly dividends were declared by U. S. Steel in 2021 in the amount of one cent per share in the first, second and third quarters and five cents per share in the fourth quarter.

Purchases of Equity Securities by the Issuer and the Affiliated Purchasers

On October 25, 2021, the Board of Directors authorized a share repurchase program that allowed for the repurchase of up to \$300 million of its outstanding common stock from time to time in the open market or privately negotiated transactions. On January 24, 2022 the Board of Directors authorized an additional \$500 million under the share repurchase program.

On July 25, 2022, following the completion of the previously authorized \$800 million share repurchase programs, the Board of Directors authorized a new 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.

Approximately \$50 million of common stock was repurchased in January 2023, and there is currently approximately \$251 million remaining under the current authorizations.

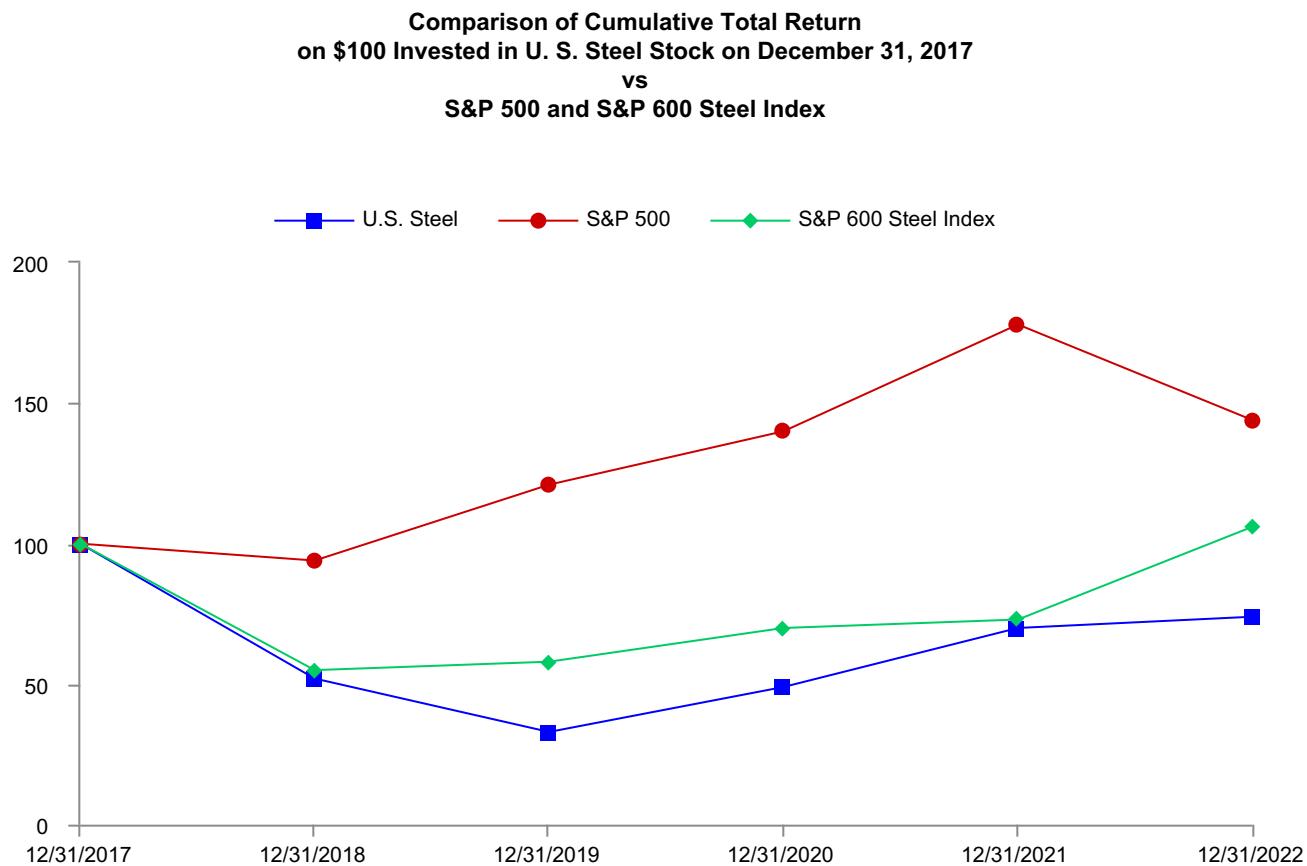
Share repurchase activity under the Company's stock repurchase authorization during the three months ended December 31, 2022 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs in effect at December 31, 2022 ^(a)
October 1 - 31, 2022	—	\$ —	—	\$ 451,000,800
November 1 - 30, 2022	2,243,200	\$ 24.61	2,243,200	\$ 395,788,300
December 1 - 31, 2022	3,673,509	\$ 25.80	3,673,509	\$ 301,000,800
Quarter ended December 31, 2022	5,916,709	\$ 25.35	5,916,709	\$ 301,000,800

^(a) On October 25, 2021, the Board of Directors authorized a share repurchase program to repurchase up to \$300 million of our outstanding common stock at the discretion of management. On January 24, 2022 the Board of Directors authorized an additional \$500 million under the share repurchase program. Each of the repurchase programs have no expiration date. On July 25, 2022, following the completion of the previously authorized \$800 million share repurchase programs, the Board of Directors authorized a new share repurchase program that allows for the repurchase of up to \$500 million of its outstanding common stock. The Company's share repurchase program does not obligate it to acquire any specific number of shares. Under this program, the shares will be purchased from time to time at prevailing market prices, through open market or privately negotiated transactions, depending upon market conditions. The repurchase program has no expiration date.

Stockholder Return Performance

The graph below assumes \$100 invested on December 31, 2017 and compares the yearly change in cumulative total stockholder return of our common stock with the cumulative total return of the Standard & Poor's (S&P) 500 Stock Index and the S&P 600 Steel Index, and assumes that all dividends were reinvested.



For information on securities authorized for issuance under our equity compensation plans, see "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters."

Unregistered Sales of Equity Securities

U. S. Steel had no sales of unregistered equity securities during the period covered by this report.

Item 6. RESERVED

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements and the related Notes that appear elsewhere in this document. Please refer to Item 7 of our 2021 Form 10-K for further discussion and analysis of our 2020 financial condition and results of operations.

Overview

2022 marked our second-best financial year in the Company's history with continued execution of our strategy. Each of our operating segments contributed meaningfully to 2022's success, while delivering record safety performance and strong operational excellence, quality, and reliability for our customers. We continued to invest in our future by progressing on key strategic projects and we also rewarded stockholders in 2022 with direct returns, including a quarterly dividend and share repurchases. In the second half of 2022, we quickly responded to changing market dynamics by temporarily idling certain operations to better balance steel supply with customer demand.

U. S. Steel's results in 2022 compared to the previous year for the four reportable segments, except for Tubular Products (Tubular), generally declined from challenging business conditions:

- **North American Flat-Rolled (Flat-Rolled):** Flat-Rolled results declined primarily due to lower sales volume across most consumer and manufacturing industries and increased material, energy and operating costs, partially offset by higher sales price.
- **Mini Mill:** Mini Mill results declined primarily due to lower sales prices and higher raw material costs.
- **U. S. Steel Europe (USSE):** USSE results declined primarily due to lower sales volume, increased raw material and energy costs and the weakening euro exchange rate, partially offset by higher sales price.
- **Tubular:** Tubular results improved primarily due to increased volume, higher sales price and improved premium product mix, driven by the steady increase of drilling activity, partially offset by continued high levels of imports.

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 in 2023 for certain raw materials and other costs.

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

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

USSE purchases certain raw materials from sources that procure supply from Russia, including natural gas and iron ore. Since the onset of the war, and before, USSE has been building its inventory of iron ore and coal and procuring them through alternate sources. Current levels of iron ore and coal are sufficient to serve customer demand through the end of the first quarter 2023.

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

Additionally, Russian supply of natural gas to Europe has decreased significantly in response to enacted sanctions. However, Slovakia has natural gas storage and access to additional supply from countries including Norway, the U.S. and Africa. Together, these sources are enough to support the country's expected consumption through the 2023 winter season, which includes demand for natural gas for our USSE segment operations.

Critical Accounting Estimates

Management's discussion and analysis of U. S. Steel's financial condition and results of operations is based upon U. S. Steel's financial statements, which have been prepared in accordance with accounting standards generally accepted in the United States (U.S. GAAP). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at year-end and the reported amount of revenues and expenses during the year. Management regularly evaluates these estimates, including those related to employee benefits liabilities and assets held in trust relating to such liabilities; the carrying value of property, plant and equipment; intangible assets; valuation allowances for receivables, inventories and deferred income tax assets; liabilities for deferred income taxes; potential tax deficiencies; environmental obligations; potential litigation claims and settlements and put and call option assets and liabilities. Management's estimates are based on historical experience, current business and market conditions, and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from current expectations under different assumptions or conditions.

Management believes that the following are the more significant judgments and estimates used in the preparation of the financial statements.

Goodwill and intangible assets – Goodwill represents the excess of the cost over the fair value of acquired identifiable tangible and intangible assets and liabilities assumed from businesses acquired. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to impairment testing annually, or more frequently if events or changes in circumstances indicate the asset might be impaired. We perform our annual goodwill impairment test as of October 1 and monitor for interim triggering events on an ongoing basis.

We review goodwill for impairment utilizing either a qualitative assessment or a quantitative goodwill impairment test. If we choose to perform a qualitative assessment and we determine that the fair value of the reporting unit more likely than not exceeds the carrying value, no further evaluation is necessary. For reporting units where we perform the quantitative goodwill impairment test, we compare the fair value of each reporting unit, which we primarily determine using an income approach based

on the present value of discounted cash flows, to the respective carrying value, which includes goodwill. If the fair value of the reporting unit exceeds its carrying value, we do not consider the goodwill impaired. If the carrying value is higher than the fair value, we recognize the difference as an impairment loss.

A quantitative goodwill impairment testing process requires valuation of the respective reporting unit, which we primarily determine using an income approach based on a discounted five year forecasted cash flow including a terminal value. We compute the terminal value using the constant growth method, which values the forecasted cash flows in perpetuity. The assumptions about future cash flows and growth rates are based on the respective reporting unit's long-term forecast and are subject to review and approval by senior management. A reporting unit's discount rate is a significant assumption and is a risk-adjusted weighted average cost of capital, which we believe approximates the rate from a market participant's perspective. The estimated fair value could be impacted by changes in market conditions, interest rates, growth rates, tax rates, costs, pricing and capital expenditures. We categorize the fair value determination as Level 3 in the fair value hierarchy due to its use of internal projections and unobservable measurement inputs.

Our Mini Mill reporting unit holds the goodwill recognized as a result of the Company's acquisition of Big River Steel and currently is our only reporting unit that has a significant amount of goodwill. This goodwill is primarily attributable to Big River Steel's operational abilities, workforce and the anticipated benefits from their recent expansion. U. S. Steel completed its annual goodwill impairment test using a quantitative analysis during the fourth quarter of 2022 and determined there was no impairment of goodwill.

Intangible assets with indefinite lives are also subject to at least annual impairment testing, which compares the fair value of the intangible assets with their carrying amounts. U. S. Steel has determined that certain of its acquired intangible assets have indefinite useful lives. These assets are also reviewed for impairment annually in the fourth quarter and whenever events or circumstances indicate the carrying value may not be recoverable. U. S. Steel completed its annual evaluation of its indefinite-lived water rights using a qualitative assessment and determined there was no indication of impairment. Key assumptions included in this test relate to the relevant market rate of an acre foot of water.

If business conditions deteriorate or other factors have an adverse effect on our qualitative and quantitative estimates, inclusive of discounted future cash flows or assumed growth rates, or if we experience a sustained decline in our market capitalization, future assessments of goodwill for impairment may result in impairment charges.

Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives and are tested for impairment when events occur that indicate that the net book value will not be recovered over future cash flows.

Business combinations – We account for business combinations under the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*, which requires an allocation of the consideration we paid to the identifiable assets, intangible assets and liabilities based on the estimated fair values as of the closing date of the acquisition. The excess of the fair value of the purchase price over the fair values of these identifiable assets, intangible assets and liabilities is recorded as goodwill.

Purchased intangibles are initially recognized at fair value and amortized over their useful lives unless those lives are determined to be indefinite. The valuation of acquired assets will impact future operating results. The fair value of identifiable intangible assets is determined using an income approach on an individual asset basis. Specifically, we use the multi-period excess earnings method to estimate the fair value of the customer relationships intangible asset. Determining the fair value of the customer relationships intangible asset involves significant judgements and assumptions, including expected realized price, base year metallic costs, contributory asset charges, and customer attrition rate.

Inventories – Inventories are carried at the lower of cost or market for last-in, first-out (LIFO), moving average and first-in, first-out (FIFO) method inventories. The predominant method of inventory costing for Flat-Rolled and Tubular is LIFO. The Mini Mill segment uses FIFO for raw materials and a moving average costing method to account for semi-finished and finished products. FIFO is the predominant inventory costing method used by the USSE segment. The LIFO method of inventory costing was used on 43 percent and 46 percent of consolidated inventories at December 31, 2022 and 2021, respectively. Since the LIFO inventory valuation methodology is an annual calculation, interim estimates of the annual LIFO valuation are required. We recognize the effects of the LIFO inventory valuation method on an interim basis by estimating the year-end inventory amounts. The projections of annual LIFO inventory amounts are updated quarterly. Changes in U.S. GAAP rules or tax law, such as the elimination of the LIFO method of accounting for inventories, could negatively affect our profitability and cash flow.

Pensions and Other Benefits – The recording of net periodic benefit costs for defined benefit pensions and Other Benefits is based on, among other things, assumptions of the expected annual return on plan assets, discount rate, mortality, escalation or other changes in retiree health care costs and plan participation levels. Changes in the assumptions or differences between actual and expected changes in the present value of liabilities or assets of U. S. Steel's plans could cause net periodic benefit costs to increase or decrease materially from year to year as discussed below.

U. S. Steel's investment strategy for its U.S. pension and Other Benefits plan assets provides for a diversified mix of high-quality bonds, public equities and selected smaller investments in private equities, private credit, timber and mineral interests. For its

U.S. pension, U. S. Steel has a target allocation for plan assets of 50 percent in fixed income investments. The balance is invested in equity securities, timber, private equity and real estate partnerships. U. S. Steel believes that returns on equities over the long term will be higher than returns from fixed-income securities as actual historical returns from U. S. Steel's trusts have shown. Returns on bonds tend to offset some of the short-term volatility of stocks. Both equity and fixed-income investments are made across a broad range of industries and companies (both domestic and foreign) to provide protection against the impact of volatility in any single industry as well as company specific developments. U. S. Steel will use a 6.90 percent assumed rate of return on assets for the development of net periodic cost for the main defined benefit pension plan in 2023. Actual returns since the inception of the plan have exceeded this 6.90 percent rate and while recent annual returns have been volatile, it is U. S. Steel's expectation that rates will achieve this level in future periods.

For its Other Benefits plan, U. S. Steel is employing a liability driven investment strategy. The plan assets are allocated to match the plan cash flows with maturing investments. To achieve this strategy, U. S. Steel has a target allocation for plan assets of 88 percent in fixed income and private credit. The balance is primarily invested in equity securities, timber, private equity and real estate partnerships. U. S. Steel will use a 4.50 percent assumed rate of return on assets for the development of net periodic cost for its Other Benefit plans for 2023. The 2023 assumed rate of return was updated after a review of capital market forecasted returns based on target allocations. The expected asset return for 2023 will continue to be 4.50 percent.

The expected long-term rate of return on plan assets is applied to the market value of assets as of the beginning of the period less expected benefit payments and considering any planned contributions.

To determine the discount rate used to measure our pension and Other Benefit obligations for U.S. plans we utilize a bond matching approach to select specific bonds that would satisfy our projected benefit payments. At December 31, 2022, the weighted average discount rate used for our pension and Other Benefit obligations was determined to be 5.55 percent and 5.66 percent, respectively, compared to the weighted average discount rate used of 3.01 percent and 3.11 percent, respectively, at December 31, 2021. The discount rate reflects the current rate at which we estimate the pension and Other Benefits liabilities could be effectively settled at the measurement date.

U. S. Steel reviews its actual historical rate experience and expectations of future health care cost trends to determine the escalation of per capita health care costs under U. S. Steel's benefit plans. Approximately 75 percent of our costs for the domestic United Steelworkers (USW) participants' retiree health benefits in the Company's main domestic benefit plan are limited to a per capita dollar maximum calculation based on 2006 base year actual costs incurred under the main U. S. Steel benefit plan for USW participants (cost cap). The full effect of the cost cap is expected to be realized around 2030. After 2030, the Company's costs for a majority of USW retirees and their dependents are expected to remain fixed and as a result, the cost impact of health care escalation for the Company is projected to be limited for this group (see Note 18 to the Consolidated Financial Statements). For measurement of its domestic retiree medical plans where health care cost escalation is applicable, U. S. Steel has assumed an initial escalation rate of 6.00 percent for 2023. This rate is assumed to decrease gradually to an ultimate rate of 4.50 percent in 2038 and remain at that level thereafter.

Net periodic pension benefit cost (credit), including multiemployer plans, is expected to total approximately \$39 million in 2023 compared to \$6 million in 2022. Excluding settlement and special termination losses totaling \$12 million in 2022, the increase in net periodic pension benefit cost in 2023 is primarily due to 2022 asset performance and an increase in prior service cost. Net periodic other benefit (credit) in 2023 is expected to be approximately \$(83) million, compared to \$(108) million in 2022. The expected decrease in the 2023 net periodic other benefit (credit) is primarily due to the transfer of \$595 million in surplus funds from the Post Retirement Benefit Trust (VEBA) assets to be used for active insurance benefits. See Note 18 to the Consolidated Financial Statements, "Pensions and Other Benefits."

The table below projects the incremental effect of a hypothetical one percentage point change in significant assumptions used in determining the funded status and net periodic benefit cost for pension and other benefits:

(In millions)	Hypothetical Rate Change Increase (Decrease)	
	1%	(1)%
Expected return on plan assets		
Incremental (decrease) increase in:		
Net periodic pension and other benefits costs for 2023	\$ (60)	\$ 60
Discount rate		
Incremental (decrease) increase in:		
Net periodic pension and other benefits costs for 2023	\$ (4)	\$ 11
Pension & other benefits obligations at December 31, 2022	\$ (411)	\$ 474

Changes in the assumptions for expected annual return on plan assets and the discount rate used for accounting purposes do not impact the funding calculations used to derive minimum funding requirements for the pension plan. However, the discount rate required for minimum funding purposes is also based on corporate bond related indices and as such, the same general

sensitivity concepts as above can be applied to increases or decreases to the funding obligations of the plans assuming the same hypothetical rate changes. See Note 18 to the Consolidated Financial Statements for a discussion regarding legislation enacted in March of 2021 that impacts the discount rate used for funding purposes. For further cash flow discussion see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, Liquidity and Capital Resources.”

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

In the second quarter of 2022, the Company recognized charges of \$151 million for the write-off of the blast furnaces and related fixed assets for the permanent idling of the iron making process at our Great Lakes Works facility, which had been idled on an indefinite basis during 2020. There were no other triggering events that required an impairment evaluation of our long-lived asset groups during the year-ended December 31, 2022.

In the fourth quarter of 2021, U. S. Steel decided to permanently idle the steelmaking assets at Great Lakes Works, which had been indefinitely idled since 2020, resulting in an impairment of \$128 million for property, plant and equipment.

Taxes - U. S. Steel records a valuation allowance, related to certain state net operating losses, state tax credits and unused capital losses, to reduce deferred tax assets to the amount that is more likely than not to be realized. A valuation allowance is recorded if, based on the weight of all available positive and negative evidence, it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. Each quarter U. S. Steel analyzes the likelihood that our deferred tax assets will be realized. In the future, if we determine that it is more likely than not that we will be able to realize all or a portion of our deferred tax assets, the valuation allowance will be reduced, and we will record a non-cash net benefit to earnings.

In 2021, U. S. Steel determined, based upon weighing all positive and negative evidence, that a full valuation allowance for the domestic deferred tax assets was no longer required. Accordingly, we reversed all of the domestic valuation allowance except for a portion of the domestic valuation allowance related to certain state net operating losses and state tax credits. During the year ended December 31, 2021, we realized a non-cash net benefit of \$715 million related to the valuation allowance release, which was partially offset by the addition of a valuation allowance of \$82 million, the majority of which relates to an unused capital loss generated in the fourth quarter of 2021.

At the end of both 2022 and 2021, U. S. Steel did not have any undistributed foreign earnings and profits for which U.S. deferred taxes have not been provided.

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

Environmental remediation – U. S. Steel has been identified as a PRP at four sites under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) as of December 31, 2022. Of these, there are three sites where information requests have been received or there are other indications that U. S. Steel may be a PRP under CERCLA, but where sufficient information is not presently available to confirm the existence of liability or to make a reasonable estimate with respect to any potential liabilities. There are also nine additional sites where U. S. Steel may be liable for remediation costs in excess of \$1 million under other environmental statutes, both federal and state, or where private parties are seeking to impose liability on U. S. Steel for remediation costs through discussions or litigation. At many of these sites, U. S. Steel is one of a number of parties involved and the total cost of remediation, as well as U. S. Steel’s share, is frequently dependent upon the outcome of ongoing investigations and remedial studies. U. S. Steel accrues for environmental remediation activities when the responsibility to remediate is probable and the amount of associated costs is reasonably determinable. As environmental remediation matters proceed toward ultimate resolution or as remediation obligations arise, charges in excess of those previously accrued may be required.

U. S. Steel’s accrual for environmental liabilities for U.S. and international facilities as of December 31, 2022 and 2021 was \$126 million and \$158 million, respectively. These amounts exclude liabilities related to asset retirement obligations, disclosed in Note 19 to the Consolidated Financial Statements.

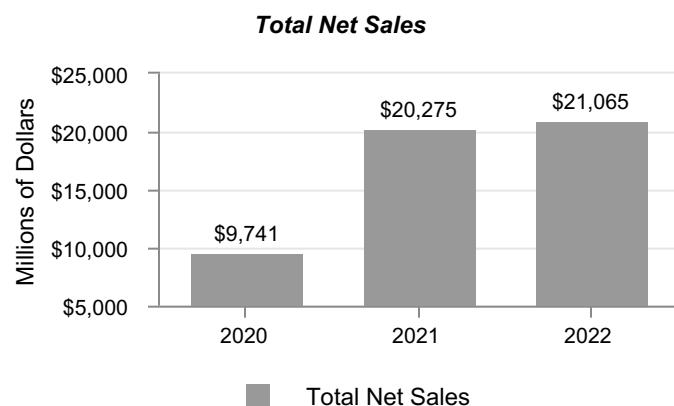
U. S. Steel is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. The ultimate resolution of these contingencies could, individually or in the aggregate, be material to the Consolidated Financial Statements.

For discussion of relevant environmental items, see “Part I. Item 3. Legal Proceedings—Environmental Proceedings.”

Segments

U. S. Steel has four reportable segments: North American Flat-Rolled, Mini Mill, USSE and Tubular Products. For further description of segment operations and information see Item 1 Segments and Note 4 to the Consolidated Financial Statements, respectively.

Net Sales



Net Sales by Segment

Net sales by segment for the years ended December 31, 2022 and 2021 are set forth in the following table:

(Dollars in millions, excluding intersegment sales)	Years Ended December 31,		% Change
	2022	2021	
Flat-Rolled	\$ 12,522	\$ 12,180	3 %
Mini Mill ^(a)	2,681	3,008	(11)%
USSE	4,243	4,262	— %
Tubular	1,611	789	104 %
Total sales from reportable segments	21,057	20,239	4 %
Other	8	36	(78)%
Net Sales	\$ 21,065	\$ 20,275	4 %

^(a) Mini Mill segment added after January 15, 2021 with the purchase of the remaining equity interest in BRS.

Management's analysis of the percentage change in net sales for U. S. Steel's reportable business segments is set forth in the following table:

Year Ended December 31, 2022 versus Year Ended December 31, 2021	Steel Products ^(a)						Net Change
	Volume	Price	Mix	Acquisition Variance	FX ^(b)	Other ^(c)	
Flat-Rolled	(6)%	7 %	— %	n/a	— %	2 %	3 %
Mini Mill ^(d)	(2)%	(11)%	— %	2 %	— %	— %	(11)%
USSE	(13)%	22 %	1 %	n/a	(11)%	1 %	— %
Tubular	17 %	87 %	(1)%	n/a	— %	— %	103 %

^(a) Excludes intersegment sales.

^(b) Foreign currency translation effects.

^(c) Primarily consists of sales of raw material and coke making by-products

^(d) Mini Mill segment added after January 15, 2021 with the purchase of the remaining equity interest in BRS.

Net sales for the twelve months ended December 31, 2022 compared to the same period in 2021 were \$21,065 million and \$20,275 million, respectively.

- For the Flat-Rolled segment the increase in sales primarily resulted from higher average realized prices (\$89 per ton) primarily from higher value-added products, partially offset by decreased shipments (645 thousand tons) across most products.
- For the Mini Mill segment the decrease in sales primarily resulted from lower average realized prices (\$180 per ton) primarily from lower value-added products partially offset by increased shipments (57 thousand tons), including the partial period of the Company's controlling interest in Big River Steel in January of 2021.
- For the USSE segment the consistent sales primarily resulted from higher average realized prices (\$124 per net ton) across most products, offset by decreased shipments (543 thousand tons) across most products.

- For the Tubular segment the increase in sales primarily resulted from higher average realized prices (\$1,282 per net ton) and increased shipments (79 thousand tons).

Operating Expenses

Union profit-sharing costs

<i>(Dollars in millions)</i>	Year Ended December 31,	
	2022	2021
Allocated to segment results	\$ 442	\$ 430

The amounts above represent profit-sharing amounts paid to active USW-represented employees and are included in cost of sales on the Consolidated Statement of Operations.

Profit-based amounts are calculated and paid on a quarterly basis as a percentage of consolidated earnings (loss) before interest and income taxes based on 7.5 percent of profit between \$10 and \$50 per ton and 15 percent of profit above \$50 per ton. There were no changes to the calculation of profit-based amounts in the 2022 Labor Agreements.

Net periodic pension and other benefits costs

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

Defined benefit and multiemployer pension plan costs included in cost of sales totaled \$119 million in 2022 and \$128 million in 2021.

Other benefit service cost included in cost of sales totaled \$9 million in 2022 and \$11 million in 2021.

Costs related to defined contribution plans totaled \$47 million in 2022 and \$45 million in 2021.

Selling, general and administrative expenses

Selling, general and administrative expenses were consistent for the years ended December 31, 2022 and December 31, 2021 at \$422 million and \$426 million, respectively.

Operating configuration adjustments

The Company adjusted its operating configuration in response to global overcapacity, unfair trade practices, market conditions and decreased customer demand by indefinitely and temporarily idling certain of its facilities. U. S. Steel will continue to adjust its operating configuration in order to ensure its order book and production footprint are balanced.

Idled Operations

In the second half of 2022, we took actions to adjust our footprint by temporarily idling certain operations to better align production with market conditions. The operations that were idled in the second half of 2022 and remained idled as of December 31, 2022, along with their carrying values included:

- Blast furnace #8 at Gary Works, \$30 million
- Blast furnace #3 at Mon Valley Works, \$45 million (restarted in January 2023)
- Blast furnace #2 at USSE, \$25 million (restarted in January 2023)

The following operations were initially idled in 2020 and remained idle as of December 31, 2022. These facilities and their respective carrying values as of December 31, 2022 included:

- Blast Furnace A at Granite City Works, \$55 million
- Lone Star Tubular Operations, \$5 million
- Lorain Tubular Operations, \$60 million
- Wheeling Machine Products coupling production facility at Hughes Springs, Texas, immaterial

In the fourth quarter of 2022, U. S. Steel indefinitely idled the majority of the tin mill operations at Gary Works. This included the Tin Line #5, which was previously temporarily idled in the third quarter of 2022, and the Tin Line #6 indefinitely idled the fourth quarter of 2022. As of December 31, 2022, the carrying value of the indefinitely idled tin mill operations assets at Gary Works is \$80 million.

At Great Lakes Works, the Company permanently idled the steelmaking operations in 2021 and ironmaking operations in 2022 which resulted in non-cash impairments of \$128 million and \$151 million, respectively. The coil finishing process at Great Lakes Works continues to operate and remains a component of the Company's operating plans.

Depreciation, depletion and amortization

Depreciation, depletion and amortization expenses were \$791 million in both years ended December 31, 2022 and December 31, 2021.

Earnings from investees

Earnings from investees were \$243 million in 2022 versus earnings from investees of \$170 million in 2021. The increase in 2022 from the prior year is primarily due to current year earnings from our PRO-TEC joint venture from higher realized prices.

Restructuring and Other Charges

During 2022, the Company recorded restructuring and other charges of \$48 million, which consists of charges of \$30 million related to the planned disposition of a component within the Flat-Rolled segment, severance-related charges at domestic facilities of \$4 million, charges under the Company's voluntary retirement programs at U. S. Steel Košice (USSK) of \$23 million and a \$9 million favorable adjustment to the expected exit costs of indefinitely idled facilities.

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

Earnings (loss) before interest and income taxes by segment^(a) <i>(Dollars in Millions)</i>	Year Ended December 31,	
	2022	2021
Flat-Rolled	\$ 1,951	\$ 2,630
Mini Mill	481	1,206
USSE	444	975
Tubular	544	1
Total earnings from reportable segments	3,420	4,812
Other	\$ 22	(11)
Segment earnings before interest and income taxes	3,442	4,801
Other items not allocated to segments:		
Restructuring and other charges ^(b)	(48)	(128)
Asset impairment charges ^(c)	(163)	(273)
United Steelworkers labor agreement signing bonus and related costs	(64)	—
Gains on assets sold & previously held investments	6	118
Gain on sale of Transtar ^(d)	—	506
Environmental remediation charge	—	(43)
Other items, net	(13)	(35)
Total earnings before interest and income taxes	\$ 3,160	\$ 4,946

^(a) See Note 4 to the Consolidated Financial Statements for reconciliations and other details.

^(b) Included in restructuring and other charges on the Consolidated Statements of Operations. See Note 25 to the Consolidated Financial Statements for further details.

^(c) See Note 1 to the Consolidated Financial Statements for further details.

^(d) See Note 5 to the Consolidated Financial Statements for further details.

Segment results for Flat-Rolled

	Year Ended December 31,		% Change
	2022	2021	
Earnings before interest and taxes (\$ in millions)	\$ 1,951	\$ 2,630	(26)%
Gross margin	20 %	27 %	(7)%
Raw steel production (mnt)	8,846	9,881	(10)%
Capability utilization	67 %	58 %	9 %
Steel shipments (mnt)	8,373	9,018	(7)%
Average realized steel price per ton	1,261	1,172	8 %

The decrease in Flat-Rolled results for 2022 compared to 2021 was primarily due to:

- decreased shipments, including volume inefficiencies (approximately \$290 million)
- decreased non-prime sales (approximately \$95 million)
- higher raw material costs, primarily coal and alloys (approximately \$680 million)
- higher energy costs (approximately \$365 million)
- increased costs primarily for purchased products and services, including costs at our mining operations (approximately \$515 million),

these changes were partially offset by:

- increased average realized prices, including mix (approximately \$960 million)
- increased coke, iron ore and other non-steel sales (approximately \$55 million)
- favorable equity investees income (approximately \$60 million)
- lower other costs, primarily commodity derivatives and variable compensation (approximately \$190 million).

Gross margin for 2022 as compared to 2021 decreased primarily as a result of lower sales volume and increased input costs, partially offset by higher average realized prices.

Segment results for Mini Mill^(a)

	Year Ended December 31,		% Change
	2022	2021	
Earnings before interest and taxes (\$ in millions)	\$ 481	\$ 1,206	(60)%
Gross margin	25 %	47 %	(22)%
Raw steel production (mnt)	2,650	2,688	(1)%
Capability utilization	80 %	81 %	(1)%
Steel shipments (mnt)	2,287	2,230	3 %
Average realized steel price per ton	1,134	1,314	(14)%

^(a) Mini Mill segment added after January 15, 2021 with the purchase of the remaining equity interest in BRS.

The decrease in Mini Mill results for 2022 compared to 2021 was primarily due to:

- decreased average realized prices (approximately \$440 million)
- decreased shipments (approximately \$35 million)
- higher raw material costs (approximately \$275 million),

these changes were partially offset by:

- lower other costs, primarily variable compensation (approximately \$25 million).

Gross margin for 2022 as compared to 2021 decreased primarily as a result of lower average realized sales price and increased raw material costs, partially offset by the partial period of the Company's controlling interest in Big River Steel in January of 2021.

Segment results for USSE

	Year Ended December 31,		% Change
	2022	2021	
Earnings before interest and taxes (\$ in millions)	\$ 444	\$ 975	(54)%
Gross margin	13 %	26 %	(13)%
Raw steel production (mnt)	3,839	4,931	(22)%
Capability utilization	77 %	99 %	(22)%
Steel shipments (mnt)	3,759	4,302	(13)%
Average realized steel price per ton	1,090	966	13 %

The decrease in USSE results for 2022 compared to 2021 was primarily due to:

- decreased shipments, including volume inefficiencies (approximately \$160 million)
- higher raw material costs, primarily coal and coke (approximately \$760 million)
- increased operating costs (approximately \$125 million)
- higher energy costs (approximately \$200 million)
- weakening of the euro versus the U.S. dollar (approximately \$160 million),
these changes were partially offset by:
 - increased average realized prices, including mix (approximately \$845 million)
 - increased non-steel sales (approximately \$10 million)
 - lower other costs, primarily variable compensation (approximately \$20 million).

Gross margin for 2022 as compared to 2021 decreased primarily as a result of lower sales volume, higher raw material and energy costs and negative impacts from the weakening of the euro versus the U.S. dollar, partially offset by higher average realized prices.

Segment results for Tubular

	Year ended December 31,		% Change	
	2022	2021		
Earnings before interest and taxes (\$ in millions)	\$ 544	\$ 1		NM
Gross margin	37 %	7 %	30 %	
Raw steel production (mnt)	634	464	37 %	
Capability utilization	70 %	52 %	18 %	
Steel shipments (mnt)	523	444	18 %	
Average realized steel price per ton	2,978	1,696	76 %	

The increase in Tubular results for 2022 compared to 2021 was primarily due to:

- increased average realized prices (approximately \$580 million)
- increased shipments (approximately \$40 million),

these changes were partially offset by:

- higher raw material costs (approximately \$15 million)
- increased operating costs (approximately \$10 million)
- higher energy costs (approximately \$10 million)
- higher other costs, primarily variable compensation (approximately \$40 million).

Gross margin for 2022 as compared to 2021 increased primarily as a result of higher average realized prices and sales volume.

Results for Other

The Other category had earnings of \$22 million for the year ended December 31, 2022 compared to losses of \$11 million for the year ended December 31, 2021.

Net Interest and Other Financial Costs

<i>(Dollars in millions)</i>	Year Ended December 31,	
	2022	2021
Interest expense	159	313
Interest income	(44)	(4)
Loss on debt extinguishment	—	292
Other financial costs	32	46
Net periodic benefit income	(246)	(45)
Net interest and other financial (benefits) costs	\$ (99)	\$ 602

Net interest and other financial (benefits) costs improved in 2022 compared to 2021 primarily due to the absence of current year debt retirement losses; reduced interest expense from a reduced level of debt and increased capitalized interest; and an increase in net periodic benefit income, primarily due to lower amortization of actuarial losses and the absence of current year de-risking settlement charges. For additional information on U. S. Steel indebtedness see Note 17 to the Consolidated Financial Statements.

For additional information on U. S. Steel's foreign currency exchange activity see Note 16 to the Consolidated Financial Statements and Item 7A. "Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Exchange Rate Risk."

Income Tax

The income tax expense for the year ended December 31, 2022 was \$735 million compared to an income tax expense of \$170 million in 2021. The change from the prior year period was primarily due to the tax benefit in the prior year period resulting from the release of the valuation allowance on domestic deferred tax assets.

In the third quarter of 2022, Pennsylvania House Bill 1342 was enacted, which in part phased in a corporate net income tax (CNIT) rate reduction over nine years. The CNIT rate for the 2022 tax year is 9.99%. The CNIT rate will be reduced to 8.99% for the 2023 tax year. Starting with the 2024 tax year, the rate is reduced by 0.5% annually until it reaches 4.99% for the 2031 tax year and each year thereafter. The Company assessed the impact of the law change and recorded an additional expense for it of \$13 million in 2022 on its Consolidated Financial Statements.

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 book income of certain large corporations. The CAMT imposes a minimum tax on net income adjusted for certain items prescribed by the legislation and is effective for tax years beginning after December 31, 2022. Although management is currently assessing the impact of the law change and awaiting guidance from the Department of Treasury, the Company anticipates being subject to the new CAMT but does not believe that it will have a material impact on its Consolidated Financial Statements.

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

Net earnings attributable to U. S. Steel

Net earnings attributable to U. S. Steel in 2022 was \$2,524 million compared to net earnings of \$4,174 million in 2021. The changes primarily reflected the factors discussed above.

Liquidity and Capital Resources

Cash Flows and Capital Requirements

Net Cash Provided by Operating Activities

Net cash provided by operating activities was \$3,505 million in 2022 compared to \$4,090 million in 2021. The decrease in 2022 compared to 2021 was primarily due to decreased net earnings, losses on debt extinguishments and income taxes and pension and other post-retirement benefits payables, partially offset by changes in working capital, deferred taxes payable and gains on sale of assets. Changes in working capital can vary significantly depending on factors such as the timing of inventory production and purchases, which is affected by the length of our business cycles as well as our captive raw materials position, customer payments of accounts receivable and payments to vendors in the regular course of business.

Our cash conversion cycle increased by 6 days in the fourth quarter of 2022 from the fourth quarter of 2021 as shown below:

Cash Conversion Cycle	2022		2021	
	\$ millions	Days	\$ millions	Days
Accounts receivable, net ^(a)	\$ 1,634	39	\$ 2,089	37
+ Inventories ^(b)	\$ 2,359	60	\$ 2,210	51
- Accounts Payable and Other Accrued Liabilities ^(c)	\$ 2,831	70	\$ 2,684	65
= Cash Conversion Cycle ^(d)		29		23

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

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

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

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

The cash conversion cycle is a non-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 LIFO inventory 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. In the U.S., management monitors the inventory realizability by comparing the LIFO cost of inventory with the replacement cost of inventory. To the extent the replacement cost (i.e., market value) of inventory is lower than the LIFO cost of inventory, management will write the inventory down. As of December 31, 2022 and 2021, the replacement cost of the LIFO inventory was higher by approximately \$1,154 million and \$896 million, respectively.

Net cash provided by operating activities for 2022 and 2021 reflects employee benefits payments as shown in the following table.

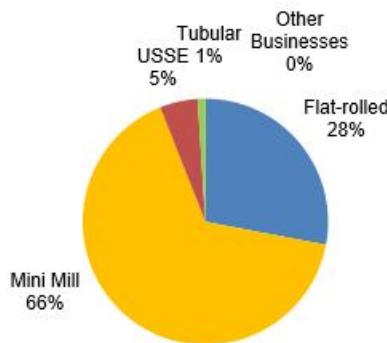
Benefits Payments for Employees (Dollars in millions)	Year Ended December 31,	
	2022	2021
Other employee benefits payments not funded by trusts	\$ 32	\$ 46
Payments to a multiemployer pension plan	74	75
Pension related payments not funded by trusts	2	11
Reductions in cash flows from operating activities	\$ 108	\$ 132

Net Cash Used in Investing Activities

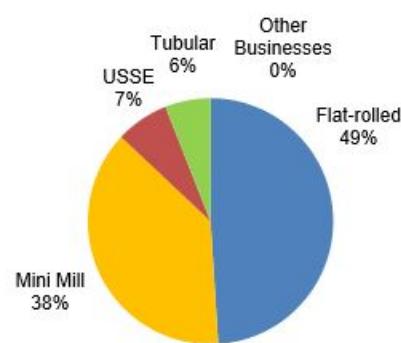
Net cash used in investing activities was \$1,679 million in 2022 compared to \$840 million in 2021. The increase in net cash used in investing activities was primarily due to increased capital expenditures (discussed in more detail below) and receipt of \$627 million in the prior year for the sale of Transtar, partially offset by the payment of \$625 million in the prior year period for the purchase of the remaining equity interest in Big River Steel and proceeds of \$54 million in the current year period from government grants.

Capital expenditures in 2022 were \$1,769 million compared to \$863 million in 2021.

**Capital Spending by Segment
2022**



**Capital Spending by Segment
2021**



Total capital expenditures for 2022 were \$1,769 million. Flat-Rolled capital expenditures were \$503 million and included spending for the construction of a pig iron facility at Gary Works, Keetac DR-grade pellet capability, as well as mining equipment, infrastructure and environmental projects across the Flat-Rolled footprint. Mini Mill capital expenditures were \$1,159 million and included \$780 million, exclusive of the air separation unit, for the new Big River 2 (BR2) 3 million ton per year facility being built in Osceola, Arkansas, as well as spending for the new continuous galvanizing line (CGL) and non-grain oriented electrical steel facility being built at the existing Big River Steel facility. USSE capital expenditures were \$90 million and included spending for the blast furnace stoves, 5-stand control system upgrades, wastewater quality improvements, rail bridge upgrades and various other projects. Tubular capital expenditures were \$17 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 \$868 million for the twelve months ended December 31, 2022 compared to net cash used by financing activities of \$2,747 million for the same period in 2021. The period over period decrease in cash used in financing activities was primarily due to higher debt repayments made during the prior year, partially offset by the cash received from common stock issuances in the prior year period and repurchases of common stock made in the current year period.

Debt Financing

In 2022, U. S. Steel made payments of debt and redemption premiums of approximately \$382 million. The following is a summary of debt repayments for our Senior Secured Notes, Senior Notes and other debt obligations made during the twelve months ended December 31, 2022:

Debt Instrument (in millions)	Date	Year Ended December 31, 2022
		Debt Extinguished
2037 Senior Notes ^(a)	Third quarter 2022	76
2029 Senior Notes ^(b)	Third quarter 2022	225
Hoover, AL Environmental Revenue Bonds	Second quarter 2022	14
2029 Senior Notes ^(b)	Second quarter 2022	48
2029 Senior Notes ^(b)	First quarter 2022	2
Total		\$ 365

^(a) There were redemption discounts and unamortized debt issuance cost write-offs of \$6 million and \$1 million, respectively, included in (gain) loss on debt extinguishment on the Consolidated Statement of Operations related to the repayment.

^(b) During the twelve months ended December 31, 2022, there were no redemption premiums paid and a net loss of \$4 million for the write-off of unamortized discounts and debt issuance costs, included in (gain) loss on debt extinguishment on the Consolidated Statement of Operations, as a result of these debt repayments.

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. The €300 million USSK Credit Agreement contains certain USSK specific financial covenants. There are currently no amounts outstanding under the facility. The USSK Credit Agreement requires USSK to maintain a net debt to earnings before interest, taxes, depreciation and amortization (EBITDA) ratio of less than 3.50:1 for the rolling twelve months ending June 30, 2023. The Company has determined that it may not be able to comply with this covenant at June 30, 2023 based on the currently forecasted EBITDA for the twelve-month period ending June 30, 2023. This could partially or fully limit USSK's ability to borrow under the USSK Credit Agreement. Any amendment or waiver may lead to additional lender protections, including a reduction of loan commitments or less favorable terms, and there can be no assurance that USSK can obtain waivers or amendments in timely fashion, or on acceptable terms or at all. The Company believes that USSK will have adequate cash on hand as of June 30, 2023, and will not need to borrow under the USSK Credit Agreement.

We assumed additional indebtedness in connection with the acquisition of Big River Steel on January 15, 2021. Most of Big River Steel's prior financing arrangements were secured transactions, with many of the assets of BRS Intermediate Holdings LLC, Big River Steel LLC and BRS Finance Corp. secured as collateral. Until we repay, refinance or otherwise amend the debt arrangements, we remain subject to the restrictive terms of the indentures.

We use surety bonds, trusts and letters of credit to provide financial assurance for certain transactions and business activities. The use of some forms of financial assurance and cash collateral have a negative impact on liquidity. U. S. Steel has committed \$178 million of liquidity sources for financial assurance purposes as of December 31, 2022. Increases in certain of these commitments which use collateral are reflected within cash, cash equivalents and restricted cash on the Consolidated Statement of Cash Flows.

The maximum guarantees of the indebtedness of unconsolidated entities of U. S. Steel totaled \$7 million at December 31, 2022. If any default related to the guaranteed indebtedness occurs, U. S. Steel has access to its interest in the assets of the investees to reduce its potential losses under the guarantees.

We may from time to time seek to retire or repurchase our outstanding long-term debt through open market purchases, privately negotiated transactions, exchange transactions, redemptions or otherwise. Such purchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements and other factors and may be commenced or suspended at any time. The amounts involved may be material. See Note 17 to the Consolidated Financial Statements for further details regarding U. S. Steel's debt.

Share Repurchases

In the third quarter of 2022, following the completion of the previously authorized \$800 million share repurchase programs, the Board of Directors authorized a new 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. Common stock repurchased under our share repurchase programs totaled 37.6 million shares and approximately \$849 million in the twelve months ended December 31, 2022. See Note 27 to the Consolidated Financial Statements, "Common Stock Issued and Repurchased" for further details.

Capital Requirements

Our major cash requirements in 2023 are expected to be for capital expenditures, including strategic priorities, employee benefits and operating costs, which includes purchases of raw materials. We ended 2022 with \$3,504 million of cash and cash

equivalents and \$5,925 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.

Capital expenditures for 2023 are expected to total approximately \$2.5 billion which are focused largely on strategic projects, as we work to increase our capacity and raw material and finishing capabilities by focusing on investments in our Mini Mill and Flat-Rolled segments.

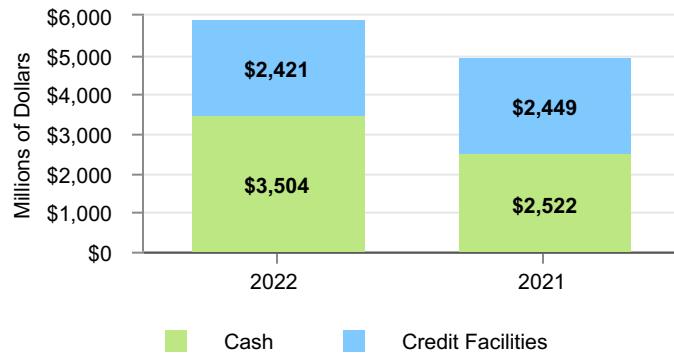
U. S. Steel's contractual commitments to acquire property, plant and equipment at December 31, 2022 totaled \$2,235 million.

Liquidity

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

(Dollars in millions)	
Cash and cash equivalents	\$ 3,504
Amount available under Credit Facility Agreement	1,746
Amount available under Big River Steel - Revolving Line of Credit	350
Amounts available under USSK Credit Agreement and USSK Credit Facility	325
Total estimated liquidity	\$ 5,925

Total Estimated Liquidity at December 31,



As of December 31, 2022, \$405 million of the total cash and cash equivalents was held by our foreign subsidiaries. Substantially all of the liquidity attributable to our foreign subsidiaries can be accessed without the imposition of income taxes as a result of the election effective December 31, 2013 to liquidate for U.S. income tax purposes a foreign subsidiary that holds most of our international operations.

We expect that our estimated liquidity requirements will consist primarily of our 2023 planned strategic capital expenditures, working capital requirements, interest expense, and operating costs and employee benefits for our operations after taking into account the footprint actions and cost reductions at our plants and headquarters. Our available liquidity at December 31, 2022 consists principally of our cash and cash equivalents and available borrowings under the Credit Facility Agreement, Big River Steel ABL Facility, USSK Credit Agreement and the USSK Credit Facility. Management continues to evaluate market conditions in our industry and our global liquidity position, and may consider additional actions to further strengthen our balance sheet and optimize liquidity, including but not limited to the repayment or refinancing of outstanding debt and the incurrence of additional debt to opportunistically finance strategic projects. The Company may also return excess liquidity to shareholders through share repurchases and dividends from time to time.

U. S. Steel management believes that U. S. Steel's liquidity will be adequate to satisfy our obligations for the foreseeable future, including obligations to complete currently authorized capital spending programs. Future requirements for U. S. Steel's business needs, including the funding of acquisitions and capital expenditures, scheduled debt maturities, repurchase of debt, share buybacks, dividends, contributions to employee benefit plans and any amounts that may ultimately be paid in connection with contingencies, are expected to be funded by a combination of internally generated funds (including asset sales), proceeds from the sale of stock, borrowings, refinancings and other external financing sources. The following table summarizes the Company's contractual obligations at December 31, 2022, and the effect such obligations are expected to have on our liquidity and cash flows in future periods.

(Dollars in millions)

Contractual Obligations	Total	2023	Payments Due by Period		
			2024 through 2025	2026 through 2027	Beyond 2027
Debt (including interest) and finance leases ^(a)	\$ 6,940	\$ 297	\$ 628	\$ 1,029	\$ 4,986
Operating leases ^(b)	177	58	74	35	10
Contractual purchase commitments ^(c)	6,262	4,707	610	552	393
Capital commitments ^(d)	2,235	1,683	552	—	—
Environmental commitments ^(d)	126	32	—	—	94
Steelworkers Pension Trust ^(e)	430	84	170	176	—
Employee related benefits ^(f)	177	38	71	68	—
Total contractual obligations	\$ 16,347	\$ 6,899	\$ 2,105	\$ 1,860	\$ 5,483

(a) See Note 17 to the Consolidated Financial Statements.

(b) See Note 24 to the Consolidated Financial Statements.

(c) Reflects estimated contractual purchase commitments under purchase orders and “take or pay” arrangements. “Take or pay” arrangements are primarily for purchases of gases and certain energy and utility services.

(d) See Note 26 to the Consolidated Financial Statements.

(e) While it is difficult to make a prediction of cash requirements beyond the term of the 2022 Labor Agreements with the USW, which expire on September 1, 2026, projected amounts shown through 2027 assume the contribution rate per hour included in the 2022 Labor Agreements of \$4.00 per hour worked.

(f) The amounts reflect corporate cash outlays for expected benefit payments to be paid by the Company. (See Note 18 to the Consolidated Financial Statements.) The accuracy of this forecast of future cash flows depends on future medical health care escalation rates and restrictions related to our trusts for retiree healthcare and life insurance (VEBA) that impact the timing of the use of trust assets. Projected amounts have been reduced to reflect withdrawals from the USW VEBA trust available under its agreements with the USW. Due to these factors, it is not possible to reliably estimate cash requirements beyond five years and actual amounts experienced may differ significantly from those shown.

Other Commercial Commitments

The following table summarizes U. S. Steel’s commercial commitments at December 31, 2022, and the effect such commitments could have on our liquidity and cash flows in future periods.

(Dollars in millions)

Commercial Commitments	Total	2023	Scheduled Reductions by Period		
			2024 through 2025	2026 through 2027	Beyond 2027
Standby letters of credit ^(a)	\$ 53	\$ 32	\$ 1	\$ —	\$ 20 ^(b)
Surety bonds ^(a)	95	—	—	—	95 ^(b)
Funded Trusts ^(a)	31	—	—	—	31 ^(b)
Total commercial commitments	\$ 179	\$ 32	\$ 1	\$ —	\$ 146

(a) Reflects a commitment or guarantee for which future cash outflow is not considered likely.

(b) Timing of potential cash outflows is not determinable.

Off-Balance Sheet Arrangements

U. S. Steel has invested in several joint ventures that are reported as equity investments. Several of these investments involved a transfer of assets in exchange for an equity interest. U. S. Steel has supply arrangements with several of these joint ventures.

U. S. Steel’s other off-balance sheet arrangements include guarantees, indemnifications, unconditional purchase obligations, surety bonds, trusts and letters of credit disclosed in Note 26 to the Consolidated Financial Statements.

Derivative Instruments

See “Item 7A. Quantitative and Qualitative Disclosures About Market Risk” for discussion of derivative instruments and associated market risk for U. S. Steel.

Environmental Matters

U. S. Steel’s environmental expenditures were as follows:

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(Dollars in millions)

	2022	2021	2020
North America:			
Capital	\$ 38	\$ 27	\$ 36
Compliance			
Operating & maintenance	255	201	188
Remediation ^(a)	18	57	37
Total North America	\$ 311	\$ 285	\$ 261
USSE:			
Capital	\$ 6	\$ —	\$ 6
Compliance			
Operating & maintenance	11	10	6
Remediation ^(a)	6	7	5
Total USSE	\$ 23	\$ 17	\$ 17
Total U. S. Steel	\$ 334	\$ 302	\$ 278

^(a) These amounts include spending charged against remediation reserves, net of recoveries where permissible, but do not include non-cash provisions recorded for environmental remediation.

U. S. Steel's environmental capital expenditures accounted for 2 percent of total capital expenditures in 2022 and 3 percent in 2021 and 6 percent in 2020.

Environmental compliance expenditures represented 2 percent of U. S. Steel's total costs and expenses in 2022, 2021 and 2020. Remediation spending during 2020 through 2022 was mainly related to remediation activities at former and present operating locations.

For discussion of other relevant environmental items see "Part I, Item 3. Legal Proceedings – Environmental Proceedings."

The following table shows activity with respect to environmental remediation liabilities for the years ended December 31, 2022 and December 31, 2021. These amounts exclude liabilities related to asset retirement obligations accounted for in accordance with ASC Topic 410. See Note 19 to the Consolidated Financial Statements.

(Dollars in millions)	2022	2021
Beginning Balance	\$ 158	\$ 146
Plus: Additions	20	43
Adjustments for changes in estimates	3	—
Less: Obligations settled	(55)	(31)
Ending Balance	\$ 126	\$ 158

New or expanded environmental requirements, which could increase U. S. Steel's environmental costs, may arise in the future. U. S. Steel intends to comply with all legal requirements regarding the environment, but since many of them are not fixed or presently determinable (even under existing legislation) and may be affected by future legislation, it is not possible to predict accurately the ultimate cost of compliance, including remediation costs which may be incurred and penalties which may be imposed. U. S. Steel's environmental capital expenditures are expected to be approximately \$84 million in 2023, \$15 million of which is related to projects at USSE. U. S. Steel's environmental expenditures for 2023 for operating and maintenance and for remediation projects are expected to be approximately \$232 million and \$42 million, respectively, of which approximately \$13 million and \$5 million for operating and maintenance and remediation, respectively, is related to USSE. Although, the outcome of pending environmental matters is not estimable at this time, it is reasonably possible that U. S. Steel's environmental capital and operating and maintenance expenditures could materially increase as a result of the future resolution of these matters. Predictions of future environmental expenditures beyond 2023 can only be broad-based estimates, which have varied, and will continue to vary, due to the ongoing evolution of specific regulatory requirements, the possible imposition of more stringent requirements and the availability of new technologies to remediate sites, among other factors.

Accounting Standards

See Notes 2 and 3 to the Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

U. S. Steel is exposed to certain risks related to its ongoing business operations, including financial, market, political, and economic risks. The following discussion provides information regarding U. S. Steel's exposure to the risks of changing foreign currency exchange rates, commodity prices and interest rates.

U. S. Steel may enter into derivative financial instrument transactions in order to manage or reduce these market risks. The use of derivative instruments is subject to our corporate governance policies. These instruments are used solely to mitigate market exposure and are not used for trading or speculative purposes.

U. S. Steel may elect to use hedge accounting for certain commodity or currency transactions. For those transactions, the impact of the hedging instrument will be recognized in other comprehensive income until the transaction is settled. Once the transaction is settled, the effect of the hedged item will be recognized in income. For further information regarding derivative instruments see Notes 1 and 16 to the Consolidated Financial Statements.

Foreign Currency Exchange Rate Risk

U. S. Steel is subject to the risk of price fluctuations due to the effects of exchange rates on revenues and operating costs, firm commitments for capital expenditures and existing assets or liabilities denominated in currencies other than the U.S. dollar, particularly the euro. U. S. Steel historically has made limited use of forward currency contracts to manage exposure to certain currency price fluctuations. U. S. Steel elected cash flow hedge accounting for foreign exchange forwards and had no material open forward exchange contracts that were subject to mark-to-market accounting as of December 31, 2022.

The fair value of our derivatives is determined using Level 2 inputs, which are defined as "significant other observable" inputs. The inputs used include quotes from counterparties that are corroborated with market sources.

Volatility in the foreign currency markets could have significant implications for U. S. Steel as a result of foreign currency transaction effects. Future foreign currency impacts will depend upon changes in currencies and the extent to which we engage in derivatives transactions. For additional information on U. S. Steel's foreign currency exchange activity, see Note 16 to the Consolidated Financial Statements.

Commodity Price Risk and Related Risks

In the normal course of our business, U. S. Steel is exposed to market risk or price fluctuations related to the purchase, production or sale of steel products. U. S. Steel is also exposed to price risk related to the purchase, production or sale of coal, coke, natural gas, steel scrap, iron ore and pellets, and zinc, tin and other nonferrous metals used as raw materials. U. S. Steel is also subject to market price risk for the purchase of a portion of its electricity at certain facilities. See Note 16 to the Consolidated Financial Statements for further details on U. S. Steel's derivatives.

U. S. Steel's market risk strategy has generally been to obtain competitive prices for our products and services and allow operating results to reflect market price movements dictated by supply and demand; however, from time to time U. S. Steel has made forward physical purchases to manage exposure to price risk related to the purchases of natural gas and certain non-ferrous metals used in the production process. As of December 31, 2022, U. S. Steel, through U. S. Steel Europe, had \$12 million forward buy contracts for zinc. There were no forward buy contracts for natural gas or any of the other significant raw materials used in the domestic production process.

Interest Rate Risk

U. S. Steel is subject to the effects of interest rate fluctuations on the fair value of certain of our non-derivative financial instruments. A sensitivity analysis of the projected incremental effect of a hypothetical 10 percent increase/decrease in year-end 2022 and 2021 interest rates on the fair value of U. S. Steel's non-derivative financial instruments is provided in the following table:

(Dollars in millions)	2022		2021	
Non-Derivative Financial Instruments ^(a)	Fair Value ^(b)	Change in Fair Value ^(c)	Fair Value ^(b)	Change in Fair Value ^(c)
Financial liabilities:				
Debt ^{(d)(e)}	\$ 3,815	\$ 116	\$ 4,379	\$ 143

- (a) Fair values of cash and cash equivalents, current accounts and notes receivable, accounts payable, bank checks outstanding and accrued interest approximate carrying value and are relatively insensitive to changes in interest rates due to the short-term maturity of the instruments. Accordingly, these instruments are excluded from the table.
- (b) See Note 20 to the Consolidated Financial Statements for carrying value of instruments.
- (c) Reflects, by class of financial instrument, the estimated incremental effect of a hypothetical 10 percent change in interest rates at December 31, 2022, and 2021, on the fair value of U. S. Steel's non-derivative financial instruments. For financial liabilities, this assumes a 10 percent decrease in the weighted average yield to maturity of U. S. Steel's long-term debt at December 31, 2022 and December 31, 2021.
- (d) Excludes finance lease obligations.
- (e) Fair value was determined using Level 2 inputs which were derived from quoted market prices and is based on the yield on public debt where available or current borrowing rates available for financings with similar terms and maturities.

U. S. Steel's sensitivity to interest rate declines and corresponding increases in the fair value of our debt portfolio would unfavorably affect our results and cash flows only to the extent that we elected to repurchase or otherwise retire all or a portion of our fixed-rate debt portfolio at prices above carrying value.

Item 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is set forth in our Consolidated Financial Statement contained in this Annual Report on Form 10-K. Specific financial statements can be found at the page listed below:

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MANAGEMENT'S REPORT TO STOCKHOLDERS

February 3, 2023

To the Stockholders of United States Steel Corporation:

Financial Statements and Practices

The accompanying consolidated financial statements of United States Steel Corporation are the responsibility of and have been prepared by United States Steel Corporation in conformity with accounting principles generally accepted in the United States of America. They necessarily include some amounts that are based on our best judgments and estimates. United States Steel Corporation's financial information displayed in other sections of this report is consistent with these financial statements.

United States Steel Corporation seeks to assure the objectivity and integrity of its financial records by careful selection of its managers, by organizational arrangements that provide an appropriate division of responsibility and by communication programs aimed at assuring that its policies, procedures and methods are understood throughout the organization.

United States Steel Corporation has a comprehensive, formalized system of internal controls designed to provide reasonable assurance that assets are safeguarded, that financial records are reliable and that information required to be disclosed in reports filed with or submitted to the Securities and Exchange Commission is recorded, processed, summarized and reported within the required time limits. Appropriate management monitors the system for compliance and evaluates it for effectiveness, and the independent registered public accounting firm measures its effectiveness and recommends possible improvements thereto.

The Board of Directors exercises its oversight role in the area of financial reporting and internal control over financial reporting through its Audit Committee. This committee, composed solely of independent directors, regularly meets (jointly and separately) with the independent registered public accounting firm, management, internal audit and other executives to monitor the proper discharge by each of their responsibilities relative to internal control over financial reporting and United States Steel Corporation's financial statements.

Internal Control Over Financial Reporting

United States Steel Corporation's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of United States Steel Corporation's management, including the Chief Executive Officer and Chief Financial Officer, United States Steel Corporation conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, United States Steel Corporation's management concluded that United States Steel Corporation's internal control over financial reporting was effective as of December 31, 2022.

The effectiveness of United States Steel Corporation's internal control over financial reporting as of December 31, 2022, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

/S/ DAVID B. BURRITT

David B. Burritt

President and
Chief Executive Officer

/S/ JESSICA T. GRAZIANO

Jessica T. Graziano

Senior Vice President and
Chief Financial Officer

/S/ MANPREET S. GREWAL

Manpreet S. Grewal

Vice President, Controller
& Chief Accounting Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of United States Steel Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of United States Steel Corporation and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of operations, of comprehensive income (loss), of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report to Stockholders on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or

disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Test – Mini Mill Reporting Unit

As described in Notes 1 and 14 to the consolidated financial statements, the Company's consolidated goodwill balance was \$920 million as of December 31, 2022, which included \$916 million relating to the Mini Mill reporting unit. Goodwill is deemed to have an indefinite life and is not amortized, but is subject to impairment testing annually, or more frequently if events or changes in circumstances indicate the asset might be impaired. Management performs an annual goodwill impairment test as of October 1 and monitors for interim triggering events on an ongoing basis. Fair value is determined by management using an income approach based on a discounted five year forecasted cash flow including a terminal value. The assumptions about future cash flows and growth rates are based on the respective reporting unit's long-term forecast. The Mini Mill reporting unit's discount rate is a significant assumption and is a risk-adjusted weighted average cost of capital, which management believes approximates the rate from a market participant's perspective.

The principal considerations for our determination that performing procedures relating to the goodwill impairment test of the Mini Mill reporting unit is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the Mini Mill reporting unit; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumption related to the discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment test, including controls over the valuation of the Mini Mill reporting unit. These procedures also included, among others (i) testing management's process for developing the fair value estimate; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of the significant assumption used by management related to the discount rate. Evaluating management's assumption related to the discount rate involved evaluating whether the significant assumption used by management was reasonable considering the consistency with external market and industry data. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the Company's discounted cash flow model and (ii) the reasonableness of the discount rate assumption.

/s/ PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
February 3, 2023

We have served as the Company's auditor since 1903.

**UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in millions, except per share amounts)	Year Ended December 31,		
	2022	2021	2020
Net sales:			
Net sales	\$ 19,123	\$ 18,964	\$ 8,765
Net sales to related parties (Note 23)	1,942	1,311	976
Total (Note 6)	21,065	20,275	9,741
Operating expenses (income):			
Cost of sales (excludes items shown below)	16,777	14,533	9,555
Selling, general and administrative expenses	422	426	277
Depreciation, depletion and amortization (Notes 13 and 14)	791	791	643
(Earnings) loss from investees (Note 12)	(243)	(170)	117
Gain on sale of Transtar (Note 5)	—	(506)	—
Asset impairment charges (Note 1)	163	273	263
Restructuring and other charges (Note 25)	48	128	138
Gain on equity investee transactions (Note 12)	(6)	(111)	(31)
Net gains on sale of assets	(12)	(7)	(149)
Other (gains) losses, net	(35)	(28)	3
Total	17,905	15,329	10,816
Earnings (loss) before interest and income taxes	3,160	4,946	(1,075)
Interest expense	159	313	280
Interest income	(44)	(4)	(7)
Loss on debt extinguishment (Note 7)	—	292	—
Other financial costs (benefits)	32	46	(16)
Net periodic benefit income	(246)	(45)	(25)
Net interest and other financial (benefits) costs (Note 7)	(99)	602	232
Earnings (loss) before income taxes	3,259	4,344	(1,307)
Income tax expense (benefit) (Note 11)	735	170	(142)
Net earnings (loss)	2,524	4,174	(1,165)
Less: Net earnings attributable to noncontrolling interests	—	—	—
Net earnings (loss) attributable to United States Steel Corporation	\$ 2,524	\$ 4,174	\$ (1,165)
Earnings (loss) per common share (Note 8)			
Earnings (loss) per share attributable to United States Steel Corporation stockholders:			
— Basic	\$ 10.22	\$ 15.77	\$ (5.92)
— Diluted	\$ 9.16	\$ 14.88	\$ (5.92)

The accompanying notes are an integral part of these Consolidated Financial Statements.

**UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(Dollars in millions)	Year Ended December 31,		
	2022	2021	2020
Net earnings (loss)	\$ 2,524	\$ 4,174	\$ (1,165)
Other comprehensive income (loss), net of tax:			
Changes in foreign currency translation adjustments ^(a)	(91)	(78)	68
Changes in pension and other employee benefit accounts ^(a)	(297)	433	385
Changes in derivative financial instruments ^(a)	(28)	23	(22)
Total other comprehensive (loss) income, net of tax	(416)	378	431
Comprehensive income (loss) including noncontrolling interest	2,108	4,552	(734)
Comprehensive income (loss) attributable to noncontrolling interest	—	—	—
Comprehensive income (loss) attributable to United States Steel Corporation	\$ 2,108	\$ 4,552	\$ (734)
(a) Related income tax benefit (expense)			
Foreign currency translation adjustments	\$ 24	\$ 32	\$ (16)
Pension and other benefits adjustments	95	(147)	(123)
Derivative adjustments	9	(6)	4

The accompanying notes are an integral part of these Consolidated Financial Statements.

**UNITED STATES STEEL CORPORATION
CONSOLIDATED BALANCE SHEETS**

(Dollars in millions)	December 31,	
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (Note 9)	\$ 3,504	\$ 2,522
Receivables, less allowance of \$38 and \$44	1,485	1,968
Receivables from related parties (Note 23)	150	121
Inventories (Note 10)	2,359	2,210
Other current assets	368	331
Total current assets	7,866	7,152
Long-term restricted cash (Note 9)	31	76
Investments and long-term receivables, less allowance of \$4 in both periods (Note 12)	840	694
Operating lease assets (Note 24)	146	185
Property, plant and equipment, net (Note 13)	8,492	7,254
Intangibles, net (Note 14)	478	519
Deferred income tax benefits (Note 11)	10	32
Goodwill (Note 14)	920	920
Other noncurrent assets	675	984
Total assets	\$ 19,458	\$ 17,816
Liabilities		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 2,873	\$ 2,809
Accounts payable to related parties (Note 23)	143	99
Payroll and benefits payable	493	425
Accrued taxes	271	365
Accrued interest	67	68
Current operating lease liabilities (Note 24)	49	58
Short-term debt and current maturities of long-term debt (Note 17)	63	28
Total current liabilities	3,959	3,852
Noncurrent operating lease liabilities (Note 24)	105	136
Long-term debt, less unamortized discount and debt issuance costs (Note 17)	3,914	3,863
Employee benefits (Note 18)	209	235
Deferred income tax liabilities (Note 11)	456	122
Deferred credits and other noncurrent liabilities	504	505
Total liabilities	9,147	8,713
Contingencies and commitments (Note 26)		
Stockholders' Equity		
Common stock issued — 282,487,412 and 279,522,227 shares issued (par value \$1 per share, authorized 400,000,000 shares) (Note 8)	283	280
Treasury stock, at cost (54,089,559 shares and 15,708,839 shares)	(1,204)	(334)
Additional paid-in capital	5,194	5,199
Retained earnings	6,030	3,534
Accumulated other comprehensive (loss) income (Note 21)	(85)	331
Total United States Steel Corporation stockholders' equity	10,218	9,010
Noncontrolling interests	93	93
Total liabilities and stockholders' equity	\$ 19,458	\$ 17,816

The accompanying notes are an integral part of these Consolidated Financial Statements.

**UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Dollars in millions)	Year Ended December 31,		
	2022	2021	2020
Increase (decrease) in cash and cash equivalents			
Operating activities:			
Net earnings (loss)	\$ 2,524	\$ 4,174	\$ (1,165)
Adjustments to reconcile net cash provided by operating activities:			
Depreciation, depletion and amortization (Notes 13 and 14)	791	791	643
Gain on sale of Transtar (Note 5)	—	(506)	—
Asset impairment charges (Note 1)	163	273	263
Gain on equity investee transactions (Note 12)	(6)	(111)	(31)
Restructuring and other charges (Note 25)	48	128	138
Loss on debt extinguishment (Note 7)	—	292	—
Pensions and other post-employment benefits	(213)	15	(21)
Deferred income taxes (Note 11)	501	(52)	(130)
Net gain on sale of assets	(12)	(7)	(149)
Equity investees (earnings) loss, net of distributions received	(215)	(168)	117
Changes in:			
Current receivables	370	(955)	98
Inventories	(222)	(677)	506
Current accounts payable and accrued expenses	(180)	783	(29)
Income taxes receivable/payable	(15)	161	20
All other, net	(29)	(51)	(122)
Net cash provided by operating activities	3,505	4,090	138
Investing activities:			
Capital expenditures	(1,769)	(863)	(725)
Acquisition of Big River Steel, net of cash acquired (Note 5)	—	(625)	—
Investment in Big River Steel	—	—	(9)
Proceeds from sale of Transtar (Note 5)	—	627	—
Proceeds from cost reimbursement government grants (Note 26)	54	—	—
Proceeds from sale of assets	32	26	167
Proceeds from sale of ownership interests in equity investees (Note 12)	12	—	8
Other investing activities	(8)	(5)	(4)
Net cash used in investing activities	(1,679)	(840)	(563)
Financing activities:			
Issuance of short-term debt, net of financing costs (Note 17)	—	—	240
Repayment of short-term debt (Note 17)	—	(180)	(70)
Revolving credit facilities - borrowings, net of financing costs (Note 17)	—	50	1,402
Revolving credit facilities - repayments (Note 17)	—	(911)	(1,621)
Issuance of long-term debt, net of financing costs (Note 17)	343	864	1,148
Repayment of long-term debt (Note 17)	(382)	(3,183)	(13)
Net proceeds from public offering of common stock (Note 27)	—	790	410
Proceeds from Stelco Option Agreement, net of financing costs (Note 20)	—	—	94
Common stock repurchased (Note 27)	(849)	(150)	—
Proceeds from government incentives (Note 26)	82	—	—
Other financing activities	(62)	(27)	(9)
Net cash (used in) provided by financing activities	(868)	(2,747)	1,581
Effect of exchange rate changes on cash			
Net increase in cash, cash equivalents and restricted cash	(19)	(21)	23
Cash, cash equivalents and restricted cash at beginning of year (Note 9)	939	482	1,179
Cash, cash equivalents and restricted cash at end of year (Note 9)	\$ 3,539	\$ 2,600	\$ 2,118

See Note 22 for supplemental cash flow information.

The accompanying notes are an integral part of these Consolidated Financial Statements.

**UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	Dollars in Millions			Shares in Thousands		
	2022	2021	2020	2022	2021	2020
Common stock:						
Balance at beginning of year	\$ 280	\$ 229	\$ 179	279,522	229,106	178,555
Common stock issued	3	51	50	2,965	50,416	50,551
Balance at end of year	\$ 283	\$ 280	\$ 229	282,487	279,522	229,106
Treasury stock:						
Balance at beginning of year	\$ (334)	\$ (175)	\$ (173)	(15,709)	(8,673)	(8,509)
Common stock repurchased	(849)	(150)	—	(37,559)	(6,557)	—
Common stock (repurchased) reissued for employee/non-employee director stock plans	(21)	(9)	(2)	(822)	(479)	(164)
Balance at end of year	\$ (1,204)	\$ (334)	\$ (175)	(54,090)	(15,709)	(8,673)
Additional paid-in capital:						
Balance at beginning of year	\$ 5,199	\$ 4,402	\$ 4,020			
Dividends on common stock	—	(5)	(6)			
Common stock issued	—	742	360			
Employee stock plans	72	60	28			
Cumulative effect upon adoption of Accounting Standards Update 2020-06	(77)	—	—			
Balance at end of year	\$ 5,194	\$ 5,199	\$ 4,402			

The accompanying notes are an integral part of these Consolidated Financial Statements.

**UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

(Continued)

(Dollars in millions)	2022	2021	2020	Comprehensive Income (Loss)		
				2022	2021	2020
Retained earnings:						
Balance at beginning of year	\$ 3,534	\$ (623)	\$ 544			
Net earnings (loss) attributable to United States Steel Corporation	2,524	4,174	(1,165)	\$ 2,524	\$ 4,174	\$ (1,165)
Dividends on common stock	(50)	(18)	(2)			
Cumulative effect upon adoption of Accounting Standards Update 2020-06	22	—	—			
Other	—	1	—			
Balance at end of year	\$ 6,030	\$ 3,534	\$ (623)			
Accumulated other comprehensive (loss) income:						
Pension and other benefit adjustments (Note 18):						
Balance at beginning of year	\$ (25)	\$ (458)	\$ (843)			
Changes during year, net of taxes ^(a)	(304)	433	360	(304)	433	360
Changes during year, equity investee net of taxes ^(a)	7	—	25	7	—	25
Balance at end of year	\$ (322)	\$ (25)	\$ (458)			
Foreign currency translation adjustments:						
Balance at beginning of year	\$ 371	\$ 449	\$ 381			
Changes during year, net of taxes ^(a)	(91)	(78)	68	(91)	(78)	68
Balance at end of year	\$ 280	\$ 371	\$ 449			
Derivative financial instruments:						
Balance at beginning of year	\$ (15)	\$ (38)	\$ (16)			
Changes during year, net of taxes ^(a)	(28)	23	(22)	(28)	23	(22)
Balance at end of year	\$ (43)	\$ (15)	\$ (38)			
Total balances at end of year	\$ (85)	\$ 331	\$ (47)			
Total stockholders' equity	\$ 10,218	\$ 9,010	\$ 3,786			
Noncontrolling interests:						
Balance at beginning of year	\$ 93	\$ 93	\$ 1			
Stelco Option Agreement	—	—	93			
Other	—	—	(1)			
Net loss	—	—	—	—	—	—
Balance at end of year	\$ 93	\$ 93	\$ 93			
Total comprehensive income (loss)				\$ 2,108	\$ 4,552	\$ (734)
(a) Related income tax benefit (expense):						
Foreign currency translation adjustments	\$ 24	\$ 32	\$ (16)			
Pension and other benefits adjustments	95	(147)	(123)			
Derivative adjustments	9	(6)	4			

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. Nature of Business and Significant Accounting Policies

Nature of Business

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

Significant Accounting Policies

Principles applied in consolidation

These financial statements include the accounts of U. S. Steel and its majority-owned subsidiaries. Additionally, variable interest entities for which U. S. Steel is the primary beneficiary are included in the Consolidated Financial Statements, and their impacts are either partially or completely offset by noncontrolling interests. Intercompany accounts, transactions and profits have been eliminated in consolidation.

Investments in entities over which U. S. Steel has significant influence are accounted for using the equity method of accounting and are carried at U. S. Steel's share of net assets plus loans, advances and our share of earnings less distributions.

Earnings or loss from investees includes U. S. Steel's share of earnings or loss from equity method investments (and any amortization of basis differences), which are generally recorded a month in arrears.

Use of estimates

Generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at year-end and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying value of property, plant and equipment; intangible assets; the fair value of assets or liabilities acquired in a business combination; valuation allowances for receivables, inventories and deferred income tax assets and liabilities; environmental liabilities; liabilities for potential tax deficiencies; potential litigation claims and settlements; assets and obligations related to employee benefits; put and call option and contingent forward purchase commitment assets and liabilities; and restructuring and other charges. Actual results could differ materially from the estimates and assumptions used.

The preparation of the financial statements includes an assessment of certain accounting matters using all available information including consideration of forecasted financial information in context with other information reasonably available to us. However, our future assessment of 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.

Sales recognition

Sales are recognized when U. S. Steel's performance obligations are satisfied. Generally, U. S. Steel's performance obligations are satisfied, control of our products is transferred, and revenue is recognized at a single point in time, when title transfers to our customer for product shipped or when 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. See Note 6 for further details on U. S. Steel's revenue.

Inventories

Inventories are carried at the lower of cost or net realizable value. Fixed costs related to abnormal production capacity are expensed in the period incurred rather than capitalized into inventory.

LIFO is the predominant method of inventory costing for inventories held by the Flat-Rolled and Tubular segments. The Mini Mill segment uses a moving average costing method to account for semi-finished and finished products and FIFO to account for raw materials. FIFO is the predominant method used by the USSE segment. The LIFO method of inventory costing was used on 43 percent and 46 percent of consolidated inventories at December 31, 2022, and 2021, respectively.

Derivative instruments

From time to time, U. S. Steel may use fixed price forward physical purchase contracts to partially manage our exposure to price risk. Generally, forward physical purchase contracts qualify for the normal purchase normal sales exclusion in Accounting Standards Codification (ASC) 815, *Derivatives and Hedging*, and are not subject to mark-to-market accounting. U. S. Steel also uses derivatives such as commodity-based financial swaps and foreign currency exchange forward contracts to manage its exposure to purchase and sale price fluctuations and foreign currency exchange rate risk. The USSE and Flat-Rolled segments elect hedge accounting for some of their derivatives. Under hedge accounting, fluctuations in the value of the derivative are recognized in Accumulated other comprehensive (loss) income (AOCL) until

the associated underlying is recognized in earnings. When the associated underlying is recognized in earnings, the value of the derivative is reclassified to earnings from AOCI. The Mini Mill segment has not elected hedge accounting. Therefore, the changes in fair value of the Mini Mill segment's foreign exchange forwards, as well as fair value changes for other derivatives where hedge accounting has not been elected, are recognized immediately in earnings. In accordance with the guidance in ASC Topic 820 on fair value measurements and disclosures, the fair value of our foreign exchange forwards, commodity purchase swaps and sales swaps was determined using Level 2 inputs, which are defined as "significant other observable" inputs. The inputs used are from market sources that aggregate data based upon market transactions. See Note 16 for further details on U. S. Steel's derivatives.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and is depreciated on a straight-line basis over the estimated useful lives of the assets.

Depletion of mineral properties is based on rates which are expected to amortize cost over the estimated tonnage of minerals to be removed.

When property, plant and equipment is sold or otherwise disposed of, any gains or losses are reflected in income. If a loss on disposal is expected, such losses are recognized when the assets are reclassified as assets held for sale or when impaired as part of an asset group's impairment.

Asset Impairment

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

In the second quarter 2022, the Company recognized charges of approximately \$151 million for the write-off of the blast furnaces and related fixed assets for the permanent idling of the iron making process at the Company's Great Lakes Works facility, which had been idled on an indefinite basis during 2020. The coil finishing process at Great Lakes Works continues to operate and remains a component of the Company's operating plans.

In December 2021, the Company permanently idled the steel making process at Great Lakes Works, which had been idled on an indefinite basis during 2020. As a result of this decision, the Company recognized charges of approximately \$128 million for the write-off of the BOP, steel casting and hot strip mill related fixed assets. In addition, in October 2021, equipment at Gary Works related to steel production intended for petroleum conveying pipe were written-off resulting in a charge of approximately \$88 million.

In May 2019, U. S. Steel announced that it planned to construct a new endless casting and rolling facility at its Edgar Thomson Plant in Braddock, Pennsylvania, and a cogeneration facility at its Clairton Plant in Clairton, Pennsylvania, both part of the Company's Mon Valley Works. The Company purchased certain equipment for this project before delaying groundbreaking in March 2020 in response to COVID-19. In April 2021, the Company determined not to pursue this project, re-evaluated the use of the already purchased equipment, and subsequently transferred suitable equipment to the Mini Mill segment to be used on the planned, three-million-ton mini mill flat-rolled facility to be constructed. Total impairments of \$56 million were recognized for this project in 2021.

For the period ended March 31, 2020, the steep decline in oil prices that resulted from market oversupply and declining demand was considered a triggering event for the welded tubular and seamless tubular asset groups. A quantitative analysis was completed for both asset groups and a \$263 million impairment, consisting of an impairment of \$196 million for property, plant and equipment and \$67 million for intangible assets was recorded for the welded tubular asset group while no impairment was indicated for the seamless tubular asset group. There were no other triggering events that required an impairment evaluation of our long-lived asset groups during the years-ended December 31, 2022 and 2021.

Goodwill and identifiable intangible assets

Goodwill represents the excess of the cost over the fair value of acquired identifiable tangible and intangible assets and liabilities assumed from businesses acquired. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to impairment testing annually, or more frequently if events or changes in circumstances indicate the asset might be impaired. We perform our annual goodwill impairment test as of October 1 and monitor for interim triggering events on an ongoing basis.

We review goodwill for impairment utilizing either a qualitative assessment or a quantitative goodwill impairment test. If we choose to perform a qualitative assessment and we determine that the fair value of the reporting unit more likely than not exceeds the carrying value, no further evaluation is necessary. For reporting units where we perform the quantitative goodwill impairment test, we compare the fair value of each reporting unit, which we primarily determine using an income approach based on the present value of discounted cash flows, to the respective carrying value, which includes goodwill. If the fair value of the reporting unit exceeds its carrying value, we do not consider the goodwill impaired. If the carrying value is higher than the fair value, we recognize the difference as an impairment loss.

A quantitative goodwill impairment testing process requires valuation of the respective reporting unit, which we primarily determine using an income approach based on a discounted five year forecasted cash flow including a terminal value. We compute the terminal value using the constant growth method, which values the forecasted cash flows in perpetuity. The assumptions about future cash flows and growth rates are based on the respective reporting unit's long-term forecast and are subject to review and approval by senior management. A reporting unit's discount rate is a significant assumption and is a risk-adjusted weighted average cost of capital, which we believe approximates the rate from a market participant's perspective. The estimated fair value could be impacted by changes in market conditions, interest rates, growth rates, tax rates, costs, pricing and capital expenditures. We categorize the fair value determination as Level 3 in the fair value hierarchy due to its use of internal projections and unobservable measurement inputs.

Our Mini Mill reporting unit holds the goodwill recognized as a result of the Company's acquisition of Big River Steel and currently is our only reporting unit that has a significant amount of goodwill. This goodwill is primarily attributable to Big River Steel's operational abilities, workforce and the anticipated benefits from their recent expansion. U. S. Steel completed its annual goodwill impairment test using a quantitative analysis during the fourth quarter of 2022 and determined there was no impairment of goodwill.

Intangible assets with indefinite lives are also subject to at least annual impairment testing, which compares the fair value of the intangible assets with their carrying amounts. U. S. Steel has determined that certain of its acquired intangible assets have indefinite useful lives. These assets are also reviewed for impairment annually in the fourth quarter and whenever events or circumstances indicate the carrying value may not be recoverable. U. S. Steel completed its annual evaluation of its indefinite-lived water rights using a qualitative assessment and determined there was no indication of impairment.

Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives and are tested for impairment when events occur that indicate that the net book value will not be recovered over future cash flows.

Environmental remediation

Environmental expenditures are capitalized if the costs mitigate or prevent future contamination or if the costs improve existing assets' environmental safety or efficiency. U. S. Steel provides for remediation costs and penalties when the responsibility to remediate is probable and the amount of associated costs is reasonably estimable. The timing of remediation accruals typically coincides with completion of studies defining the scope of work to be undertaken or when it is probable that a formal plan of action will be approved by the oversight agency. Remediation liabilities are accrued based on estimates of believed environmental exposure and are discounted if the amount and timing of the cash disbursements are readily determinable.

Asset retirement obligations

Asset retirement obligations (AROs) are initially recorded at fair value and are capitalized as part of the cost of the related long-lived asset and depreciated in accordance with U. S. Steel's depreciation policies for property, plant and equipment. The fair value of the obligation is determined as the discounted value of expected future cash flows. Accretion expense is recorded each month to increase this discounted obligation over time. Certain AROs related to disposal costs of the majority of assets at our integrated steel facilities are not recorded because they have an indeterminate settlement date. These AROs will be initially recognized in the period in which sufficient information exists to estimate their fair value. See Note 19 for further details on U. S. Steel's AROs.

Pensions and other post-employment benefits

U. S. Steel has defined contribution or multiemployer arrangements for pension benefits for more than 80 percent of its employees in the United States and defined benefit pension plans covering the remaining employees. For hires before January 1, 2016, U. S. Steel has defined benefit retiree health care and life insurance plans (Other Benefits) that cover its represented employees in North America upon their retirement. Government-sponsored programs into which U. S. Steel

makes required contributions cover U. S. Steel's European employees. For more details regarding pension and other post-employment benefits see Note 18 of the Consolidated Financial Statements.

The pension and Other Benefits obligations and the related net periodic benefit costs are based on, among other things, assumptions regarding the discount rate, estimated return on plan assets, salary increases, the projected mortality of participants and the current level and future escalation of health care costs. Additionally, U. S. Steel recognizes an obligation to provide post-employment benefits for disability-related claims covering indemnity and medical payments for certain employees in North America. The obligation for these claims and the related periodic costs are measured using actuarial techniques and assumptions. Actuarial gains and losses occur when actual experience differs from any of the many assumptions used to value the benefit plans, or when assumptions change. For pension and Other Benefits, the Company recognizes into income on an annual basis a portion of unrecognized actuarial net gains or losses that exceed 10 percent of the larger of projected benefit obligations or plan assets (the corridor). These unrecognized amounts in excess of the corridor are amortized over the plan participants' average life expectancy or average future service, depending on the demographics of the plan. Unrecognized actuarial net gains and losses for disability-related claims are immediately recognized into income.

Deferred taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. The realization of deferred tax assets is assessed quarterly based on several interrelated factors. These factors include U. S. Steel's expectation to generate sufficient future taxable income and the projected time period over which these deferred tax assets will be realized. U. S. Steel records a valuation allowance when necessary to reduce deferred tax assets to the amount that will more likely than not be realized. See Note 11 for further details of deferred taxes.

2. New Accounting Standards

In October 2021, the FASB issued Accounting Standards Update 2021-08, *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* (ASU 2021-08). ASU 2021-08 requires that an entity recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, *Revenue from Contracts with Customers*. ASU 2021-08 is effective to public companies for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, with early adoption of all amendments in the same period permitted. The Company will apply the guidance prescribed by ASU 2021-08 to business combinations, if any, that take place subsequent to the effective date.

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 roll forward information, which is effective for fiscal years beginning after December 15, 2023. Early adoption of all amendments is permitted. The Company will adopt the interim disclosure requirements as applicable during the first quarter 2023 and the annual disclosure requirements except for the annual rollforward in the 2023 Form 10-K. The Company will adopt the annual rollforward disclosure requirement in the 2024 Form 10-K.

3. Recently Adopted Accounting Standards

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

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

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

In November 2021, the FASB issued Accounting Standards Update 2021-10, *Disclosures by Business Entities about Government Assistance* (ASU 2021-10). ASU 2021-10 provides expanded disclosure requirements for business entities that account for a transaction with a government by applying a grant or contribution accounting model by analogy. The Company adopted this guidance effective January 1, 2022. The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

In December 2019, the FASB issued Accounting Standards Update 2019-12, *Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes* (ASU 2019-12). ASU 2019-12 simplifies accounting for income taxes by removing certain exceptions from the general principles in Topic 740 including elimination of the exception to the incremental approach for intraperiod tax allocation when there is a loss from continuing operations and income or a gain from other items such as other comprehensive income. U. S. Steel adopted this guidance on January 1, 2021. The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

In March 2020, the FASB issued Accounting Standards Update 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting* (ASU 2020-04). ASU 2020-04 provides optional exceptions for applying generally accepted accounting principles to modifications of contracts, hedging relationships, and other transactions that reference LIBOR or another rate that will be discontinued by reference rate reform if certain criteria are met. The guidance was effective beginning on March 12, 2020 and the amendments were applied prospectively through December 31, 2022. U. S. Steel adopted this guidance during 2020. The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which adds an impairment model that is based on expected losses rather than incurred losses. U. S. Steel's significant financial instruments which are valued at cost are trade receivables (receivables). U. S. Steel's receivables carry standard industry terms and are categorized in two receivable pools, U.S. and USSE. Both pools use customer specific risk ratings based on customer financial metrics, past payment experience and other factors and qualitatively consider economic conditions to assess the level of allowance for doubtful accounts. USSE mitigates credit risk for approximately 76 percent of its receivables balance using credit insurance, letters of credit, bank guarantees, prepayments or other collateral. ASU 2016-13 was effective for public companies for fiscal years beginning after December 15, 2019, including interim reporting periods. U. S. Steel adopted this standard effective January 1, 2020. The impact of adoption was not material to the Consolidated Financial Statements.

4. Segment Information

U. S. Steel has four reportable segments: North American Flat-Rolled, Mini Mill, USSE and Tubular Products. The results of our real estate business, the previously held equity method investment in Big River Steel, and of our former railroad businesses are combined and disclosed in the Other category. The majority of U. S. Steel's customers are located in North America and Europe. No single customer accounted for more than 10 percent of gross annual revenues.

The Flat-Rolled segment includes the operating results of U. S. Steel's integrated steel plants and equity investees in the United States involved in the production of slabs, strip mill plates, sheets and tin mill products, as well as all pig iron, iron ore and coke production facilities in the United States. These operations primarily serve North American customers in the service center, conversion, transportation (including automotive), construction, container and appliance and electrical markets.

The Mini Mill segment reflects the acquisition of Big River Steel after the purchase of the remaining equity interest on January 15, 2021 (see Note 5 for further details) and BR2 facility, which is under construction in Osceola, Arkansas. As of December 31, 2021, the Mini Mill segment includes the operating results of U. S. Steel's two electric arc furnace steel

plant in Osceola, Arkansas involved in the production of sheets and electrical products. These operations primarily serve North American customers in the service center, conversion, transportation (including automotive), construction, container and appliance and electrical markets.

The USSE segment includes the operating results of USSK, U. S. Steel's integrated steel plant and coke production facilities in Slovakia, and its subsidiaries. USSE conducts its business mainly in Central and Western Europe and primarily serves customers in the European transportation (including automotive), construction, container, appliance, electrical, service center, conversion and oil, gas and petrochemical markets. USSE produces and sells slabs, strip mill plate, sheet, tin mill products and spiral welded pipe.

The Tubular segment includes the operating results of U. S. Steel's tubular production facilities and an equity investee in the United States. These operations produce and sell rounds, seamless and electric resistance welded (welded) steel casing and tubing (commonly known as oil country tubular goods or OCTG), standard and line pipe and mechanical tubing and primarily serve customers in the oil, gas and petrochemical markets. The Tubular segment includes the electric arc furnace at our Fairfield Tubular Operations in Fairfield, Alabama.

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, 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 are as follows:

(In millions)	Customer Sales	Intersegment Sales	Net Sales	Earnings (loss) from investees	Earnings (loss) before Interest and Income Taxes	Depreciation, depletion & amortization	Capital expenditures
2022							
Flat-Rolled	\$ 12,522	\$ 350	\$ 12,872	\$ 220	\$ 1,951	\$ 499	\$ 503
Mini Mill ^(a)	2,681	366	3,047	—	481	158	1,159
USSE	4,243	13	4,256	—	444	85	90
Tubular	1,611	5	1,616	23	544	48	17
Total reportable segments	21,057	734	21,791	243	3,420	790	1,769
Other	8	1	9	—	22	1	—
Reconciling Items and Eliminations	—	(735)	(735)	—	(282)	—	—
Total	\$ 21,065	\$ —	\$ 21,065	\$ 243	\$ 3,160	\$ 791	\$ 1,769
2021							
Flat-Rolled	\$ 12,180	\$ 178	\$ 12,358	\$ 150	\$ 2,630	\$ 491	\$ 422
Mini Mill ^(a)	3,008	508	3,516	—	1,206	151	331
USSE	4,262	4	4,266	—	975	98	57
Tubular	789	20	809	14	1	46	51
Total reportable segments	20,239	710	20,949	164	4,812	786	861
Other	36	65	101	6	(11)	5	2
Reconciling Items and Eliminations	—	(775)	(775)	—	145	—	—
Total	\$ 20,275	\$ —	\$ 20,275	\$ 170	\$ 4,946	\$ 791	\$ 863
2020							
Flat-Rolled	\$ 7,071	\$ 208	\$ 7,279	\$ (9)	\$ (596)	\$ 496	\$ 484
USSE	1,967	3	1,970	—	9	97	79
Tubular	639	7	646	4	(179)	39	159
Total reportable segments	9,677	218	9,895	(5)	(766)	632	722
Other	64	98	162	(94)	(39)	11	3
Reconciling Items and Eliminations	—	(316)	(316)	(18)	(270)	—	—
Total	\$ 9,741	\$ —	\$ 9,741	\$ (117)	\$ (1,075)	\$ 643	\$ 725

^(a) Includes capital expenditures related to BR2 of \$796 million and \$144 million in 2022 and 2021, respectively.

A summary of total assets by segment is as follows:

(In millions)	December 31,	
	2022	2021
Flat-Rolled	\$ 7,936	\$ 7,337
Mini Mill ^(a)	5,787	4,715
USSE	5,823	6,111
Tubular	1,140	1,054
Total reportable segments	\$ 20,686	\$ 19,217
Other	\$ 141	\$ 88
Corporate, reconciling items, and eliminations ^(b)	(1,369)	(1,489)
Total assets	\$ 19,458	\$ 17,816

^(a) Includes assets related to BR2 of \$1.4 billion and \$0.3 billion in 2022 and 2021, respectively.

^(b) The majority of Corporate, reconciling items, and eliminations total assets is comprised of cash and the elimination of intersegment amounts.

The detail of reconciling items to consolidated earnings (loss) before interest and income taxes is as follows:

(In millions)	2022	2021	2020
Items not allocated to segments:			
Restructuring and other charges (Note 25)	\$ (48)	\$ (128)	\$ (138)
Asset impairment charges	(163)	(273)	(287)
United Steelworkers labor agreement signing bonus and related costs	(64)	—	—
Gains on assets sold & previously held investments	6	118	170
Gain on sale of Transtar (Note 5)	—	506	—
Environmental remediation charges	—	(43)	—
Other charges, net	(13)	(35)	(15)
Total reconciling items	\$ (282)	\$ 145	\$ (270)

Geographic Area:

The information below summarizes external sales, property, plant and equipment and equity method investments based on the location of the operating segment to which they relate.

(In millions)	Year	External Sales	Assets
North America	2022	\$ 16,822	\$ 8,459 ^(a)
	2021	16,013	7,034 ^(a)
	2020	7,774	5,590 ^(a)
Europe	2022	4,243	843
	2021	4,262	880
	2020	1,967	993
Total	2022	21,065	9,302
	2021	20,275	7,914
	2020	9,741	6,583

^(a) Assets with a book value of \$8,459 million, \$7,034 million and \$5,590 million were located in the United States at December 31, 2022, 2021 and 2020, respectively.

5. Acquisitions and Dispositions

Big River Steel Acquisition

On January 15, 2021, U. S. Steel purchased the remaining equity interest in Big River Steel for approximately \$625 million in cash net of \$36 million and \$62 million in cash and restricted cash received, respectively, and the assumption of liabilities of approximately \$50 million. There were acquisition related costs of approximately \$9 million during the twelve months ended December 31, 2021.

Prior to the closing of the acquisition on January 15, 2021, U. S. Steel accounted for its 49.9% equity interest in Big River Steel under the equity method as control and risk of loss were shared among the joint venture members. Using step acquisition accounting the Company increased the value of its previously held equity investment to its fair value of \$770 million which resulted in a gain of approximately \$111 million. The fair value of the previously held equity investment was determined using Level 3 valuation techniques, including the significant factors and assumptions used to value Big River Steel disclosed below. The gain was recorded in gain on equity investee transactions in the Consolidated Statement of Operations.

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

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

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

	(in millions)
Assets Acquired:	
Receivables	\$ 166
Receivables with U. S. Steel ⁽¹⁾	99
Inventories	184
Other current assets	16
Property, plant and equipment	2,188
Intangibles	413
Goodwill	916
Other noncurrent assets	19
Total Assets Acquired	\$ 4,001
Liabilities Assumed:	
Accounts payable and accrued liabilities	\$ 224
Payroll and benefits payable	27
Accrued taxes	9
Accrued interest	33
Short-term debt and current maturities of long-term debt	29
Long-term debt	1,997
Deferred income tax liabilities	26
Deferred credits and other long-term liabilities	211
Total Liabilities Assumed	\$ 2,556
Fair value of previously held investment in Big River Steel	\$ 770
Purchase price, including assumed liabilities and net of cash acquired	675
Difference in assets acquired and liabilities assumed	\$ 1,445

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

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

(in millions)	Years Ended December 31,	
	2021	2020
Net sales	\$ 20,347	\$ 10,694
Net earnings (loss)	\$ 4,103	\$ (1,260)

Transtar Disposition

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

constitute a reportable business segment, its results through the date of disposition are reported in the Other category. See Note 4 for further details.

Other Transactions

As of December 31, 2022, the Company intends to pursue the disposition of certain assets related to a component of its flat-roll business. As a result, the Company has recognized a total of \$119 million in restructuring-related charges, \$89 million during the fourth quarter 2021 and \$30 million during the year ended December 31, 2022. These charges are expected to be paid out on a long-term basis.

USS-UPI, LLC (UPI) (formerly known as USS-POSCO Industries)

On February 29, 2020, U. S. Steel purchased the remaining 50% ownership interest in USS-POSCO Industries, (now USS-UPI, LLC), (UPI) for \$3 million, net of cash received of \$2 million. There was an assumption of accounts payable owed to U. S. Steel for prior sales of steel substrate of \$135 million associated with the purchase that was reflected as a reduction in receivables from related parties on the Company's Consolidated Balance Sheet as of December 31, 2020.

Using step acquisition accounting U. S. Steel increased the value of the Company's previously held equity investment to its fair value of \$5 million which resulted in a gain of approximately \$25 million. The gain was recorded in gain on equity investee transactions in the Consolidated Statement of Operations.

Receivables of \$44 million, inventories of \$96 million, accounts payable and accrued liabilities of \$19 million, current portion of long-term debt of \$55 million and payroll and employee benefits liabilities of \$78 million were recorded with the acquisition. Property, plant and equipment of \$97 million which included a fair value step-up of \$47 million and an intangible asset of \$54 million were also recorded on the Company's Consolidated Balance Sheet. The intangible asset, which will be amortized over ten years, arises from a land lease contract, under which a certain portion of payment owed to UPI is realized in the form of deductions from electricity costs.

6. Revenue

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

The following tables disaggregates our revenue by product for each of our reportable business segments for the years ended December 31, 2022, 2021 and 2020, respectively (Net Sales by Product, in millions, excluding intersegment sales):

Year Ended December 31, 2022	Flat-Rolled	Mini Mill	USSE	Tubular	Other	Total
Semi-finished	\$ 193	\$ —	\$ 103	\$ —	\$ —	\$ 296
Hot-rolled sheets	2,338	1,570	1,919	—	—	5,827
Cold-rolled sheets	3,898	356	385	—	—	4,639
Coated sheets	4,461	745	1,622	—	—	6,828
Tubular products	—	—	68	1,594	—	1,662
All other ^(a)	1,632	10	146	17	8	1,813
Total	\$ 12,522	\$ 2,681	\$ 4,243	\$ 1,611	\$ 8	\$ 21,065

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

Year Ended December 31, 2021	Flat-Rolled	Mini Mill ^(b)	USSE	Tubular	Other	Total
Semi-finished	\$ 12	\$ —	\$ 126	\$ —	\$ —	\$ 138
Hot-rolled sheets	2,592	1,744	2,149	—	—	6,485
Cold-rolled sheets	3,785	526	448	—	—	4,759
Coated sheets	4,408	732	1,376	—	—	6,516
Tubular products	—	—	58	781	—	839
All other ^(a)	1,383	6	105	8	36	1,538
Total	\$ 12,180	\$ 3,008	\$ 4,262	\$ 789	\$ 36	\$ 20,275

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

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

Year Ended December 31, 2020	Flat-Rolled	USSE	Tubular	Other	Total
Semi-finished	\$ 94	\$ 2	\$ —	\$ —	\$ 96
Hot-rolled sheets	1,273	793	—	—	2,066
Cold-rolled sheets	2,102	164	—	—	2,266
Coated sheets	2,990	904	—	—	3,894
Tubular products	—	40	621	—	661
All other ^(b)	612	64	18	64	758
Total	\$ 7,071	\$ 1,967	\$ 639	\$ 64	\$ 9,741

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

7. Net Interest and Other Financial Costs

(In millions)	2022	2021	2020
Interest income:			
Interest income	\$ (44)	\$ (4)	\$ (7)
Interest expense and other financial costs:			
Interest incurred	218	342	306
Less interest capitalized	59	29	26
Total interest expense	159	313	280
Loss on debt extinguishment ^(a)	—	292	—
Net periodic benefit (income) costs (other than service cost)	(246)	(45)	(25)
Foreign currency net loss (gain) ^(b)	11	17	(15)
Financial costs on:			
Amended Credit Agreement	5	6	3
USSK Credit Facility	3	4	2
Other ^(c)	4	5	(21)
Amortization of discounts and deferred financing costs	9	14	15
Total other financial costs (benefits)	32	46	(16)
Net interest and other financial (benefits) costs	\$ (99)	\$ 602	\$ 232

^(a) Represents a net pretax charge of \$292 million during 2021 related to the repayments of the Export-Import Credit Agreement, 2025 Senior Secured Notes, 2025 Senior Notes, 2026 Senior Notes, 2029 Senior Secured Notes, Credit Facility Agreement and Environmental Revenue Bonds.

^(b) The functional currency for USSE is the euro. Foreign currency net loss (gain) is a result of transactions denominated in currencies other than the euro.

^(c) 2020 includes a gain of \$39 million for the change in fair value of certain call and put options related to U. S. Steel's previously held 49.9% ownership interest in Big River Steel.

8. Earnings (Loss) and Dividends Per Common Share

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

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

Diluted earnings (loss) per common share assumes the exercise of stock options, the vesting of restricted stock units and performance awards, provided in each case the effect is dilutive. In 2022, the "if-converted" method is used to calculate the dilutive effect of the Senior Convertible Notes due in 2026 as a result of ASU 2020-06. In 2021 and 2020, the "treasury stock" method was used to calculate the dilutive effect of the Senior Convertible Notes due in 2026 (due to our intent and policy, among other factors, to settle the principal amount of the 2026 Senior Convertible Notes in cash upon conversion).

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

(Dollars in millions, except per share amounts)	2022	2021	2020
Net earnings (loss) attributable to United States Steel Corporation stockholders			
Basic	\$ 2,524	\$ 4,174	\$ (1,165)
Interest expense on Senior Convertible Notes, net of tax	13	—	—
Diluted	\$ 2,537	\$ 4,174	\$ (1,165)
Weighted-average shares outstanding (in thousands):			
Basic	246,986	264,667	196,721
Effect of Senior Convertible notes	26,194	11,126	—
Effect of stock options, restricted stock units and performance awards	3,783	4,651	—
Diluted	276,963	280,444	196,721
Net earnings (loss) per share attributable to United States Steel Corporation stockholders:			
Basic	\$ 10.22	\$ 15.77	\$ (5.92)
Diluted	\$ 9.16	\$ 14.88	\$ (5.92)

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

(In thousands)	2022	2021	2020
Securities granted under the 2016 Omnibus Incentive Compensation Plan, as amended and restated	960	1,185	6,780

Dividends Paid per Share

Quarterly dividends on common stock were five cents per share for each quarter in 2022. Quarterly dividends on common stock were one cent per share in the first, second and third quarters and five cents per share in the fourth quarter of 2021. Quarterly dividends on common stock were one cent per share for each quarter in 2020.

9. Cash, Cash Equivalents and Restricted Cash

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

(In millions)	December 31,		
	2022	2021	2020
Cash and cash equivalents	\$ 3,504	\$ 2,522	\$ 1,985
Restricted cash in other current assets	4	2	3
Long-term restricted cash	31	76	130
Total cash, cash equivalents and restricted cash	\$ 3,539	\$ 2,600	\$ 2,118

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

10. Inventories

(In millions)	December 31, 2022	December 31, 2021
	2022	2021
Raw materials	\$ 1,098	\$ 713
Semi-finished products	811	1,056
Finished products	398	388
Supplies and sundry items	52	53
Total	\$ 2,359	\$ 2,210

Current acquisition costs for LIFO inventories were estimated to exceed the above inventory values at December 31 by \$1,154 million in 2022 and \$896 million in 2021. As a result of the liquidation of LIFO inventories, cost of sales decreased and earnings before interest and income taxes increased by \$44 million, \$11 million and \$5 million in 2022, 2021 and 2020, respectively.

11. Income Taxes

Components of earnings (loss) before income taxes:

(In millions)	2022	2021	2020
United States	\$ 2,847	\$ 3,400	\$ (1,303)
Foreign	412	944	(4)
Earnings (loss) before income taxes	\$ 3,259	\$ 4,344	\$ (1,307)

At the end of both 2022 and 2021, U. S. Steel does not have any undistributed foreign earnings and profits for which U.S. deferred taxes have not been provided.

Income tax provision (benefit):

(In millions)	2022			2021			2020		
	Current	Deferred	Total	Current	Deferred	Total	Current	Deferred	Total
Federal	\$ 101	\$ 451	\$ 552	\$ (7)	\$ 8	\$ 1	\$ (10)	\$ (95)	\$ (105)
State and local	54	43	97	50	(71)	(21)	(3)	(24)	(27)
Foreign	79	7	86	179	11	190	1	(11)	(10)
Total	\$ 234	\$ 501	\$ 735	\$ 222	\$ (52)	\$ 170	\$ (12)	\$ (130)	\$ (142)

A reconciliation of the federal statutory tax rate of 21 percent to total provision (benefit) follows:

(In millions)	2022	2021	2020
Statutory rate applied to earnings (loss) before income taxes	\$ 684	\$ 912	\$ (275)
Valuation allowance	(38)	(633)	367
Tax accounting benefit related to increase in OCI	—	—	(138)
Excess percentage depletion	(48)	(66)	(31)
Capital loss generated	—	(139)	—
State and local income taxes after federal income tax effects	97	83	(47)
Effects of foreign operations	85	191	(10)
U.S. impact of foreign operations	6	4	1
Impact of tax credits	(83)	(173)	(18)
Adjustment of prior years' federal income taxes	40	(5)	12
Other	(8)	(4)	(3)
Total provision (benefit)	\$ 735	\$ 170	\$ (142)

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 which is under construction in 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 26 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 CAMT of 15 percent on book income of certain large corporations, a one percent excise tax on net stock repurchases and several tax incentives to promote clean energy. The provision pertaining to an excise tax on corporate stock repurchases imposes a nondeductible one percent excise tax on a publicly traded corporation for the net value of certain stock that the corporation repurchases. The value of the repurchases subject to the tax is reduced by the value of any stock issued by the corporation during the tax year, including stock issued or provided to the employees. The CAMT imposes a minimum tax on net income adjusted for certain items prescribed by the legislation. Both the CAMT and the excise tax provisions of this legislation are effective for tax years beginning after December 31, 2022. Although management is currently assessing the impact of the law change and awaiting guidance from the Department of Treasury,

the Company anticipates being subject to the new CAMT but does not believe that it will have a material impact on its Consolidated Financial Statements.

Included in the 2021 provision is a benefit of \$715 million related to the reversal of a portion of the valuation allowance recorded against the Company's net domestic deferred tax asset, partially offset by the addition of a valuation allowance of \$82 million, the majority of which relates to an unused capital loss carryforward.

The 2020 tax benefit includes a \$138 million benefit related to recording a loss from continuing operations and income from other comprehensive income categories and expense of \$13 million for an updated estimate to tax reserves related to an unrecognized tax benefit. Due to the full valuation allowance on our domestic deferred tax assets, the tax benefit in 2020 does not reflect any additional tax benefit for domestic pretax losses.

Deferred taxes

Deferred tax assets and liabilities resulted from the following:

(In millions)	December 31,	
	2022	2021
Deferred tax assets:		
Federal tax loss carryforwards (no expiration)	\$ 1	\$ 20
Federal tax loss carryforwards (expiring in 2037)	1	—
Federal capital loss carryforwards (expiring in 2026)	69	66
State tax credit carryforwards (expiring in 2024 through 2031)	10	11
State tax loss carryforwards (expiring in 2023 through 2043)	77	150
State capital loss carryforwards (expiring in 2026 through 2036)	28	16
General business credit carryforwards	—	94
Foreign tax loss and credit carryforwards (expiring in 2023 through 2031)	67	244
Contingencies and accrued liabilities	64	78
Operating lease liabilities	37	47
Capitalized research and development	35	15
Receivables, payables and debt	13	33
Inventory	14	—
Other temporary differences	53	34
Valuation allowance	<u>(119)</u>	<u>(162)</u>
Total deferred tax assets	<u>\$ 350</u>	<u>\$ 646</u>
Deferred tax liabilities:		
Property, plant and equipment	\$ 589	\$ 379
Operating right-of-use assets	35	45
Investments in subsidiaries and equity investees	141	121
Inventory	—	112
Employee benefits	31	70
Receivables, payables and debt	—	6
Other temporary differences	—	3
Total deferred tax liabilities	<u>\$ 796</u>	<u>\$ 736</u>
Net deferred tax (liability) asset	<u>\$ (446)</u>	<u>\$ (90)</u>

U. S. Steel recognizes deferred tax assets and liabilities for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. The realization of deferred tax assets is assessed quarterly based on several interrelated factors. These factors include U. S. Steel's expectation to generate sufficient future taxable income and the projected time period over which these deferred tax assets will be realized.

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

At June 30, 2021, U. S. Steel determined, based upon weighing all positive and negative evidence, that a full valuation allowance for the domestic deferred tax assets was no longer required. Accordingly, we reversed all of the domestic valuation allowance except for a portion of the domestic valuation allowance related to certain state net operating losses and state tax credits.

During the year ended December 31, 2021, U. S. Steel realized a non-cash net benefit of \$715 million related to the valuation allowance release, which was partially offset by the addition of a valuation allowance of \$82 million, the majority of which relates to an unused capital loss generated in the fourth quarter of 2021.

At December 31, 2022, the net domestic deferred tax liability was \$437 million, net of an established valuation allowance of \$116 million. At December 31, 2021, the net domestic deferred tax liability was \$88 million, net of an established valuation allowance of \$159 million.

At December 31, 2022, the net foreign deferred tax liability was \$9 million, net of an established valuation allowance of \$3 million. At December 31, 2021, the net foreign deferred tax liability was \$2 million, net of an established valuation allowance of \$3 million. The net foreign deferred tax asset will fluctuate as the value of the U.S. dollar changes with respect to the euro.

U. S. Steel will continue to monitor the realizability of its deferred tax assets on a quarterly basis. In the future, if we determine that realization is more likely than not for a deferred tax asset with a valuation allowance, the related valuation allowance will be reduced, and we will record a non-cash benefit to earnings.

Unrecognized tax benefits

Unrecognized tax benefits are the differences between a tax position taken, or expected to be taken, in a tax return and the benefit recognized for accounting purposes pursuant to the guidance in ASC Topic 740 on income taxes. The total amount of unrecognized tax benefits was \$2 million, \$3 million and \$16 million as of December 31, 2022, 2021 and 2020, respectively.

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$2 million as of both December 31, 2022 and 2021.

U. S. Steel records interest related to uncertain tax positions as a part of net interest and other financial costs in the Consolidated Statements of Operations. Any penalties are recognized as part of selling, general and administrative expenses. U. S. Steel had accrued liabilities of \$2 million for interest and penalties related to uncertain tax positions as of both December 31, 2022, and 2021.

A tabular reconciliation of unrecognized tax benefits follows:

(In millions)	2022	2021	2020
Unrecognized tax benefits, beginning of year	\$ 3	\$ 16	\$ 3
Increases – tax positions taken in prior years	—	—	13
Decreases – tax positions taken in prior years	—	(13)	—
Settlements	—	—	—
Lapse of statute of limitations	(1)	—	—
Unrecognized tax benefits, end of year	\$ 2	\$ 3	\$ 16

Tax years subject to examination

Below is a summary of the tax years open to examination by major tax jurisdiction:

U.S. Federal – 2017 and forward

U.S. States – 2015 and forward

Slovakia – 2011 and forward

Status of Internal Revenue Service (IRS) examinations

The IRS audit of U. S. Steel's 2017-2018 federal consolidated tax returns began in 2020 and is ongoing. The IRS completed its audit of the Company's 2014-2016 tax returns in 2020.

12. Investments, Long-Term Receivables and Equity Investee Transactions

(In millions)	December 31,	
	2022	2021
Equity method investments	\$ 810	\$ 660
Receivables due after one year, less allowance of \$4 in both periods	22	31
Other	8	3
Total	\$ 840	\$ 694

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Summarized financial information of all investees accounted for by the equity method of accounting is as follows (amounts represent 100% of investee financial information):

(In millions)	2022	2021	2020
Income data – year ended December 31:			
Net Sales	\$ 3,222	\$ 2,229	\$ 2,485
Operating income	492	376	12
Net earnings	462	346	(124)
Balance sheet date – December 31:			
Current Assets	\$ 1,085	\$ 744	\$ 960
Noncurrent Assets	974	1,084	3,101
Current Liabilities	314	293	419
Noncurrent Liabilities	513	529	3,063

U. S. Steel's portion of the income (loss) from investees reflected on the Consolidated Statements of Operations was \$243 million, \$170 million and \$(117) million for the years ended December 31, 2022, 2021 and 2020, respectively.

All of our significant investees are located in the U.S. Investees accounted for using the equity method include:

Investee	December 31, 2022 Interest
Chrome Deposit Corporation	50 %
Daniel Ross Bridge, LLC	50 %
Double G Coatings Company, Inc.	50 %
Hibbing Development Company	24.1 %
Hibbing Taconite Company ^(a)	14.7 %
Patriot Premium Threading Services, LLC	50 %
PRO-TEC Coating Company, LLC	50 %
Strategic Investment Fund Partners II ^(b)	5.2 %
Worthington Specialty Processing	49.0 %

^(a) Hibbing Taconite Company (Hibbing) is an unincorporated joint venture that is owned, in part, by Hibbing Development Company (HDC), which is accounted for using the equity method. Through HDC we are able to influence the activities of HTC, and as such, its activities are accounted for using the equity method.

^(b) Strategic Investment Fund Partners II is a limited partnership and in accordance with ASC Topic 323, the financial activities are accounted for using the equity method.

In 2020, we recognized pre-tax gains on equity investee transactions of approximately \$6 million on the sale of our 49 percent ownership interest in Feralloy Processing Company and \$25 million for the step-up to fair value of our previously held investment in UPI.

In 2022, we recognized pre-tax gains on equity investee transactions of approximately \$6 million from Worthington Specialty Processing pertaining to the sale of the joint venture's facilities and subsequent distribution to the investors. The joint venture is expected to be dissolved in 2023 and is expected to result in an immaterial distribution to the Company.

Dividends or partnership distributions received from equity investees were \$28 million in 2022 and \$2 million in 2021, respectively. There were none received in 2020.

U. S. Steel evaluates impairment of its equity method investments whenever circumstances indicate that a decline in value below carrying value is other than temporary. Under these circumstances, we would adjust the investment down to its estimated fair value, which then becomes its new carrying value.

We supply substrate to certain of our equity method investees and from time to time will extend the payment terms for their trade receivables. For discussion of transactions and related receivable and payable balances between U. S. Steel and its investees, see Note 23.

13. Property, Plant and Equipment

(In millions)	Useful Lives	December 31,	
		2022	2021
Land and depletable property	—	\$ 210	\$ 213
Buildings	35-40 years	1,530	1,558
Machinery and equipment			
Steel producing	2-30 years	15,900	15,968
Other	5-30 years	95	94
Information technology	5-6 years	805	798
Assets under finance lease	5-15 years	212	160
Construction in process	—	2,470	885
Total		21,222	19,676
Less accumulated depreciation and depletion		12,730	12,422
Net		\$ 8,492	\$ 7,254

Amounts in accumulated depreciation and depletion for assets acquired under finance leases were \$86 million and \$59 million at December 31, 2022 and 2021, respectively.

14. Goodwill and Intangible Assets

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

(In millions)	Useful Lives	As of December 31, 2022			As of December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	22 Years	\$ 413	\$ 37	\$ 376	\$ 413	\$ 18	\$ 395
Patents	5-15 Years	17	12	5	17	11	6
Energy Contract	2 Years	54	32	22	54	11	43
Total amortizable intangible assets		\$ 484	\$ 81	\$ 403	\$ 484	\$ 40	\$ 444

Amortization expense was \$42 million and \$26 million for years ended December 31, 2022 and December 31, 2021, respectively. We expect approximately \$120 million in total amortization expense from 2023 through 2027 and approximately \$283 million in remaining amortization expense thereafter.

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

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

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

15. Stock-Based Compensation Plans

U. S. Steel has outstanding stock-based compensation awards that were granted by the Compensation & Organization Committee of the Board of Directors (the Committee), 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) (collectively the Plans). On April 26, 2016, the Company's stockholders approved the Omnibus Plan and authorized the Company to issue up to 7,200,000 shares of U. S. Steel common stock under the Omnibus Plan. The Company's stockholders authorized the issuance of an additional 6,300,000 shares under the Omnibus Plan on April 25, 2017, an additional 4,700,000 shares under the Omnibus Plan on April 28, 2020 and an additional 14,500,000 shares under the Omnibus Plan on April 27, 2021. While awards that were previously granted under the 2005 Plan remain outstanding, all future awards will be granted under the Omnibus Plan. As of December 31, 2022, there were 9,080,478 shares available for future grants under the Omnibus Plan.

Generally, a share issued under the Omnibus Plan pursuant to an award other than a stock option will reduce the number of shares available under the Stock Plan by 1.78 shares. Shares related to awards under either plan (i) that are forfeited, (ii) that terminate without shares having been issued or (iii) for which payment is made in cash or property other than shares, are again available for awards under the Omnibus Plan. Shares delivered to U. S. Steel or withheld for purposes of satisfying the exercise price or tax withholding obligations are not available for future awards. The purpose of the Plans is to attract, reward and retain employees and non-employee directors who create long-term value for our stockholders by delivering on objectives that support our long-term strategy. The Committee administers the Plans, and under the Omnibus Plan may make grants of stock options, restricted stock units (RSUs), performance awards, and other stock-based awards.

The following table summarizes the total stock-based compensation awards granted during the years 2022, 2021 and 2020:

	Stock Options	Restricted Stock Units	TSR Performance Awards	ROCE Performance Awards ^(a)	Performance-Based Restricted Stock Units
2022	—	1,249,830	236,520	408,870	83,951
2021	171,000	1,891,481	306,930	485,900	676,954
2020	—	2,640,690	671,390	—	—

^(a) The ROCE awards granted in 2020 are not shown in the table because they were granted in cash.

Stock-based compensation expense

The following table summarizes the total compensation expense recognized for stock-based compensation awards:

(In millions, except per share amounts)	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Stock-based compensation expense recognized:			
Cost of sales	\$ 15	\$ 14	\$ 8
Selling, general and administrative expenses	42	41	18
Total	57	55	26
Related deferred income tax benefit ^(a)	14	14	—
Decrease in net income	43	41	26
Decrease in basic earnings per share	0.18	0.16	0.13
Decrease in diluted earnings per share	0.16	0.15	0.13

^(a) Amounts for 2020 do not reflect a tax benefit as a result of a full valuation allowance on our domestic deferred tax assets.

As of December 31, 2022, total future compensation cost related to nonvested stock-based compensation arrangements was \$45 million and the average period over which this cost is expected to be recognized is approximately 16 months.

Stock options

Compensation expense for stock options is recorded over the vesting period based on the fair value on the date of grant, as calculated by U. S. Steel using the Black-Scholes model and the assumptions listed below. Awards generally vest ratably over a three-year service period and have a term of ten years. Stock options are generally issued at the average market price of the underlying stock on the date of the grant. Upon exercise of stock options, shares of U. S. Steel stock are issued from treasury stock or from authorized, but unissued common stock. There were 171,000 performance-based stock options granted in 2021. There were no stock options granted in 2022 and 2020.

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

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

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

^(a) The \$35.00 tranche vested in April 2022.

The following table shows a summary of the status and activity of stock options for the year ended December 31, 2022:

	Shares	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2022	1,659,764	\$ 25.31		
Granted	—	\$ —		
Exercised	(408,760)	\$ 20.29		
Forfeited or expired	(40,789)	\$ 29.08		
Outstanding at December 31, 2022	1,210,215	\$ 26.88	2.97	\$ 3
Exercisable at December 31, 2022	1,096,215	\$ 27.24	2.65	\$ 2
Exercisable and expected to vest at December 31, 2022	1,210,215	\$ 26.88	2.97	\$ 3

The aggregate intrinsic value in the table above represents the total pretax intrinsic value (difference between our closing stock price on the last trading day of 2022 and the exercise price, multiplied by the number of in-the-money options). Intrinsic value changes are a function of the fair market value of our stock.

The total intrinsic value of stock options exercised (i.e., the difference between the market price at exercise and the price paid by the employee to exercise the option) was \$5 million and \$3 million during the years ended December 31, 2022 and December 31, 2021, respectively, and immaterial during the year ended December 31, 2020. The total amount of cash received by U. S. Steel from the exercise of options was \$8 million and \$7 million during the years ended December 31, 2022 and December 31, 2021, respectively. The related net tax benefit realized from the exercise of these options was immaterial in 2022 and 2021.

Stock awards

Compensation expense for nonvested stock awards is recorded over the vesting period based on the fair value at the date of grant.

RSUs 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. RSUs granted in connection with new-hire or retention awards generally cliff vest three years from the date of the grant.

Total shareholder return (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 payout 50 percent at the threshold level, 100 percent at the target level and 200 percent at the maximum level for payouts. 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.

Performance awards based on the return on capital employed (ROCE) metric were granted in equity in 2022 and 2021, and in cash in 2020. ROCE awards granted will be measured on a weighted average basis of the Company's consolidated worldwide earnings (loss) before interest and income taxes, as adjusted, divided by consolidated worldwide capital employed, as adjusted, over a three year period.

For outstanding 2020 and 2021 ROCE-based equity awards, weighted average ROCE is calculated based on the ROCE achieved in the first, second and third years of the performance period, weighted at 20 percent, 30 percent and 50 percent, respectively. For outstanding 2022 ROCE-based equity awards, weighted average ROCE is calculated based on the ROCE achieved in the first, second and third years of the performance period, weighted at 20 percent for each year in the three-year performance period and 40 percent for the full three-year period. The ROCE awards will payout 50 percent at the threshold level, 100 percent at the target level and 200 percent at the maximum level. Payouts for performance in between the threshold percentages will be interpolated.

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

ROCE performance awards may vest at the end of a three-year performance period contingent upon meeting ROCE performance goals approved by the Committee. 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 the second mini mill (30% of the grant), (ii) EBITDA margin expansion (40% of the grant) and (iii) greenhouse gas emissions intensity reduction (30% of the grant).

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

The following table shows a summary of the performance awards outstanding as of December 31, 2022, and their fair market value on the respective grant date:

Performance Period	Fair Value (in millions)	Minimum Shares	Target Shares	Maximum Shares
2022 - 2024	\$ 17	—	641,773	1,283,546
2021 - 2023	\$ 31	—	1,475,765	2,951,530
2020 - 2022	\$ 5	—	641,005	1,282,010

The following table shows a summary of the status and activity of nonvested stock awards for the year ended December 31, 2022:

	Restricted Stock Units	TSR Performance Awards ^(a)	ROCE Performance Awards ^(a)	Performance-Based Restricted Stock Units ^(a)	Total	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2022	3,699,689	1,121,703	915,969	676,954	6,414,315	\$ 16.85
Granted	1,249,830	236,520	408,870	83,951	1,979,171	24.52
Vested	(1,547,733)	(69,508)	(881,878)	—	(2,499,119)	18.10
Performance adjustment factor ^(b)	—	(104,260)	440,939	—	336,679	22.26
Forfeited or expired	(76,039)	—	(7,297)	(63,420)	(146,756)	21.21
Nonvested at December 31, 2022	3,325,747	1,184,455	876,603	697,485	6,084,290	\$ 19.02

^(a) The number of shares shown for the performance awards is based on the target number of share awards.

^(b) Consists of adjustments to vested performance awards to reflect actual performance.

The following table presents information on RSUs and performance awards granted:

	2022	2021	2020
Number of awards granted	1,979,171	3,361,265	3,312,080
Weighted-average grant-date fair value per share	\$ 24.52	\$ 20.24	\$ 8.69

During the years ended December 31, 2022, 2021, and 2020, the total fair value of shares vested was \$45 million, \$29 million, and \$16 million, respectively.

16. Derivative Instruments

U. S. Steel is exposed to foreign currency exchange rate risks in our European operations. USSE's revenues are primarily in euros and costs are primarily in euros and U.S. dollars. U. S. Steel uses foreign exchange forward sales contracts (foreign exchange forwards) with maturities up to 23 months to manage our currency requirements and exposure to foreign currency exchange rate fluctuations. Derivative instruments are required to be recognized at fair value in the Consolidated Balance Sheet. The USSE and Flat-Rolled segments use hedge accounting for their foreign exchange forwards. The Mini Mill segment has foreign exchange forwards for which hedge accounting has not been elected; therefore, the changes in the fair value of their foreign exchange forwards are recognized immediately in the Consolidated Statements of Operations (mark-to-market accounting).

U. S. Steel also uses financial swaps to protect from the commodity price risk associated with purchases of natural gas, zinc, tin, electricity, and iron ore pellets (commodity purchase swaps). We elected cash flow hedge accounting for commodity purchase swaps for natural gas, zinc, tin, and iron ore pellets and use mark-to-market accounting for electricity swaps. The commodity purchase swaps where hedge accounting was elected have maturities up to 12 months. The commodity purchase swaps where hedge accounting was not elected have maturities up to 12 months.

U. S. Steel has entered into financial derivatives that are used to partially manage the sales price risk of certain hot-rolled coil sales (sales swaps) and iron ore pellet sales (sales swaps and zero cost collars). The sales swaps and the zero cost collars are all accounted for using hedge accounting. The hot-rolled coil sales swaps and the iron ore zero cost collars have reached maturity, and the iron ore sales swaps have maturities up to 13 months.

Generally, forward physical purchase contracts qualify for the normal purchase and normal sales exceptions described in ASC Topic 815 and are not subject to mark-to-market accounting. In accordance with the guidance in ASC Topic 820 on fair value measurements and disclosures, the fair value of our foreign exchange forwards, commodity purchase swaps and sales swaps was determined using Level 2 inputs, which are defined as "significant other observable" inputs. The inputs used are from market sources that aggregate data based upon market transactions.

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

Hedge Contracts	Classification	December 31, 2022	December 31, 2021
Natural gas (in mmbtus)	Commodity purchase swaps	45,174,000	40,498,000
Tin (in metric tons)	Commodity purchase swaps	738	1,648
Zinc (in metric tons)	Commodity purchase swaps	5,222	7,167
Electricity (in megawatt hours)	Commodity purchase swaps	460,320	810,720
Iron ore pellets (in metric tons)	Commodity purchase swaps	280,000	30,000
Iron ore pellets (in metric tons)	Zero cost collars	108,000	1,296,000
Iron ore pellets (in metric tons)	Sales swaps	1,087,500	—
Hot-rolled coils (in tons)	Sales swaps	11,000	157,120
Foreign currency (in millions of euros)	Foreign exchange forwards	€266	€308
Foreign currency (in millions of dollars)	Foreign exchange forwards	\$90	\$2
Foreign currency (in millions of CAD)	Foreign exchange forwards	\$1	\$0

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

(In millions)	Balance Sheet Location	December 31, 2022	December 31, 2021
Designated as Hedging Instruments			
Sales swaps	Accounts receivable	\$ 3	10
Sales swaps	Accounts payable	8	30
Sales swaps	Investments and long-term receivables	—	1
Sales swaps	Other long-term liabilities	1	—
Commodity purchase swaps	Accounts receivable	14	17
Commodity purchase swaps	Accounts payable	51	29
Commodity purchase swaps	Investments and long-term receivables	—	1
Commodity purchase swaps	Other long-term liabilities	11	4
Foreign exchange forwards	Accounts receivable	3	15
Foreign exchange forwards	Accounts payable	9	—
Foreign exchange forwards	Other long-term liabilities	3	—
Not Designated as Hedging Instruments			
Commodity purchase swaps	Accounts receivable	13	5
Commodity purchase swaps	Investments and long-term receivables	1	5

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The table below summarizes the effect of hedge accounting on AOCI and amounts reclassified from AOCI into earnings for 2022, 2021, and 2020:

(In millions)	(Loss) Gain on Derivatives in AOCI			Location of Reclassification from AOCI ^(a)	Amount of (Loss) Gain Recognized in Income		
	2022	2021	2020		2022	2021	2020
Sales swaps	\$ 14	\$ 7	\$ (26)	Net sales	\$ (18)	\$ (170)	\$ —
Commodity purchase swaps	(35)	(11)	17	Cost of sales ^(b)	103	57	(24)
Foreign exchange forwards	(16)	33	(17)	Cost of sales	44	(3)	(7)

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

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

The table below summarizes the impact of derivative activity where hedge accounting has not been elected on our Consolidated Statements of Operations for 2022, 2021 and 2020:

(In millions)	Consolidated Statement of Operations Location	Amount of (Loss) Gain Recognized in Income		
		2022	2021	2020
Commodity purchase swaps	Cost of sales	\$ 18	\$ 19	\$ (1)
Foreign exchange forwards	Other financial costs	(7)	2	—

At current contract values, \$43 million in AOCI as of December 31, 2022, will be recognized as an increase in cost of sales over the next year, and \$5 million in AOCI as of December 31, 2022, will be recognized as a decrease in net sales over the next year.

17. Debt

(In millions)	Issuer/Borrower	Interest Rates %	Maturity	December 31,	
				2022	2021
2037 Senior Notes	U. S. Steel	6.650	2037	\$ 274	\$ 350
2029 Senior Secured Notes	Big River Steel	6.625	2029	720	720
2029 Senior Notes	U. S. Steel	6.875	2029	475	750
2026 Senior Convertible Notes	U. S. Steel	5.000	2026	350	350
Environmental Revenue Bonds	U. S. Steel	4.125 - 6.750	2024 - 2052	924	647
Environmental Revenue Bonds	Big River Steel	4.500 - 4.750	2049	752	752
Finance leases and all other obligations	U. S. Steel	Various	2023-2029	100	67
Finance leases and all other obligations	Big River Steel	Various	2023-2031	176	122
ECA Credit Agreement	Big River Steel	Variable	2031	136	136
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	2024	—	—
Total debt				3,907	3,894
Less unamortized discount, premium and debt issuance costs				(70)	3
Less short-term debt, long-term debt due within one year, and short-term issuance costs				63	28
Long-term debt				\$ 3,914	\$ 3,863

The following is a summary of debt repayments for our Senior notes and environmental revenue bonds made during the twelve months ended December 31, 2022:

Debt Instrument (in millions)	Date	Year Ended December 31, 2022
2037 Senior Notes ^(a)	Third quarter 2022	\$ 76
2029 Senior Notes ^(b)	Third quarter 2022	225
Hoover, AL Environmental Revenue Bonds	Second quarter 2022	14
2029 Senior Notes ^(b)	Second quarter 2022	48
2029 Senior Notes ^(b)	First quarter 2022	2
Total		\$ 365

^(a) There were redemption discounts and unamortized debt issuance cost write-offs of \$6 million and \$1 million, respectively, included in (gain) loss on debt extinguishment on the Consolidated Statement of Operations related to the repayment.

^(b) During the twelve months ended December 31, 2022, there were no redemption premiums paid and a net loss of \$4 million for the write-off of unamortized discounts and debt issuance costs, included in (gain) loss on debt extinguishment on the Consolidated Statement of Operations, as a result of these debt repayments.

Arkansas Development Finance Authority Environmental Improvement Revenue Bonds, Series 2022 (United States Steel Corporation Project) (Green Bonds)

On September 6, 2022, U. S. Steel closed on an offering of \$290 million aggregate principal amount of 5.450% Environmental Improvement Revenue Bonds due 2052 (2052 ADFA Green Bonds). U. S. Steel received net proceeds of approximately \$287 million after fees of approximately \$3 million related to the underwriting and third-party expenses. The net proceeds from the issuance of the 2052 ADFA Green Bonds will be used to partially fund work related to U. S. Steel's solid waste disposal facilities, including two EAFs and other equipment facilities at its new technologically-advanced flat rolled steel making facility, BR2, currently under construction near Osceola, Arkansas.

On and after September 1, 2025, the Company may redeem the 2052 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 2052 ADFA Green Bonds, if any, to, but excluding, the applicable redemption date, if redeemed during the twelve-month period beginning on September 1 of each of the years indicated below.

Year	Redemption Price
2025	105.000 %
2026	104.000 %
2027	103.000 %
2028	102.000 %
2029	101.000 %
2030 and thereafter	100.000 %

At any time prior to September 1, 2025, U. S. Steel may also redeem the 2052 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 2052 ADFA Green Bonds plus accrued and unpaid interest, if any, or the sum of the present value of the redemption price of the 2052 ADFA Green Bonds if they were redeemed on September 1, 2025, plus interest payments due through September 1, 2025, 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 26,193,685 shares of U. S. Steel common stock and we reserved for the possible issuance of 33,396,930 shares, which is the maximum amount that could be issued upon conversion. Prior to August 1, 2026, holders of notes may convert all or a portion of their notes at their option only upon the satisfaction of specified conditions and during certain periods. On or after August 1, 2026, holders may convert all or a portion of their notes prior to the maturity date. Upon conversion, we will satisfy the obligation with cash, common stock, or a combination thereof, at our election. U. S. Steel may not redeem the 2026 Senior Convertible Notes prior to November 5, 2023. On or after November 5, 2023, and prior to August 1, 2026, if the price per share of U. S. Steel's common stock has been at least 130% of the conversion price for specified periods, U. S. Steel may redeem all or a portion of the 2026 Senior Convertible Notes at a cash redemption price of 100% of the principal amount, plus accrued and unpaid interest.

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

Big River Steel — Sustainability Linked ABL Facility

Big River Steel's amended senior secured asset-based revolving credit facility (Big River Steel ABL Facility) matures on July 23, 2026. The facility is secured by first-priority liens on accounts receivable and inventory and certain other assets and second priority liens on most tangible and intangible assets of Big River Steel in each case subject to permitted liens. Additionally, the amendment includes sustainability targets related to 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 December 31, 2022, Big River Steel would have met the fixed charge coverage ratio test. The facility includes affirmative and negative covenants and events of default that are customary for facilities of this type.

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

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 December 31, 2022, there were approximately \$4 million of letters of credit issued and no loans drawn under the Credit Facility Agreement. U. S. Steel must maintain a fixed charge coverage ratio of at least 1.00 to 1.00 for the most recent four consecutive quarters when availability under the Credit Facility Agreement is less than the greater of ten percent of the maximum facility availability and \$140 million. Based on the most recent four quarters as of December 31, 2022, the Company would have met the fixed charge coverage ratio test.

USSK Credit Facilities

On September 29, 2021, USSK entered into a €300 million (approximately \$320 million) unsecured sustainability linked credit agreement (USSK Credit Agreement). The USSK Credit Agreement matures in 2026 and contains specific financial covenants as well as sustainability targets related to greenhouse gas emissions intensity reduction, safety performance and facility certification by ResponsibleSteel™. At December 31, 2022, USSK had no borrowings under the USSK Credit Agreement.

Under the USSK Credit Agreement, USSK is required to maintain a net debt to EBITDA ratio of less than 3.50:1.00 for the rolling twelve months ending June 30, 2023. The Company has determined that it may not be able to comply with the EBITDA ratio covenant at June 30, 2023, based on the currently forecasted EBITDA for the twelve-month period ending June 30, 2023. This could partially or fully limit USSK's ability to borrow under the USSK Credit Agreement.

Any amendment or waiver may lead to additional lender protections, including a reduction of loan commitments or less favorable terms, and there can be no assurance that USSK can obtain waivers or amendments in timely fashion, or on acceptable terms or at all. The Company believes that USSK will have adequate cash on hand as of June 30, 2023, and will not need to borrow under the USSK Credit Agreement.

At December 31, 2022, USSK had no borrowings under its €20 million credit facility (approximately \$21 million) (USSK Credit Facility) and the availability was approximately \$5 million due to approximately \$16 million of customs and other guarantees outstanding.

Debt Maturities – Aggregate maturities of debt are as follows (in millions):

2023	2024	2025	2026	2027	Later Years	Total
\$ 65	\$ 132	\$ 44	\$ 520	\$ 99	\$ 3,046	\$ 3,906

18. Pensions and Other Benefits

U. S. Steel has defined contribution or multiemployer retirement benefits for more than 80 percent of its employees in the United States and non-contributory defined benefit pension plans covering the remaining employees. Benefits under the defined benefit pension plans are based upon years of service and final average pensionable earnings, with a minimum benefit based upon years of service. In addition, pension benefits for most non-represented employees under these plans are based upon a percent of total career pensionable earnings. Effective December 31, 2015, non-represented participants in the defined benefit plan no longer accrue additional benefits under the plan. For those non-represented employees without defined benefit coverage (defined benefit pension plan was closed to new participants in 2003) and those for which the defined benefit plan was frozen, the Company also provides in the defined contribution plans (401(k) plans) a retirement account benefit based on salary and attained age. Most non-represented employees also participate in the 401(k) plans whereby the Company matches a certain percentage of salary based on the amount contributed by the participant. As of December 31, 2022, more than 75 percent of U. S. Steel's represented employees in the United States are covered by the SPT, a multiemployer pension plan, to which U. S. Steel contributes on the basis of a fixed dollar amount for each hour worked.

Certain hourly employees of U. S. Steel's flat-rolled, tubular, cokemaking and iron ore operations in the United States are covered by collective bargaining agreements with the USW entered into effective September 1, 2022 (the 2022 Labor Agreements) that expire on September 1, 2026. The 2022 Labor Agreements include a signing bonus for each eligible USW-represented employee and annual 5% wage increases effective September 1, 2022, 2023, 2024 and 2025. Additionally, the 2022 Labor Agreements provide for increases to our pension and retirement benefits, including increases to our defined benefit pension plan, retiree healthcare contributions, and to the contribution rate to the SPT from \$3.50 to \$4.00 per hour effective January 1, 2023. During the fourth quarter of 2022, U. S. Steel recorded a charge of approximately \$67 million for the 2022 Labor Agreements signing bonus and related costs which was recognized primarily as a component of Cost of sales on the Consolidated Statements of Operations.

In addition, as part of the collective bargaining process, U. S. Steel and the USW agreed to leverage 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 will represent a one-time transfer of VEBA assets to a subaccount to be used for these employees and retirees, which will take place in the first quarter 2023. The surplus amount of \$595 million was determined as of December 31, 2022 (after merger of the UPI VEBA) and is the balance of VEBA assets in excess of 135% of the retiree obligation. The Company will be 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. As a result of its designation for this purpose, the surplus amount is presented as \$75 million in Other current assets and \$520 million in Other noncurrent assets on the Consolidated Balance Sheet as of December 31, 2022. Pursuant to the agreement with the USW, the Company merged the United States Steel Corporation Plan for Active Employee Insurance Benefits with and into the United States Steel Corporation Plan for Retiree Insurance Benefits effective January 1, 2023. Upon the one-time transfer from the VEBA to the subaccount, the surplus assets will no longer be accounted for under ASC 715, *Compensation-Retirement Benefits* and is instead expected to be accounted for primarily under the provisions of ASC 825 *Financial Instruments*, which is likely to result in the portfolio being accounted for on a fair value basis, with gains and losses recognized in earnings, and reported as activity in Other financial costs (benefits) on the Company's Consolidated Statements of Operations.

On November 8, 2021, U. S. Steel entered into a commitment agreement with Banner Life Insurance Company and William Penn Life Insurance Company of New York (the "Insurers") and State Street Global Advisors Trust Company, as independent fiduciary to the United States Steel Corporation Plan for Employee Pension Benefits (Revision of 2003), for the plan to purchase group annuity contracts and transfer approximately \$284 million of its pension plan obligations to the Insurers. The purchase of the group annuity contracts was funded directly by the assets of the pension plan. The purchase resulted in the transfer of administrative and benefit-paying responsibilities for approximately 17,800 U.S. retirees and beneficiaries to the Insurers. The Insurers began paying benefits for certain retirees and beneficiaries in the Plan on January 1, 2022. There was no change to the pension benefits for any retirees and beneficiaries as a result of the transaction. As a result of the transaction, the Corporation recognized a non-cash pension settlement charge of approximately \$93 million. This amount was reclassified to earnings through Net interest and other financial costs from Accumulated other comprehensive loss.

In addition during 2021, the Company recorded termination charges of approximately \$34 million in pensions and \$17 million in other benefits related to the planned disposition of a component within the flat-roll segment. These charges were recognized as Restructuring and other charges on the Consolidated Statements of Operations.

In February of 2020, U. S. Steel acquired the remaining 50% ownership of its joint venture with UPI and its associated benefit plans. Upon acquisition, UPI's defined benefit pension and other benefit liability was estimated on a net basis at \$8 million and \$55 million, respectively.

On October 26, 2022, U. S. Steel entered into an agreement with Pacific Life Insurance Company (the Insurer) and State Street Global Advisors Trust Company, as independent fiduciary to the UPI Pension Plan, for the plan to purchase group annuity contracts and transfer approximately \$115 million of its pension plan obligations to the Insurer. The purchase of the group annuity contracts was completed on November 1, 2022 and funded directly by the assets of the pension plan. The purchase resulted in the transfer of the administrative and benefit-paying responsibilities for approximately 850 U.S. retirees and beneficiaries to the Insurer. The Insurer began paying benefits for certain retirees and beneficiaries in the Plan on January 1, 2023. There was no change to the pension benefits for any retirees and beneficiaries as a result of the transaction. As a result of the transaction, the Corporation recognized a non-cash pension settlement credit of approximately \$3 million. This amount was reclassified to earnings through Net interest and other financial costs from accumulated other comprehensive loss.

Effective as of December 15, 2022, the UPI Pension Plan was merged into the U. S. Steel pension plan.

U. S. Steel's defined benefit retiree health care and life insurance plans (Other Benefits) cover the majority of its represented employees in the United States upon their retirement. Health care benefits are provided for Medicare and pre-Medicare retirees, with Medicare retirees largely enrolled in Medicare Advantage Plans. Both are subject to various cost sharing features, and in most cases domestically, an employer cap on total costs. The Other Benefits plan was closed to represented employees hired or rehired under certain conditions on or after January 1, 2016.

The retiree medical and retiree life insurance plans, for non-represented employees were amended to eliminate retiree medical benefits effective December 31, 2017, and to eliminate retiree life insurance benefits for employees who retired after December 31, 2017.

The majority of U. S. Steel's European employees are covered by government-sponsored programs into which U. S. Steel makes required contributions. Also, U. S. Steel sponsors defined benefit plans for most European employees covering benefit payments due to employees upon their retirement, some of which are government mandated. These same employees receive service awards throughout their careers based on stipulated service and, in some cases, age and service.

U. S. Steel uses a December 31 measurement date for its plans and may have an interim measurement date if significant events occur. Details relating to pension benefits and Other Benefits are below.

(In millions)	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Change in benefit obligations				
Benefit obligations at January 1	\$ 5,422	\$ 6,186	\$ 1,620	\$ 1,841
Service cost	45	53	9	11
Interest cost	157	163	49	50
Plan amendments	120	—	10	—
Actuarial losses (gains)	(1,011)	(202)	(332)	(171)
Exchange rate gain	(1)	(3)	—	—
Settlements, curtailments and termination benefits	(108)	(358)	2	19
Benefits paid	(438)	(417)	(122)	(130)
Benefit obligations at December 31	\$ 4,186	\$ 5,422	\$ 1,236	\$ 1,620
Change in plan assets				
Fair value of plan at January 1	\$ 5,632	\$ 6,035	\$ 2,094	\$ 2,111
Actual return on plan assets	(904)	394	(258)	70
Plan Spin-Offs and Mergers	—	—	(595)	—
Asset reversion	—	—	—	(4)
Employer contributions	—	—	2	2
Settlements	(121)	(380)	—	—
Benefits paid from plan assets	(437)	(417)	(92)	(85)
Fair value of plan assets at December 31	\$ 4,170	\$ 5,632	\$ 1,151	\$ 2,094
Funded status of plans at December 31	(16)	210	(85)	474

For pension benefits, the largest contributor to the actuarial gain in 2022 was the increase in the discount rate from 3.01% at December 31, 2021 to 5.55% at December 31, 2022. In 2021, the largest contributor of actuarial gain was the increase in the discount rate from 2.72% at December 31, 2020 to 3.01% at December 31, 2021.

For Other Benefits, the largest contributor to the actuarial gain in 2022 was the increase in the discount rate from 3.11% at December 31, 2021 to 5.66% at December 31, 2022. There were also gains at December 31, 2022 attributable to reductions in future health care costs. In 2021, the largest contributor of actuarial gain was attributable to reductions in future health care costs and the increase in the discount rate from 2.80% at December 31, 2020 to 3.11% at December 31, 2021.

Amounts recognized in accumulated other comprehensive loss:

(In millions)	2022			
	12/31/2021	Amortization	Activity	12/31/2022
Pensions				
Prior Service Cost	\$ 12	\$ (2)	\$ 120	\$ 130
Actuarial Losses	1,296	(70)	250	1,476
Other Benefits				
Prior Service Credit	(74)	24	9	(41)
Actuarial Gains	(693)	53	18	(622)

As of December 31, 2022 and 2021, the following amounts were recognized in the Consolidated Balance Sheet:

(In millions)	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Noncurrent assets	\$ 10	\$ 252	\$ —	\$ 535
Current liabilities	(2)	(1)	(37)	(3)
Noncurrent liabilities	(24)	(41)	(48)	(59)
Accumulated other comprehensive loss ^(a)	1,606	1,308	(663)	(767)
Net amount recognized	\$ 1,590	\$ 1,518	\$ (748)	\$ (294)

^(a) Accumulated other comprehensive loss effects associated with accounting for pensions and other benefits in accordance with ASC Topic 715 at December 31, 2022 and December 31, 2021, respectively, are reflected net of tax of \$626 million and \$531 million respectively, on the Consolidated Statements of Stockholders' Equity.

The Accumulated Benefit Obligation (ABO) for all defined benefit pension plans was \$4,103 million and \$5,274 million at December 31, 2022 and 2021, respectively.

(In millions)	December 31,	
	2022	2021
Information for pension plans with an accumulated benefit obligation in excess of plan assets:		
Aggregate accumulated benefit obligations (ABO)	\$ (19)	\$ (294)
Aggregate projected benefit obligations (PBO)	(26)	(309)
Aggregate fair value of plan assets	—	268

The aggregate PBO in excess of plan assets reflected above is included in the payroll and benefits payable and employee benefits lines on the Consolidated Balance Sheet.

Following are the details of net periodic benefit costs related to Pension and Other Benefits:

(In millions)	Pension Benefits			Other Benefits		
	2022	2021	2020	2022	2021	2020
Components of net periodic benefit cost (credits):						
Service cost	\$ 45	\$ 53	\$ 51	\$ 9	\$ 11	\$ 12
Interest cost	157	163	193	49	50	63
Expected return on plan assets	(357)	(361)	(333)	(91)	(81)	(80)
Amortization - prior service costs (credits)	2	2	2	(24)	(29)	(6)
- actuarial losses (gains)	73	132	145	(53)	(23)	(16)
Net periodic benefit cost, excluding below	(80)	(11)	58	(110)	(72)	(27)
Multiemployer plans ^(a)	74	75	76	—	—	—
Settlement, termination and curtailment losses	12	135	11	2	19	4
Net periodic benefit cost (credits)	\$ 6	\$ 199	\$ 145	\$ (108)	\$ (53)	\$ (23)

(a) Primarily represents pension expense for the SPT covering USW employees hired from National Steel Corporation and new USW employees hired after May 21, 2003.

Net periodic benefit expense (credits) for pensions and Other Benefits is projected to be approximately \$39 million and approximately \$(83) million, respectively, in 2023. The pension cost projection includes approximately \$84 million of contributions to the SPT.

Weighted average assumptions used to determine the benefit obligation at December 31 and net periodic benefit cost for the year ended December 31 are detailed below.

	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
	U.S. and Europe	U.S. and Europe	U.S.	U.S.
Actuarial assumptions used to determine benefit obligations at December 31:				
Discount rate	5.55 %	3.01 %	5.66 %	3.11 %
Increase in compensation rate	3.15 %	2.60 %	N/A	N/A

	Pension Benefits			Other Benefits		
	2022	2021	2020	2022	2021	2020
	U.S. and Europe	U.S. and Europe	U.S. and Europe	U.S.	U.S.	U.S.
Actuarial assumptions used to determine net periodic benefit cost for the year ended December 31:						
Discount rate	3.01 %	2.72 %	3.35 %	3.11 %	2.80 %	3.42 %
Expected annual return on plan assets	6.82 %	6.82 %	6.47 %	4.50 %	4.25 %	4.25 %
Increase in compensation rate	2.60 %	2.60 %	2.62 %	N/A	N/A	N/A

The discount rate reflects the current rate at which the pension and Other Benefit liabilities could be effectively settled at the measurement date. In 2017, we refined our discount rate determination process for our U.S. plans by using a bond matching approach to select specific bonds that would satisfy our projected benefit payments. We believe the bond matching approach more closely reflects the process we would employ to settle our pension and other benefits obligations. For our European pension plan, the discount rate is determined using data published by European Central Bank and underlying data provided by EuroMTS Ltd. The discount rate assumptions are updated annually.

	2022	2021
	U.S.	U.S.
Assumed health care cost trend rates at December 31:		
Health care cost trend rate assumed for next year	6.00%	5.75%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50%	4.50%
Year that the rate reaches the ultimate trend rate	2038	2029

U. S. Steel reviews its actual historical rate experience and expectations of future health care cost trends to determine the escalation of per capita health care costs under U. S. Steel's benefit plans. About 75 percent of our costs for the domestic USW participants' retiree health benefits in the Company's main domestic benefit plan are limited to a per capita dollar maximum calculation based on 2006 base year actual costs incurred under the main U. S. Steel benefit plan for USW participants (cost cap). The full effect of the cost cap is expected to be realized around 2030. After 2030, the Company's costs for a majority of USW retirees and their dependents are expected to remain fixed and as a result, the cost impact of health care escalation for the Company is projected to be limited for this group.

Plan Assets

ASC Topic 820 establishes a single definition of fair value, creates a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Plan's investments, and requires additional disclosure about fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are summarized below:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 – Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An instrument's level is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Short-term investments are valued at amortized cost which approximates fair value due to the short-term maturity of the instruments. Equity securities - U.S. & International are valued at the closing price reported on the active exchange on which the individual securities are traded. U.S. and Non U.S. government bonds are valued using pricing models maximizing the use of observable inputs for similar securities. Corporate U.S. & Non U.S. bonds are also valued using pricing models maximizing the use of observable inputs for similar securities, which includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks. Mortgage and asset-backed securities are valued using quotes from a broker dealer. Private equities and real estate are valued using information provided by external managers for each individual investment held in the fund or using NAV (net asset value) as a practical expedient. Timberland investments are valued at their appraised value. Mineral Interests and other alternatives are valued at the present value of estimated future cash flows discounted at estimated market rates for assets of similar quality and duration.

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The fair value of U. S. Steel's pension plan assets by asset category at December 31 were as follows (in millions):

Asset Category	2022					2021				
	Level 1	Level 2	Level 3	measured at NAV ^(a)	Total	Level 1	Level 2	Level 3	measured at NAV ^(a)	Total
Equity										
U. S. companies										
U. S. companies	\$ 273	\$ —	\$ —	\$ —	\$ 273	\$ 433	\$ —	\$ —	\$ —	\$ 433
International companies	366	—	—	—	366	183	—	—	—	183
Total equity	639	—	—	—	639	616	—	—	—	616
Fixed Income										
Corporate Bonds - U.S.	—	989	—	—	989	—	1,405	—	—	1,405
Corporate Bonds - Non-U.S.	—	206	—	—	206	—	251	—	—	251
U.S. government and agencies	—	244	—	—	244	—	426	—	—	426
Non-U.S. government	—	51	—	—	51	—	78	—	—	78
Mortgage and asset-backed securities	—	10	—	—	10	—	1	—	—	1
Derivative financial instruments	(7)	7	—	—	—	—	—	—	—	—
Total fixed income	(7)	1,507	—	—	1,500	—	2,161	—	—	2,161
Alternatives										
Timberlands	—	—	—	19	19	—	—	—	268	268
Mineral Interests and other alternatives	—	—	54	125	179	—	—	22	9	31
Private equity	—	—	—	251	251	—	—	—	259	259
Real estate	—	—	35	193	228	—	—	32	187	219
Total alternatives	—	—	89	588	677	—	—	54	723	777
Commingled Funds	—	—	—	1,176	1,176	—	—	—	1,964	1,964
Short-Term Investments	116	39	—	—	155	117	—	—	—	117
Other ^(b)	23	—	—	—	23	(3)	—	—	—	(3)
Total assets at fair value	\$ 771	\$ 1,546	\$ 89	\$ 1,764	\$ 4,170	\$ 730	\$ 2,161	\$ 54	\$ 2,687	\$ 5,632

^(a) 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.

^(b) Includes cash, accrued income, and miscellaneous payables.

The following table sets forth a summary of changes in the fair value of U. S. Steel's Pension plan Level 3 assets for the years ended December 31, 2022 and 2021:

(In millions)	Level 3 assets only	
	2022	2021
Balance at beginning of period	\$ 54	\$ 324
Transfers in and/or out of Level 3	—	(269)
Actual return on plan assets:		
Realized gain	1	3
Net unrealized gain	6	2
Purchases, sales, issuances and settlements:		
Purchases	33	24
Sales	(5)	(30)
Balance at end of period	\$ 89	\$ 54

The fair value of U. S. Steel's Other Benefits plan assets by asset category at December 31 were as follows (in millions):

Asset Category	2022					2021				
	Level 1	Level 2	Level 3	measured at NAV ^(a)	Total	Level 1	Level 2	Level 3	measured at NAV ^(a)	Total
Equity										
U. S. companies	\$ 50	\$ —	\$ —	\$ —	\$ 50	\$ 186	\$ —	\$ —	\$ —	\$ 186
International companies	19	—	—	—	19	97	—	—	—	97
Total equity	69	—	—	—	69	283	—	—	—	283
Fixed Income										
Corporate Bonds - U.S.	—	479	—	—	479	—	718	—	—	718
Corporate Bonds - Non-U.S.	—	112	—	—	112	—	191	—	—	191
U.S. government and agencies	—	26	—	—	26	—	198	—	—	198
Non-U.S. government	—	5	—	—	5	—	17	—	—	17
Mortgage and asset-backed securities	—	4	—	—	4	—	9	—	—	9
Total fixed income	—	626	—	—	626	—	1,133	—	—	1,133
Alternatives										
Timberlands	—	—	—	2	2	—	—	—	35	35
Other alternatives	—	—	47	29	76	—	—	39	2	41
Private equity	—	—	—	39	39	—	—	—	59	59
Real estate	—	—	—	17	17	—	—	—	26	26
Total alternatives	—	—	47	87	134	—	—	39	122	161
Commingled Funds	—	—	—	262	262	—	—	—	434	434
Short-Term Investments	33	9	—	—	42	71	—	—	—	71
Other ^(b)	18	—	—	—	18	12	—	—	—	12
Total assets at fair value ^(c)	\$ 120	\$ 635	\$ 47	\$ 349	\$ 1,151	\$ 366	\$ 1,133	\$ 39	\$ 556	\$ 2,094

(a) 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.

(b) Includes cash, accrued income, and miscellaneous payables.

(c) The classification within the fair value hierarchy and the composition of the asset categories for the VEBA assets surplus amount of \$595 million are the same as the Other Benefits plan assets as of December 31, 2022.

The following table sets forth a summary of changes in the fair value of U. S. Steel's Other Benefits plan Level 3 assets for the years ended December 31, 2022 and 2021:

(In millions)	Level 3 assets only	
	2022	2021
Balance at beginning of period	\$ 39	\$ 35
Transfers in and/or out of Level 3	(25)	(35)
Actual return on plan assets:		
Realized gain	—	—
Net unrealized loss	(2)	1
Purchases, sales, issuances and settlements:		
Purchases	35	39
Sales	—	(1)
Balance at end of period	\$ 47	\$ 39

U. S. Steel's investment strategy for its U.S. pension and Other Benefits plan assets provides for a diversified mix of high quality bonds, public equities and selected smaller investments in private equities, private credit, timber and mineral interests. For its U.S. pension, U. S. Steel has a target allocation for plan assets of 50 percent in corporate bonds, government bonds and mortgage, private credit, and asset-backed securities. The balance is invested in equity securities, timber, private equity and real estate partnerships. U. S. Steel believes that returns on equities over the long term will be higher than returns from fixed-income securities as actual historical returns from U. S. Steel's trusts have shown. Returns on bonds tend to offset some of the short-term volatility of stocks. Both equity and fixed-income investments are made across a broad range of industries and companies (both domestic and foreign) to provide protection against the impact of volatility in any single industry as well as company specific developments. U. S. Steel will use a 6.90 percent assumed rate of return on assets for the development of net periodic cost for the main defined benefit pension plan in 2023. Actual

returns since the inception of the plan have exceeded this 6.90 percent rate and while recent annual returns have been volatile, it is U. S. Steel's expectation that rates will achieve this level in future periods.

For its Other Benefits plan, U. S. Steel is employing a liability driven investment strategy. The plan assets are allocated to match the plan cash flows with maturing investments. To achieve this strategy, U. S. Steel has a target allocation for plan assets of 88 percent in fixed income and private credit. The balance is primarily invested in equity securities, timber, private equity and real estate partnerships. U. S. Steel will use a 4.50 percent assumed rate of return on assets for the development of net periodic cost for its Other Benefit plans for 2023.

Steelworkers Pension Trust

For most bargaining unit employees participating in the SPT, U. S. Steel contributed to the SPT a fixed dollar amount for each hour worked of \$3.50 through December 31, 2022. SPT contributions per hour worked increased to \$4.00 effective January 1, 2023. U. S. Steel's contributions to the SPT represented greater than 30% of the total combined contributions of all employers participating in the plan for the years ended December 31, 2022, 2021 and 2020.

Participation in a multi-employer pension plan agreed to under the terms of a collective bargaining agreement differ from a traditional qualified single employer defined benefit pension plan. The SPT shares risks associated with the plan in the following respects:

- a. Contributions to the SPT by U. S. Steel may be used to provide benefits to employees of other participating employers;
- b. If a participating employer stops contributing to the SPT, the unfunded obligations of the plan may be borne by the remaining participating employers;
- c. If U. S. Steel chooses to stop participating in the SPT, U. S. Steel may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

On March 21, 2011 the Board of Trustees of the SPT elected funding relief which has the effect of decreasing the amount of required minimum contributions in near-term years, but will increase the minimum funding requirements during later plan years. As a result of the election of funding relief, the SPT's zone funding under the Pension Protection Act may be impacted.

In addition to the funding relief election, the Board of Trustees also elected a special amortization rule, which allows the SPT to separately amortize investment losses incurred during the SPT's December 31, 2008 plan year-end over a 29 year period, whereas they were previously required to be amortized over a 15 year period.

U. S. Steel's participation in the SPT for the annual periods ended December 31, 2022, 2021 and 2020 is outlined in the table below.

Pension Fund	Employer Identification Number/ Pension Plan Number	Pension Protection Act Zone Status as of December 31 ^(a)		FIP/RP Status Pending/ Implemented ^(b)	U.S. Steel Contributions (in millions)			Surcharge Imposed ^(c)	Expiration Date of Collective Bargaining Agreement
		2022	2021		2022	2021	2020		
Steelworkers Pension Trust	23-6648508/499	Green	Green	No	\$ 74	\$ 75	\$ 76	No	No September 1, 2022

^(a) The zone status is based on information that U. S. Steel received from the plan and is certified by the plan's actuary. Among other factors, plans in the green zone are at least 80 percent funded, while plans in the yellow zone are less than 80 percent funded and plans in the red zone are less than 65 percent funded.

^(b) Indicates if a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

^(c) Indicates whether there were charges to U. S. Steel from the plan.

Cash Flows

The following information is in addition to the contributions to the SPT noted in the table above.

Employer Contributions – U. S. Steel did not make any voluntary or mandatory contributions to the U. S. Steel Retirement Plan Trust in 2022 or 2021. The U. S. Steel Retirement Plan Trust is the funding vehicle for the Company's main defined benefit pension plan.

For pension plans not funded by trusts, U. S. Steel made \$2 million, \$11 million and \$7 million of pension payments not funded by trusts in 2022, 2021 and 2020, respectively.

Cash payments totaling \$32 million, \$46 million and \$46 million were made for other post-employment benefit payments not funded by trusts in 2022, 2021 and 2020, respectively. In 2022, 2021 and 2020, U. S. Steel continued to use assets from our VEBA trust for represented retiree health care and life insurance benefits to pay USW post-employment benefit claims.

Estimated Future Benefit Payments – The following benefit payments, which reflect expected future service as appropriate, are expected to be paid from U. S. Steel's defined benefit plans:

(In millions)	Pension Benefits	Other Benefits
2023	\$ 427	\$ 118
2024	408	114
2025	364	109
2026	357	121
2027	352	122
Years 2028 - 2030	1,619	543

Defined contribution plans

U. S. Steel also contributes to several defined contribution plans for its salaried employees. Effective January 1, 2016, all non-represented salaried employees in North America receive pension benefits in the form of a separate retirement account through a defined contribution plan with contribution percentages based upon age, for which company contributions totaled \$21 million, \$20 million and \$10 million in 2022, 2021 and 2020, respectively. U. S. Steel's matching contributions to salaried employees' defined contribution plans, which are 100 percent of the employees' contributions up to six percent of their eligible salary, totaled \$19 million, \$18 million and \$8 million in 2022, 2021 and 2020, respectively. U. S. Steel also maintains non-qualified defined contribution plans to provide benefits which are otherwise limited by the Internal Revenue Code for qualified plans. U. S. Steel's contributions under these defined contribution plans were less than \$1 million in 2022 and totaled \$1 million for both 2021 and 2020.

Most represented employees are eligible to participate in a defined contribution plan where there is no company match on savings except for certain Tubular hourly employees. Effective with the 2015 Labor Agreement, represented hires on or after January 1, 2016 are eligible for a \$0.50 per hour savings account contribution. As a result of the 2018 Labor Agreements, the savings account contribution for each hour worked increased to \$0.55 effective January 1, 2019, \$0.60 effective January 1, 2020, and \$0.65 effective January 1, 2021. As a result of the 2022 Labor Agreements, it will be increased to \$0.75 effective January 1, 2023. These Company contributions for represented employees totaled \$5 million, \$4 million and \$4 million in 2022, 2021 and 2020, respectively.

Other post-employment benefits

The Company provides benefits to former or inactive employees after employment but before retirement. Certain benefits including workers' compensation and black lung benefits represent material obligations to the Company and under the guidance for nonretirement post-employment benefits, have historically been treated as accrued benefit obligations. Liabilities for these benefits recorded at December 31, 2022, totaled \$88 million as compared to \$110 million at December 31, 2021. Liability amounts were developed assuming a discount rate of 5.65% and 2.87% at December 31, 2022 and 2021. Net periodic benefit cost for these benefits is projected to be \$16 million in 2023 compared to \$(1) million in 2022 and \$17 million in 2021.

Pension Funding

In March 2021, the American Rescue Plan Act (ARPA - H.R. 1319) further extended the pension relief interest rate corridor used to measure defined benefit pension obligations for calculating minimum annual contributions. The new interest rate formula results in higher interest rates for minimum funding calculations as compared to prior law over the next few years, which will improve the funded status of our main defined benefit pension plan and reduce minimum required contributions.

U. S. Steel will monitor the funded status of the plan to determine when voluntary contributions may be prudent in order to mitigate potentially larger mandatory contributions in later years.

19. Asset Retirement Obligations

U. S. Steel's asset retirement obligations (AROs) primarily relate to mine, landfill closure and post-closure costs. The following table reflects changes in the carrying values of AROs for the years ended December 31, 2022 and 2021:

(In millions)	December 31,	
	2022	2021
Balance at beginning of year	\$ 66	\$ 60
Additional obligations incurred	13	3
Obligations settled	(12)	(7)
Change in estimate of obligations	(5)	(1)
Foreign currency translation effects	—	(1)
Accretion expense	4	12
Balance at end of period	\$ 66	\$ 66

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

20. 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 Consolidated Balance Sheet approximate fair value. See Note 16 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, that grants Stelco the option to purchase a 25 percent interest (the Option Interest) in a to-be-formed entity (the Joint Venture) that will own the Company's current iron ore mine located in Mt. Iron, Minnesota (the Minntac Mine). As consideration for the option, Stelco paid the Company an aggregate amount of \$100 million in five \$20 million installments during the year-ended December 31, 2020 which are recorded net of transaction costs in the Consolidated Balance Sheet. In the event Stelco exercises the option, Stelco will contribute an additional \$500 million to the Joint Venture, which amount shall be remitted solely to U. S. Steel in the form of a one-time special distribution, and the parties will engage in good faith negotiations to finalize the master agreement (pursuant to which Stelco will acquire the Option Interest) and the limited liability company agreement of the Joint Venture.

The following table summarizes U. S. Steel's financial assets and liabilities that were not carried at fair value at December 31, 2022 and 2021.

(In millions)	December 31, 2022		December 31, 2021	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial liabilities:				
Long-term debt ^(a)	\$ 3,815	\$ 3,701	\$ 4,379	\$ 3,702

^(a) Excludes finance lease obligations.

The fair value of long-term debt was determined using Level 2 inputs which were derived from quoted market prices.

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

Financial guarantees are U. S. Steel's only unrecognized financial instrument. For details relating to financial guarantees see Note 26.

21. Reclassifications from Accumulated Other Comprehensive Income (AOCI)

(In millions)	Pension and Other Benefit Items	Foreign Currency Items	Unrealized Gain (Loss) on Derivatives	Total
Balance at December 31, 2020	\$ (458) \$	449 \$	(38) \$	(47)
Other comprehensive income (loss) before reclassifications	297	(78)	(56)	163
Amounts reclassified from AOCI ^(a)	136	—	79	215
Net current-period other comprehensive income (loss)	433	(78)	23	378
Balance at December 31, 2021	\$ (25) \$	371 \$	(15) \$	331
Other comprehensive (loss) income before reclassifications	(292)	(91)	74	(309)
Amounts reclassified from AOCI ^(a)	(5)	—	(102)	(107)
Net current-period other comprehensive loss	(297)	(91)	(28)	(416)
Balance at December 31, 2022	\$ (322) \$	280 \$	(43) \$	(85)

^(a) See table below for further details.

(In millions)	Details about AOCI components ^(a)		
	2022	2021	2020
Amortization of pension and other benefit items			
Prior service credits ^(a)	\$ (23) \$	(27) \$	(4)
Actuarial losses ^(a)	20	109	129
Settlements, termination and curtailment (gains) losses ^(a)	(3)	100	2
UPI purchase accounting adjustment	—	—	23
Total pensions and other benefits items	(6)	182	150
Derivative reclassifications to Consolidated Statements of Operations	(133)	105	32
Total before tax	(139)	287	182
Tax provision (benefit)	32	(72)	(41)
Net of tax	\$ (107) \$	215 \$	141

^(a) These AOCI components are included in the computation of net periodic benefit cost (see Note 18 for additional details).

22. Supplemental Cash Flow Information

(In millions)	Year Ended December 31,		
	2022	2021	2020
Net cash (used in) provided by operating activities included:			
Interest and other financial costs paid (net of amount capitalized)	\$ (161) \$	(319) \$	(248)
Income taxes (paid) refunded	\$ (242) \$	(75) \$	45
Non-cash investing and financing activities:			
Change in accrued capital expenditures	\$ 351 \$	40 \$	(121)
U. S. Steel common stock issued for employee/non-employee director stock plans	\$ 46 \$	28 \$	19
Capital expenditures funded by finance lease borrowings	\$ 52 \$	18 \$	31
Export Credit Agreement (ECA) financing	\$ — \$	23 \$	34

23. Transactions with Related Parties

Related party sales and service transactions are primarily related to equity investees and were \$1,942 million, \$1,311 million and \$976 million in 2022, 2021 and 2020, respectively.

Accounts payable to related parties include balances due to PRO-TEC Coating Company (PRO-TEC) of \$142 million and \$98 million at December 31, 2022 and 2021, respectively for invoicing and receivables collection services provided by U. S. Steel on PRO-TEC's behalf. U. S. Steel, as PRO-TEC's exclusive sales agent, is responsible for credit risk related to

those receivables. U. S. Steel also provides PRO-TEC marketing, selling and customer service functions. Payables to other related parties totaled \$1 million for both periods ending December 31, 2022 and 2021, respectively.

Purchases from related parties for outside processing services provided by equity investees amounted to \$27 million, \$38 million and \$90 million during 2022, 2021 and 2020, respectively. Purchases of iron ore pellets from related parties amounted to \$131 million, \$111 million and \$78 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Upon the acquisition of Big River Steel on January 15, 2021, there were related party payables of approximately \$27 million for steel substrate sales from Big River Steel to U. S. Steel. After the acquisition, the related party payables became intercompany payables that are eliminated in consolidation.

Upon the acquisition of UPI on February 29, 2020 there were \$135 million of related party receivables for prior sales of steel substrate from U. S. Steel to UPI. After the acquisition, the related party receivables became intercompany receivables that are eliminated in consolidation.

24. Leases

Operating lease assets consist primarily of office space, heavy mobile equipment used in our mining operations and facilities and equipment under operating service agreements for electricity generation and scrap processing. We also have operating lease assets for light mobile equipment and information technology assets. The Company also has short term leases related to transportation services for which we apply the short-term lease exception. Significant finance leases primarily consist of heavy mobile equipment used in our mining operations. Variable lease payments are primarily related to operating service agreements where payment is solely dependent on consumption of certain services, such as raw material and by-product processing. Most long-term leases include renewal options and, in certain leases, purchase options. Generally, we are not reasonably certain that these options will be exercised. We have residual value guarantees under certain light mobile equipment leases. There is no impact to our leased assets for residual value guarantees as the potential loss is not probable (see "Other Contingencies" in Note 26 for further details). We do not have material restrictive covenants associated with our leases or material amounts of sublease income. From time to time, U. S. Steel may enter into arrangements for the construction or purchase of an asset and then enter into a financing arrangement to lease the asset. U. S. Steel recognizes leased assets and liabilities under these arrangements when it obtains control of the asset.

The following table summarizes the lease amounts included in our Consolidated Balance Sheet as of December 31, 2022.

(In millions)	Balance Sheet Location	December 31, 2022	December 31, 2021
Assets			
Operating	Operating lease assets ^(a)	\$ 146	\$ 185
Finance	Property, plant and equipment ^(b)	126	101
Total Lease Assets		\$ 272	\$ 286
Liabilities			
Current			
Operating	Current operating lease liabilities	\$ 49	\$ 58
Finance	Current portion of long-term debt	25	16
Non-Current			
Operating	Noncurrent operating lease liabilities	105	136
Finance	Long-term debt less unamortized discount and issue costs	98	76
Total Lease Liabilities		\$ 277	\$ 286

^(a) Operating lease assets are recorded net of accumulated amortization of \$142 million and \$128 million as of December 31, 2022, and December 31, 2021, respectively.

^(b) Finance lease assets are recorded net of accumulated depreciation of \$86 million and \$59 million as of December 31, 2022, and December 31, 2021, respectively.

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The following table summarizes lease costs included in our Consolidated Statement of Operations for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.

(In millions)	Classification	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Operating Lease Cost ^(a)	Cost of sales	\$ 65	\$ 69	\$ 67
Operating Lease Cost	Selling, general and administrative expenses	14	14	14
Finance Lease Cost				
Amortization	Depreciation, depletion and amortization	26	21	14
Interest	Interest expense	9	9	4
Total Lease Cost		\$ 114	\$ 113	\$ 99

^(a) Operating lease cost recorded in cost of sales includes \$12 million, \$11 million and \$7 million of variable lease cost for the years ended December 31, 2022, December 31, 2021 and December 31, 2020, respectively. Operating lease cost recorded in selling, general and administrative expenses includes \$1 million of variable lease cost for the year ended December 31, 2022. An immaterial amount of variable lease cost was included in cost of sales and selling, general and administrative expenses for each of the years ended December 31, 2021, and December 31, 2020. \$1 million of short-term lease cost is included in cost of sales and selling, general and administrative expenses for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.

Lease liability maturities as of December 31, 2022, are shown below.

(In millions)	Operating	Finance	Total
2023	\$ 58	\$ 37	\$ 95
2024	43	35	78
2025	31	33	64
2026	21	28	49
2027	14	13	27
After 2027	10	3	13
Total Lease Payments	\$ 177	\$ 149	\$ 326
Less: Interest	23	26	49
Present value of lease liabilities	\$ 154	\$ 123	\$ 277

Lease terms and discount rates are shown below.

	December 31, 2022
Weighted average lease term	
Finance	4 years
Operating	4 years
Weighted average discount rate	
Finance	5.79 %
Operating	6.73 %

Supplemental cash flow information related to leases is as follows:

(In millions)	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 66	\$ 70	\$ 71
Operating cash flows from finance leases	9	9	4
Financing cash flows from finance leases	20	30	13
Right-of-use assets exchanged for lease liabilities:			
Operating leases	20	40	41
Finance leases	52	18	31

25. Restructuring and Other Charges

During 2022, the Company recorded restructuring and other charges of \$48 million, which consists of charges of \$30 million related to the planned disposition of a component within the Flat-Rolled segment, \$23 million related to headcount reductions under a voluntary early retirement program (VERP) offered at USSK, a \$9 million favorable adjustment to the expected exit costs of indefinitely idled facilities, and \$4 million of severance-related charges at other facilities. Cash payments were made related to severance and exit costs of approximately \$95 million.

During 2021, the Company recorded restructuring and other charges of \$128 million, which consists of charges of \$29 million for Great Lakes Works, charges of approximately \$89 million related to the planned disposition of a component within the Flat-Rolled segment, and environmental-related charges at other facilities of \$10 million. Cash payments were made related to severance and exit costs of approximately \$58 million.

During 2020, the Company recorded restructuring and other charges of \$138 million, which consists of charges of \$66 million for the indefinite idling of a significant portion of Great Lakes Works, and our Keetac mining operations which was restarted in the fourth quarter, \$25 million for the indefinite idling of Lorain Tubular Operations and Lone Star Tubular Operations, and \$15 million and \$32 million for employee benefit costs related to Company-wide headcount reductions and headcount reductions under a VERP offered at USSK, respectively. Cash payments were made related to severance and exit costs of approximately \$169 million. A portion of these cash payments, approximately \$38 million, were funded by the postretirement benefit trust (VEBA) per an agreement with the United Steelworkers of America.

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

The activity in the accrued balances incurred in relation to restructuring during the years ended December 31, 2022, and December 31, 2021, were as follows:

(in millions)	Employee Related Costs	Exit Costs	Non-cash Charges	Total
Balance at December 31, 2020	\$ 51	\$ 126	\$ —	\$ 177
Additional charges	76	51	1	\$ 128
Cash payments/utilization	(36)	(28)	(1)	(65)
Balance at December 31, 2021	\$ 91	\$ 149	\$ —	\$ 240
Additional charges	58	(10)	—	48
Cash payments/utilization ^(a)	(17)	(89)	—	(106)
Balance at December 31, 2022	\$ 132	\$ 50	\$ —	\$ 182

^(a)\$7 million and \$11 million of payments were made from the pension fund trust assets in the Employee Related Cost column during the years ended December 31, 2021, and December 31, 2022, respectively.

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

(in millions)	December 31, 2022	December 31, 2021
Accounts payable	\$ 33	\$ 34
Payroll and benefits payable	—	2
Employee benefits	131	88
Deferred credits and other noncurrent liabilities	18	116
Total	\$ 182	\$ 240

26. Contingencies and Commitments

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

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

Asbestos matters – As of December 31, 2022, U. S. Steel was a defendant in approximately 920 active cases involving approximately 2,510 plaintiffs. The vast majority of these cases involve multiple defendants. About 1,545, or approximately 62 percent, of these plaintiff claims are currently pending in jurisdictions which permit filings with massive numbers of plaintiffs. At December 31, 2021, U. S. Steel was a defendant in approximately 915 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 year and the prior two years:

Period ended	Opening Number of Claims	Claims Dismissed, Settled and Resolved	New Claims	Closing Number of Claims
December 31, 2020	2,390	240	295	2,445
December 31, 2021	2,445	200	260	2,505
December 31, 2022	2,505	230	235	2,510

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. This 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)	Year Ended December 31,	
	2022	2021
Beginning of period	\$ 158	\$ 146
Accruals for environmental remediation deemed probable and reasonably estimable	20	43
Adjustments for changes in estimates	3	—
Obligations settled	(55)	(31)
End of period	\$ 126	\$ 158

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

(In millions)	December 31,	December 31,
	2022	2021
Accounts payable	\$ 32	\$ 65
Deferred credits and other noncurrent liabilities	94	93
Total	\$ 126	\$ 158

Expenses related to remediation are recorded in cost of sales and were \$21 million and \$47 million for the years ended December 31, 2022 and December 31, 2021, 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 20 to 35 percent.

Remediation Projects

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

- (1) *Projects with Ongoing Study and Scope Development* – Projects which are still in the development phase. For these projects, the extent of remediation that may be required is not yet known, the remediation methods and plans are not yet developed, and/or cost estimates cannot be determined. Therefore, significant costs, in addition to the accrued liabilities for these projects, are reasonably possible. There are four environmental remediation projects where additional costs for completion are not currently estimable, but could be material. These projects are at Fairfield Works, Lorain Tubular, USS-UPI LLC (UPI) formerly known as USS-POSCO Industries and the former steelmaking plant at Joliet, Illinois. As of December 31, 2022, accrued liabilities for these projects totaled \$1 million for the costs of studies, investigations, interim measures, design and/or remediation. It is reasonably possible that additional liabilities associated with future requirements regarding studies, investigations, design and remediation for these projects could be as much as \$22 million to \$36 million.
- (2) *Significant Projects with Defined Scope* – Projects with significant accrued liabilities with a defined scope. As of December 31, 2022, there are three significant projects with defined scope greater than or equal to \$5 million each, with a total accrued liability of \$69 million. These projects are: Gary Resource Conservation and Recovery Act (RCRA) (accrued liability of \$28 million), Duluth Works (accrued liability of \$22 million) and the former Geneva facility (accrued liability of \$19 million).
- (3) *Other Projects with a Defined Scope* – Projects with relatively small accrued liabilities for which we believe that, while additional costs are possible, they are not likely to be significant, and also include those projects for which we do not yet possess sufficient information to estimate potential costs to U. S. Steel. There are 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 December 31, 2022 was \$4 million. These projects have progressed through a significant portion of the design phase and material additional costs are not expected.

The remaining environmental remediation projects each have an accrued liability of less than \$1 million each. The total accrued liability for these projects at December 31, 2022 was approximately \$6 million. The Company does not foresee material additional liabilities for any of these sites.

Post-Closure Costs – Accrued liabilities for post-closure site monitoring and other costs at various closed landfills totaled \$24 million at December 31, 2022 and were based on known scopes of work.

Administrative and Legal Costs – As of December 31, 2022, U. S. Steel had an accrued liability of \$10 million for administrative and legal costs related to environmental remediation projects. These accrued liabilities were based on projected administrative and legal costs for the next three years and do not change significantly from year to year.

Capital Expenditures – For a number of years, U. S. Steel has made substantial capital expenditures to comply with various regulations, laws, and other requirements relating to the environment. Such capital expenditures totaled \$43 million and \$27 million in 2022 and 2021, respectively. U. S. Steel anticipates making additional such expenditures in the future, which may be material; however, the exact amounts and timing of such expenditures are uncertain because of the continuing evolution of specific regulatory requirements.

European Union (the EU) Environmental Requirements - Phase IV of the EU Emissions Trading System (the EU ETS) commenced on January 1, 2021 and will finish on December 31, 2030. The European Commission issued final approval of the updated 2021-2025 Slovak National Allocation table in February 2022. Subsequently, the Slovak Ministry of Environment allocated the full amount of 2022 free allowances totaling 6.3 million EUA to USSE in February and April 2022. As of December 31, 2022, we have pre-purchased approximately 2.1 million EUA totaling €147 million (approximately \$157 million) to cover the expected 2022 and 2023 shortfall of emission allowances.

The EU's Industrial Emissions Directive requires implementation of EU-determined best available techniques (BAT) for Iron and Steel production to reduce environmental impacts as well as compliance with BAT associated emission levels. Total capital expenditures for projects to comply with or go beyond BAT requirements were €138 million (approximately \$147 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. USSK complied with these covenants as of December 31, 2022. If we are unable to meet these covenants in the future, USSK might be required to provide additional collateral (e.g., bank guarantee) to secure 50 percent of the EU funding received.

Environmental indemnifications – Throughout its history, U. S. Steel has sold numerous properties and businesses and many of these sales included indemnifications and cost sharing agreements related to the assets that were divested. The amount of potential environmental liability associated with these transactions and properties is not estimable due to the nature and extent of the unknown conditions related to the properties divested and deconsolidated. Aside from the environmental liabilities already recorded as a result of these transactions due to specific environmental remediation activities and cases (included in the \$126 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 December 31, 2022.

Other contingencies – Under certain operating lease agreements covering various equipment, U. S. Steel has the option to renew the lease or to purchase the equipment at the end of the lease term. If U. S. Steel does not exercise the purchase option by the end of the lease term, U. S. Steel guarantees a residual value of the equipment as determined at the lease inception date (totaling approximately \$13 million at December 31, 2022). No liability has been recorded for these guarantees as the potential loss is not probable.

The Company's BR2 project in Osceola, Arkansas qualifies for financing and related economic incentives associated with the acquisition, development, construction and operation of the facility. These incentives consist of advance lump-sum payments which are included in deferred credits and other noncurrent liabilities on the 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. For each of these incentives and grants, the balance of deferred income will be recognized into Other gains, net in the accompanying Consolidated Statements of Operations on a systematic basis over the periods in which the Company earns the granted funds by complying with the investment and employment requirements of the grant programs.

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

U. S. Steel uses surety bonds, trusts and letters of credit to provide whole or partial financial assurance for certain obligations such as workers' compensation. The total amount of active surety bonds, trusts and letters of credit being used for financial assurance purposes was approximately \$178 million as of December 31, 2022, which reflects U. S. Steel's maximum exposure under these financial guarantees, but not its total exposure for the underlying obligations. A significant portion of our trust arrangements and letters of credit are collateralized by the Credit Facility Agreement. The remaining trust arrangements and letters of credit are collateralized by restricted cash. Restricted cash, which is recorded in other

current and noncurrent assets, totaled \$35 million and \$78 million at December 31, 2022 and December 31, 2021 respectively.

Capital Commitments – At December 31, 2022, U. S. Steel's contractual commitments to acquire property, plant and equipment totaled \$2.235 billion.

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

2023	2024	2025	2026	2027	Later years	Total
\$477	\$258	\$352	\$285	\$267	\$394	\$2,033

The majority of U. S. Steel's unconditional purchase obligations relate to the supply of industrial gases, and certain energy and utility services with terms ranging from two to 13 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 December 31, 2022, if U. S. Steel were to terminate the agreement, it may be obligated to pay in excess of \$24 million.

Total payments relating to unconditional purchase obligations were approximately \$850 million in 2022, \$767 million in 2021 and \$553 million in 2020.

27. Common Stock Issued and Repurchased

On October 25, 2021, the Board of Directors authorized a share repurchase program that allowed for the repurchase of up to \$300 million of its outstanding common stock from time to time in the open market or privately negotiated transactions. On January 24, 2022 the Board of Directors authorized an additional \$500 million under the share repurchase program.

On July 25, 2022, following the completion of the previously authorized \$800 million share repurchase programs, the Board of Directors authorized a new 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 37.6 million shares and 6.6 million shares of common stock for approximately \$849 million and \$150 million under these programs during 2022 and 2021, respectively.

In February 2021, U. S. Steel issued 48.3 million shares of common stock for net proceeds of approximately \$790 million.

In June 2020, U. S. Steel issued 50 million shares of common stock for net proceeds of approximately \$410 million.

FIVE-YEAR OPERATING SUMMARY (Unaudited)

(Thousands of tons, unless otherwise noted)	2022	2021	2020	2019	2018
Raw Steel Production					
Gary, IN	5,326	5,664	4,675	4,974	5,958
Great Lakes, MI	—	—	328	1,964	2,369
Mon Valley, PA	2,161	2,668	2,552	2,331	2,640
Granite City, IL	1,359	1,549	1,758	2,140	926
Total Flat-Rolled facilities	8,846	9,881	9,313	11,409	11,893
Mini Mill facility	2,650	2,688	—	—	—
U. S. Steel Košice	3,839	4,931	3,366	3,903	5,023
Tubular facility	634	464	16	—	—
Total	<u>15,969</u>	<u>17,964</u>	<u>12,695</u>	<u>15,312</u>	<u>16,916</u>
Raw Steel Capability					
Flat-Rolled	13,200	13,200	17,000	17,000	17,000
Mini Mill	3,300	3,300	—	—	—
USSE	5,000	5,000	5,000	5,000	5,000
Tubular ^(c)	900	900	900	—	—
Total	<u>22,400</u>	<u>22,400</u>	<u>22,900</u>	<u>22,000</u>	<u>22,000</u>
Production as % of total capability:					
Flat-Rolled	67 %	58 %	55 %	67 %	70 %
Mini Mill	80 %	81 %	— %	— %	— %
USSE	77 %	99 %	67 %	78 %	100 %
Tubular ^(c)	70 %	52 %	7 %	— %	— %
Coke Production					
Flat-Rolled	3,627	3,848	2,557	3,485	3,718
USSE	1,407	1,548	1,116	1,328	1,514
Total	<u>5,034</u>	<u>5,396</u>	<u>3,673</u>	<u>4,813</u>	<u>5,232</u>
Iron Ore Pellet Production ^(a)					
Total	<u>22,059</u>	<u>23,369</u>	<u>16,981</u>	<u>21,450</u>	<u>23,054</u>
Steel Shipments by Segment ^(b)					
Flat-Rolled	8,373	9,018	8,711	10,700	10,510
Mini Mill	2,287	2,230	—	—	—
USSE	3,759	4,302	3,041	3,590	4,457
Tubular	523	444	464	769	780
Total steel shipments	<u>14,942</u>	<u>15,994</u>	<u>12,216</u>	<u>15,059</u>	<u>15,747</u>
Average Realized Price (dollars per net ton)					
Flat-Rolled	\$ 1,261	\$ 1,172	\$ 718	\$ 753	\$ 811
Mini Mill	\$ 1,134	\$ 1,314	\$ —	\$ —	\$ —
USSE	\$ 1,090	\$ 966	\$ 626	\$ 652	\$ 693
Tubular	\$ 2,978	\$ 1,696	\$ 1,271	\$ 1,450	\$ 1,483

^(a) Includes our share of production from Hibbing.

^(b) Does not include intersegment shipments or shipments by joint ventures and other equity investees of U. S. Steel. Includes shipments from U. S. Steel to joint ventures and equity investees of substrate materials, primarily hot-rolled and cold-rolled sheets.

^(c) The Fairfield Electric Arc Furnace commenced operation in October 2020. The 2020 production as a % of total capability amount is based on an October 1, 2020 start date.

FIVE-YEAR OPERATING SUMMARY (Unaudited) (Continued)

(Thousands of net tons)	2022	2021	2020	2019	2018
Steel Shipments by Market - North American Facilities ^{(a)(c)}					
Steel service centers	2,208	2,660	1,450	1,902	1,904
Further conversion:					
Trade customers	2,935	2,385	2,063	2,823	2,273
Joint ventures ^(b)	256	490	415	819	810
Transportation and automotive ^(b)	2,631	2,372	2,012	2,620	2,874
Construction and construction products	1,261	1,524	1,295	1,120	991
Containers and packaging	706	959	913	652	768
Appliances and electrical equipment	509	679	497	570	599
Oil, gas and petrochemicals	494	426	430	725	742
All other	183	197	100	238	329
Total	11,183	11,692	9,175	11,469	11,290
Steel Shipments by Market - USSE					
Steel service centers	839	995	690	740	799
Further conversion:					
Trade customers	289	314	202	214	287
Transportation and automotive	619	590	517	676	728
Construction and construction products	1,052	1,346	775	1,048	1,637
Containers and packaging	423	449	435	440	439
Appliances and electrical equipment	225	266	194	220	261
Oil, gas and petrochemicals	3	8	5	—	11
All other	309	334	223	252	295
Total	3,759	4,302	3,041	3,590	4,457

(a) Does not include shipments by joint ventures and other equity investees of U. S. Steel, but instead reflects the shipments of substrate materials, primarily hot-rolled and cold-rolled sheets, to those entities.

(b) PRO-TEC automotive substrate shipments are included in the Transportation and Automotive category.

(c) Shipments previously reported in 2018 as Exports have been reclassified to one of the other categories to which they relate.

FIVE-YEAR FINANCIAL SUMMARY (Unaudited) (Continued)

(Dollars in millions, except per share amounts)	2022	2021	2020	2019	2018
Net sales by segment:					
Flat-Rolled	\$ 12,872	\$ 12,358	\$ 7,279	\$ 9,560	\$ 9,912
Mini Mill	3,047	3,516	—	—	—
USSE	4,256	4,266	1,970	2,420	3,228
Tubular	1,616	809	646	1,191	1,236
Total reportable segments	\$ 21,791	\$ 20,949	\$ 9,895	\$ 13,171	\$ 14,376
Other	9	101	162	168	186
Intersegment sales	(735)	(775)	(316)	(402)	(384)
Total	\$ 21,065	\$ 20,275	\$ 9,741	\$ 12,937	\$ 14,178
Segment earnings (loss) before interest and income taxes:					
Flat-Rolled	\$ 1,951	\$ 2,630	\$ (596)	\$ 196	\$ 883
Mini Mill	481	1,206	—	—	—
USSE	444	975	9	(57)	359
Tubular	544	1	(179)	(67)	(58)
Total reportable segments	\$ 3,420	\$ 4,812	\$ (766)	\$ 72	\$ 1,184
Other	22	(11)	(39)	23	55
Items not allocated to segments ^(a)	(282)	145	(270)	(325)	(115)
Total earnings (loss) before interest and income taxes	\$ 3,160	\$ 4,946	\$ (1,075)	\$ (230)	\$ 1,124
Net interest and other financial costs	(99)	602	232	222	312
Income tax expense (benefit)	735	170	(142)	178	(303)
Net earnings (loss) attributable to United States Steel Corporation	\$ 2,524	\$ 4,174	\$ (1,165)	\$ (630)	\$ 1,115
Per common share:					
- Basic	\$ 10.22	\$ 15.77	\$ (5.92)	\$ (3.67)	\$ 6.31
- Diluted	\$ 9.16	\$ 14.88	\$ (5.92)	\$ (3.67)	\$ 6.25

^(a) See Note 4 to the Consolidated Financial Statements.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of U. S. Steel's management, including the chief executive officer and chief financial officer, U. S. Steel conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Based on this evaluation, U. S. Steel's chief executive officer and chief financial officer concluded that U. S. Steel's disclosure controls and procedures were effective as of the end of the period covered by this annual report.

Management's Report on Internal Control Over Financial Reporting

See "Item 8. Financial Statements and Supplementary Data – Management's Reports to Stockholders – Internal Control Over Financial Reporting."

Attestation Report of Independent Registered Public Accounting Firm

See "Item 8. Financial Statements and Supplementary Data – Report of Independent Registered Public Accounting Firm."

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 fourth quarter of 2022 which have materially affected, or are reasonably likely to materially affect, U. S. Steel's internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning the directors of U. S. Steel required by this item is incorporated and made part hereof by reference to the material appearing under the heading "Election of Directors" in U. S. Steel's Proxy Statement for the 2023 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission, pursuant to Regulation 14A, no later than 120 days after the end of the fiscal year. Information concerning the Audit Committee and its financial expert required by this item is incorporated and made part hereof by reference to the material appearing under the heading "Corporate Governance - Board Committees – Audit" in U. S. Steel's Proxy Statement for the 2023 Annual Meeting of Stockholders. Information regarding the Nominating Committee required by this item is incorporated and made part hereof by reference to the material appearing under the heading "Corporate Governance - Board Committees – Corporate Governance & Sustainability" in U. S. Steel's Proxy Statement for the 2023 Annual Meeting of Stockholders. Information regarding the ability of stockholders to communicate with the Board of Directors is incorporated and made part hereof by reference to the material appearing under the heading "Corporate Governance - Commitment to Stockholder Engagement - Communications from Stockholders and Interested Parties" in U. S. Steel's Proxy Statement for the 2023 Annual Meeting of Stockholders. Information regarding compliance with Section 16(a) of the Exchange Act required by this item is incorporated and made part hereof by reference to the material appearing under the heading "Delinquent Section 16(a) Reports" in U. S. Steel's Proxy Statement for the 2023 Annual Meeting of Stockholders. Information concerning the executive officers of U. S. Steel is contained in Part I of this Form 10-K under the caption "Information about our Executive Officers."

U. S. Steel has adopted a Code of Ethical Business Conduct that applies to all of our directors and officers, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. U. S. Steel will provide a copy of this code free of charge upon request. To obtain a copy, contact the Office of the Corporate Secretary, United States Steel Corporation, 600 Grant Street, Pittsburgh, Pennsylvania, 15219-2800 (telephone: 412-433-1121). The Code of Ethical Business Conduct is also available through the Company's website at www.ussteel.com. U. S. Steel does not intend to incorporate the contents of our website into this Annual Report on Form 10-K.

Item 11. EXECUTIVE COMPENSATION

Information required by this item is incorporated and made part hereof by reference to the material appearing under the heading "Compensation & Organization Committee Report" in U. S. Steel's Proxy Statement for the 2023 Annual Meeting of Stockholders.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**Equity Compensation Plan Information**

Plan Category	(1) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(2) Weighted-average exercise price of outstanding options, warrants and rights	(3) Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in Column (1) ^(b)
Equity compensation plans approved by security holders ^(a)	10,700,781	\$26.88	9,080,478
Equity compensation plans not approved by security holders ^(c)	—	(one for one)	—
Total	10,700,781	—	9,080,478

^(a) The numbers in columns (1) and (2) of this row contemplate all shares that could potentially be issued as a result of outstanding grants under the 2005 Stock Incentive Plan and the 2016 Omnibus Incentive Compensation Plan, as amended and restated as of December 31, 2022. (For more information, see Note 15 to the Consolidated Financial Statements). Column (1) includes (i) 647,733 shares of common stock that could be issued for the Common Stock Units outstanding under the Deferred Compensation Program for Non-Employee Directors and (ii) 5,517,086 shares that could be issued for the 2,758,543 performance awards outstanding under the Long-Term Incentive Compensation Program (a program under the 2016 Omnibus Incentive Compensation Plan, as amended and restated). The calculation in column (2) does not include the Common Stock Units since the weighted average exercise price for Common Stock Units is one for one; that is, one share of common stock will be given in exchange for each unit of such phantom stock accumulated through the date of the director's retirement. Also, the calculation in column (2) does not include the performance awards since the shares issued for performance awards can range from zero for one to two for one; that is, performance awards may result in up to 5,517,086 of common stock being issued (two for one), or some lesser number of shares (including zero shares of common stock issued), depending upon the Corporation's common stock performance versus that of a peer group of companies or the Corporation's return on capital employed performance over a performance period.

^(b) Represents shares available under the 2016 Omnibus Incentive Compensation Plan, as amended and restated.

^(c) At December 31, 2022, U. S. Steel had no securities remaining for future issuance under equity compensation plans that had not been approved by security holders. Column (1) represents Common Stock Units that were issued pursuant to the Deferred Compensation Plan for Non-Employee Directors prior to its being amended to make it a program under the 2005 Stock Incentive Plan and 2016 Omnibus Incentive Compensation Plan, as amended and restated. The weighted average exercise price for Common Stock Units in column (2) is one for one; that is, one share of common stock will be given in exchange for each unit of phantom stock upon the director's retirement from the Board of Directors. All future grants under this amended plan/program will count as shares issued under to the 2016 Omnibus Incentive Compensation Plan, as amended and restated, a stockholder approved plan.

Other information required by this item is incorporated and made part hereof by reference to the material appearing under the headings "Stock Ownership of Directors and Executive Officers" and "Stock Ownership of Certain Beneficial Owners" in U. S. Steel's Proxy Statement for the 2023 Annual Meeting of Stockholders.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item is incorporated and made part hereof by reference to the material appearing under the headings "Corporate Governance - Related Person Transactions Policy" and "Corporate Governance – Director Independence" in U. S. Steel's Proxy Statement for the 2023 Annual Meeting of Stockholders.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this item is incorporated and made part hereof by reference to the material appearing under the heading "Audit Fees" in U. S. Steel's Proxy Statement for the 2023 Annual Meeting of Stockholders.

PART IV**Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE****A. Documents Filed as Part of the Report****1. Financial Statements and Supplementary Data**

Financial Statements filed as part of this report are included in "Item 8 – Financial Statements and Supplementary Data".

2. Financial Statement Schedules

See "Schedule II – Valuation and Qualifying Accounts and Reserves" for years ended December 31, 2022, 2021, and 2020. All other schedules are omitted because they are not applicable or the required information is contained in the applicable financial statements or notes thereto.

B. Exhibits

Exhibit No.

2. Plan of acquisition, reorganization, arrangement, liquidation or succession

- (a) [Call Option Equity Purchase Agreement, by and among U.S. Steel Holdco LLC, Big River Steel Holdings LLC, Pinnacle Mountain Holding Company III, LLC and Consolidated Steel Equity Investors, LLC, dated as of December 15, 2020.](#) Incorporated by reference to Exhibit 2.1 to United States Steel Corporation's Form 8-K filed on December 18, 2020, Commission File Number 1-16811.

3. Articles of Incorporation and By-Laws

- (a) [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.
- (b) [Amended and Restated By-Laws of United States Steel Corporation, dated 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.

4. Instruments Defining the Rights of Security Holders, Including Indentures

- (a) [Indenture between United States Steel Corporation and The Bank of New York Mellon \(f/k/a The Bank of New York, dated as of May 21, 2007.](#) Incorporated by reference to Exhibit 4.1 to United States Steel Corporation's Form 8-K filed on May 22, 2007, Commission File Number 1-16811.
- (b) [First Supplemental Indenture between United States Steel Corporation and The Bank of New York Mellon\(f/k/a The Bank of New York, dated as of May 21, 2007\).](#) Incorporated by reference to Exhibit 4.2 to United States Steel Corporation's Form 8-K filed on May 22, 2007, Commission File Number 1-16811.
- (c) [Tenth Supplemental Indenture between United States Steel Corporation and The Bank of New York Mellon, dated as of February 11, 2021.](#) Incorporated by reference to Exhibit 4.1 to United States Steel Corporation's Form 8-K filed on February 11, 2021, Commission File Number 1-16811.
- (d) [Indenture by and between United States Steel Corporation and The Bank of New York Mellon, dated as of October 21, 2019.](#) Incorporated by reference to Exhibit 4.1 to United States Steel Corporation's Form 8-K filed on October 21, 2019, Commission File Number 1-16811.
- (e) [Indenture among Big River Steel LLC, BRS Finance Corp., BRS Intermediate Holdings LLC, each Guarantor that may become party thereto and U.S. Bank National Association, dated as of September 18, 2020.](#) Incorporated by reference to Exhibit 4.1 to United States Steel Corporation's Form 8-K filed on January 19, 2021, Commission File Number 1-16811.
- (f) [Description of Securities.](#) Incorporated by reference to Exhibit 4.1 to United States Steel Corporation's Form 10-K filed on February 14, 2020, Commission File Number 1-16811.

Certain long-term debt instruments are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. U. S. Steel agrees to furnish to the Commission on request a copy of any instrument defining the rights of holders of long-term debt of U. S. Steel and of any subsidiary for which consolidated or unconsolidated financial statements are required to be filed.

10. Material Contracts

- (a) [Recapitalization and Equity Purchase Agreement by and among U. S. Steel Holdco LLC, BRS Stock Holdco LLC, Big River Steel Holdings LLC, the Equityholders of Big River Steel Corp. and Big River Steel Holdings LLC and United States Steel Corporation, dated as of September 30, 2019.](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on October 1, 2019, Commission File Number 1-16811.
- (b) [Purchase and Sale Agreement by and among U. S. Steel Holdco LLC, United States Steel Corporation and TPG Growth II BDH, L.P. dated as of September 30, 2019.](#) Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 8-K filed on October 1, 2019, Commission File Number 1-16811.
- (c) [Option Agreement by and between United States Steel Corporation and Stelco Inc., dated as of April 30, 2020, on and Stelco.](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on April 30, 2020, Commission File Number 1-16811.
- (d) [Underwriting Agreement by and between United States Steel Corporation and Credit Suisse Securities \(USA\) LLC on behalf of the several Underwriters, dated February 8, 2021.](#) Incorporated by reference to Exhibit 1.1 to United States Steel Corporation's Form 8-K filed on February 11, 2021, Commission File Number 1-16811.
- (e) [Membership Interest Purchase Agreement by and between United States Steel Corporation and Percy Acquisition LLC, dated June 7, 2021.**](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on June 8, 2021, Commission File Number 1-16811.
- (f) [Commitment Agreement by and among United States Steel Corporation, Banner Life Insurance Company, William Penn Life Insurance Company of New York and State Street Global Advisors Trust Company, dated November 9, 2021.**](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-K filed on February 11, 2022, Commission File Number 1-16811.
- (g) [Sixth Amended and Restated Credit Agreement, dated as of May 27, 2022, among United States Steel Corporation, the Subsidiary Guarantors from time to time party thereto, the Lenders party thereto, the LC Issuing Banks party thereto, and JPMorgan Chase Bank, N.A., as Administrative and Collateral Agent.](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on June 3, 2022, Commission File Number 1-16811.
- (h) [Third Amended and Restated Borrower Security Agreement, dated as of May 27, 2022, between United States Steel Corporation and JPMorgan Chase Bank, N.A., as Collateral Agent.](#) Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 8-K filed on June 3, 2022, Commission File Number 1-16811.
- (i) [Third Amended and Restated Subsidiary Security Agreement, dated as of May 27, 2022, between the Subsidiary Guarantors and JPMorgan Chase Bank, N.A., as Collateral Agent.](#) Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 8-K filed on June 3, 2022, Commission File Number 1-16811.
- (j) [Second Amended and Restated Borrower Canadian Security Agreement, dated as of May 27, 2022, between United States Steel Corporation and JPMorgan Chase Bank, N.A., as Collateral Agent.](#) Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 8-K filed on June 3, 2022, Commission File Number 1-16811.
- (k) [Agreement of Sale between United States Steel Corporation and The Industrial Development Board of the City of Hoover, dated as of October 1, 2019.](#) Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 8-K filed on October 28, 2019, Commission File Number 1-16811.
- (l) [Loan Agreement between United States Steel Corporation and the Allegheny County Industrial Development Authority, dated as of October 1, 2019.](#) Incorporated by reference to Exhibit 10.5 to United States Steel Corporation's Form 8-K filed on October 28, 2019, Commission File Number 1-16811.
- (m) [Credit Agreement, dated December 10, 2019, by and among United States Steel Corporation, KfW IPEX-Bank GmbH, as Mandated Lead Arranger and ECA Structuring Bank, KfW IPEX-Bank as Facility Agent, KfW IPEX-Bank as ECA Agent, and the financial institutions listed therein as lenders, and other parties party thereto from time to time](#) Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 10-K filed on February 14, 2020, Commission File Number 1-16811.
- (n) [First Amendment to the Credit Agreement among United States Steel Corporation and KFW IPEX-BANK GMBH, dated as of November 17, 2020.](#) Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-K filed on February 12, 2021, Commission File Number 1-16811.
- (o) [Agreement of Sale between United States Steel Corporation and The Industrial Development Board of the City of Hoover regarding \\$63,400,000 million 6.375% Environmental Improvement Revenue Bonds, Series 2020 \(United States Steel Corporation Project\), dated as of November 1, 2020.](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on November 24, 2020, Commission File Number 1-16811.

- (p) [Loan Agreement dated between United States Steel Corporation and the Indiana Finance Authority regarding \\$33,300,000 Indiana Finance Authority Environmental Improvement Revenue Bonds, Series 2020A \(United States Steel Corporation Project\) and Indiana Finance Authority Environmental Improvement Revenue Refunding Bonds, Series 2020B \(United States Steel Corporation Project\), dated as of November 1, 2020.](#) Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 8-K filed on November 24, 2020, Commission File Number 1-16811.
- (q) [ABL Credit Agreement by and among Big River Steel LLC, BRS Intermediate Holdings LLC, Goldman Sachs Bank USA and each lender party thereto, dated as of August 23, 2017.**](#) Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-K filed on February 11, 2022, Commission File Number 1-16811.
- (r) [First Amendment to ABL Credit Agreement by and among Big River Steel LLC, BRS Intermediate Holdings LLC, Goldman Sachs Bank USA and each lender party thereto, dated as of September 10, 2020.](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on January 19, 2021, Commission File Number 1-16811.
- (s) [Second Amendment to ABL Credit Agreement by and among Big River Steel LLC, BRS Intermediate Holdings LLC, Goldman Sachs Bank USA and each lender party thereto, dated as of July 23, 2021.](#) Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 10-Q filed on July 30, 2021, Commission File Number 1-16811.
- (t) [Bond Financing Agreement between Arkansas Development Finance Authority and each of Big River Steel LLC, BRS Finance Corp. and BRS Intermediate Holdings LLC relating to \\$265 million Arkansas Development Finance Authority Industrial Development Revenue Bonds \(Big River Steel Project\), Tax-Exempt Series 2020 \(Green Bonds\), dated as of September 10, 2020.](#) Incorporated by reference to Exhibit 10.2.1 to United States Steel Corporation's Form 8-K filed on January 19, 2021, Commission File Number 1-16811.
- (u) [Definitions Annex relating to Arkansas Development Finance Authority Industrial Development Revenue Bonds \(Big River Steel Project\), Tax-Exempt Series 2020 \(Green Bonds\), dated as of September 10, 2020.](#) Incorporated by reference to Exhibit 10.2.2 to United States Steel Corporation's Form 8-K filed on January 19, 2021, Commission File Number 1-16811.
- (v) [Bond Financing Agreement between Arkansas Development Finance Authority and each of Big River Steel LLC, BRS Finance Corp. and BRS Intermediate Holdings LLC relating to \\$487 million Arkansas Development Finance Authority Industrial Development Revenue Bonds \(Big River Steel Project\), Series 2019, dated as of May 31, 2019.](#) Incorporated by reference to Exhibit 10.3.1 to United States Steel Corporation's Form 8-K filed on January 19, 2021, Commission File Number 1-16811.
- (w) [Definitions Annex relating to Arkansas Development Finance Authority Industrial Development Revenue Bonds \(Big River Steel Project\), Series 2019, dated as of May 31, 2019.](#) Incorporated by reference to Exhibit 10.3.2 to United States Steel Corporation's Form 8-K filed on January 19, 2021, Commission File Number 1-16811.
- (x) [Loan Agreement between Arkansas Development Finance Authority and each of United States Steel Corporation and Exploratory Ventures, LLC relating to \\$290,000,000 Arkansas Development Finance Authority Environmental Improvement Revenue Bonds, Series 2022 \(United States Steel Corporation Project\) \(Green Bonds\), dated as of September 1, 2022.](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on October 28, 2022, Commission File Number 1-16811.
- (y) [EUR 300,000,000 Unsecured Sustainability Linked Revolving Credit Facility Agreement among U. S. Steel Košice, s.r.o., and ING Bank N.V., Komerční banka, a.s., Slovenská sporiteľňa, a.s., UniCredit Bank Czech Republic and Slovakia , a.s., Československá Obchodná banka, a.s., and Citibank Europe plc, dated September 29, 2021.](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on October 1, 2021, Commission File Number 1-16811.
- (z) [Supplemental Agreement No. 9 between U. S. Steel Košice, s.r.o. and ING Bank N.V., dated December 3, 2021.](#) Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-K filed on February 11, 2022, Commission File Number 1-16811.
- (aa) [United States Steel Corporation 2005 Stock Incentive Plan, Effective April 26, 2005.*](#) Incorporated by reference to Appendix B to United States Steel Corporation's Definitive Proxy Statement on Schedule 14A filed on March 11, 2005, Commission File Number 1-16811.
- (bb) [United States Steel Corporation 2005 Stock Incentive Plan, Amended and Restated Effective April 27, 2010.*](#) Incorporated by reference to Appendix A to United States Steel Corporation's Definitive Proxy Statement on Schedule 14A filed on March 12, 2010, Commission File Number 1-16811.

(cc)	United States Steel Corporation 2005 Stock Incentive Plan, Amended and Restated Effective April 29, 2014.*	Incorporated by reference to Appendix A to United States Steel Corporation's Definitive Proxy Statement on Schedule 14A filed on March 14, 2014, Commission File Number 1-16811.
(dd)	Form of Stock Option Grant under the Long-Term Incentive Compensation Program, a program under the United States Steel Corporation 2005 Stock Incentive Plan.*	Incorporated by reference to Exhibit 10(x) to United States Steel Corporation's Form 10-K filed on February 27, 2007, Commission File Number 1-16811.
(ee)	Form of Performance Award Grant Agreement under the Long-Term Incentive Compensation Program, a program under the United States Steel Corporation 2005 Stock Incentive Plan.*	Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-Q filed on April 26, 2011, Commission File Number 1-16811.
(ff)	Form of Stock Option Grant Agreement under the Long-Term Incentive Compensation Program, a program under the United States Steel Corporation 2005 Stock Incentive Plan.*	Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-Q filed on April 26, 2011, Commission File Number 1-16811.
(gg)	Form of Restricted Stock Unit Retention Grant Agreement under the Long-Term Incentive Compensation Program, a program under the United States Steel Corporation 2005 Stock Incentive Plan.*	Incorporated by reference to Exhibit 10.5 to United States Steel Corporation's Form 10-Q filed on April 26, 2011, Commission File Number 1-16811
(hh)	Form of Restricted Stock Unit Annual Grant Agreement under the Long-Term Incentive Compensation Program, a program under the United States Steel Corporation 2005 Stock Incentive Plan.*	Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 10-Q filed on April 26, 2011, Commission File Number 1-16811.
(ii)	Form of Retention Performance Award Grant Agreement under the Long-Term Incentive Compensation Program, a program under the United States Steel Corporation 2005 Stock Incentive Plan.*	Incorporated by reference to Exhibit 10.5 to United States Steel Corporation's Form 8-K filed on July 2, 2012, Commission File Number 1-16811.
(jj)	Form of Non-Qualified Stock Option Grant Agreement under the Long-Term Incentive Compensation Program, a program under the United States Steel Corporation 2005 Stock Incentive Plan.*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on April 29, 2015, Commission File Number 1-16811.
(kk)	Administrative Regulations for the Long-Term Incentive Compensation Program under the United States Steel Corporation 2005 Stock Incentive Plan, Amended and Restated Effective May 28, 2013.*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on May 30, 2013, Commission File Number 1-16811.
(ll)	Administrative Regulations for the Long-Term Incentive Compensation Program under the United States Steel Corporation 2005 Stock Incentive Plan, Amended and Restated Effective February 25, 2014.*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on March 3, 2014, Commission File Number 1-16811.
(mm)	Administrative Procedures for the Long-Term Incentive Compensation Program under the United States Steel Corporation 2005 Stock Incentive Plan, as Amended and Restated, and under the United States Steel Corporation 2010 Annual Incentive Compensation Plan, as amended February 24, 2015.*	Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-Q filed on April 29, 2015, Commission File Number 1-16811.
(nn)	Administrative Procedures for the Long-Term Incentive Compensation Program under the United States Steel Corporation 2005 Stock Incentive Plan, as Amended and Restated, and under the United States Steel Corporation Annual Incentive Compensation Plan, Effective February 22, 2016.*	Incorporated by reference to Exhibit 10(kk) to United States Steel Corporation's Form 10-K filed on February 29, 2016, Commission File Number 1-16811.
(oo)	United States Steel Corporation Deferred Compensation Program for Non-Employee Directors, a program under the 2005 Stock Incentive Plan, effective as of November 29, 2005.*	Incorporated by reference to Exhibit 10(d) to United States Steel Corporation's Form 10-K filed on February 28, 2012, Commission File Number 1-16811.
(pp)	United States Steel Corporation 2010 Annual Incentive Compensation Plan, Effective April 27, 2010.*	Incorporated by reference to Appendix B to United States Steel Corporation's Definitive Proxy Statement on Schedule 14A filed on March 12, 2010, Commission File Number 1-16811.
(qq)	Form of Incentive Award Agreement under the United States Steel Corporation 2010 Annual Incentive Compensation Plan.*	Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-Q filed on April 29, 2015, Commission File Number 1-16811.

- (rr) [Administrative Regulations for the Executive Management Annual Incentive Compensation Program under the United States Steel Corporation 2010 Annual Incentive Compensation Plan, as amended January 27, 2014.*](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on January 31, 2014, Commission File Number 1-16811.
- (ss) [Administrative Procedures for the Executive Management Annual Incentive Compensation Program under the United States Steel Corporation 2010 Annual Incentive Compensation Plan, as amended January 27, 2015*](#) Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 10-Q filed on April 29, 2015, Commission File Number 1-16811.
- (tt) [Administrative Procedures for the Executive Management Annual Incentive Compensation Program under the United States Steel Corporation 2010 Annual Incentive Compensation Plan, as amended February 22, 2016.*](#) Incorporated by reference to Exhibit 10(ii) to United States Steel Corporation's Form 10-K filed on February 29, 2016, Commission File Number 1-16811.
- (uu) [Administrative Procedures for the Executive Management Annual Incentive Compensation Program under the United States Steel Corporation 2010 Annual Incentive Compensation Plan, as amended November 1, 2016.*](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on November 2, 2016, Commission File Number 1-16811.
- (vv) [United States Steel Corporation Supplemental Thrift Program, Amended and Restated Effective July 31, 2013.*](#) Incorporated by reference to Exhibit 10.7 to United States Steel Corporation's Form 10-Q filed on October 29, 2013, Commission File Number 1-16811.
- (ww) [United States Steel Corporation Supplemental Thrift Program, Amended and Restated Effective November 1, 2016.*](#) Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-Q filed on November 2, 2016, Commission File Number 1-16811.
- (xx) [United States Steel Corporation Supplemental Thrift Program, Amended and Restated Effective January 1, 2019.*](#) Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 10-Q filed on May 3, 2019, Commission File Number 1-16811.
- (yy) [United States Steel Corporation Non Tax-Qualified Retirement Account Program, Amended and Restated Effective November 13, 2013.](#) Incorporated by reference to Exhibit 10(dd) to United States Steel Corporation's Form 10-K filed on February 25, 2014, Commission File Number 1-16811.
- (zz) [United States Steel Corporation Non Tax-Qualified Retirement Account Program, Amended and Restated Effective January 1, 2016.*](#) Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-Q filed on November 2, 2016, Commission File Number 1-16811.
- (aaa) [United States Steel Corporation Non Tax-Qualified Retirement Account Program, Amended and Restated Effective January 1, 2019.*](#) Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-Q filed on May 3, 2019, Commission File Number 1-16811.
- (bbb) [United States Steel Corporation Non Tax-Qualified Pension Plan, Amended and Restated Effective December 31, 2015.*](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on August 21, 2015, Commission File Number 1-16811.
- (ccc) [United States Steel Corporation Executive Management Supplemental Pension Program, Amended and Restated Effective December 31, 2015.*](#) Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 8-K filed on August 21, 2015, Commission File Number 1-16811.
- (ddd) [United States Steel Corporation Supplemental Retirement Account Program, Amended and Restated Effective January 1, 2016.*](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on November 4, 2015, Commission File Number 1-16811.
- (eee) [United States Steel Corporation Supplemental Retirement Account Program, Amended and Restated Effective January 1, 2019.*](#) Incorporated by reference to Exhibit 10.5 to United States Steel Corporation's Form 10-Q filed on May 3, 2019, Commission File Number 1-16811.
- (fff) [United States Steel Corporation Change in Control Severance Plan, Effective January 1, 2016.*](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on November 6, 2015, Commission File Number 1-16811.
- (ggg) [United States Steel Corporation Change in Control Severance Plan, Amended and Restated Effective July 28, 2020.*](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on July 30, 2020, Commission File Number 1-16811.
- (hhh) [United States Steel Corporation Executive Severance Plan, Effective December 14, 2021.*](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on December 20, 2021, Commission File Number 1-16811.
- (iii) [United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Effective April 26, 2016.*](#) Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on April 27, 2016, Commission File Number 1-16811.

(jjj)	First Amendment to United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Effective February 28, 2017.*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on April 26, 2017, Commission File Number 1-16811.
(kkk)	United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Amended and Restated Effective April 28, 2020*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 8-K filed on May 1, 2020, Commission File Number 1-16811.
(III)	United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Amended and Restated Effective April 27, 2021.*	Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-Q filed on April 30, 2021, Commission File Number 1-16811.
(mmm)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (Retention Grant)*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on July 27, 2016, Commission File Number 1-16811.
(nnn)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (Annual Grant)*	Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-Q filed on July 27, 2016, Commission File Number 1-16811
(ooo)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan (Stock Option Grant).*	Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-Q filed on July 27, 2016, Commission File Number 1-16811.
(ppp)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (Annual Grant).*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on April 27, 2018, Commission File Number 1-16811.
(qqq)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (Retention Grant).*	Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-Q filed on April 27, 2018, Commission File Number 1-16811.
(rrr)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement (TSR Grant).*	Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-Q filed on April 27, 2018, Commission File Number 1-16811.
(sss)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement (ROCE Grant).*	Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 10-Q filed on April 27, 2018, Commission File Number 1-16811.
(ttt)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement (TSR Grant).*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on May 3, 2019, Commission File Number 1-16811.
(uuu)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Cash Award Grant Agreement (ROCE Grant).*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on May 1, 2020, Commission File Number 1-16811.
(vvv)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (Retention Grant).*	Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-Q filed on May 1, 2020, Commission File Number 1-16811.
(www)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement (2021 Grants).*	Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-Q filed on April 30, 2021, Commission File Number 1-16811.
(xxx)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Cash Award Grant Agreement (2021 Grants).*	Incorporated by reference to Exhibit 10.5 to United States Steel Corporation's Form 10-Q filed on April 30, 2021, Commission File Number 1-16811.
(yyy)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Restricted Stock Unit Grant Agreement (2021 Grants).*	Incorporated by reference to Exhibit 10.6 to United States Steel Corporation's Form 10-Q filed on April 30, 2021, Commission File Number 1-16811.
(zzz)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Retention Restricted Stock Unit Grant Agreement (2021 Grants).*	Incorporated by reference to Exhibit 10.7 to United States Steel Corporation's Form 10-Q filed on April 30, 2021, Commission File Number 1-16811.
(yyy)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan TSR Performance Share Award Grant Agreement (2021 Grants).*	Incorporated by reference to Exhibit 10.8 to United States Steel Corporation's Form 10-Q filed on April 30, 2021, Commission File Number 1-16811.
(aaaa)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement (2021 SVP Performance Awards)* **	Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 10-K filed on February 11, 2022, Commission File Number 1-16811.
(bbbb)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Share Award Grant Agreement (2021 CEO Performance Award)* **	Incorporated by reference to Exhibit 10.5 to United States Steel Corporation's Form 10-K filed on February 11, 2022, Commission File Number 1-16811.

(cccc)	Form of United States Steel Corporation 2016 Omnibus Incentive Compensation Plan Performance Non-Qualified Stock Option Grant Agreement (2021 CEO PSO)* **	Incorporated by reference to Exhibit 10.6 to United States Steel Corporation's Form 10-K filed on February 11, 2022, Commission File Number 1-16811.
(dddd)	Form of United States Steel Corporation 2016 Omnibus Incentive Plan Performance Share Award Grant Agreement (ROCE Grant)*	Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-Q filed on April 29, 2022, Commission File Number 1-16811.
(eeee)	Form of United States Steel Corporation 2016 Omnibus Incentive Plan Performance Share Award Grant Agreement (TSR Grant)*	Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-Q filed on April 29, 2022, Commission File Number 1-16811.
(ffff)	Administrative Procedures for the Executive Management Annual Compensation Incentive Program under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Effective February 27, 2018.*	Incorporated by reference to Exhibit 10.5 to United States Steel Corporation's Form 10-Q filed on April 27, 2018, Commission File Number 1-16811.
(gggg)	Administrative Procedures for the Executive Management Annual Incentive Compensation Plan under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Effective February 26, 2019.*	Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-Q filed on May 3, 2019, Commission File Number 1-16811.
(hhhh)	Administrative Procedures for the Executive Management Annual Incentive Compensation Plan under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Effective February 25, 2020.*	Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-Q filed on May 1, 2020, Commission File Number 1-16811.
(iiii)	Administrative Procedures for the Executive Management Annual Incentive Compensation Plan under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Effective February 23, 2021.*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on April 30, 2021, Commission File Number 1-16811.
(jjjj)	United States Steel Corporation Deferred Compensation Program for Non-Employee Directors, a program under the United States Steel Corporation 2016 Omnibus Incentive Plan, effective as of July 26, 2016, as amended on October 30, 2018.*	Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 10-K filed on February 15, 2019, Commission File Number 1-16811.
(kkkk)	United States Steel Corporation Deferred Compensation Program for Non-Employee Directors, a program under the United States Steel Corporation 2016 Omnibus Incentive Plan, effective as of July 26, 2016, as amended on October 28, 2019.*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-K filed on February 14, 2020, Commission File Number 1-16811.
(llll)	United States Steel Corporation Deferred Compensation Program for Non-Employee Directors, a program under the United States Steel Corporation 2016 Omnibus Incentive Compensation Plan, Effective January 1, 2022.*	Incorporated by reference to Exhibit 10.7 to United States Steel Corporation's Form 10-K filed on February 11, 2022, Commission File Number 1-16811.
(mmmm)	United States Steel Corporation Non-Employee Director Stock Program of the 2016 Omnibus Incentive Compensation Plan, Effective November 1, 2019.*	Incorporated by reference to Exhibit 10.2 to United States Steel Corporation's Form 10-K filed on February 14, 2020, Commission File Number 1-16811.
(nnnn)	United States Steel Corporation Non-Employee Director Compensation Policy, Effective as of January 1, 2022.*	Incorporated by reference to Exhibit 10.8 to United States Steel Corporation's Form 10-K filed on February 11, 2022, Commission File Number 1-16811.
(oooo)	Letter Agreement between Scott D. Buckiso and United States Steel Corporation, dated July 30, 2020.*	Incorporated by reference to Exhibit 10.4 to United States Steel Corporation's Form 10-K filed on February 12, 2021, Commission File Number 1-16811.
(pppp)	Separation Agreement and Release by and between Kevin P. Bradley and United Stated Steel Corporation, dated October 7, 2019.*	Incorporated by reference to Exhibit 10.3 to United States Steel Corporation's Form 10-K filed on February 14, 2020, Commission File Number 1-16811.
(qqqq)	Separation Agreement and Release by and between Douglas R. Matthews and United States Steel Corporation, dated December 24, 2020.*	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-K filed on February 12, 2021, Commission File Number 1-16811.
(rrrr)	Form of Offer Letter to Kenneth E. Jaycox Jr., dated September 19, 2020.*	Incorporated by reference to Exhibit 10.9 to United States Steel Corporation's Form 10-K filed on February 11, 2022, Commission File Number 1-16811.
(ssss)	Special Transition Agreement and Release by and between Christine S. Breves and United States Steel Corporation, dated February 15, 2022.	Incorporated by reference to Exhibit 10.1 to United States Steel Corporation's Form 10-Q filed on April 29, 2022, Commission File Number 1-16811.

(ttt) [Form of Offer Letter to Jessica T. Graziano, dated June 6, 2022.**](#)

Incorporated by reference to Exhibit 10.5 to United States Steel Corporation's Form 10-Q filed on July 29, 2022, Commission File Number 1-16811.

- 10.1 Amendment No. 1 to Sixth Amended and Restated Credit Agreement, dated as of December 19, 2022, among United States Steel Corporation, the Subsidiary Guarantors from time to time party thereto, the Lenders party thereto, the LC Issuing Banks party thereto, and JPMorgan Chase Bank, N.A., as Administrative and Collateral Agent.**
- 10.2 Third Amendment to ABL Credit Agreement by and among Big River Steel LLC, BRS Intermediate Holdings LLC, Goldman Sachs Bank USA and each lender party thereto, dated as of December 19, 2022.**
- 10.3 First Supplemental Agreement, dated December 15, 2022, between U. S. Steel Košice, s.r.o., and ING Bank N.V., as Facility Agent, relating to an up to EUR 300,000,000 credit agreement dated September 29, 2021.**
- 21 List of Subsidiaries
- 23 Consent of PricewaterhouseCoopers LLP
- 24 Powers of Attorney
- 31.1 Certification of Chief Executive Officer required by Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of Chief Financial Officer required by Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 95 Mine Safety Disclosure required under Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act
- 101 The following financial information from United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Consolidated Statement of Operations, (ii) the Consolidated Statement of Comprehensive Income (Loss), (iii) the Consolidated Balance Sheet, (iv) the Consolidated Statement of Cash Flows, and (v) Notes to the Consolidated Financial Statements.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Indicates management contract or compensatory plan or arrangement.

** Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Corporation hereby undertakes to furnish supplemental copies of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

(millions of dollars)

Description	Balance at Beginning of Period	Additions		Deductions		Balance at End of Period		
		Charged to Costs and Expenses	Charged to Other Accounts	Charged to Costs and Expenses	Charged to Other Accounts			
Year ended December 31, 2022:								
Reserves deducted in the balance sheet from the assets to which they apply:								
Allowance for doubtful accounts	\$ 44	\$ 17	\$ —	\$ —	\$ 23	\$ 38		
Investments and long-term receivables reserve	4	—	—	—	—	4		
Deferred tax valuation allowance:								
Domestic	159	18	—	61	—	116		
Foreign	3	—	—	—	—	3		
Year ended December 31, 2021:								
Reserves deducted in the balance sheet from the assets to which they apply:								
Allowance for doubtful accounts	\$ 34	\$ 16	\$ 4	\$ —	\$ 10	\$ 44		
Investments and long-term receivables reserve	5	—	—	—	1	4		
Deferred tax valuation allowance:								
Domestic	793	86	25	745	—	159		
Foreign	3	—	—	—	—	3		
Year ended December 31, 2020:								
Reserves deducted in the balance sheet from the assets to which they apply:								
Allowance for doubtful accounts	\$ 28	\$ 6	\$ 2	\$ —	\$ 2	\$ 34		
Investments and long-term receivables reserve	5	—	3	—	3	5		
Deferred tax valuation allowance:								
Domestic	560	240	2	—	9	793		
Foreign	3	—	—	—	—	3		

Item 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 3, 2023

UNITED STATES STEEL CORPORATION

By:	/s/ Manpreet S. Grewal	
	Manpreet S. Grewal	
	Vice President, Controller & Chief Accounting Officer	
	<u>Signature</u>	<u>Title</u>
	<u>/s/ David B. Burritt</u>	President & Chief Executive Officer & Director (Principal Executive Officer)
	David B. Burritt	
	<u>/s/ Jessica T. Graziano</u>	Senior Vice President & Chief Financial Officer (Principal Financial Officer)
	Jessica T. Graziano	
	<u>/s/ Manpreet S. Grewal</u>	Vice President, Controller & Chief Accounting Officer (Principal Accounting Officer)
	Manpreet S. Grewal	
	*	Director
	Tracy A. Atkinson	
	*	Director
	Andrea J. Ayers	
	*	Director
	Terry L. Dunlap	
	*	Director
	John J. Engel	
	*	Director
	John V. Faraci	
	*	Director
	Murry S. Gerber	
	*	Director
	Jeh C. Johnson	
	*	Director
	Paul A. Mascarenas	
	*	Director
	Michael H. McGarry	
	*	Board Chair
	David S. Sutherland	
	*	Director
	Patricia A. Tracey	
* BY:	/s/ Manpreet S. Grewal	
	Manpreet S. Grewal	
	Attorney-in-Fact	

GLOSSARY OF CERTAIN DEFINED TERMS

The following definitions apply to terms used in this document:

2026 Senior Convertible Notes	Senior Convertible Notes due November 1, 2026
2052 ADFA Green Bonds	Arkansas Development Finance Authority Environmental Improvement Revenue Bonds due 2052
401(k) plans	defined contribution plans
ABL	Asset-Based Loan
ABO	Accumulated Benefit Obligation
ACHD	Allegheny County Health Department
AD	antidumping
AD/CVD	antidumping and countervailing duty
ADFA	Arkansas Development Finance Authority
AHSS	advanced high-strength steel
AISI	American Iron and Steel Institute
AOCI	Accumulated Other Comprehensive Income
ARO	Asset Retirement Obligation
ARPA	American Rescue Plan Act
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
BART	Best Available Retrofit Technology
BAT	Best Available Technique
Big River Steel ABL Facility	Big River Steel amended senior secured asset-based revolving credit facility
BOF	Basic Oxygen Furnace Steelmaking
BOP	Basic Oxygen Process
BR2	Big River 2
BRS	Big River Steel
CAA	Clean Air Act
CAFC	U.S. Court of Appeals for the Federal Circuit
CAFE	Corporate Average Fuel Economy
CAMT	corporate alternative minimum tax
CAMU	Corrective Action Management Unit
CDC	Chrome Deposit Corporation
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
CIT	U.S. Court of International Trade
CMS	Corrective Measures Study
CNIT	corporate net income tax
CO2	carbon dioxide
commodity purchase swaps	financial swaps associated with purchases of natural gas, zinc, tin and electricity
COSO	Committee of Sponsoring Organizations of the Treadway Commission
cost cap	Steel benefit plan
Credit Facility Agreement	Sixth Amended and Restated Credit Facility Agreement
CVD	countervailing duties
CWA	Clean Water Act
DAFW	OSHA Days Away From Work
DOC	U.S. Department of Commerce
DOJ	The United States Department of Justice
Double G	Double G Coatings Company LLC
DR	direct reduced
DRI	direct reduced iron
EAF	Electric Arc Furnace
EBITDA	earnings before interest, taxes, depreciation and amortization
EC	European Commission
ECA	Export Credit Agreement
EGU	electric generating unit
EPS	earnings per share
ERGs	employee resource groups
ERISA	Employee Retirement Income Security Act of 1974
ERW	electric resistance welded

ESG	environmental, social and governance
ETS	Emissions Trading System
EU	European Union
EU ETS	EU Emissions Trading System
EUA	European Union Emission Allowances
EWPM	electric-weld pipe mil
Agreement	Export-Import Transaction Specific Loan and Security Agreement
FASB	Financial Accounting Standards Board
FIFO	first in, first out
FIP	Federal Implementation Plan
Agreement	Fifth Amended and Restated Credit Facility Agreement
Flat-Rolled	North American Flat-Rolled segment
foreign exchange forwards	foreign exchange forward sales contracts
FX	foreign exchange
GAAP	Generally Accepted Accounting Principles
Gateway	Gateway Energy and Coke Company LLC
GEN3	generation 3
GHG	greenhouse gas
GLNPO	Great Lakes National Program Office
Green Steels	steels made with low greenhouse gas emissions intensity
HBI	hot briquetted iron
HDC	Hibbing Development Company
Hibbing	Hibbing Taconite Company
IEPA	Illinois Environmental Protection Agency
IRS	Internal Revenue Service
ISO	International Organization for Standardization
ITC	U.S. International Trade Commission
KDHE	Kansas Department of Health & Environment
Keetac	U. S. Steel's iron ore operations at Keewatin, Minnesota
LIFO	last in, first out
MACT	Maximum Achievable Control Technology
Midwest	Midwest Plant
Minntac	U. S. Steel's iron ore operations at Mt. Iron, Minnesota
mmbtus	Metric Million British Thermal Units
mnt	thousand net tons
MPCA	Minnesota Pollution Control Agency
NAAQS	National Ambient Air Quality Standards
NAV	net asset value
NESHAP	National Emission Standards for Hazardous Air Pollutants
NGO	non-grain oriented
NOV	Notice of Violation
NOx	nitrogen oxide
NPDES	National Pollutant Discharge Elimination System
OCTG	oil country tubular goods
OEM	original equipment manufacturer
Order	Administrative Order on Consent
Other Benefits	defined benefit retiree health care and life insurance plans
Patriot	Patriot Premium Threading Services, LLC
PCAOB	Public Company Accounting Oversight Board (United States)
PII	Personally Identifiable Information
PM	Particulate Matter
PPA	Pension Protection Act of 2006
ppb	parts per billion
PRO-TEC	PRO-TEC Coating Company, U. S. Steel and Kobe Steel Ltd. joint venture
PRP	potentially responsible party
PSU	Performance-based restricted Stock Unit
RCRA	Resource Conservation and Recovery Act

RFI	RCRA Facility Investigation
ROCE	Return On Capital Employed
RP	Rehabilitation plan
RSU	Restricted Stock Unit
S&P	Standard & Poor's
sales swaps	financial swaps hot-rolled coil and iron ore pellet sales
SAO	Settlement Agreement and Order
SEC	Securities and Exchange Commission
SIP	State Implementation Plan
SO2	Sulfur dioxide
SPT	Steelworkers Pension Trust
SSS	site-specific standard
Stelco	Stelco Inc.
sustainable steels	steels made with low greenhouse gas emissions
SWMU	Solid Waste Management Units
the 2005 Plan	2005 Stock Incentive Plan
the 2022 Labor Agreements	collective bargaining agreements with United Steelworkers effective September 1, 2022
the Committee	the Compensation & Organization Committee of the Board of Directors
the "Company"	United States Steel Corporation and its subsidiaries
the Exchange Act	the Securities Exchange Act of 1934
the "Insurers"	Banner Life Insurance Company and William Penn Life Insurance Company of New York
the insurer	Pacific Life Insurance Company
the Minntac Mine	iron ore mine located in Mt. Iron, Minnesota
the Omnibus Plan	2016 Omnibus Incentive Compensation Plan, as amended and restated
USSK Credit Agreement	USSK €300 million unsecured sustainability linked credit agreement
TRQ	tariff rate quotas
Transtar	Transtar LLC and its direct and indirect subsidiaries
TSR	Total Shareholder Return
Tubular	Tubular Products segment
U. S. Steel	United States Steel Corporation
U.S. EPA	United States Environmental Protection Agency
U.S. GAAP	accounting standards generally accepted in the United States
UDEQ	Utah Department of Environmental Quality
ug/m ³	micrograms per cubic meter
UK	United Kingdom
UPI	USS-POSCO Industries
USSE	U. S. Steel Europe segment
USSK	U. S. Steel Košice
USSTP	U. S. Steel Tubular Products LLC
USTR	United States Trade Representative
USW	United Steelworkers
USX	United States Steel Corporation
VEBA	trusts for retiree healthcare and life insurance
VERP	voluntary early retirement program
welded	seamless and electric resistance welded
Worthington	Worthington Specialty Processing, U. S. Steel and Worthington Industries, Inc. joint venture
WOTUS	Waters of the United States
WTO	World Trade Organization
WQS	water quality standard

AMENDMENT NO. 1 TO SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

This Amendment No. 1 (this “**Amendment**”), dated as of December 19, 2022 is entered into by and among United States Steel Corporation (the “**Borrower**”), U.S. Steel Seamless Tubular Operations, LLC (“**USSSTO**”), United States Steel International, Inc. (“**USSI**”), U.S. Steel Oilwell Services, LLC (“**USSOS**”), U. S. Steel Tubular Products, Inc. (“**USSTP**”), USS-UPI, LLC (formerly known as USS-POSCO Industries) (“**UPI**” and, together with USSTO, USSI, USSOS and USSTP, the “**Subsidiary Guarantors**”; the Subsidiary Guarantors together with the Borrower, the “**Credit Parties**”), JPMorgan Chase Bank, N.A., as Administrative Agent (the “**Administrative Agent**”) and Collateral Agent (the “**Collateral Agent**”) and the Lenders party hereto with respect to the Sixth Amended and Restated Credit Agreement, dated as of May 27, 2022 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the “**Credit Agreement**”) among the Borrower, the Subsidiary Guarantors from time to time party thereto, the Lenders from time to time party thereto (the “**Lenders**”), the LC Issuing Banks from time to time party thereto, the Administrative Agent, the Collateral Agent, and the other parties from time to time party thereto.

WHEREAS, pursuant to Section 9.02(b) of the Credit Agreement, the Borrower has requested that the Lenders consent to such amendments; and

WHEREAS, the Lenders party hereto constituting the Required Lenders have agreed, upon the terms and subject to the conditions set forth herein, to amend such provisions of the Credit Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto (which constitute, among others, the Required Lenders), intending to be legally bound hereby, agree as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, capitalized terms which are defined in the Credit Agreement are used herein as therein defined.

SECTION 2. Amendments. Effective as of the Amendment No. 1 Effective Date, the Credit Agreement is hereby amended as follows:

(a) **References Generally.** References in the Credit Agreement (including references to the Credit Agreement as amended hereby) to “this Agreement” (and indirect references such as “hereunder”, “hereby”, “herein” and “hereof”) shall be deemed to be references to the Credit Agreement as amended hereby.

(b) Schedule 1.01(c) of the Credit Agreement is hereby amended and restated in its entirety in the form attached as Exhibit A hereto.

SECTION 3. Effectiveness. This Amendment shall become effective on the first date (the “**Amendment No. 1 Effective Date**”) on which the Administrative Agent (or its counsel) shall have received executed signature pages to this Amendment from the Administrative Agent, Lenders constituting the Required Lenders, the Borrower and the Subsidiary Guarantors.

SECTION 4. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not (a) by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or the Collateral Agent under the Credit Agreement or any other Loan Document or (b) alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Credit Party to consent to, or a waiver, amendment, modification or other change of, any of the terms,

conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. This Amendment shall constitute a Loan Document for purposes of the Credit Agreement and the other Loan Documents. From and after the Amendment No. 1 Effective Date, all references to the Credit Agreement in any other Loan Document and all references in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement shall, unless expressly provided otherwise, refer to the Credit Agreement as amended by this Amendment.

SECTION 5. Miscellaneous Provisions. The provisions of Sections 9.01, 9.02, 9.03, 9.07, 9.08, 9.10 and 9.11 of the Credit Agreement shall apply to like effect, *mutatis mutandis*, to this Amendment. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when taken together shall constitute a single instrument. Any signature to this Amendment may be delivered by facsimile, electronic mail (including ".pdf") or any electronic signature complying with the U.S. federal ESIGN Act of 2000 or the New York Electronic Signature and Records Act or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes to the fullest extent permitted by applicable law. For the avoidance of doubt, the foregoing also applies to any amendment, extension or renewal of this Amendment. Each of the parties hereto represents and warrants to the other parties that, to the extent it executes this Amendment through electronic means, it has the corporate capacity and authority to so execute this Amendment through electronic means and there are no restrictions on doing so in such party's constitutive documents.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

UNITED STATES STEEL CORPORATION,
as the Borrower

By: /s/ Arne Jahn

Name: Arne Jahn

Title: Vice President – Treasurer and Chief
Risk Officer

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

By: /s/ James Shender

Name: James Shender

Title: Executive Director

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ James Shender

Name: James Shender

Title: Executive Director

Bank of America, N.A.
as a Lender and an LC Issuing Bank

By: /s/ Matthew Bourgeois

Name: Matthew Bourgeois

Title: Senior Vice President

WELLS FARGO BANK, N.A.
as a Lender

By: /s/ William H. Talbot

Name: William H. Talbot

Title: Director

Barclays Bank PLC,
as a Lender

By: /s/ Edward Brooks

Name: Edward Brooks

Title: Vice President

Credit Suisse AG, New York Branch,
as a Lender

By: /s/ Mikhail Faybusovich

Name: Mikhail Faybusovich

Title: Authorized Signatory

By: /s/ Michael Wagner

Name: Michael Wagner

Title: Authorized Signatory

**PNC BANK, NATIONAL ASSOCIATION,
as a Lender**

By: /s/ Daniel Scherling

Name: Daniel Scherling

Title: Vice President

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Jason Rockwell
Name: Jason Rockwell
Title: Vice President

[Signature Page to Amendment No. 1]

CITIBANK, N.A.,
as a Lender

By: /s/ Brendan MacKay

Name: Brendan MacKay

Title: Vice President & Director

Goldman Sachs Bank USA,
as a Lender

By: /s/ Garrett Luk

Name: Garrett Luk

Title: Authorized Signatory

MORGAN STANLEY BANK, N.A.,
as a Lender

By: /s/ Atu Koffie-Lart

Name: Atu Koffie-Lart

Title: Authorized Signatory

MORGAN STANLEY SENIOR FUNDING, INC.
as a Lender

By: /s/ Atu Koffie-Lart

Name: Atu Koffie-Lart

Title: Vice President

Truist Bank,
as a Lender

By: /s/ Peter Daly

Name: Peter Daly

Title: Director

BMO HARRIS BANK, N.A.,
as a Lender

By: /s/ Quinn Heiden

Name: Quinn Heiden

Title: Managing Director

CITIZENS BANK, N.A.,
as a Lender and an LC Issuing Bank

By: /s/ Terrence Broderick

Name: Terrence Broderick

Title: Senior Vice President

ING CAPITAL LLC,
as a Lender and as an LC Issuing Bank

By: /s/ Jeff Chu

Name: Jeff Chu

Title: Director

By: /s/ Michael Chen

Name: Michael Chen

Title: Director

U.S. Bank National Association,
as a Lender

By: /s/ James Nagle

Name: James Nagle

Title: Vice President

THE HUNTINGTON NATIONAL BANK,
a national banking association, as a Lender

By: /s/ Roger F. Reeder

Name: Roger F. Reeder

Title: Vice President

The Northern Trust Company,
as a Lender

By: /s/ Eric Siebert

Name: Eric Siebert

Title: Senior Vice President

Exhibit A

Schedule 1.01(c)

[Omitted.]

THIRD AMENDMENT TO ABL CREDIT AGREEMENT

This THIRD AMENDMENT TO ABL CREDIT AGREEMENT, dated as of December 19, 2022 (this “Amendment”), is by and among BIG RIVER STEEL LLC, a Delaware limited liability company (the “Borrower”), BRS INTERMEDIATE HOLDINGS LLC, a Delaware limited liability company (“Holdings”), GOLDMAN SACHS BANK USA, as administrative agent (in such capacity, the “Administrative Agent”) and collateral agent (in such capacity, the “Collateral Agent”) under the Loan Documents, and each Lender party hereto.

WHEREAS, reference is hereby made to the ABL Credit Agreement, dated as of August 23, 2017 (as amended by that certain First Amendment to ABL Credit Agreement dated as of September 10, 2020 and that certain Second Amendment to ABL Credit Agreement dated as of July 23, 2021, the “Existing Credit Agreement” and, as amended by this Amendment, the “Credit Agreement”; capitalized terms used and not defined herein shall have the meaning ascribed to such terms in the Existing Credit Agreement or the Credit Agreement, as the context may require), among the Borrower, Holdings, the Administrative Agent, the Collateral Agent and the Lenders party thereto;

WHEREAS, pursuant to Section 10.01 of the Existing Credit Agreement, Holdings, the Borrower and the Required Lenders party hereto desire to amend the Existing Credit Agreement for certain purposes;

WHEREAS, subject to the terms and conditions set forth herein, all of the Lenders on the signature pages hereto, by executing and delivering a counterpart to this Amendment in accordance with Section 3 hereto, shall be deemed to have consented to the amendments set forth in Section 1 hereof;

NOW, THEREFORE, in consideration of the premises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Amendments.

(a) On the Amendment Effective Date, Schedule 1.01(3) (ESG KPI Requirements) to the Existing Credit Agreement is hereby amended and restated in its entirety and replaced with Schedule 1.01(3) to the Credit Agreement in the form attached hereto as Annex A.

Section 2. Conditions to Effectiveness. The effectiveness of this Amendment shall be subject to the satisfaction of the following conditions precedent (the date upon which all such conditions are satisfied being the “Amendment Effective Date”):

(a) The Administrative Agent shall have received counterparts of this Amendment that, when taken together, bear the signatures of (A) Holdings, (B) the Borrower, (C) each other Loan Party and (D) the Required Lenders.

Section 3. Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment or any document or instrument delivered in connection herewith by facsimile transmission or electronic PDF shall be effective as delivery of a manually executed counterpart of this Amendment or such other document or instrument, as applicable.

Section 4. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 5. Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 6. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other provision of the Existing Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. As of the Amendment Effective Date, each reference in the Existing Credit Agreement to "*this Agreement*," "*hereunder*," "*hereof*," "*herein*," or words of like import, and each reference in the other Loan Documents to the Existing Credit Agreement (including, without limitation, by means of words like "*thereunder*," "*thereof*" and words of like import), shall mean and be a reference to the Credit Agreement, and this Amendment and the Existing Credit Agreement shall be read together and construed as a single instrument. This Amendment shall constitute a Loan Document.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to ABL Credit Agreement to be duly executed as of the date first above written.

BIG RIVER STEEL LLC, as the Borrower

By: /s/ Arne S. Jahn
Name: Arne S. Jahn
Title: Treasurer

BRS INTERMEDIATE HOLDINGS LLC, as Holdings

By: /s/ Arne S. Jahn
Name: Arne S. Jahn
Title: Treasurer

BRS FINANCE CORP.

By: /s/ Arne S. Jahn
Name: Arne S. Jahn
Title: Treasurer

GOLDMAN SACHS BANK USA,
as Administrative Agent, Collateral Agent and a
Lender

By: /s/ Thomas Manning
Name: Thomas Manning
Title: Authorized Signatory

ING CAPITAL LLC,
as a Lender

By: /s/ Jeff Chu
Name: Jeff Chu
Title: Director

By: /s/ Michael Chen
Name: Michael Chen
Title: Director

First Security Bank,
as a Lender

By: /s/ Brad Edwards
Name: Brad Edwards
Title: President

Bank of America, N.A. as a Lender

By: /s/ Matthew Bourgeois
Name: Matthew Bourgeois
Title: Senior Vice President

WELLS FARGO BANK, N.A.,
as a Lender

By: /s/ William H. Talbot
Name: William H. Talbot
Title: Director

FIRST NATIONAL BANK OF PENNSYLVANIA,
as a Lender

By: /s/ Alan G. Lilienthal
Name: Alan G. Lilienthal
Title: Vice President

Truist Bank,
as a Lender

By: /s/ Peter Daly
Name: Peter Daly
Title: Director

BMO HARRIS BANK, N.A.,
as a Lender

By: /s/ Quinn Heiden
Name: Quinn Heiden
Title: Managing Director

ANNEX A

Schedule 1.01(3)

ESG KPI Requirements

(Omitted)

FIRST SUPPLEMENTAL AGREEMENT

dated 15 December 2022

between

U. S. STEEL KOŠICE, S.R.O.

and

ING BANK N.V.

as Facility Agent

relating to an up to EUR300,000,000 credit agreement

dated 29 September 2021

ALLEN & OVERY

Allen & Overy Bratislava, s.r.o.

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THIS AGREEMENT is dated 15 December 2022 and 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 District Court Košice I, insert No. 11711/V, section Sro, company identification number (*IČO*): 36 199 222 as borrower (the **Company**); and
- (2) **ING BANK N.V.** as the agent of the Finance Parties under and as defined in the Credit Agreement defined below (the **Facility Agent**).

BACKGROUND

- (A) This Agreement is supplemental to and amends a credit agreement dated 29 September 2021 between, among others, the Company and the Facility Agent (the **Credit Agreement**).
- (B) The Lenders (as defined in the Credit Agreement) have consented to the amendments to the Credit Agreement contemplated by this Agreement. Accordingly, the Facility Agent is authorised to execute this Agreement on behalf of the Finance Parties.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

Amended Credit Agreement means the Credit Agreement as amended and restated by this Agreement.

Effective Date means the later of the date on which the Facility Agent notifies the Company that it has received all of the documents set out in Schedule 1 (Conditions precedent to Effective Date) in form and substance satisfactory to the Facility Agent and the date of the merger of the Company, Ferroenergy s.r.o. and U. S. Steel Košice – Labortest, s.r.o. as shown in an extract of the Commercial Registry.

Ferroenergy s.r.o. means Ferroenergy s.r.o., with its registered seat at Vstupný areál U. S. Steel, Košice 044 54, Slovak Republic, registered in the Commercial Register of District Court Košice I, insert No. 40717/V, section Sro, company identification number (*IČO*): 50 720 937.

U. S. Steel Košice – Labortest, s.r.o. means U. S. Steel Košice – Labortest, s.r.o., with its registered seat at Vstupný areál U. S. Steel, Košice 044 54, Slovak Republic, registered in the Commercial Register of District Court Košice I, insert No. 5471/V, section Sro, company identification number (*IČO*): 31 699 634.

1.2 Construction

- (a) Capitalised terms defined in the Credit Agreement have, unless expressly defined in this Agreement, the same meaning in this Agreement.
- (b) The provisions of clauses 1.2 (Construction), 1.3 (Third party rights), 1.4 (Slovak terms) and 39 (Enforcement) of the Credit Agreement apply to this Agreement as though they were set out in

full in this Agreement except that references 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 (Amended Credit Agreement).
- (b) The Facility Agent shall notify the Company and the Lenders of the occurrence of the Effective Date as soon as reasonably practicable.
- (c) Other than to the extent that the Majority Lenders notify the Facility Agent in writing to the contrary before the Facility Agent gives the notification described in paragraph (b) above, the Lenders authorise (but do not require) the Agent to give that notification. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification
- (d) The Company shall furnish to the Facility Agent no later than five Business Days after the Effective Date an electronic copy of an extract from of the Company's entry in the Commercial Registry evidencing, among other things, that the merger of the Company, Ferroenergy s.r.o. and U. S. Steel Košice – Labortest, s.r.o. has occurred and certified by an authorised signatory of the Company, confirming the accuracy of all facts shown in the extract, except with respect to the attached amendments which have been filed with the Commercial Registry.

3. REPRESENTATIONS

3.1 Representations

The Company makes the representations and warranties set out in this Clause 3 to each Finance Party on the date of this Agreement.

3.2 Binding obligations

- (a) The obligations expressed to be assumed by it in this Agreement and the other Finance Documents being entered into in connection with this Agreement are, legal, valid, binding and enforceable obligations; and
- (b) this Agreement and the other Finance Documents entered into in connection with this Agreement are in the proper form for its enforcement in the Republic if accompanied by a certified Slovak translation,

save that enforcement of its obligations under this Agreement and the other Finance Documents entered into in connection with this Agreement may be affected by insolvency, bankruptcy and similar laws affecting the rights of creditors generally.

3.3 Non-conflict with other obligations

- (a) The execution, delivery and performance by it of, and the transactions contemplated by, this Agreement and the other Finance Documents entered into in connection with this Agreement it is party to will not:
 - (i) violate in any respect any provision of:

- (A) 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 it;
 - (B) the laws and documents incorporating and constituting it; or
 - (C) any security agreement, agreement or other financial undertaking or instrument to which it is a party to or which is binding upon it or any Assets of it; or
- (b) to the best of its knowledge result in the creation or imposition of any Security Interest on any Assets of it pursuant to the provisions of any security, agreement or other agreement, undertaking or instrument to which it is a party or which is binding upon it.

3.4 Power and authority

It has the power to enter into, perform and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and the other Finance Documents being entered into in connection with this Agreement to which it is or will be a party to and the transactions contemplated by those Finance Documents.

3.5 Validity and admissibility in evidence

The Company represents that all authorisations and other requirements of governmental, judicial and public bodies and authorities required by any member of the Group or advisable:

- (a) in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the other Finance Documents being entered into in connection with this Agreement; or
- (b) to make this Agreement and the other Finance Documents being entered into in connection with this Agreement to which it is a party admissible in evidence in the Republic,

have been obtained or effected and are in full force and effect.

3.6 Credit Agreement

The Company confirms to each Finance Party that on the date of this Agreement and on the Effective Date, the Repeating Representations (other than in respect of the same representations given in clauses 16.3 (Powers and authority), 16.4 (Legal validity) and 16.5 (Non-conflict) of the Credit Agreement):

- (a) are true; and
- (b) would also be true if references to the Credit Agreement are construed as references to the Amended Credit Agreement.

In each case, each Repeating Representation shall be deemed to be made by reference to the facts and circumstances then existing and, in the case of the confirmation made on the date of this Agreement, as if the Effective Date had occurred.

4. CONSENTS

On the Effective Date, the Company:

- (a) confirms its acceptance of the Amended Credit Agreement; and
- (b) agrees that it is bound as the Company by the terms of the Amended Credit Agreement.

5. MISCELLANEOUS

- (a) Each of this Agreement and the Amended Credit Agreement is a Finance Document.
- (b) Subject to the terms of this Agreement, the Credit Agreement will remain in full force and effect and, from the Effective Date, the Credit Agreement and this Agreement will be read and construed as one document. No waiver is given by this Agreement, and the Finance Parties expressly reserve all their rights and remedies in respect of any breach of, or other Default under, a Finance Document.
- (c) The Company confirms that The London Law Agency Limited continues to be effectively appointed as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document in accordance with clause 41.2 (Service of process) of the Credit Agreement.

6. GOVERNING LAW

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

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

SCHEDEULE 1
CONDITIONS PRECEDENT TO EFFECTIVE DATE

Company

1. A copy of the constitutional documents of the Company or, if the Facility Agent already has a copy, a certificate of an authorised signatory of the Company confirming that the copy in the Facility Agent's possession is still correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
2. A specimen of the signature of each person authorised to sign the Finance Documents on behalf of the Company and to sign and/or despatch all documents and notices to be signed and/or despatched by the Company under or in connection with this Agreement.
3. An electronic copy of the extract from 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.
4. A certificate of an authorised signatory of the Company certifying that each copy document delivered under this Schedule 1 with respect to the Company is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

Legal opinions

5. The following legal opinions, each addressed to the Facility Agent and each of the other Finance Parties:
 - (a) a legal opinion of a legal adviser to the Company in the Republic, substantially in the form of the legal opinion issued pursuant to paragraph (a) of clause 4.1 (Conditions precedent documents) of the Credit Agreement; and
 - (b) the following legal opinions, substantially in the form of the opinions issued as conditions precedent to the Credit Agreement:
 - (i) a legal opinion of Allen & Overy LLP, legal advisers to ING Bank N.V. as Facility Agent in relation to the laws of England; and
 - (ii) a legal opinion of Allen & Overy Bratislava, s.r.o., legal advisers to ING Bank N.V. as Facility Agent in relation to the laws of the Republic.

Finance Documents

6. This Agreement.

Other documents and evidence

7. Evidence that the Company has irrevocably appointed an agent for service of process in relation to any proceedings before the English courts in connection with this Agreement.
8. Evidence that all fees and expenses then due and payable from the Company under this Agreement have been or will be paid by the Effective Date.
9. A copy of any other authorisation or other document, opinion or assurance that the Facility Agent, acting reasonably, considers to be necessary or desirable in connection with the entry

into and performance of, and the transactions contemplated by, any Finance Document or for the validity and enforceability of any Finance Document.

SCHEDULE 2
AMENDED CREDIT AGREEMENT

[See attached.]

CREDIT FACILITY AGREEMENT

DATED 29 SEPTEMBER 2021 AS AMENDED ON THE FIRST EFFECTIVE DATE

€300,000,000

UNSECURED SUSTAINABILITY LINKED REVOLVING CREDIT FACILITY

FOR

U. S. STEEL KOŠICE, S.R.O.

ARRANGED BY

ING BANK N.V. acting through ING BANK N.V., POBOČKA ZAHRANIČNEJ BANKY
SLOVENSKÁ SPORITEĽŇA, A.S.

KOMERČNÍ BANKA, A.S. acting through KOMERČNÍ BANKA, A.S., POBOČKA ZAHRANIČNEJ
BANKY

and

UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. acting through UNICREDIT BANK
CZECH REPUBLIC AND SLOVAKIA, A.S., POBOČKA ZAHRANIČNEJ BANKY

as Mandated Lead Arrangers

AND

ČESKOSLOVENSKÁ OBCHODNÁ BANKA, A.S.

CITIBANK EUROPE PLC acting through CITIBANK EUROPE PLC, POBOČKA ZAHRANIČNEJ
BANKY

as Lead Arrangers

WITH

ING BANK N.V.

as Bookrunner and Coordinator, Facility Agent, Documentation Agent and Sustainability Coordinator

ALLEN & OVERY

Allen & Overy Bratislava, s.r.o.

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THIS AGREEMENT is an amended and restated agreement which sets out the terms on which an up to EUR300,000,000 credit agreement dated 29 September 2021 as amended on the First Effective Date and made between, amongst others, the Company and the Facility Agent is amended and restated and sets out the terms and conditions on which, from the First Effective Date, the Facility continues to be made available to the Company, and in its amended and restated form 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 District Court Košice I, insert No. 11711/V, section Sro, company identification number (*IČO*): 36 199 222 as borrower (the **Company**);
- (2)
 - (a) **ING BANK N.V.**, with its registered seat at Bijlmerdreef 106, 1102CT 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 its organisational unit **ING BANK N.V., POBOČKA ZAHRANIČNEJ BANKY**, Plynárenská 5944/7C, 821 09 Bratislava – mestská časť Ružinov, Slovak Republic, company identification number (*IČO*): 30 844 754, registered in the Commercial Register of District Court Bratislava I, section Po, insert No. 130/B;
 - (b) **SLOVENSKÁ SPORITELŇA, A.S.**, with its registered seat at Tomášikova 48, Bratislava 832 37, Slovak Republic, company identification number (*IČO*): 00 151 653, registered in the Commercial Register of District Court Bratislava I, section Sa, insert No. 601/B;
 - (c) **KOMERČNÍ BANKA, A.S.**, with its registered seat at Na Příkopě 33/969, Prague 1, 114 07, Czech Republic, company identification number (*IČO*): 453 17 054, registered in the Commercial Register of City Court Prague, section B, insert No. 1360 acting through its organisation unit **KOMERČNÍ BANKA, A.S., POBOČKA ZAHRANIČNEJ BANKY**, with its registered seat at Hodžovo námestie 1A, Bratislava 811 06, Slovak Republic, company identification number (*IČO*): 47 231 564, registered in the Commercial Register of District Court Bratislava I, section Po, insert No. 1914/B; and
 - (d) **UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.**, with its registered seat at Želetavská 1525/1, Prague 4 – Michle 140 92, Czech Republic, company identification number (*IČO*): 649 48 242, registered in the Commercial Register of City Court Prague, section B, insert No. 3608 acting through its organisation unit **UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S., POBOČKA ZAHRANIČNEJ BANKY**, with its registered seat at Šancová 1/A, Bratislava 813 33, Slovak Republic, company identification number (*IČO*): 47 251 336, registered in the Commercial Register of District Court Bratislava I, section Po, insert No. 2310/B,
- (3)

as mandated lead arrangers (in this capacity the **Mandated Lead Arrangers**);

 - (a) **ČESKOSLOVENSKÁ OBCHODNÁ BANKA, A.S.**, with its registered seat at Žižkova 11, Bratislava 811 02, Slovak Republic, company identification number (*IČO*): 36 854 140, registered in the Commercial Register of District Court Bratislava I, section Sa, insert No. 4314/B; and

- (b) **CITIBANK EUROPE PLC**, with its registered seat at North Wall Quay 1, Dublin 1, Ireland, registered in the Companies Registration Office under No. 132781 acting through its organisation unit **CITIBANK EUROPE PLC, POBOČKA ZAHRANIČNEJ BANKY**, with its registered seat at Dvořákovo nábrežie 8, Bratislava 811 02, Slovak Republic, company identification number (*IČO*): 36 861 260, registered in the Commercial Register of District Court Bratislava I, section Po, insert No. 1662/B,
as lead arrangers (in this capacity the **Lead Arrangers**);
- (4) **ING BANK N.V.**, as bookrunner and coordinator (in this capacity the **Bookrunner and Coordinator**);
- (5) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (Original Lenders) as original lenders (the **Original Lenders**);
- (6) **ING BANK N.V.**, as the agent of the Finance Parties (the **Facility Agent**);
- (7) **ING BANK N.V.**, as the documentation agent of the Finance Parties (the **Documentation Agent**); and
- (8) **ING BANK N.V.**, as the sustainability coordinator of the Finance Parties (the **Sustainability Coordinator**).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

Acceptable Bank means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB+ or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or BAA1 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Facility Agent.

Acceptance Period has the meaning given to it in Clause 2.2 (Additional Commitments).

Additional Commitment Lender means any Additional Lender or Existing Lender identified as such in an Additional Commitment Request.

Additional Commitment Request means a request substantially in the form set out in Schedule 8 (Form of Additional Commitment Request).

Additional Commitment Request Notification means a notification substantially in the form set out in Schedule 7 (Form of Additional Commitment Request Notification).

Additional Lender means any bank or financial institution or a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets.

Administrative Party means an Arranger, the Documentation Agent, the Sustainability Coordinator or the Facility Agent.

Affiliate means, in relation to any person, a Subsidiary or a Holding Company of that person or any other Subsidiary of that Holding Company.

Agency Insolvency Event in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or

- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Anti-Corruption Laws means, from time to time, all laws, rules, and regulations of any jurisdiction concerning or relating to bribery, money laundering or corruption, including the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

Arranger means each of the Mandated Lead Arrangers, Lead Arrangers and the Bookrunner and Coordinator.

Assets means, in relation to any person, a present and future business, undertaking, properties, assets and revenues (including any uncalled capital) of that person.

Availability Period means the period from and including the date of this Agreement to and including the date falling one week prior to the Final Maturity Date.

Break Costs means the amount (if any) that a Lender is entitled to receive under Clause 23.3 (Break Costs).

Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business in:

(a) (in respect of a payment for the purposes of a utilisation under Clause 5 (Utilisation) or a repayment under Clause 6 (Repayment) or Clause 7 (Prepayment and cancellation)) Amsterdam, Bratislava and Prague;

(b) (in any other respect) Amsterdam and Bratislava,

and:

(i) if on that day a payment in or a purchase of a currency (other than euro) is to be made, the principal financial centre of the country of that currency; or

(ii) if on that day a payment in or a purchase of euro is to be made, which is also a TARGET Day.

Central Bank means the National Bank of Slovakia.

Centre of Main Interests means the “centre of main interests” of the Company for the purposes of the Regulation (EU) 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 United States Internal Revenue Code of 1986.

Commitment means:

(a) for an Original Lender, the amount set opposite its name in Schedule 1 (Original Lenders) under the heading “**Commitments**” and the amount of any other Commitment it acquires; and

(b) for any other Lender, the amount of any Commitment it acquires,

to the extent not cancelled, transferred or reduced under this Agreement.

Commitment Fee means the commitment fee payable under paragraph (a) of Clause 22.3 (Commitment fee).

Compliance Certificate means a certificate, substantially in the form set out in Schedule 4 (Form of Compliance Certificate), with any amendments which the Facility Agent acting on the instructions of Majority Lenders and the Company may agree.

Confidential Information means all information relating to any member of the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 28 (Disclosure of information); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) of this definition or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and
- (iv) is a Funding Rate or a Reference Bank Quotation.

Confidentiality Undertaking means a confidentiality undertaking substantially in the then current recommended form of the Loan Market Association or in any other form agreed between the Company and the Facility Agent.

Debt Purchase Transaction means, in relation to a person, a transaction where such person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

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 19 (Default), would constitute an Event of Default.

Defaulting Lender means any Lender:

- (a) that has failed to make its participation in a Loan available within five Business Days from the Utilisation Date of that Loan or has notified the Facility Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan, in accordance with Clause 5.3 (Advance of Loan); or
- (b) that has been adjudged bankrupt or insolvent pursuant to a final non-appealable order,

unless, in case of paragraph (a) of this definition:

- (i) the Lender's failure to pay is caused by a Disruption Event and the respective payment is made within 10 Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is legally obliged to make the payment in question.

Disruption Event means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that Party, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

Downgraded Lender means a Lender:

- (a) that:
 - (i) is rated by any of Moody's Investors Service Limited, Standard & Poor's Rating Services, Fitch Ratings Limited or any other internationally recognised rating agency; and
 - (ii) does not have or ceases to have a rating of at least Baa3 (or equivalent), if rated by Moody's Investors Service Limited, BBB- (or equivalent), if rated by Standard & Poor's Rating Services, BBB- (or equivalent), if rated by Fitch Ratings Limited or investment grade rating, if rated by another internationally recognised rating agency.

For the avoidance of doubt, if a Lender is not rated by any agency specified in paragraph (a)(i) of this definition, it shall not be considered a Downgraded Lender pursuant to this paragraph (a) until it receives a rating non-compliant with paragraph (a)(ii) of this definition or later its rating becomes non-compliant with paragraph (a)(ii) of this definition; or

(b) is a Subsidiary of an entity, which is subject to bankruptcy, insolvency or similar proceedings.

Eligible Institution means any Lender or other bank, financial institution, trust, fund or other entity selected by the Company and which, in each case, is not an Affiliate of U. S. Steel.

ERISA means the United States Employee Retirement Income Security Act of 1974, to which the following definitions apply:

- (a) **ERISA Affiliate** means any person treated as a single employer with the Company for the purpose of section 414 of the Code.
- (b) **Plan** means an employee benefit plan as defined in section 3(3) of ERISA:
 - (i) maintained by the Company or any ERISA Affiliate; or
 - (ii) pursuant to which the Company or any ERISA Affiliate is required to make any payment or contribution.
- (c) **Reportable Event** means:
 - (i) 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
 - (ii) a failure to meet the minimum funding standard under section 412 or 430 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.

ESG KPI Annual Report means an annual report prepared by U. S. Steel that sets forth the calculations with respect to the ESG KPI Requirements during the period covered by the report, which shall include:

- (a) findings as to whether U. S. Steel and its Subsidiaries on a consolidated basis met each of the ESG KPI Requirements;
- (b) the basis for such findings (which basis may, for the avoidance of doubt, be the findings of the ESG KPI Requirements Assurance Provider); and
- (c) the applicable ESG KPI Commitment Fee Adjustment and ESG KPI Margin Adjustment for the period commencing August 1 of the fiscal year following the fiscal year covered by such ESG KPI Annual Report.

ESG KPI Commitment Fee Adjustment has the meaning given to it in paragraph (c) of Clause 22.3 (Commitment fee).

ESG KPI Margin Adjustment has the meaning given in the definition of Margin.

ESG KPI Requirement means each of the requirements set out in Schedule 9 (ESG KPIs and SPTs).

ESG KPI Requirements Assurance Provider means any assurance provider (or replacement thereof) as designated from time to time by the Company by written notice to the Facility Agent, provided that any such assurance provider (or replacement thereof) shall be (a) of recognised national standing or (b) otherwise acceptable to the Facility Agent (acting reasonably).

ESG KPI Requirements Certificate has the meaning given to it in Clause 16.3 (ESG KPI Requirements Certificate).

Establishment means any place of operations where the Company carries on non-transitory economic activity with human means and goods, for the purposes of the Regulation.

EURIBOR means, in relation to any Loan in euro:

- (a) the applicable Screen Rate as of the Specified Time on the Rate Fixing Day for euro and for a period equal in length to the Term of that Loan; or
- (b) as otherwise determined pursuant to Clause 10.1 (Unavailability of Screen Rate),

and if, in either case, that rate is below zero, EURIBOR will be deemed to be zero.

euro or **EUR** or **€** means the single currency of the Participating Member States.

Event of Default means an event specified as such in Clause 19 (Default).

Existing Facility means the credit facility made available under the Existing Facility Agreement.

Existing Facility Agreement means the EUR460,000,000 multicurrency revolving credit facility dated 26 September 2018, as amended and entered into between (*inter alia*) the Company as borrower and Commerzbank Finance & Covered Bond S.A. as facility agent.

Existing Lender has the meaning given to it in Clause 26.2 (Assignments and transfers by Lenders).

Facility means the credit facility made available under this Agreement.

Facility Office means the office(s) notified by a Lender to the Facility Agent:

- (a) on or before the date it becomes a Lender; or
- (b) by not less than five Business Days' notice,

as the office(s) through which it 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 enacted in 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) of this definition; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) of this definition with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Application Date means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

- (b) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

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

FATCA Event has the meaning given to it in Clause 7.8 (Mandatory repayment and cancellation of FATCA Protected Lenders).

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

FATCA Protected Lender means any Lender irrevocably designated as a “FATCA Protected Lender” by the Company by notice to that Lender and the Facility Agent at least six months prior to the earliest FATCA Application Date for a payment by a Party to that Lender (or to the Facility Agent for the account of that Lender).

Fee Letter means any letter entered into by reference to this Agreement between one or more Administrative Parties and the Company setting out the amount of certain fees referred to in this Agreement.

Final Maturity Date means the fifth anniversary of the date of this Agreement.

Finance Document means:

- (a) this Agreement;
- (b) a Fee Letter;
- (c) a Transfer Certificate;
- (d) an Increase Confirmation;
- (e) an Additional Commitment Request; or
- (f) any other document designated as such by the Facility Agent and the Company.

Finance Party means a Lender or an Administrative Party.

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) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

- (e) 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 net amount of the marked to market value shall be taken into account, to the extent such netting is permitted);
- (f) liabilities pursuant to any lease which are capitalised in accordance with US GAAP (other than operating lease obligations);
- (g) any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; or
- (h) liabilities under any guarantee, indemnity or other assurance against financial loss given in relation to any of the foregoing.

First Effective Date has the meaning given to the term ‘Effective Date’ in the First Supplemental Agreement.

First Supplemental Agreement means the supplemental agreement dated on or around 15 December 2022 entered into between, among others, the Company and the Facility Agent, in relation to this Agreement.

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

Funding Rate means any individual rate notified by a Lender to the Facility Agent pursuant to paragraph (a)(ii) of Clause 10.4 (Cost of funds).

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.

IFRS means international accounting standards within the meaning of the International Accounting Standards Regulation (EC) No 1606/2002, as amended by Regulation 297/2008, as may be amended or replaced from time to time, to the extent applicable to the relevant financial statements.

Impaired Agent means the Facility Agent at any time when:

- (a) it has failed to make (or has notified a party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Facility Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Facility Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Facility Agent;

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and

- payment is made within five Business Days of its due date; or
- (ii) the Facility Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

Increase Confirmation means a confirmation substantially in the form set out in Schedule 10 (Form of Increase Confirmation).

Increased Cost means:

- (a) an additional or increased cost;
- (b) a reduction in the rate of return from the Facility or on a Finance Party'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 a Finance Party or its Holding Company but only to the extent attributable to that Finance Party 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.

Insolvency Event means any of the following events:

- (a) declaration of bankruptcy (*vyhlásenie konkurzu*) with respect to the assets of the Company in the Republic;
- (b) opening of the restructuring (*povolenie reštrukturalizácie*) of the Company in the Republic; or
- (c) commencement of any insolvency or enforcement procedure against the Company in any other jurisdiction, with a purpose analogous to the purpose of any of the procedures specified in paragraphs (a) and (b) of this definition.

Insolvency Related Party means, with respect to any person, a related party (*spriaznená osoba*) of that person as defined in section 9 of the Slovak Bankruptcy Act.

Interest Payment Date has the meaning given to it in Clause 8.2 (Payment of interest).

Interpolated Screen Rate means, in relation to EURIBOR for any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

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

Latest Accounts means the audited consolidated financial statements of the Group last delivered to the Facility Agent under paragraph (a) of Clause 16.2 (Financial Information).

Legal Reservations means any matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions provided to the Finance Parties under the Finance Documents.

Lender means:

- (a) an Original Lender;
- (b) an Additional Lender that becomes a Lender after the date of this Agreement in accordance with Clause 2.2 (Additional Commitments); or
- (c) any person that becomes a Lender after the date of this Agreement in accordance with Clause 26.2 (Assignments and transfers by Lenders).

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.

Majority Lenders means, at any time, Lenders:

- (a) whose participation in the outstanding Loans and whose undrawn Commitments then aggregate $66\frac{2}{3}$ per cent. or more of the aggregate of all the outstanding Loans and the undrawn Commitments of all the Lenders;
- (b) if there is no Loan then outstanding, whose undrawn Commitments then aggregate $66\frac{2}{3}$ per cent. or more of the Total Commitments; or
- (c) if there is no Loan then outstanding and the Total Commitments have been reduced to zero, whose Commitments aggregated $66\frac{2}{3}$ per cent. or more of the Total Commitments immediately before the reduction;

as adjusted by paragraph (e) of Clause 20.8 (Instructions), if applicable.

Margin means 2.35 per cent. per annum, but if:

- (a) no Default has occurred and is continuing;
- (b) the Net Debt to EBITDA ratio in respect of the most recently completed Measurement Period is within a range set out below,

then the Margin for each Loan will be the percentage per annum set out below opposite that range:

Net Debt to EBITDA	Margin % p.a.
Greater than 2.50:1	2.35
Equal to or less than 2.50:1	2.00

However:

- (i)

- (A) any increase or decrease in the Margin for a Loan shall take effect on the date which is five Business Days after receipt by the Facility Agent of the Compliance Certificate for that Measurement Period pursuant to Clause 16.4 (Compliance Certificate);
- (B) if, following receipt by the Facility Agent of the Compliance Certificate, that Compliance Certificate does not confirm the basis for a reduced Margin, then paragraph (b) of Clause 8.2 (Payment of interest) shall apply and the Margin for that Loan shall be the percentage per annum determined using the table above and the revised ratio of Net Debt to EBITDA calculated using the figures in that Compliance Certificate; and
- (C) while an Event of Default is continuing, the Margin for each Loan shall be the highest percentage per annum set out above for a Loan,

and for the purpose of determining the Margin, Net Debt to EBITDA and Measurement Period shall be determined in accordance with Clause 17.1 (Financial definitions); and

- (ii) notwithstanding the foregoing, effective as of 1 August in each fiscal year (commencing 1 August 2022), the Margin shall be adjusted on the date which is five Business Days after receipt by the Facility Agent of the ESG KPI Requirements Certificate by the increase or decrease (in each case, if any) that is the net effect of:
 - (A) a decrease of 0.025% per annum per each ESG KPI Requirement that is satisfied with respect to the immediately preceding fiscal year; and/or
 - (B) an increase of 0.025% per annum per each ESG KPI Requirement that is not satisfied with respect to the immediately preceding fiscal year

(the ESG KPI Margin Adjustment).

For the avoidance of doubt, any adjustment to the Margin by reason of meeting one or several ESG KPI Requirements in any fiscal year shall not be cumulative year-over-year, and each applicable ESG KPI Margin Adjustment shall only apply until the date on which the next ESG KPI Margin Adjustment is scheduled to occur.

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 Loan.

Notifiable Debt Purchase Transaction has the meaning given to that term in paragraph (b) of Clause 27.2 (Disenfranchisement on Debt Purchase Transactions entered into by Affiliates of the Company).

Participating Member State means a member state of the European Union that has the euro as its lawful currency under the legislation of the European Union relating to Economic and Monetary Union.

Party means a party to this Agreement.

Permitted Disposal means any of the following:

- (a) disposal of Assets in the ordinary course of trading at arms' length;

- (b) disposal 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) disposal of Assets located outside the Republic; and
- (g) any disposal approved in writing by the Majority Lenders.

Permitted Merger means any of the following:

- (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) a merger of any Subsidiary of U. S. Steel 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; and
- (c) any merger or corporate restructuring approved in advance in writing by the Majority Lenders.

Permitted Security Interest means any of the following:

- (a) any Security Interest existing on the date of this Agreement and disclosed to the Facility Agent in writing on or before the date of this Agreement;
- (b) the assumption of any Security Interest previously existing on (i) an acquired asset or (ii) any asset of any person when such person is acquired by the Company or any of its Subsidiaries, provided in each case 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) any easement, right-of-way, minor defect or irregularity in title or other similar encumbrance on real property that, in each case, has 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) any unexercised lien for tax not being delinquent or contested in good faith by appropriate proceedings and for which reserves, adequate under US GAAP, are being maintained;
- (e) any Security Interest on equipment of the Company in each case arising solely under lease of such equipment that, in accordance with US GAAP, 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) any purchase money Security Interest on equipment acquired by the Company, in each case after the date of this Agreement incurred simultaneously with or within 180 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) any lien arising solely by operation of law (or by an agreement evidencing the same) in the ordinary course of Company's business, in each case 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 US GAAP, are being maintained;
- (h) any Security Interest arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired by Company, in each case in the ordinary course of its business;
- (i) any Security Interest approved in advance in writing by the Majority Lenders;
- (j) any lien in favour of a financial institution arising from a documentary letter of credit in the ordinary course of business;
- (k) renewal of or substitution for any Security Interest permitted under any preceding paragraph; and
- (l) any Security Interest arising in the ordinary course of business in connection with: (i) the performance of a bid, trade contract, (to the extent not covered by paragraph (b) of this definition), lease (to the extent that lease constitutes a finance lease and not an operating lease), statutory obligations, surety and appeal bond, performance bond and other obligations of a like nature; (ii) a deposit account; and (iii) a deposit made in the ordinary course of business for the purposes of cash collateralising a letter of credit, provided that the aggregate book value of Assets subject to the Security Interests described in this paragraph (l) does not at any time exceed euro 50,000,000 or its equivalent; 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 any specific Security Interest that entitles any secured creditor to separately satisfy its claim under the Slovak Bankruptcy Act or any analogous right in any jurisdiction arising in bankruptcy or insolvency.

Pro Rata Share means:

- (a) for the purpose of determining a Lender's participation in a utilisation of the Facility, the proportion which its Commitment bears to the Total Commitments; and
- (b) for any other purpose on a particular date:
 - (i) the proportion which a Lender's participation of the Loans (if any) bears to all the Loans;
 - (ii) if there is no Loan outstanding on that date, the proportion which its Commitment bears to the Total Commitments on that date; or

- (iii) if the Total Commitments have been cancelled, the proportion which its Commitment bore to the Total Commitments immediately before being cancelled.

Qualified Related-Party Receivable means a receivable which:

- (a) in case of the bankruptcy (*konkurz*) in the Republic in respect of the assets of the Company would be satisfied in the same manner as subordinated receivables owed by the Company to its subordinated creditors (i.e. receivables in respect of which a subordination undertaking (*záväzok podriadnosti*) under section 408a of Slovak Act 513/1991 Coll. the Commercial Code was made); or
- (b) in case of the restructuring (*reštrukuralizácia*) in the Republic relating to the assets of the Company, could not be satisfied in the same or better manner than any other unsubordinated receivable owed by the Company to its unrelated creditors registered in the restructuring plan (*reštrukturalizačný plán*) of the Company.

Rate Fixing Day means in relation to any period for which an interest rate is to be determined the second TARGET Day before the first day of a Term for a Loan unless market practice differs in the Relevant Market for that currency, in which case the Rate Fixing Day for that currency will be determined by the Facility Agent in accordance with market practice in the Relevant Market and if quotations would normally be given on more than one day, the Rate Fixing Day will be the last of those days.

Reference Bank Quotation means any quotation supplied to the Facility Agent by a Reference Bank.

Reference Bank Rate means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facility Agent at its request by the Reference Banks:

- (a) (other than where paragraph (b) of this definition applies) as the rate at which the relevant Reference Bank believes one prime bank is quoting to another prime bank for interbank term deposits in euro within the Participating Member States for the relevant period; or
- (b) if different, as the rate (if any and applied to the relevant Reference Bank and the relevant period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator.

Reference Banks means ING Bank N.V., Československá obchodná banka, a.s. and UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky and any other bank or financial institution appointed as such by the Facility Agent in consultation with the Company and which accepts such appointment.

Relevant Market means the European interbank market.

Related Fund in relation to a fund (the **first fund**), means:

- (a) a fund which is managed or advised by the same investment manager or investment adviser as the first fund; or
- (b) if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

Relevant Tax means any Tax 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 any Tax imposed by the Republic which is so imposed as a direct consequence of the relevant Finance Party 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 15.26 (Times for making representations and warranties).

Representative means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

Republic means the Slovak Republic.

Request means a request for a Loan, substantially in the form of Schedule 3 (Form of Request).

Restricted Lender has the meaning given to it in Clause 15.25 (Anti-Corruption Laws and Sanctions).

Rollover Loan means one or more Loans:

- (a) to be made on the same day that a maturing Loan is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the amount of the maturing Loan;
- (c) in the same currency as the maturing Loan; and
- (d) to be made for the purpose of refinancing a maturing Loan.

Sanctioned Person means, at any time:

- (a) any person listed in any Sanctions-related list of designated persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, Her Majesty's Treasury of the United Kingdom, the European Union, the United Kingdom or any member state of the European Union;
- (b) any person operating, organized or resident in a country being subject to Sanctions; or
- (c) any person owned or controlled by any such person or persons described in paragraphs (a) or (b) of this definition.

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

Screen Rate means in relation to 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) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Facility Agent may specify another page or service displaying the relevant rate after consultation with the Company.

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 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 Bankruptcy Act means the Slovak Act No. 7/2005 Coll., as amended.

Slovak Commercial Code means the Slovak Act No. 513/1991 Coll., as amended.

Slovak Finance Party means a Finance Party which is a bank or a branch of a foreign bank incorporated in the Republic.

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

Specified Lender means a Defaulting Lender or a Downgraded Lender.

Specified Time means 11.00 a.m.

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 any Tax from a payment under a Finance Document, other than a FATCA Deduction.

Tax Payment means a payment made by the Company to a Finance Party in any way relating to a Tax Deduction or under any indemnity given by the Company in respect of any Tax under any Finance Document.

Term means each period determined under this Agreement by reference to which interest on a Loan is calculated.

Total Commitments means the aggregate of the Commitments of all the Lenders.

Transfer Certificate means a certificate, substantially in the form of Schedule 5 (Form of Transfer Certificate), with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company.

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

U. S. Steel means United States Steel Corporation, currently a corporation organized under the laws of the State of Delaware, U.S.A., Delaware registration number 3396733.

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

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** means assets as 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) the words **include** or **including** shall be deemed to be followed by **without limitation** or **but not limited to** whether or not they are followed by such phrases or words of like import;
 - (vi) **know your customer requirements** are the “know your customer” or similar identification procedures that a Finance Party is obliged to undertake in order to meet its obligations under any applicable law or regulation including, in relation to a Slovak Finance Party, for performance of care by a Slovak Finance Party as an obliged person (*vykonanie starostlivosti ako povinnou osobou*) according to section 10 of the Slovak Act No. 297/2008 Coll., as amended, including any documentation or other evidence which is reasonably requested by a Slovak Finance Party (whether for itself, on behalf of any prospective new Lender) to establish whether it has a “special relationship” (*osobitný vzťah*) with the Company (as defined in the Slovak Banking Act);
 - (vii) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (viii) a **group of Lenders** includes all the Lenders;
 - (ix) 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;
 - (x) a currency is a reference to the lawful currency for the time being of the relevant country;
 - (xi) a Default being **continuing** means that it has not been remedied or waived;
 - (xii) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (xiii) a Clause or a Schedule is a reference to a clause of, or a schedule to, this Agreement;

- (xiv) a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
 - (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 the year).
- (b) 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.
- (c) 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 paragraph (c)(i) above, 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.
- (d) Unless a 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 US GAAP.
- (e) The headings in this Agreement do not affect its interpretation.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Agreement.

- (b) Subject to Clause 25.3 (Other exceptions) but otherwise notwithstanding any term of any Finance Document, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of any Finance Document.

1.4 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** governed by Slovak law includes *privatívna novácia* and *kumulatívna novácia*;
- (b) a **Security Interest** governed by Slovak law includes *záložné právo*, *zádržné právo*, *zabezpečovací prevod práva* and *zabezpečovacie postúpenie pohľadávky*;
- (c) a **bankruptcy, insolvency** or **administration** in the Republic includes *konkurzné konanie*, *konkurz*, *reštrukturalizačné konanie*, *reštrukturalizácia*, *verejná preventívna reštrukturalizácia* and *núteneá správa*;
- (d) being **bankrupt** or **insolvent** in the Republic includes being *v úpadku*, *predĺžený*, *platobne neschopný*, *v konurze*, *v reštrukturalizácii*, *vo verejnej preventívnej reštrukturalizácii* and *v nútenej správe*;
- (e) an **expropriation, attachment, sequestration, distress, execution** or **analogous process** in the Republic includes *vyvlastnenie*, *exekúcia* and *výkon rozhodnutia*;
- (f) **winding up, administration** or **dissolution** in the Republic includes *likvidácia*, *zrušenie s likvidáciou*, *zrušenie bez likvidácie bez právneho nástupcu*, *konkurzné konanie*, *konkurz*, *reštrukturalizačné konanie*, *reštrukturalizácia*, *verejná preventívna reštrukturalizácia* and *núteneá správa*;
- (g) a **receiver, trustee, administrator, administrative receiver, compulsory manager** or **similar officer** in the Republic includes *likvidátor*, *konkurzný správca*, *reštrukturalizačný správca*, *núteneá správca*, *správca vo verejnej preventívnej reštrukturalizácii* and *súdny exekútor*;
- (h) a **moratorium** in the Republic includes *reštrukturalizačné konanie*, *reštrukturalizácia* and *dočasná ochrana*; and
- (i) **constitutional documents** of a company established in the Republic include *spoločenská zmluva*, *zakladateľská listina*, *zakladateľská zmluva*, *zriad'ovacia listina*, *štatút* and *stanovy*.

2. FACILITY

2.1 Facility

Subject to the terms of this Agreement, the Lenders make available to the Company a revolving credit facility in an aggregate amount equal to the Total Commitments.

2.2 Additional Commitments

- (a) Subject to the other provisions of this Clause 2.2, the Company may, at any time, request an increase in the amount of the Total Commitment (an **Additional Commitment**) in a euro amount of EUR10,000,000 (or greater amounts which are equal to the aggregate of EUR10,000,000 as increased by increments of EUR5,000,000 or EUR10,000,000) which, when aggregated with any amount of any

previous increase in accordance with any Additional Commitment Request, does not exceed EUR200,000,000, by delivering a duly completed Additional Commitment Request to the Facility Agent. The Company may deliver more than one Additional Commitment Request.

- (b) The Facility Agent shall only accept an Additional Commitment Request if (i) at the time it is delivered, no Default is continuing or would result from the Additional Commitment being made available or utilised and (ii) an Additional Commitment Request Notification has been submitted. No Additional Commitment Request may be submitted later than the date falling 12 months after the date of this Agreement and prior to the expiration of the Acceptance Period.
- (c) Prior to the submission of an Additional Commitment Request the Company must offer the Lenders then party to this Agreement the option to participate pro rata to their existing Commitments in the proposed Additional Commitment, by submitting an Additional Commitment Request Notification to the Facility Agent and specifying a period of no less than 20 Business Days for accepting the offer (the **Acceptance Period**).
- (d) Each Lender shall have the right (but not the obligation) to confirm to the Company, by responding to the Facility Agent in the Acceptance Period, whether it intends to participate in the Additional Commitment and, if applicable, the maximum amount of its participation in the Additional Commitment it is willing to make available.
- (e) In the event that:
 - (i) one or more Lenders notifies the Company, by responding to the Facility Agent, that it does not wish to provide all or any part of any Additional Commitment;
 - (ii) a Lender imposes conditions on its agreement to provide all or any part of the Additional Commitment which are not acceptable to the Company (including any proposals made by such Lender in relation to fees); or
 - (iii) a Lender has failed to notify the Facility Agent within the period referred to in paragraph (c) above that it wishes to provide all or any part of the Additional Commitment,then the Additional Commitment offered to that Lender shall be at the discretion of the Company offered to:
 - (A) the Lenders who have during the Acceptance Period agreed to provide all or any part of the Additional Commitment on terms acceptable to the Company; and/or
 - (B) one or more Additional Lenders selected by the Company (each of which shall not be a member of the Group or an Affiliate of the Company).
- (f) Subject to paragraph (h) below, the Total Commitments shall increase by the amount of the relevant Additional Commitment on the date (the **Additional Commitment Effective Date**) specified by the Company in the relevant Additional Commitment Request (or such later date as the Company and the Facility Agent shall agree) and provided that, on or before such date, the Facility Agent confirms to the Company, the relevant Additional Commitment Lenders and all other Finance Parties that:
 - (i) it has received the Additional Commitment Request signed by the proposed Additional Commitment Lenders which may be Existing Lenders and/or Additional Lenders; and
 - (ii) it has completed all necessary “know your customer” or other similar identification checks under all applicable laws and regulations required in relation to those Additional Commitment

Lenders or, in the case of Existing Lenders, confirmed that no additional “know your customer” or other similar identification checks are required.

- (g) (i) In this paragraph (g):
- (A) **Loan Outstanding** means, in relation to a Lender, immediately prior to the Additional Commitment Effective Date, its participation in each Loan then outstanding (together with the aggregate amount of all accrued interest, fees and commission owed to it as a Lender); and
- (B) **Total Loan Outstanding** means the aggregate of all Loan Outstanding immediately prior to the Additional Commitment Effective Date.
- (ii) On the Additional Commitment Effective Date each Lender (including any Additional Commitment Lender) shall promptly adjust (by making or receiving (as the case may be) corresponding transfers of rights and obligations under the Finance Documents relating to Loan Outstanding) their claims in respect of amounts outstanding to them under the Facility to the extent necessary to ensure that after such transfers the Loan Outstanding of each Lender bear the same proportion to the Total Loan Outstanding as such Lender's Commitment bears to the Total Commitments.
- (iii) Any Break Costs incurred by any Lender as a result of the operation of this paragraph (g) must be paid by the Company in accordance with Clause 23.3 (Break Costs).
- (iv) Any transfer of rights and obligations relating to Loan Outstanding made pursuant to this paragraph (g) shall be made for a purchase price in cash, payable at the time of transfer, in an amount equal to those Loan Outstanding.
- (v) All calculations to be made pursuant to this paragraph (g) shall be made by the Facility Agent based upon information provided to it by the Lenders.
- (h) An increase in the Total Commitments shall not take effect if any Default is continuing on the Additional Commitment Effective Date.
- (i) The Company shall not require the consent of any Finance Party (other than the relevant Additional Commitment Lenders) to increase the Total Commitments in accordance with this Clause 2.2.
- (j) On and from the Additional Commitment Effective Date, the Facility will be increased by the amount of the Additional Commitment and each Additional Commitment Lender shall become a Lender subject to the terms and conditions set out in this Agreement.
- (k) All terms and conditions applicable to the Total Commitment (including the Final Maturity Date and Margin) will apply to the Additional Commitment, other than in respect of any fees that may be agreed between the relevant Lender and the Company in respect of an Additional Commitment.
- (l) The Company must within 15 days after receipt of the relevant invoice pay each Finance Party the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with any provision of any Additional Commitment under this Clause 2.2.
- 2.3 Increase**
- (a) The Company may give prior notice to the Facility Agent by no later than the date falling 5 Business Days after:

- (i) the receipt of the notice given in accordance with paragraph (a)(A) of Clause 7.1 (Mandatory prepayment - illegality); or
 - (ii) the giving of the notice given in accordance with paragraph (a) of Clause 7.6 (Right of repayment and cancellation of a single Lender),
request that the Commitments relating to the Facility be increased (and the Commitments relating to the Facility shall be so increased) in an aggregate amount in euro of up to the amount of the Commitments relating to the Facility so cancelled as follows:
 - (iii) the increased Commitments will be assumed by one or more Eligible Institutions (each an **Increase Lender**) each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender in respect of those Commitments;
 - (iv) the Company and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Company and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;
 - (v) each Increase Lender shall become a Party as a “Lender” and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;
 - (vi) the Commitments of the other Lenders shall continue in full force and effect; and
 - (vii) any increase in the Commitments shall take effect on the date specified by the Company in the notice referred to above or any later date on which the Facility Agent executes an otherwise duly completed Increase Confirmation delivered to it by the relevant Increase Lender.
- (b) The Facility Agent shall, subject to paragraph (c) below, as soon as reasonably practicable after receipt by it of a duly completed Increase Confirmation appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Increase Confirmation.
- (c) The Facility Agent shall only be obliged to execute an Increase Confirmation delivered to it by an Increase Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender.
- (d) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as it would have been had it been an Original Lender.
- (e) The Company shall promptly on demand pay the Facility Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with any increase in Commitments under this Clause 2.3.

- (f) The Increase Lender shall, on the date upon which the increase takes effect, pay to the Facility Agent (for its own account) a fee in an amount equal to the fee which would be payable under paragraph (d) of Clause 26.2 (Assignments and transfers by Lenders) if the increase was a transfer pursuant to Clause 26.3 (Procedure for transfer by way of novations) and if the Increase Lender was a New Lender.
- (g) The Company may pay to the Increase Lender a fee in the amount and at the times agreed between the Company and the Increase Lender in a letter between the Company and the Increase Lender setting out that fee. A reference in this Agreement to a Fee Letter shall include any letter referred to in this paragraph (g).
- (h) Neither the Facility Agent nor any Lender shall have any obligation to find an Increase Lender and in no event shall any Lender whose Commitment is replaced by an Increase Lender be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents.
- (i) Clause 26.4 (Limitation of responsibility of Existing Lender) shall apply *mutatis mutandis* in this Clause 2.3 in relation to an Increase Lender as if references in that Clause to:
 - (i) an **Existing Lender** were references to all the Lenders immediately prior to the relevant increase;
 - (ii) the **New Lender** were references to that **Increase Lender**; and
 - (iii) a **re-transfer** and **re-assignment** were references to respectively a **transfer** and **assignment**.

2.4 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several.
- (b) Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents.
- (c) No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (d) The rights of a Finance Party under or in connection with the Finance Documents are separate and independent rights and they include any debt owing to that Finance Party under the Finance Documents.
- (e) Any debt arising under the Finance Documents to a Finance Party is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (f) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by the Company which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Facility Agent on its behalf) is a debt owing to that Finance Party by the Company. Any part of a Loan or any other amount owed by the Company which relates to a Finance Party's participation in the Facility or its role under a Finance Document is a debt owing to that Finance Party by the Company.
- (f) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

3. PURPOSE

3.1 Loans

Each Loan may be used for the Company's general corporate purposes.

3.2 No obligation to monitor

No Finance Party is bound to monitor or verify the utilisation of the Facility.

4. CONDITIONS PRECEDENT

4.1 Conditions precedent documents

- (a) A Request may not be given until the Facility Agent has notified the Company and the Lenders that it has received all of the documents and evidence set out in Schedule 2 (Conditions precedent documents) in form and substance satisfactory to the Facility Agent. The Facility Agent must give this notification to the Company and the Lenders promptly upon being so satisfied.
- (b) Other than to the extent that the Majority Lenders notify the Facility Agent in writing to the contrary before the Facility Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Facility Agent to give that notification. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Further conditions precedent

The obligations of each Lender to participate in any Loan are subject to the further conditions precedent that:

- (a) if there are any borrowings under the Existing Facility outstanding or to be outstanding on the date of the Request or the Utilisation Date, such outstanding borrowings are repaid or prepaid in whole by the Company on or before the Utilisation Date in accordance with the terms of the Existing Facility Agreement;
- (b) if there are any commitments of the lenders under the Existing Facility unutilised on the date of the Request or the Utilisation Date, such unutilised commitments are irrevocably cancelled in whole by the Company on or before the Utilisation Date in accordance with the terms of the Existing Facility Agreement;
- (c) on both the date of the Request and the Utilisation Date for that Loan the Repeating Representations are correct in all material respects;
- (d) in relation to any Loan to be utilised after the first Measurement Date, the Company complied with the obligations under Clause 17 (Financial covenants) as of the Measurement Date immediately preceding the date of the Request and the Utilisation Date; and
- (e) on both the date of the Request and the Utilisation Date for that Loan no Default or, in the case of a Rollover Loan, no Event of Default is continuing or would result from the Loan.

4.3 Drawstop

A Request may not be made in any case where the Company is in default with any payment obligation (or payment obligations in aggregate) under any Financial Indebtedness in an amount equal to or in excess of €500,000 or its equivalent in other currencies (a **Drawstop Event**). Following a Drawstop Event, no further Requests may be made until the Facility Agent notifies the Company in writing that

it may submit a Request. The Facility Agent shall so notify the Company promptly after the Facility Agent receives evidence reasonably satisfactory to the Majority Lenders that such default or defaults: (i) are no longer continuing; or (ii) are waived in accordance with the terms of the relevant Financial Indebtedness; or (iii) a combination of (i) and (ii), whereby, following such waivers (if any), such default or defaults (if any) are in aggregate in an amount less than €500,000 or its equivalent in any other currency.

4.4 Maximum number of Loans

Unless the Facility Agent agrees, a Request may not be given if, as a result, there would be more than ten Loans outstanding.

5. UTILISATION

5.1 Giving of Requests

- (a) The Company may borrow a Loan by giving to the Facility Agent a duly completed Request.
- (b) Unless the Facility Agent otherwise agrees, the latest time for receipt by the Facility Agent of a duly completed Request is 11.00 a.m. one Business Day before the Rate Fixing Day for the proposed borrowing.
- (c) Each Request is irrevocable unless otherwise agreed by the Facility Agent upon the approval of the Majority Lenders.

5.2 Completion of Requests

A Request 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 Loan requested is:
 - (i) a minimum of €10,000,000 and an integral multiple of €500,000;
 - (ii) the maximum undrawn amount available under the Facility on the proposed Utilisation Date; or
 - (iii) such other amount as the Facility Agent may agree; and
- (c) the proposed currency and Term comply with this Agreement.

Only one Loan may be requested in a Request.

5.3 Advance of Loan

- (a) The Facility Agent must promptly notify each Lender of the details of the requested Loan and the amount of its participation in that Loan.
- (b) The amount of each Lender's participation of the requested Loan will be its Pro Rata Share on the proposed Utilisation Date.
- (c) No Lender is obliged to participate in a Loan if, as a result:
 - (i) its participation in the Loans would exceed its Commitment; or

- (ii) the Loans would exceed the Total Commitments.
- (d) If the conditions set out in this Agreement have been met, each Lender must make its participation in the requested Loan available to the Facility Agent for the Company through its Facility Office on the Utilisation Date.

6. REPAYMENT

- (a) The Company must repay each Loan made to it in full on its Maturity Date.
- (b) Where the Maturity Date for an outstanding Loan coincides with the Utilisation Date for a new Loan, the Facility Agent will apply the new Loan in or towards repayment of the outstanding Loan so that:
 - (i) where the amount of the outstanding Loan exceeds the amount of the new Loan, the Company will only be required to repay the excess;
 - (ii) where the amount of the outstanding Loan is exactly the same as the amount of the new Loan, the Company will not be required to make any payment in respect of the principal of the outstanding Loan;
 - (iii) where the amount of the new 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 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) of this Clause 6 may be re-borrowed.

7. PREPAYMENT AND CANCELLATION

7.1 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 any Lender to enforce its rights under the Finance Documents; or
 - (B) by reason only of the execution, delivery and performance of this Agreement by any Lender,
 - that any Lender should be licensed, qualified or otherwise entitled to carry on business in the Republic;
 - (ii) a 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 Loan,

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

- (A) the relevant Lender must notify the Company (through the Facility Agent) accordingly; and
- (B) the Company shall prepay that Lender's participation in all the Loans on the date specified in paragraph (b) of this Clause 7.1, together with all other amounts payable by it to that Lender under the Finance Documents and the Commitment of that Lender shall forthwith be reduced to zero,

except that paragraphs (i) and (ii) of this Clause 7.1 do not apply to any 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 a Lender's participation in a Loan will be:

- (i) the last day of the current Term of that Loan; or
- (ii) if earlier, the date specified by the Lender in the notification under paragraph (a)(iv)(A) of this Clause 7.1 and which must not be earlier than the last day of any applicable grace period allowed by law.

7.2 Mandatory prepayment - change of control

- (a) The Company shall, within one Business Day after the occurrence of a Change of Control notify such to the Facility Agent, and the Facility Agent shall promptly notify each Lender thereof. Such notice shall describe in reasonable detail the facts and circumstances giving rise thereto and the date of such Change of Control. Each Lender may, by notice to the Company and the Facility Agent (a **Prepayment Notice**) given not later than ten days after the date of such Change of Control has been notified to the relevant Lender, terminate its Commitment and declare any amounts payable by the Company under the Finance Documents for its account to be, and such amounts shall become, due and payable without presentment, demand, protest or other notice of any kind (all of which are hereby waived by the Company) in each case on the Business Day following the date of delivery of the Prepayment Notice or such later date as may be designated by the relevant Lender in its Prepayment Notice.
- (b) A Lender that gives a Prepayment Notice may, in its absolute discretion, set out in the Prepayment Notice the conditions on which it may be willing to waive its rights arising as a result of the relevant Change of Control to terminate its Commitment, declare any amounts payable by the Company under the Finance Documents for its account to be due and payable and receive such amounts and the date by which such conditions must be met (a **Prepayment Waiver**). A Lender whose Prepayment Notice sets out any such conditions must notify the Company and the Facility Agent promptly upon being satisfied either (i) that (A) such conditions have been met and (B) its Prepayment Waiver has become effective or (ii) that (A) such conditions have not been met by the relevant date and (B) the date on which the termination of its Commitment will become effective and on which the amounts payable by the Company under the Finance Documents for its account will be deemed to be declared to be, and such amounts shall then become, due and payable without presentment, demand, protest or other notice of any kind (all of which are hereby waived by the Company).
- (c) For purposes of this Clause 7.2, the following terms have the following meanings:

A **Change of Control** shall occur if:

- (i) any “person” (as such term is used in Sections 13 (d) and 14(d) of the U.S. Securities Exchange Act of 1934, as amended, hereinafter, the “Exchange Act”) is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for the purposes of this paragraph (i) such person shall be deemed to have “beneficial ownership” of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of either the aggregate ordinary Voting Power or the aggregate equity value represented by the issued and outstanding Equity Interests of U. S. Steel;
- (ii) the adoption of a plan relating to the liquidation or dissolution of U. S. Steel;
- (iii) the merger or consolidation of U. S. Steel with or into another entity, or the merger of another entity with or into U. S. Steel, 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 U. S. Steel 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 U. S. Steel (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 U. S. Steel, unless such cessation:
 - (A) was approved in advance in writing by Facility Agent acting on the instructions of, subject to paragraph (d) below, the Majority Lenders; or
 - (B) results from a Permitted Merger.

(d)

- (i) Following any approval referred to in paragraph (c)(v)(A) above, any Lender that is unable to satisfy its know your customer requirements may, by notice to the Company and the Facility Agent (a **Change of Control KYC Notice**) given not later than ten days after the date of such approval notify the Company that it is unable to satisfy its know your customer requirements, terminate its Commitment and declare any amounts payable by the Company under the Finance Documents for its account to be, and such amounts shall become, due and payable without presentment, demand, protest or other notice of any kind (all of which are hereby waived by the Company) in each case on the Business Day following the date of delivery of the Change of Control KYC Notice or such later date as may be designated by the relevant Lender in its Change of Control KYC Notice.
- (ii) A Lender that gives a Change of Control KYC Notice may, in its absolute discretion, set out in the Change of Control KYC Notice the conditions on which it may be willing to defer terminating its Commitment, declaring any amounts payable by the Company under the Finance Documents for its account to be due and payable and receive such amounts and the date by which such conditions must be met (a **Change of Control KYC Notice Waiver**). A Lender whose Change of Control KYC Notice sets out any such conditions must notify the Company and the Facility Agent promptly upon being satisfied either (i) that (A) such conditions have been met and (B) its Change of Control KYC Notice Waiver has become effective or (ii) that (A) such conditions have not been met by the relevant date and (B) the date on which the termination of its Commitment will become effective and on which the

amounts payable by the Company under the Finance Documents for its account will be deemed to be declared to be, and such amounts shall then become, due and payable without presentment, demand, protest or other notice of any kind (all of which are hereby waived by the Company).

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.

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.

7.3 Voluntary prepayment

- (a) The Company may, by giving not less than ten Business Days' prior notice to the Facility Agent, prepay any Loan at any time in whole or in part.
- (b) A prepayment of part of a Loan must be in a minimum amount of €5,000,000 and an integral multiple of €250,000.
- (c) A prepayment of all or part of a Loan must be on an Interest Payment Date.

7.4 Automatic cancellation

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

7.5 Voluntary cancellation

- (a) The Company may, by giving not less than five Business Days' prior notice to the Facility Agent, cancel the unutilised amount of the Total Commitments in whole or in part.
- (b) Partial cancellation of the Total Commitments must be in a minimum amount of €10,000,000 and an integral multiple of €500,000.
- (c) Any cancellation in part will be applied against the Commitment of each Lender pro rata.

7.6 Right of repayment and cancellation of a single Lender

- (a) If:
 - (i) the Company is, or will be, required to pay to a Lender:
 - (A) a Tax Payment; or
 - (B) an Increased Cost; or
 - (ii) any FATCA Protected Lender notifies the Facility Agent of a FATCA Event pursuant to Clause 7.8 (Mandatory repayment and cancellation of FATCA Protected Lenders),

the Company may, while the requirement or FATCA Event continues, give notice to the Facility Agent requesting prepayment and cancellation in respect of that Lender.

- (b) After notification under paragraph (a) of this Clause 7.6:
- (i) the Company must repay or prepay that Lender's participation in each Loan on the date specified in paragraph (c) of this Clause 7.6; and
 - (ii) the Commitment of that Lender will be immediately cancelled.
- (c) The date for repayment or prepayment of a Lender's participation in a Loan will be:
- (i) the last day of the Term for that Loan; or
 - (ii) if earlier, the date specified by the Company in its notification.

7.7 Right of repayment and cancellation of a Specified Lender

- (a) If any Lender becomes a Specified Lender:
- (i) it must notify the Company (through the Facility Agent) immediately; and
 - (ii) until the Lender ceases to be a Specified Lender, the Company may, if all Lenders other than the relevant Specified Lender have given their prior consent (such consent not to be unreasonably withheld or delayed) give notice to the Facility Agent requesting repayment or prepayment and cancellation in respect of that Specified Lender; provided, however, that:
 - (A) receipt of the notice referred to in paragraph (a)(i) of this Clause 7.7 shall not be a condition precedent to the giving of notice by the Company pursuant to this paragraph (ii); and
 - (B) the Company may notify the Facility Agent of a repayment or prepayment and cancellation and repayment in respect of a Specified Lender pursuant to this Clause 7.7 without the prior consent of the Lenders otherwise required under this paragraph (ii) up to an aggregate amount of €50,000,000, if no Default is continuing:
 - I. on the date of delivery of the repayment or prepayment and cancellation notice to the Facility Agent; or
 - II. date of making the repayment or prepayment (if any).

- (b) The Facility Agent shall as soon as practicable after receipt of a notice under paragraph (a)(i) of this Clause 7.7, notify all the Lenders.
- (c) After notice under paragraph (a)(ii) of this Clause 7.7:
- (i) the Company must repay or prepay that Specified Lender's participation in each Loan on the date specified in paragraph (d) of this Clause 7.7; and
 - (ii) the Commitment of that Specified Lender will be immediately cancelled.
- (d) The date for repayment or prepayment of the Specified Lender's participation in a Loan will be:
- (i) the last day of the Term for that Loan; or

- (ii) if earlier, the date specified by the Company in its notification under paragraph (a)(ii) of this Clause 7.7.

7.8 Mandatory repayment and cancellation of FATCA Protected Lenders

If on the date falling six months before the earliest FATCA Application Date for any payment by a Party to a FATCA Protected Lender (or to the Facility Agent for the account of that Lender), that Lender is not a FATCA Exempt Party and, in the opinion of that Lender (acting reasonably), that Party will, as a consequence, be required to make a FATCA Deduction from a payment to that Lender (or to the Facility Agent for the account of that Lender) on or after that FATCA Application Date (a **FATCA Event**):

- (a) that Lender shall, reasonably promptly after that date, notify the Facility Agent of that FATCA Event and the relevant FATCA Application Date;
- (b) if, on the date falling one month before such FATCA Application Date, that FATCA Event is continuing and that Lender has not been repaid pursuant to Clause 7.6 (Right of repayment and cancellation of a single Lender):
 - (i) that Lender may, at any time between one month and two weeks before such FATCA Application Date, notify the Facility Agent;
 - (ii) upon the Facility Agent notifying the Company, the Commitment of that Lender will be immediately cancelled; and
 - (iii) the Company shall repay that Lender's participation in the Loans on the last day of the Term for each Loan occurring after the Facility Agent has notified the Company or, if earlier, the last Business Day before the relevant FATCA Application Date.

7.9 Re-borrowing of Loans

Any voluntary prepayment of a Loan under Clause 7.3 (Voluntary prepayment) may be re-borrowed on the terms of this Agreement. Any other prepayment of a Loan may not be re-borrowed.

7.10 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 Loans and Commitments. The Facility Agent must notify the Lenders promptly of receipt of any such notice.
- (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 Majority Lenders 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 Commitments cancelled under this Agreement may subsequently be reinstated.

7.11 Application of prepayments

Any prepayment of a Loan pursuant to Clause 7.3 (Voluntary prepayment) shall be applied pro rata to each Lender's participation in that Loan.

8. INTEREST

8.1 Calculation of interest

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

- (a) Margin; and
- (b) EURIBOR.

8.2 Payment of interest

- (a) Except where it is provided to the contrary in this Agreement, the Company must pay accrued interest on each Loan made to it on the last day of each Term and also, if the Term is longer than six months, on the dates falling at six-month intervals after the first day of that Term (each an **Interest Payment Date**).
- (b) If the Compliance Certificate received by the Facility Agent shows that a higher Margin should have applied during a certain period, then the Company shall promptly pay to the Facility Agent any amounts necessary to put the Facility Agent and the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period.

8.3 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 Facility Agent pay interest on the overdue amount from its due date up to the date of actual payment, both before, on and after judgment.
- (b) Interest on an overdue amount is payable at a rate determined by the Facility Agent to be two per cent. per annum above the rate that would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount. For this purpose, the Facility Agent may (acting reasonably):
 - (i) select successive Terms of any duration of up to three months; and
 - (ii) determine the appropriate Rate Fixing Day for that Term.
- (c) Notwithstanding paragraph (b) of this Clause 8.3, if the overdue amount is a principal amount of a 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 one 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) of this Clause 8.3.

- (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.

8.4 Notification of rates of interest

The Facility Agent must promptly notify each relevant Party of the determination of a rate of interest under this Agreement.

8.5 Acknowledgement

The Company acknowledges and confirms for the benefit of each Slovak Finance Party that it has been informed about the amount of the annual percentage rate of interest of the 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.

9. TERMS

9.1 Selection

- (a) Each Loan has one Term only.
- (b) The Company must select the Term for a Loan in the relevant Request.
 - (c) Subject to the following provisions of this Clause, each Term for a Loan will be one week or one, three or six months or any other period agreed between the Company, the Facility Agent and all the Lenders in relation to the relevant Loan.

9.2 No overrunning the Final Maturity Date

If a Term would otherwise overrun the Final Maturity Date determined under this Agreement for any Lender, it will be shortened so that it ends on that Final Maturity Date in which case the Company will have no obligation to pay Break Costs or other costs arising from the shortening.

9.3 Notification

The Facility Agent must notify each relevant Party of the duration of each Term promptly after ascertaining its duration.

10. CHANGES TO THE CALCULATION OF INTEREST

10.1 Unavailability of Screen Rate

- (a) *Interpolated Screen Rate:* If no Screen Rate is available for EURIBOR for the Term of a Loan, EURIBOR shall be the Interpolated Screen Rate for a period equal in length to the Term of that Loan.
- (b) *Reference Bank Rate:* If no Screen Rate is available for EURIBOR for (i) the currency of a Loan or (ii) the Term of a Loan and it is not possible to calculate the Interpolated Screen Rate, EURIBOR shall be the Reference Bank Rate as of the Specified Time for the currency of that Loan and for a period equal in length to the Term of that Loan.
- (c) *Cost of funds:* If paragraph (b) of this Clause 10.1 applies but no Reference Bank Rate is available for the relevant currency or Term there shall be no EURIBOR for that Loan and Clause 10.4 (Cost of funds) shall apply to that Loan for that Term.

10.2 Calculation of Reference Bank Rate

- (a) Subject to paragraph (b) of this Clause 10.2, if EURIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time the

Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.

- (b) If at or about noon on the Rate Fixing Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Term.

10.3 Market disruption

If before close of business in London on the Rate Fixing Day for the relevant Term the Facility Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 30 per cent. of that Loan) that the cost to it of funding its participation in that Loan from whatever source it may reasonably select then Clause 10.4 (Cost of funds) shall apply to that Loan for the relevant Term.

10.4 Cost of funds

- (a) If this Clause 10.4 applies, the rate of interest on each Lender's participation of the relevant Loan for the relevant Term shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Facility Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Term, to be that which expresses as a percentage rate per annum the cost to the relevant Lender of funding its participation in that Loan from whatever source it may reasonably select.
- (b) If this Clause 10.4 applies and the Facility Agent or the Company so requires, the Facility Agent and the Company shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) of this Clause 10.4 shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

10.5 Notification to Company

If Clause 10.4 (Cost of funds) applies the Facility Agent shall, as soon as is practicable, notify the Company.

11. TAXES

11.1 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 Facility Agent to a Lender, under the Finance Documents, the Company shall, subject to Clause 11.4 (Exception to gross-up), pay such additional amounts as may be necessary to ensure that the relevant Lender receives a net amount equal to the full amount which it would have received had payment not been made subject to Relevant Tax.

11.2 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 Facility Agent.

11.3 Reimbursement of tax credit

If the Company pays a Tax Payment under Clause 11.1 (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 any Tax, or credit against any 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, a 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. No Finance Party is obliged to disclose any information regarding its Tax affairs or computations to any other person.

11.4 Exception to gross-up

The Company is not required to pay an additional amount for the account of a Lender under Clause 11.1 (Gross-up):

- (a) to the extent that the obligation to pay the additional amount would not have arisen but for the failure by that Lender to provide (within a reasonable period after being requested to do so by the Company or the Facility Agent 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 that Lender has not complied with its obligations under paragraph (a) of Clause 11.5 (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 11.5 (Tax confirmation); or
- (c) the confirmation provided by that Lender under paragraph (a) of Clause 11.5 (Tax confirmation) is incorrect when made.

11.5 Tax confirmation

- (a) Each Lender (other than a Lender with its Facility Office situated in the Republic) confirms to the Company that on the date of this Agreement (or if it only subsequently becomes a Party to this Agreement, on that date) under the terms of a double taxation treaty between the jurisdiction in which that 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 at that time.
- (b) If a Lender becomes aware that it could not, on any particular day, give the confirmation referred to in paragraph (a) of this Clause 11.5, it shall promptly but in any event within 90 days, notify such to the Company (through the Facility Agent).

- (c) Each Lender shall, as soon as reasonably practicable upon the Company's request, provide the Company with its tax residence certificate.

11.6 Stamp taxes

The Company must pay and indemnify each Finance Party 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.

11.7 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) of this Clause 11.7 will be reduced to the extent that the Finance Party is entitled to repayment or a credit in respect of the relevant value added tax or similar tax.

11.8 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 shall be 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 shall promptly, upon 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 and, in addition, shall notify the Company, the Facility Agent and the other Finance Parties.

12. INCREASED COSTS

12.1 Increased Costs

- (a) Except as hereinafter provided in this Clause, the Company must pay to a Finance Party the amount of any Increased Cost incurred by that Finance Party or its Holding Company as a result of:
 - (i) the introduction of, or any change in, or any change in the interpretation, or application of, any law or regulation;
 - (ii) compliance with any law or regulation made after the date of this Agreement; or
 - (iii) the implementation or application of or compliance with Basel III or CRR/CRD IV or any other law or regulation which implements Basel III or CRR/CRD IV (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Holding Companies).

Each Finance Party agrees to notify the Company promptly upon becoming aware that this Clause 12.1 applies.

(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, supplemented or restated;
- (ii) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee in November 2011, as amended, supplemented or restated; and
- (iii) any further guidance or standards published by the Basel Committee relating to Basel III.

Basel Committee means the Basel Committee on Banking Supervision.

CRR/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
- (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.

12.2 Exceptions

The Company need not make any payment for an Increased Cost to the extent that the Increased Cost is:

- (a) compensated for under another Clause or would have been but for an exception to that Clause;
- (b) a tax on the overall net income of a Finance Party or its Holding Company;
- (c) attributable to a FATCA Deduction required to be made by a Party;
- (d) attributable to a Finance Party or its Holding Company wilfully failing to comply with any law or regulation; or
- (e) attributable to the failure of the relevant Finance Party or its Holding Company to notify the Company of that increased cost within 45 days of becoming aware of it.

12.3 Claims

- (a) A Finance Party intending to make a claim for an Increased Cost must notify the Facility Agent of the circumstances giving rise to and the amount of the claim, following which the Facility Agent will promptly notify the Company.
- (b) Each Finance Party must, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Increased Cost.

13. MITIGATION

13.1 Mitigation

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

- (a) any additional amounts becoming payable under Clause 11 (Taxes); or
- (b) any amount becoming payable under Clause 12 (Increased Costs); or
- (c) any prepayment or cancellation under Clause 7.1 (Mandatory prepayment - illegality); or
- (d) a Finance Party 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 11 (Taxes), 12 (Increased Costs) and 7.1 (Mandatory prepayment - illegality), the relevant 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 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.

14. PAYMENTS

14.1 Place

Unless a Finance Document specifies that payments under it are to be made in another manner, all payments by a Party (other than the Facility Agent) under the Finance Documents must be made to the Facility Agent to its account at such office or bank:

- (a) in the principal financial centre of the country of the relevant currency; or
- (b) in the case of euro, in the principal financial centre of such Participating Member State or London, as specified by the Facility Agent,

as it in each case may notify to that Party for this purpose by not less than ten Business Days' prior notice.

14.2 Funds

Payments under the Finance Documents to the Facility Agent must be made for value on the due date at such times and in such funds as the Facility Agent 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.

14.3 Distribution

- (a) Each payment received by the Facility Agent under the Finance Documents for another Party must, except as hereinafter provided, be made available by the Facility Agent to that Party by payment (as soon as practicable after receipt) to its account with such office or bank:
 - (i) in the principal financial centre of the country of the relevant currency; or
 - (ii) in the case of euro, in the principal financial centre of a Participating Member State or London,

as it may notify to the Facility Agent for this purpose by not less than ten Business Days' prior notice.

- (b) The Facility Agent may apply any amount received by it for the Company in or towards payment (as soon as practicable after receipt) of any amount due from the Company under the Finance Documents or in or towards the purchase of any amount of any currency to be so applied.
- (c) Where a sum is paid to the Facility Agent under this Agreement for another Party, the Facility Agent is not obliged to pay that sum to that Party until it has established that it has actually received it. The Facility Agent may assume that the sum has been paid to it, and, in reliance on that assumption, make available to that Party a corresponding amount. If it transpires that the sum has not been received by the Facility Agent, that Party must immediately on demand by the Facility Agent refund any corresponding amount made available to it together with interest on that amount from the date of payment to the date of receipt by the Facility Agent at a rate calculated by the Facility Agent to reflect its cost of funds.

14.4 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 14.4.
- (b) Interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated pursuant to this Agreement.
- (c) A repayment or prepayment of any principal amount is payable in the currency in which that principal amount is denominated pursuant to this Agreement 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.

14.5 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.

14.6 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.

14.7 Impaired Agent

- (a) If, at any time, the Facility Agent becomes an Impaired Agent, the Company or a Lender which is required to make a payment under the Finance Documents to the Facility Agent in accordance with Clause 14.2 (Funds) may instead either:
 - (i) pay that amount direct to the required recipient(s); or
 - (ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the

meaning of paragraph (a) of the definition of “Acceptable Bank” and in relation to which no Agency Insolvency Event has occurred and is continuing, in the name of the Company or the Lender making the payment (the **Paying Party**) and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the **Recipient Party** or **Recipient Parties**).

In each case such payments must be made on the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 14.7 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Facility Agent in accordance with Clause 20.18 (Resignation of the Facility Agent), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Facility Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 14.3 (Distribution).
- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent that it has:
 - (i) not given an instruction pursuant to paragraph (d) above; and
 - (ii) been provided with the necessary information by that Recipient Party,give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

14.8 Partial payments

- (a) If the Facility Agent receives a payment insufficient to discharge all the amounts then due and payable by the Company under the Finance Documents, the Facility Agent 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 amount owing to the Administrative Parties 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 Facility Agent must, if so directed by all the Lenders, vary the order set out in sub-paragraphs (a)(ii) to (a)(iv) of this Clause 14.8.
- (c) This Clause 14.8 will override any appropriation made by the Company.

14.9 Bankruptcy proceeds in respect of a Qualified Related-Party Receivable

- (a) If the Facility Agent receives any proceeds from a bankruptcy trustee of the relevant bankrupt person (*úpadca*) (including the Company) which proceeds shall be applied towards discharge of the Company's obligations under the Finance Documents, the Facility Agent shall not be obliged to pay the Pro Rata Share in such proceeds to a Lender which is a creditor of a Qualified Related-Party Receivable (such Lender in this Clause as the **qualified impaired Lender** and such unpaid Pro Rata Share in this Clause as the **qualified Pro Rata Share**), to the extent to which such proceeds were not received by the Facility Agent towards full or partial repayment of the relevant Qualified Related-Party Receivable owed to the qualified impaired Lender.
- (b) The qualified Pro Rata Share received by the Facility Agent and not paid to the qualified impaired Lender pursuant to paragraph (a) of this Clause 14.9 shall be distributed among other Lenders (other than the qualified impaired Lender) according to their Pro Rata Shares, provided that when calculating such Pro Rata Shares, the qualified impaired Lender's participation in the outstanding Loans or the undrawn Commitments shall be disregarded.

14.10 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 relevant Finance Party 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.

14.11 Disruption to Payment Systems etc.

If either the Facility Agent determines (in its discretion) that a Disruption Event has occurred or the Facility Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Facility Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Facility Agent may deem necessary in the circumstances;
- (b) the Facility Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) of this Clause 14.11 if, in its opinion (acting reasonably), it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) of this Clause 14.11 but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Facility Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 25 (Amendments and waivers);
- (e) the Facility Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 14.11; and

- (f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) of this Clause 14.11.

15. REPRESENTATIONS AND WARRANTIES

15.1 Representations and warranties

The Company makes the representations and warranties set out in this Clause 15 to each Finance Party.

15.2 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.

15.3 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.

15.4 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 its obligations under the Finance Documents may be affected by insolvency, bankruptcy and similar laws affecting the rights of creditors generally.

15.5 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 it; or
 - (ii) the laws and documents incorporating and constituting it; or
 - (iii) any mortgage, agreement or other financial undertaking or instrument to which it is a party to or which is binding upon it or any Assets of it; or
- (b) to the best of its knowledge result in the creation or imposition of any Security Interest on any Assets of it pursuant to the provisions of any mortgage, agreement or other undertaking or instrument to which it is a party or which is binding upon it.

15.6 No default

The Company represents that no Default is continuing.

15.7 Authorisations

The Company represents that all authorisations and other requirements of governmental, judicial and public bodies and authorities required by any member of the Group or advisable:

- (a) in connection with the execution, delivery, performance, validity and enforceability of the Finance Documents; or
- (b) to make the Finance Documents to which it is a party admissible in evidence in the Republic, have been obtained or effected and are in full force and effect.

15.8 Litigation

The Company represents that, except to the extent as disclosed in writing to the Facility Agent:

- (a) there is no litigation, arbitration or administrative proceedings relating to any member of the Group that is material to it, the same are not current or pending or, to the knowledge of it, threatened; and
- (b) no litigation, arbitration or administrative proceedings are current or pending or, to the knowledge of it, 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.

15.9 Title

The Company represents that, except to the extent disclosed in writing to the Facility Agent, it has valid leases or good and marketable title to all its material Fixed Assets which are reflected in the most recent audited consolidated financial statements of the Group delivered to the Facility Agent under Clause 15.18 (Financial statements), subject to any disposal permitted under Clause 18.7 (Disposals) and to no Security Interest securing Financial Indebtedness over such Fixed Assets, except any Permitted Security Interest.

15.10 Borrowing

The Company represents that 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 executives whether imposed by its articles of association or similar document or by statute, regulation, or agreement, to be exceeded.

15.11 Taxes on payments

All amounts payable by it under the Finance Documents may be made without any Tax Deduction.

15.12 No filing or stamp taxes

The Company represents that under the laws of the Republic it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

15.13 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.

15.14 Governing law and enforcement

- (a) The Company represents that subject to the Legal Reservations, the choice of English law as the governing law of the Finance Documents will be recognised and enforced in the Republic.
- (b) The Company represents that subject to the Legal Reservations, any judgment obtained in England in relation to a Finance Document will be recognised and enforced in the Republic.

15.15 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.

15.16 Information

- (a) The Company represents that all factual information provided in writing by an officer of any member of the Group, U. S. Steel or any Subsidiary of U. S. Steel to the Finance Parties 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) The Company represents that nothing was omitted from the information referred to in paragraph (a) of this Clause 15.16 that, if disclosed, would make that information untrue or misleading in any material respect.
- (c) The Company represents that nothing has occurred since the date of the information referred to in paragraph (a) of this Clause 15.16 that, if disclosed, would make that information untrue or misleading in any material respect.

15.17 No notarial deed

The Company represents that 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 or section 274(e) of the Slovak Act No. 99/1963 Coll., in its wording up to 31 August 2005 respectively) in relation to any Financial Indebtedness.

15.18 Financial statements

The Company represents that the financial statements most recently delivered to the Facility Agent (which, at the date of this Agreement, are the audited consolidated financial statements of the Group for the year ended 31 December 2020 and the audited unconsolidated balance sheets and income statements of Ferroenergy s.r.o. for the year ended 31 December 2020):

- (a) have been prepared in accordance with accounting principles and practices generally accepted in its jurisdiction of incorporation, consistently applied; and

- (b) fairly present their consolidated or individual 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.

15.19 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 any Slovak Finance Party.
- (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.

15.20 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.

15.21 ERISA

The Company represents that:

- (a) each Plan of it and of each ERISA Affiliate of it complies in all material respects with all applicable requirements of law and regulation;
- (b) no Reportable Event has occurred with respect to any Plan, and no steps have been taken to terminate any Plan; and
- (c) neither it nor any of its ERISA Affiliates has had a complete or partial withdrawal from any Multiemployer Plan (as defined by ERISA) or initiated any steps to do so.

15.22 Margin Regulations

The Company represents that neither it 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.

15.23 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.

15.24 Material adverse change

The Company represents that since 31 December 2020, there has not been any material adverse change in its business, Assets, regulation or financial condition 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.

15.25 Anti-Corruption Laws and Sanctions

- (a) The Company represents that it has implemented and maintains in effect policies and procedures designed to ensure compliance by it, its Subsidiaries and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws and Sanctions.
- (b) The Company represents that it, its Subsidiaries and their respective officers and employees and to the knowledge of it its directors and agents, are in compliance with applicable Anti-Corruption Laws and Sanctions in all material respects.
- (c) The Company represents that none of:
 - (i) it, any Subsidiary or to the knowledge of it or such Subsidiary any of their respective directors, officers or employees; or
 - (ii) to the knowledge of it, its agents or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby,is a Sanctioned Person.
- (d) The Company represents that no Loan, use of proceeds or other transaction contemplated by the Finance Documents will violate any Anti-Corruption Law or Sanctions applicable to it or its Subsidiaries.
- (e) In relation to each Lender that notifies the Facility Agent to this effect (each a **Restricted Lender**), this Clause 15.25 shall only apply for the benefit of that Restricted Lender to the extent that it would not result in any violation of, conflict with or liability under Council Regulation (EC) No 2271/96 of 22 November 1996 or any similar applicable anti-boycott law or regulation.

15.26 Times for making representations and warranties

- (a) It makes the representations and warranties set out in this Clause on the date of this Agreement.
- (b) Unless a representation and warranty made by it is expressed to be given at a specific date, each representation and warranty made by it is deemed to be repeated by it on the date of each Request, each Additional Commitment Request Notification, each Additional Commitment Request and the first day of each Term, except that the representations and warranties in Clauses 15.5(a)(iii) and (b) (Non-conflict), 15.7 (Authorisations) 15.8(a) (Litigation), 15.11 (Taxes on payments), 15.12 (No filing or stamp taxes), 15.15 (Solvency), 15.21 (ERISA), paragraphs (a), (b), (d) and (e) of Clause 15.25 (Anti-Corruption Laws and Sanctions) shall not be repeated by it.
- (c) When the representation and warranty in Clause 15.6 (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) When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

16. INFORMATION COVENANTS

16.1 Duration

The undertakings in this Clause 16 remain in force from the date of this Agreement for so long as any amount is or may be outstanding under any Finance Document.

16.2 Financial Information

The Company shall furnish to the Facility Agent:

- (a) the annual audited consolidated financial statements of the Group including the report of independent auditors and accompanying notes for each of its financial years as soon as practicable (and in any event within 180 days after the end of each of its financial years), such financial statements:
 - (i) to be prepared in accordance with the IFRS 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 balance sheet, profit and loss statement and cash flow statement of the Group to be prepared in accordance with US GAAP 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) the semi-annual unaudited consolidated balance sheet, profit and loss statement and cash flow statement of the Group to be prepared in accordance with US GAAP, as soon as practicable (and in any event within 60 days after the end of each half of its financial years);
- (d) the quarterly unaudited consolidated balance sheet and cash flow statement 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 31 March, 30 June, and 30 September each year) of each financial year, whereas, for the avoidance of doubt:
 - (i) balance sheet and cash flow statement 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;
 - (ii) balance sheet and cash flow statement 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
 - (iii) balance sheet and cash flow statement 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,
- 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;
- (e) the unaudited consolidated profit and loss statement of the Group to be prepared in accordance with US GAAP consistently applied for each of the rolling 12-month periods ending on 31 March, 30 June, and 30 September each year, whereas, for the avoidance of doubt:

- (i) profit and loss statement submitted for the rolling 12 months period ending on 31 March shall contain financial data for the period starting on 1 April of the previous financial year and ending on 31 March of the given financial year;
 - (ii) profit and loss statement submitted for the rolling 12 months period ending on 30 June shall contain financial data for the period starting on 1 July of the previous financial year and ending on 30 June of the given financial year; and
 - (iii) profit and loss statement submitted for the rolling 12 months period ending on 30 September shall contain financial data for the period starting on 1 October of the previous financial year and ending on 30 September of the given financial year,
- as soon as practicable (and in any event within 60 days after the end of the relevant period) certified by the chief financial officer (or equivalent) of the Company;
- (f) together with the financial statements referred to in paragraph (a) of this Clause 16.2, a certificate of the Company signed by the chief financial officer (or equivalent) of the Company certifying that no Event of Default has occurred (or, if it has, specifying it and the steps being taken to remedy it); and
 - (g) as soon as practicable (and in any event within 60 days after the end of the relevant quarter), a certificate of the Company signed by the chief financial officer (or equivalent) of the Company listing the following information, unless already included in the financial statements furnished under paragraph (a) or (d) of this Clause 16.2 or otherwise available to the Finance Parties:
- (i) the average production capacity (in percentage) which the Company used in the quarter for which such certificate is furnished to the Facility Agent; and
 - (ii) the average selling prices of steel which the Company realised in the quarter for which such certificate is furnished to the Facility Agent;
- the identity of all its Subsidiaries:
- (A) whose total assets in aggregate together with total assets of any other Subsidiaries (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 together with gross revenues of any other Subsidiaries (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).

16.3 ESG KPI Requirements Certificate

Within ten Business Days after 31 July in each fiscal year commencing 31 July 2022, an authorised person of the Company shall deliver to the Facility Agent a certificate (the **ESG KPI Requirements Certificate**) attaching:

- (a) a copy of the ESG KPI Annual Report for the most recently-ended fiscal year at such time; and

- (b) a review report of the ESG KPI Requirements Assurance Provider confirming that the ESG KPI Requirements Assurance Provider is not aware of any modifications that should be made to such computations in order for them to be presented as being in all material respects in conformity with the ESG KPI Requirements.

16.4 Compliance Certificate

- (a) The Company must supply to the Facility Agent a duly completed Compliance Certificate with each set of semi-annual unaudited consolidated financial statements of the Group for the periods ending on 30 June and 31 December each year delivered to the Facility Agent under paragraph (c) of Clause 16.2 (Financial Information). For the avoidance of doubt, the obligation to supply the duly completed Compliance Certificate applies irrespective of whether a Loan is then outstanding.
- (b) A Compliance Certificate must be signed by the chief financial officer (or equivalent) of the Company.

16.5 Information - miscellaneous

- (a) The Company shall furnish to the Facility Agent from time to time with reasonable promptness, such further information regarding the business and financial condition of the Company as the Facility Agent may reasonably request.
- (b) The Company shall promptly notify the Facility Agent of any material business or financial event, including 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) The Company shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against it, which would reasonably be expected to materially adversely affect its ability to perform its obligations under the Finance Documents.
- (d) Subject to paragraph (e) of this Clause 16.5, the Company must promptly on the request of any Finance Party supply to that Finance Party any documentation or other evidence that is reasonably requested by that Finance Party (whether for itself, on behalf of any Finance Party or any prospective new Lender) to enable a Finance Party or prospective new Lender to carry out and be satisfied with the results of all applicable know your customer requirements.
- (e) The Company is only required to supply any information under paragraph (d) of this Clause 16.5, if the necessary information is not already available to the relevant Finance Party 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 of a Holding Company 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.
- (f) Each Lender must promptly on the request of the Facility Agent supply to the Facility Agent any documentation or other evidence that is reasonably required by the Facility Agent to carry out and be satisfied with the results of all know your customer requirements.

16.6 Notification of Default

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

16.7 Slovak banking regulations

- (a) Subject to paragraph (b) of this Clause 16.7, 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 Facility Agent 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) of this Clause 16.7 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, 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:
- (A) 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
 - (B) in case of legal entities, the business name, the legal form, identification number and the registered seat of that participant.

16.8 FATCA Information

- (a) Subject to paragraph (c) of this Clause 16.8, each Party shall, 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 reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) of this Clause 16.8 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 shall notify that other Party reasonably promptly.
- (c) Neither paragraph (a) nor paragraph (b) of this Clause 16.8 shall oblige any Finance Party to do anything which would or might in its reasonable opinion constitute a breach of:
- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) of this Clause 16.8 (including, for the avoidance of doubt, where paragraph (c) of this Clause 16.8 applies), then such Party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

17. FINANCIAL COVENANTS

17.1 Financial definitions

In this Agreement:

Cash and Cash Equivalents means, at any time:

- (a) cash in hand or on deposit with any acceptable bank;
- (b) certificates of deposit, maturing within 30 days after the relevant date of calculation, issued by an acceptable bank;
- (c) any investment in marketable obligations issued or guaranteed by the government of an agreed country or by an instrumentality or agency of those governments having an equivalent credit rating which:
 - (i) matures within 30 days after the date of the relevant calculation; and
 - (ii) is not convertible to any other security;
- (d) open market commercial paper not convertible to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued in an agreed country;
 - (iii) which matures within 30 days after the relevant date of calculation; and

- (iv) which has a credit rating of either A-1 or higher by S&P or Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (e) investments accessible within 30 days in money market funds which:
 - (i) have a credit rating of either A-1 or higher by S&P or Fitch or P-1 or higher by Moody's; and
 - (ii) invest substantially all their assets in securities of the types described in paragraphs (b) to (d); or
- (f) any other debt, security or investment approved by the Majority Lenders,

in each case, to which any member of the Group is beneficially entitled at that time and which is capable of being applied against Financial Indebtedness of the Group. For this purpose an **acceptable bank** is a commercial bank or trust company which has a rating of A or higher by S&P or Fitch or A2 or higher by Moody's or a comparable rating from a nationally recognised credit rating agency for its long-term unsecured and non-credit enhanced debt obligations or has been approved by the Majority Lenders; and

an **agreed country** is the United States of America or any member state of the European Economic Area which has a rating of A or higher by S&P or Fitch or A2 or higher by Moody's for its long-term unsecured and non-credit enhanced debt obligations.

EBITDA means, in relation to a Measurement Period, operating profit of the Group before taxation after (a) adding back any losses or expenses from any unusual, extraordinary or otherwise non-recurring items, (b) adding back any amount attributable to the depreciation or amortization of the Assets of the Group for that Measurement Period and (c) excluding income or gains from any unusual, extraordinary or otherwise non-recurring items.

Measurement Date means 30 June and 31 December each year, with the first Measurement Date being 31 December 2021.

Measurement Period means a period of 12 consecutive calendar months ending on a Measurement Date.

Net Debt means at any time the Financial Indebtedness of the Group (excluding any Short-term Derivative Transactions and Subordinated Intercompany Indebtedness) less the aggregate amount of Cash and Cash Equivalents at that time.

Short-term Derivative Transactions means interest rate or currency swaps, forward foreign exchange transactions, financial or commodity futures transactions, commodity swaps or other derivative transactions concluded for a tenor of 18 months or less related to operations and transactions in the normal course of business of the relevant member of the Group.

Subordinated Intercompany Indebtedness means Financial Indebtedness owed by the Company to any of its Affiliates which is subject to subordination undertaking for the benefit of the Finance Parties in the form and substance acceptable to Majority Lenders.

Total Assets means, as at any Measurement Date, the aggregate (without duplication) of the total assets of the Group as reported in the financial statements delivered by the Company to the Facility

Agent under paragraph (c) of Clause 16.2 (Financial Information) in respect of the Measurement Period ending on that Measurement Date.

Total Stockholders' Equity means, as at any Measurement Date, the amount of total stockholders equity of the Group and minority (non-controlling) interests as reported in the financial statements delivered by the Company to the Facility Agent under paragraph (c) of Clause 16.2 (Financial Information) in respect of the Measurement Period ending on that Measurement Date.

17.2 Interpretation

- (a) Except as provided to the contrary in this Agreement, an accounting term used in this Clause is to be construed in accordance with US GAAP.
- (b) Any amount in a currency other than euro is to be taken into account at its euro equivalent calculated on the basis of:
 - (i) the European Central Bank rate of exchange for the purchase of the relevant currency in the London foreign exchange market with euros as of 3 p.m. on the day the relevant amount falls to be calculated; or
 - (ii) if the amount is to be calculated on the last day of a financial period of the Company, the relevant rates of exchange used by the Company in, or in connection with, its financial statements for that period.
- (c) No item may be credited or deducted more than once in any calculation under this Clause.

17.3 Leverage

The Company must ensure that the Net Debt to EBITDA ratio does not, in respect of any Measurement Period exceed 3.50:1.

17.4 Gearing

The Company must ensure that the aggregate amount of (a) Subordinated Intercompany Indebtedness and (b) its Total Stockholders' Equity is not lower than 40 per cent. of its Total Assets on any Measurement Date.

17.5 Testing

The financial covenants set out in Clauses 17.3 (Leverage) and 17.4 (Gearing) shall be tested by reference to each of the unaudited consolidated balance sheet, profit and loss statement and cash flow statements delivered pursuant to paragraph (c) of Clause 16.2 (Financial Information) and/or each Compliance Certificate delivered pursuant to Clause 16.4 (Compliance Certificate).

17.6 ESG KPI Requirements compliance

Compliance with the ESG KPI Requirements shall be determined based on the findings of the ESG KPI Requirements Certificate.

18. GENERAL COVENANTS

18.1 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.

18.2 Compliance with laws

- (a) The Company shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.
- (b) Without limiting the generality of paragraph (a) above, 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.

18.3 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; or
 - (ii) change its financial year end from 31 December.

18.4 Insurance

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

18.5 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.

18.6 Negative pledge

The Company shall not 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.

18.7 Disposals

- (a) Except as provided in paragraph (b) of this Clause 18.7, 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) of this Clause 18.7, throughout the life of the Facility, Fixed Assets having an aggregate book value not exceeding 10 per cent. of all Fixed Assets (as shown in or included for the purposes of the audited consolidated financial statements for the year ended 31 December 2020) may be disposed of where the disposal is on arm's length commercial terms.

18.8 Mergers

The Company shall not, without the prior written consent of the Facility Agent acting on the instructions of the Majority Lenders, enter into any merger or other arrangement of a similar nature other than a Permitted Merger.

18.9 Change of business

Except with the prior written consent of the Facility Agent acting on the instructions of the Majority Lenders, the Company shall not make or threaten to make any substantial change in its business as conducted on the date of this Agreement.

18.10 Borrowing

- (a) Subject to paragraph (b) of this Clause 18.10, 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 €600,000,000 (or its equivalent) in aggregate (including amounts borrowed under the Finance Documents);
 - (ii) Financial Indebtedness upon terms approved by the Facility Agent acting on the instructions of the Majority Lenders;
 - (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 a subordination agreement in form and substance satisfactory to the Facility Agent acting on the instructions of Majority Lenders (acting reasonably); and
 - (vii) any refinancing of any of the foregoing up to the same principal amount.

- (b) The obligation under paragraph (a) of this Clause 18.10 shall apply only until the Company delivers to the Facility Agent the first Compliance Certificate in accordance with Clause 16.4 (Compliance Certificate) which confirms that the Company complies with its obligations under Clause 17 (Financial covenants).

18.11 Environmental compliance

Except to the extent disclosed in writing to the Facility Agent, 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 hazardous, toxic, radioactive or dangerous waste.

18.12 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.

18.13 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.

18.14 Centre of Main Interests

The Company may 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.

18.15 Anti-Corruption Law

- (a) The Company shall not (and the Company shall ensure that no other member of the Group will) directly or indirectly use the proceeds of the Facilities for any purpose which would breach Anti-Corruption Law.
- (b) The Company shall (and the Company shall ensure that each other member of the Group will):
 - (i) conduct its businesses in compliance in all material respects with applicable Anti-Corruption Laws and shall ensure it, each member of the Group and their respective officers and employees and their directors and agents are in compliance in all material respects with applicable Anti-Corruption Laws; and
 - (ii) implement and maintain policies and procedures designed to promote and achieve compliance by it, each other member of the Group and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws.

18.16 Sanctions

The Company may not and shall procure that no member of the Group shall:

- (a) request any Loan, nor use, lend, contribute or otherwise make available any part of the proceeds of any Loan or other transaction contemplated by this Agreement, directly or indirectly;

- (i) for the purpose of financing any trade, business or other activities involving, or for the benefit of, any Sanctioned Person;
 - (ii) in any other manner that would reasonably be expected to result in any person being in breach of any Sanctions or becoming a Sanctioned Person; or
 - (iii) in any other manner that would violate any Anti-Corruption Law or Sanctions applicable to the Company or any member of the Group;
- (b) fund all or part of any payment in connection with a Finance Document out of proceeds derived from business or transactions with a Sanctioned Person, or from any action which is in breach of any Sanctions; or
- (c) engage in any other activity, transaction or conduct that results in any person being in breach of any Sanctions or becoming a Sanctioned Person.

19. DEFAULT

19.1 Events of Default

Each of the events set out in Clauses 19.2 (Non-payment) to 19.10 (Repudiation) (both inclusive) is an Event of Default (whether or not caused by any reason whatsoever outside the control of the Company or any other person).

19.2 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 or a Disruption Event) it is not remedied within five Business Days of its due date.

19.3 Breach of other obligations

- (a) Subject to paragraph (b) of this Clause 19.3, the Company fails to comply with any of its obligations under the Finance Documents other than those referred to in:
- (i) Clause 16.3 (ESG KPI Requirements Certificate) or Clause 17.6 (ESG KPI Requirements compliance);
 - (ii) Clause 19.2 (Non-payment); and
 - (iii) Clause 19.4 (Misrepresentation) in respect of a misrepresentation under Clauses 15.25 (Anti-Corruption Laws and Sanctions), 18.15 (Anti-Corruption Law) or 18.16 (Sanctions),

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 Facility Agent gives the Company notice of the failure to comply; and
- (B) the day when the Company became aware of the failure to comply.

- (b) A failure by the Company to comply with any of its obligations under Clause 17 (Financial covenants) at any Measurement Date shall not be considered an Event of Default if on that Measurement Date no Loan was outstanding.

19.4 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.

19.5 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 shall remain in effect and shall not be 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” (*spoločnosť v kríze*) for the purposes of section 67a of the Slovak Commercial Code.

19.6 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 18.7 (Disposals) and Clause 18.8 (Mergers).

19.7 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 shall be modified, revoked, withdrawn or withheld in any material respect or shall fail 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) of this Clause 19.7.

19.8 Expropriation

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

19.9 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 Majority Lenders, material.

19.10 Repudiation

The Company repudiates a Finance Document in writing.

19.11 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 paragraph (a) above if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraph (a) above is less than EUR50,000,000 (or its equivalent in any other currency or currencies).

19.12 Acceleration

If an Event of Default is continuing, the Facility Agent may, and must if so instructed by the Majority Lenders 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 Facility Agent acting on the instructions of the Majority Lenders.

Any notice given under this Clause 19.12 will take effect in accordance with its terms.

19.13 ESG KPI observance

Notwithstanding any other term of this Agreement, any failure to observe or perform any provision of Clause 16.3 (ESG KPI Requirements Certificate) shall not constitute a Default and any such failure if it remains unremedied for 30 days shall only cause an increase of the ESG KPI Margin Adjustment and the ESG KPI Commitment Fee Adjustment, as if each ESG KPI Requirement had not been complied with.

20. THE ADMINISTRATIVE PARTIES AND THE REFERENCE BANKS

20.1 Appointment of the Facility Agent

- (a) Each Finance Party (other than the Facility Agent) appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.

- (b) Each of the Arranger and the Lenders authorises the Facility Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

20.2 Duties of the Facility Agent

- (a) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) The Facility Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

20.3 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

20.4 No fiduciary duties

- (a) Nothing in any Finance Document constitutes an Administrative Party as a trustee or fiduciary of any other person.
- (b) No Administrative Party shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

20.5 Individual position of an Administrative Party

- (a) If it is also a Lender, each Administrative Party has the same rights and powers under the Finance Documents as any other Lender and may exercise those rights and powers as though it were not an Administrative Party.
- (b) Each Administrative Party may retain any profits or remuneration it receives under the Finance Documents or in relation to any other business it carries on with the Company or its related entities.

20.6 Business with the Group

The Facility Agent and the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

20.7 Rights and discretions

- (a) The Facility Agent may:
 - rely on
 - (i) any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
 - (ii) assume that:
 - (A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and

- (B) unless it has received notice of revocation, that those instructions have not been revoked; and
- (iii) rely on a certificate from any person:
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

- (b) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 19.2 (Non-payment)); and
 - (ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised.
- (c) The Facility Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Facility Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Facility Agent (and so separate from any lawyers instructed by the Lenders) if the Facility Agent in its reasonable opinion deems this to be necessary.
- (e) The Facility Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Facility Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Facility Agent may act in relation to the Finance Documents through its officers, employees and agents.
- (g) Unless a Finance Document expressly provides otherwise the Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (h) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor the Arranger is obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (i) Notwithstanding any provision of any Finance Document to the contrary, the Facility Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

20.8 Instructions

- (a) The Facility Agent shall:
 - (i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by:
 - (A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and
 - (B) in all other cases, the Majority Lenders; and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.
- (b) The Facility Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Facility Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Facility Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) The Facility Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.
- (e) In the absence of instructions, the Facility Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.
- (f) The Facility Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.
- (g) Notwithstanding anything to the contrary in any Finance Document, when instructions are required from Lenders, following the occurrence of an Insolvency Event, the following participations of the Lenders shall not be taken into account for voting purposes and shall be disregarded:
 - (i) each participation in the outstanding Loans or an undrawn Commitment of a Lender which is an Insolvency Related Party of the Company; and
 - (ii) each participation in any outstanding Loan to the extent that such participation constitutes a Qualified Related-Party Receivable.
- (h) In connection with any amendment, waiver, determination or direction relating to any term of Clause 15.25 (Anti-Corruption Laws and Sanctions) of which a Restricted Lender does not have the benefit, the Commitment of that Restricted Lender will be excluded for the purpose of determining whether

the consent of the Majority Lenders has been obtained or whether the determination of the Majority Lenders has been made.

20.9 Compliance

Each Administrative Party may refrain from doing anything (including disclosing any information) which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation.

20.10 Responsibility for documentation

Neither the Facility Agent nor an Administrative Party is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Arranger, the Company or any other person in or in connection with any Finance Document agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or
- (c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

20.11 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Facility Agent), the Facility Agent will not be liable for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or
 - (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (but not including any claim based on the fraud of the Facility Agent) arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction, including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any

Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party (other than the relevant Administrative Party) may take any proceedings against any officer, employee or agent of an Administrative Party in respect of any claim it might have against an Administrative Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of an Administrative Party may rely on this Clause.
- (c) The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Facility Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Facility Agent or the Arranger to carry out:
 - (i) any "know your customer" or other checks in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender or for any Affiliate of any Lender,

on behalf of any Lender and each Lender confirms to the Facility Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent or the Arranger.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Facility Agent's liability, any liability of the Facility Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Facility Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Facility Agent at any time which increase the amount of that loss. In no event shall the Facility Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Facility Agent has been advised of the possibility of such loss or damages.

20.12 No duty to monitor

The Facility Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

20.13 Information

- (a) Subject to paragraph (b) below, the Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.
- (b) Paragraph (a) above shall not apply to any Transfer Certificate.

- (c) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Facility Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent or the Arranger) under this Agreement it shall promptly notify the other Finance Parties.

20.14 Credit appraisal by the Lenders

Without affecting the responsibility of the Company for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Facility Agent and the Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy or completeness of any information provided by the Facility Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

20.15 Confidentiality

- (a) In acting as agent for the Finance Parties, the Facility Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Facility Agent, it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.
- (c) The Facility Agent is not obliged to disclose to any person any confidential information supplied to it by or on behalf of a member of the Group which was supplied to it solely for the purpose of evaluating whether any waiver or amendment is required in respect of any term of the Finance Documents.
- (d) The Company irrevocably authorises the Facility Agent to disclose to the other Finance Parties any information that, in its opinion, is received by it in its capacity as the Facility Agent.

20.16 Lenders' indemnity to the Facility Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Facility Agent has been reimbursed by the Company pursuant to a Finance Document).

20.17 Deduction from amounts payable by the Facility Agent

If any Party owes an amount to the Facility Agent under the Finance Documents the Facility Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

20.18 Resignation of the Facility Agent

- (a) The Facility Agent may resign and appoint one of its Affiliates acting through an office as successor by giving notice to the Lenders and the Company.
- (b) Alternatively the Facility Agent may resign by notice to the Lenders and the Company, in which case the Majority Lenders may appoint a successor Facility Agent.
- (c) If the Majority Lenders have not appointed a successor Facility Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the retiring Facility Agent may appoint a successor Facility Agent.
- (d) The person(s) appointing a successor Facility Agent must, if practicable, consult with the Company prior to the appointment.
- (e) The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.
- (f) The retiring Facility Agent shall, at its own cost, make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (g) Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (f) above) but shall remain entitled to the benefit of Clause 23.2 (Other indemnities) and this Clause 20 (and any agency fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (h) After consultation with the Company, the Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with paragraph (b) above. In this event, the Facility Agent shall resign in accordance with paragraph (b) above.
- (i) The Facility Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Facility Agent pursuant to paragraph (c) above) if on or after the date which is two months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents, either:

- (i) the Facility Agent fails to respond to a request under Clause 16.8 (FATCA Information) and a Lender reasonably believes that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
- (ii) the information supplied by the Facility Agent pursuant to Clause 16.8 (FATCA Information) indicates that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
- (iii) the Facility Agent notifies the Company and the Lenders that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Facility Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Facility Agent, requires it to resign.

- (j) If the Facility Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Facility Agent is entitled to appoint a successor Facility Agent under paragraph (c) above, the Facility Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Facility Agent to become a party to this Agreement as Facility Agent) agree with the proposed successor Facility Agent amendments to this Clause 20 and any other term of this Agreement dealing with the rights or obligations of the Facility Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Facility Agent's normal fee rates and those amendments will bind the Parties.

20.19 Relationship with the Lenders

- (a) The Facility Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Facility Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.
- (b) Any Lender may by notice to the Facility Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 34.5 (Electronic communication)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 34.2 (Addresses for notices) and paragraph (a)(ii) of Clause 34.5 (Electronic communication) and the Facility Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

20.20 Facility Agent's management time

Any amount payable to the Facility Agent under Clause 23.2 (Other indemnities), Clause 24 (Expenses) and Clause 20.16 (Lenders' indemnity to the Facility Agent) shall include the cost of utilising the Facility Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Facility Agent may notify to the Company and the Lenders, and is in addition to any fee paid or payable to the Facility Agent under Clause 22 (Fees).

20.21 Role of Reference Banks

- (a) No Reference Bank is under any obligation to provide a quotation or any other information to the Facility Agent.
- (b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.
- (c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this Clause 20.21 subject to Clause 1.3 (Third party rights) and the provisions of the Third Parties Act.

20.22 Third party Reference Banks

A Reference Bank which is not a Party may rely on Clause 20.21 (Role of Reference Banks), Clause 25.3 (Other exceptions) and Clause 29 (Confidentiality of Funding Rates and Reference Bank Quotations) subject to Clause 1.3 (Third party rights) and the provisions of the Third Parties Act.

20.23 Notice period

Where this Agreement specifies a minimum period of notice to be given to the Facility Agent, the Facility Agent may, in its discretion, accept a shorter notice period.

20.24 ESG KPI Requirements – no liability

Each Party hereby agrees that neither the Facility Agent nor the Sustainability Coordinator shall have any responsibility for (or liability in respect of) reviewing, auditing or otherwise evaluating any calculation by the Company of any ESG KPI Margin Adjustment or any ESG KPI Commitment Fee Adjustment (or any of the data or computations that are part of or related to any such calculation) set forth in any certificate delivered pursuant to Clause 16.3 (ESG KPI Requirements Certificate) and the Facility Agent and the Sustainability Coordinator may rely conclusively on any such certificate, without further inquiry.

21. EVIDENCE AND CALCULATIONS

21.1 Accounts

Accounts maintained by a Finance Party 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.

21.2 Certificates and determinations

Any certification or determination by a Finance Party 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.

21.3 Calculations

Any interest or fee accruing under this Agreement accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or otherwise, depending on what the Facility Agent determines is market practice in the Relevant Market.

22. FEES

22.1 Facility Agent's fee

The Company must pay to the Facility Agent for its own account an agency fee in the amount and manner agreed in the Fee Letter between the Facility Agent and the Company.

22.2 Arrangement fee

The Company must pay to the Facility Agent for the Arrangers an arrangement fee in the amount and manner agreed in the Fee Letter between the Facility Agent and the Company.

22.3 Commitment fee

- (a) The Company must pay to the Facility Agent for each Lender a commitment fee computed at the rate of, subject to paragraph (c) below, 40 per cent. of the margin per annum set out in the definition of "Margin" (not taking into account any increase or decrease pursuant to paragraph (ii) in the definition of Margin) on the daily unutilised, uncancelled amount of each Lender's Commitment.
- (b) Accrued commitment fee is payable quarterly in arrears during the Availability Period, on the last day of the Availability Period and on the date the relevant Lender's Commitment is cancelled in full.
- (c) Notwithstanding the foregoing, effective as of 1 August in each fiscal year (commencing 1 August 2022), the Commitment Fee shall be adjusted on the date which is five Business Days after receipt by the Facility Agent of the ESG KPI Requirements Certificate by the increase or decrease (in each case, if any) that is the net effect of:
 - (i) a reduction of 0.005% per annum per each ESG KPI Requirement that is satisfied with respect to the immediately preceding fiscal year; and/or
 - (ii) an increase of 0.005% per annum per each ESG KPI Requirement that is not satisfied with respect to the immediately preceding fiscal year (**ESG KPI Commitment Fee Adjustment**).

Any adjustment to the applicable Commitment Fee by reason of meeting one or several ESG KPI Requirements in any fiscal year shall not be cumulative year-over-year, and each applicable ESG KPI Commitment Fee Adjustment shall only apply until the date on which the next ESG KPI Commitment Fee Adjustment is scheduled to occur.

23. INDEMNITIES AND BREAK COSTS

23.1 Currency indemnity

- (a) If a Finance Party receives an amount in respect of the Company's liability under the Finance Documents (other than by reason of the Facility Agent not performing its obligations under this

Agreement) or if that liability is converted into a claim, proof, judgment 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 that Finance Party as an independent obligation against any loss or liability arising out of or as a result of the conversion;
 - (ii) if the amount received by that Finance Party, 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 that Finance Party an amount in the contractual currency equal to the deficit; and
 - (iii) the Company shall pay to the Finance Party 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.
- (c) Any amount payable by the Company shall be paid to the Facility Agent for the relevant Finance Party within ten Business Days of demand by the relevant Finance Party.

23.2 Other indemnities

- (a) The Company must indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:
- (i) the occurrence of any Event of Default;
 - (ii) Clause 19.12 (Acceleration);
 - (iii) any failure by the Company to pay any amount due under a Finance Document on its due date, including any resulting from any distribution or redistribution of any amount among the Lenders under this Agreement;
 - (iv) (other than by reason of negligence or default by that Finance Party) a Loan not being made after a Request has been delivered for that Loan; or
 - (v) a Loan (or part of a Loan) 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 Loan.

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

23.3 Break Costs

- (a) The Company must pay to each Lender, within ten Business Days of demand by the relevant Lender, its Break Costs as compensation if any part of a Loan is prepaid.

- (b) Break Costs are the amount (if any) reasonably determined by the relevant Lender by which:
- (i) the interest (excluding the Margin) which that Lender would have received for the period from the date of receipt of any part of its participation in a Loan 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
- (ii) the amount which that 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.
- (c) Each Lender must promptly supply to the Facility Agent for the Company details of the amount of any Break Costs claimed by it under this Clause 23.3.

24. EXPENSES

24.1 Initial costs

- (a) The Company must pay to or reimburse on demand the Facility Agent the amount of all reasonable and documented costs and expenses (including legal fees) incurred by the Facility Agent and the Arrangers in connection with the negotiation, preparation, printing, entry into and syndication of this Agreement and any other document referred to therein, and regardless of whether the Company utilises the facility under this Agreement.
- (b) In relation to the negotiation, preparation, printing, and entry into of the Finance Documents up until the date of this Agreement, there shall be a cap on legal fees as agreed between ING Bank N.V., pobočka zahraničnej banky, Bratislava as a Mandated Lead Arranger and the Company.

24.2 Subsequent costs

The Company must pay to or reimburse on demand the Facility Agent the amount of all costs and expenses (including 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.

24.3 Enforcement costs

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

25. AMENDMENTS AND WAIVERS

25.1 Procedure

- (a) Except as provided in this Clause, any term of the Finance Documents may be amended or waived with the agreement of the Company and the Majority Lenders. The Facility Agent may effect, on behalf of any Finance Party, an amendment or waiver allowed under this Clause.

- (b) The Facility Agent must promptly notify the other Parties of any amendment or waiver effected by it under paragraph (a) of this Clause 25.1. Any such amendment or waiver is binding on all the Parties.
- (c) If an amendment or waiver is proposed or to be agreed with the effect after the FATCA Application Date, no such amendment or waiver may be made before the date falling ten Business Days after the terms of that amendment or waiver have been notified by the Facility Agent to the Lenders, unless each Lender is a “FATCA Protected Lender”. The Facility Agent shall notify the Lenders reasonably promptly of any amendments or waivers proposed by the Company.

25.2 Exceptions

- (a) Subject to Clause 25.4 (Replacement of Screen Rate), an amendment or waiver of any term of any Finance Document which relates to:
 - (i) the definition of **Majority Lenders** in Clause 1.1 (Definitions);
 - (ii) Clause 2.4 (Finance Parties’ rights and obligations), Clause 7.1 (Mandatory prepayment - illegality), Clause 7.2 (Mandatory prepayment - change of control), Clause 7.11 (Application of prepayments), this Clause 25, Clause 26 (Changes to the Parties), Clause 37 (Governing law) or Clause 38.1 (Jurisdiction);
 - (iii) an extension of the date of payment of any amount to a Lender under the Finance Documents;
 - (iv) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fee or other amount payable to a Lender under the Finance Documents;
 - (v) a change in currency of payment of any amount under the Finance Documents;
 - (vi) an increase in any Commitment (other than in respect of an Additional Commitment), or an extension of, any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the relevant Facility;
 - (vii) a term of a Finance Document which expressly requires the consent of each Lender; or
 - (viii) the right of a Lender to assign or transfer its rights or obligations under the Finance Documents,

may only be made with the consent of all the Lenders.

- (b) (i) If the Facility Agent or a Lender reasonably believes that an amendment or waiver may constitute a “material modification” for the purposes of FATCA that may result (directly or indirectly) in a Party being required to make a FATCA Deduction and the Facility Agent or that Lender (as the case may be) notifies the Company and the Facility Agent accordingly, that amendment or waiver may, subject to paragraph (b)(ii) of this Clause 25.2, not be effected without the consent of the Facility Agent or that Lender (as the case may be).
 - (ii) The consent of a Lender shall not be required pursuant to paragraph (b)(i) of this Clause 25.2 if that Lender is a FATCA Protected Lender.
- (c) An amendment or waiver that relates to Clause 15.25 (Anti-Corruption Laws and Sanctions) may only be made with the consent of the Majority Lenders and all Restricted Lenders.

- (d) An amendment or waiver that relates to the rights or obligations of an Administrative Party may only be made with the consent of that Administrative Party.
- (e) A Fee Letter may be amended or waived with the agreement of the Administrative Party that is a party to that Fee Letter and the Company.

25.3 Other exceptions

An amendment or waiver which relates to the rights or obligations of the Facility Agent or an Arranger or a Reference Bank (each in their capacity as such) may not be effected without the consent of the Facility Agent, an Arranger or that Reference Bank, as the case may be.

25.4 Replacement of Screen Rate

- (a) Subject to Clause 25.3 (Other exceptions), any amendment or waiver which relates to:
 - (i) providing for the use of a Replacement Benchmark; and
 - (ii) (A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;
 - (B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);
 - (C) implementing market conventions applicable to that Replacement Benchmark;
 - (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or
 - (E) 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 Benchmark (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 Facility Agent (acting on the instructions of the Majority Lenders and the Company).

- (b) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) of this Clause 25.4 within 15 Business Days (or such longer time period in relation to any request which the Company and the Facility Agent may agree) of that request being made:
 - (i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request; and
 - (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

(c) In this Clause:

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 Benchmark means a benchmark rate which is:

- (i) formally designated, nominated or recommended as the replacement for a Screen Rate by:
 - (A) the administrator of that Screen 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 Benchmark” will be the replacement under paragraph (ii) below;

- (ii) in the opinion of the Majority Lenders and the Company, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to that Screen Rate; or
- (iii) in the opinion of the Majority Lenders and the Company, an appropriate successor to a Screen Rate.

25.5 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 Facility Agent (acting reasonably and after consultation with the Company) determines is necessary to reflect the change.

25.6 Waivers and remedies cumulative

The rights of each Finance Party 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.

26. CHANGES TO THE PARTIES

26.1 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 all the Lenders.

26.2 Assignments and transfers by Lenders

- (a) Subject to paragraph (b) of this Clause 26.2, a 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 the Finance Documents to another person (the **New Lender**). The Company will be deemed to have given its consent ten Business Days after the Company is given notice of the request unless consent is expressly refused by the Company within that time.

- (b) No consent shall be required from the Company if:
 - (i) an Event of Default has occurred and is continuing; or
 - (ii) if the proposed New Lender is an Affiliate of the Existing Lender or another Lender.
- (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; or
 - (ii) the New Lender confirms to the Facility Agent and the Company in form and substance satisfactory to the Facility Agent that it is bound by the terms of the Finance Documents as a Lender. On the transfer becoming effective in this manner the Existing Lender will be released from its obligations under the Finance Documents to the extent that they are transferred to the New Lender.
- (d) Unless the Facility Agent otherwise agrees, the New Lender must pay to the Facility Agent for its own account, on or before the date any assignment or transfer occurs, a fee of €3,000.
- (e) Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement.

26.3 Procedure for transfer by way of novations

- (a) In this Clause 26.3:

Transfer Date means, for a Transfer Certificate, the later of:

 - (i) the proposed Transfer Date specified in that Transfer Certificate; and
 - (ii) the date on which the Facility Agent executes that Transfer Certificate.
- (b) A novation is effected if:
 - (i) the Existing Lender and the New Lender deliver to the Facility Agent a duly completed Transfer Certificate; and
 - (ii) the Facility Agent executes it.The Facility Agent must execute as soon as reasonably practicable a Transfer Certificate delivered to it and which appears on its face to be in order.
- (c) Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Facility Agent 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.
- (e) The Facility Agent must, as soon as reasonably practicable after it has executed a Transfer Certificate, send a copy of that Transfer Certificate to the Company.
- (f) The Facility Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

26.4 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 document,

and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties 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 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; 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.

26.5 Costs resulting from change of Lender or Facility Office

If:

- (a) a 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 a 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.

26.6 Changes to the Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Facility Agent must (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

26.7 Security over Lenders' rights

- (a) In addition to the other rights provided to Lenders under this Clause 26 and subject to paragraph (b) of this Clause 26.7, each 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 that Lender including:

- (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 that Lender as security for those obligations or securities,

except that no such charge, assignment or Security Interest shall:

- (A) release a 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) A Lender may proceed pursuant to paragraph (a) of this Clause 26.7:

- (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 (b)I of this Clause 26.7 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 paragraph (b)(i)(B)I of this Clause 26.7.

26.8 Replacement of a Specified Lender

- (a) Subject to paragraph (b) of this Clause 26.8, at any time a Lender has become and continues to be a Specified Lender, the Company may, by giving 10 Business Days' prior written notice to the Facility Agent and to such Specified Lender, replace such Specified Lender by requiring such Specified Lender to (and such Lender shall) transfer pursuant to Clause 26.2 (Assignments and transfers by Lenders) all (and not part only) of its rights and obligations under this Agreement to:
 - (i) another Lender selected by the Company that is not a Specified Lender; or
 - (ii) any other bank, financial institution, trust, fund or other entity, selected by the Company and acceptable to all Finance Parties (other than the Specified Lender that is to be replaced pursuant to this Clause 26.8),

(the entity pursuant to paragraph (a)(i) or (a)(ii) of this Clause 26.8 shall be referred to as a **Replacement Lender**), which Replacement Lender confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Specified Lender (including the assumption of the transferring Specified Lender's participations or unfunded participations, as the case may be, on the same basis as the transferring Specified Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest fees, Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) Any transfer of rights and obligations of a Specified Lender pursuant to this Clause 26.8 shall be subject to the following further conditions:
 - (i) if the Specified Lender to be replaced pursuant to this Clause 26.8 is also the Facility Agent, the Company may require such Facility Agent to resign pursuant to paragraph (b) of Clause 20.18;
 - (ii) finding of a suitable Replacement Lender is the responsibility of the Company and neither the Facility Agent nor the Specified Lender shall have any obligation to the Company to find a Replacement Lender;
 - (iii) no fee under paragraph (d) of Clause 26.2 (Assignments and transfers by Lenders) shall be payable for any transfer of rights and obligations of a Specified Lender under this Clause 26.8;
 - (iv) the transfer must take place no later than 30 Business Days after the notice referred to in paragraph (a) of this Clause 26.8; and
 - (v) in no event shall the Specified Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Specified Lender pursuant to the Finance Documents prior to the replacement pursuant to paragraph (a) of this Clause 26.8 becoming effective.

27. RESTRICTION ON DEBT PURCHASE TRANSACTIONS

27.1 Prohibition on Debt Purchase Transactions by Affiliates of the Company

The Company shall procure that none of its Affiliates enters into any Debt Purchase Transaction or be a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of

the definition of “Debt Purchase Transaction” without the prior written consent of the Majority Lenders.

27.2 Disenfranchisement on Debt Purchase Transactions entered into by Affiliates of the Company

(a) For so long as an Affiliate of the Company:

- (i) beneficially owns a Commitment; or
- (ii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated,

in ascertaining:

(A) the Majority Lenders; or

(B) whether:

- I. any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments; or
- II. the agreement of any specified group of Lenders,

has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents such Commitment shall be deemed to be zero and such Affiliate of the Company or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender for the purposes of paragraphs (a)(ii)(A) and (a)(ii)(B) of this Clause 27.2 (unless in the case of a person not being an Affiliate of the Company it is a Lender by virtue otherwise than by beneficially owning the relevant Commitment).

(b) Each Lender shall, unless such Debt Purchase Transaction is an assignment or transfer, promptly notify the Facility Agent in writing if it knowingly enters into a Debt Purchase Transaction with an Affiliate of the Company (**a Notifiable Debt Purchase Transaction**), such notification to be substantially in the form set out in Part 1 of Schedule 6 (Forms of Notifiable Debt Purchase Transaction Notice).

(c) A Lender shall promptly notify the Facility Agent if a Notifiable Debt Purchase Transaction to which it is a party:

- (i) is terminated; or
- (ii) ceases to be with an Affiliate of the Company,

such notification to be substantially in the form set out in Part 2 of Schedule 6 (Forms of Notifiable Debt Purchase Transaction Notice).

(d) Each Affiliate of the Company that is a Lender agrees that:

- (i) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Facility Agent or, unless the Facility Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and

- (ii) in its capacity as Lender, unless the Facility Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Facility Agent or one or more of the Lenders.

27.3 Company's Affiliates' notification to other Lenders of Debt Purchase Transactions

Any Affiliate of the Company which is or becomes a Lender and which enters into a Debt Purchase Transaction as a purchaser or a participant shall, by 5.00 pm on the Business Day following the day on which it entered into that Debt Purchase Transaction, notify the Facility Agent of the extent of the Commitment(s) or amount outstanding to which that Debt Purchase Transaction relates. The Facility Agent shall promptly disclose such information to the Lenders.

28. DISCLOSURE OF INFORMATION

28.1 Confidential Information

- (a) Each Finance Party must keep all Confidential Information confidential and not disclose it to anyone, save to the extent permitted by Clause 28.2 (Disclosure of Confidential Information) and Clause 28.3 (Disclosure to numbering service providers).
- (b) Each Finance Party must ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

28.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party considers appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there is no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Facility Agent and, in each case to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Company and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) of this Clause 28.2 applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;

- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraphs (b)(i) or (b)(ii) of this Clause 28.2;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security Interests (or may do so) pursuant to paragraph (b)(i) of Clause 26.7 (Security over Lenders' rights);
- (viii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security Interests (or may do so) pursuant to paragraph (b)(ii) of Clause 26.7 (Security over Lenders' rights);

in each case, such Confidential Information as that Finance Party considers appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) of this Clause 28.2, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there is no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to paragraph (b)(iv) and (b)(viii) of this Clause 28.2, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
- (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) of this Clause 28.2, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there is no requirement to inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) of this Clause 28.2 applies to provide administration or settlement services in respect of one or more of the Finance Documents including in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party;

- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Company;
- (e) to any person processing data for or on behalf of the Finance Party, who agreed with the Finance Party to maintain the confidentiality of the Confidential Information;
- (f) Confidential Information to the operator of the common register of banking information (*spoločný register bankových informácií*) created and operated pursuant to section 92a of the Slovak Banking Act;
- (g) who is a Party; and
- (h) with the consent of the Company.

28.3 Disclosure to numbering service providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or the Company the following information:
 - (i) name of the Company;
 - (ii) the Company's country of domicile and place of incorporation;
 - (iii) date of this Agreement and the first Utilisation Date;
 - (iv) Clause 37 (Governing law);
 - (v) date of each amendment and restatement of this Agreement;
 - (vi) amounts of, and name of the Facility;
 - (vii) identity of the Administrative Parties;
 - (viii) amount of Total Commitments and currency of the Facility;
 - (ix) type of syndication;
 - (x) ranking of the Facility;
 - (xi) purpose of the Facility;
 - (xii) Final Maturity Date;
 - (xiii) changes to any of the information previously supplied pursuant to paragraphs (a)(i) to (a)(xii) of this Clause 28.3; and
 - (xiv) such other information agreed between such Finance Party and the Company;

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or the Company by a numbering service provider and the information associated with

each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

- (c) The Facility Agent must notify the Company and the other Finance Parties of:
- (i) the name of any numbering service provider appointed by the Facility Agent in respect of this Agreement, the Facility and/or the Company; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or the Company by such numbering service provider.

28.4 Entire agreement

This Clause:

- (a) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information; and
- (b) supersedes any previous agreement, whether express or implied, regarding Confidential Information.

28.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

28.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 28.2 (Disclosure of Confidential Information) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause.

28.7 Continuing obligations

The obligations in this Clause are continuing and, in particular, will survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Company under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) if a Finance Party otherwise ceases to be a Finance Party, the Final Maturity Date.

29. CONFIDENTIALITY OF FUNDING RATES AND REFERENCE BANK QUOTATIONS

29.1 Confidentiality and disclosure

- (a) The Facility Agent and the Company agree to keep each Funding Rate (and, in the case of the Facility Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) of this Clause 29.1.
- (b) The Facility Agent may disclose:
 - (i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the Company pursuant to Clause 8.4 (Notification of rates of interest); and
 - (ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Facility Agent and the relevant Lender or Reference Bank, as the case may be.
- (c) The Facility Agent may disclose any Funding Rate or any Reference Bank Quotation, and the Company may disclose any Funding Rate, to:
 - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the Company, as the case may be, it is not practicable to do so in the circumstances;
 - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the Company, as the case may be, it is not practicable to do so in the circumstances; and
 - (iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.
- (d) The Facility Agent's obligations in this Clause 29 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 8.4 (Notification of rates of interest) **provided that** (other than pursuant to paragraph (b)(i) of this Clause 29.1) the Facility Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

29.2 Related obligations

- (a) The Facility Agent and the Company acknowledge that each Funding Rate (and, in the case of the Facility Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Facility Agent and the Company undertake not to use any Funding Rate or, in the case of the Facility Agent, any Reference Bank Quotation for any unlawful purpose.
- (b) The Facility Agent and the Company agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:
 - (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 29.1 (Confidentiality and disclosure) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 29.

29.3 No Event of Default

No Event of Default will occur under Clause 19.3 (Breach of other obligations) by reason only of the Company's failure to comply with this Clause 29.

30. SET-OFF

- (a) A Finance Party may set off any matured obligation owed to it by the Company under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party 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 Finance Party 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. Each Finance Party 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. PRO RATA SHARING

31.1 Redistribution

If any amount owing by the Company under this Agreement to a Finance Party (the **recovering Finance Party**) is discharged by payment, set-off or any other manner other than in accordance with this Agreement (a **recovery**), then:

- (a) the recovering Finance Party must, within three Business Days, supply details of the recovery to the Facility Agent;
- (b) the Facility Agent must calculate whether the recovery is in excess of the amount which the recovering Finance Party would have received if the recovery had been received and distributed by the Facility Agent under this Agreement; and

- (c) the recovering Finance Party must pay to the Facility Agent an amount equal to the excess (the **redistribution**).

31.2 Effect of redistribution

- (a) The Facility Agent must treat a redistribution as if it were a payment by the Company under this Agreement and distribute it among the Finance Parties, other than the recovering Finance Party, accordingly.
- (b) When the Facility Agent makes a distribution under paragraph (a) of this Clause 31.2, the recovering Finance Party will be subrogated to the rights of the Finance Parties that have shared in that redistribution.
- (c) If and to the extent that the recovering Finance Party is not able to rely on any rights of subrogation under paragraph (b) of this Clause 31.2, the Company will owe the recovering Finance Party a debt that is equal to the redistribution, immediately payable and of the type originally discharged.
- (d) If:
 - (i) a recovering Finance Party must subsequently return a recovery, or an amount measured by reference to a recovery, to the Company; and
 - (ii) the recovering Finance Party has paid a redistribution in relation to that recovery,

each Finance Party, on the request of the Facility Agent, must reimburse the recovering Finance Party all or the appropriate portion of the redistribution paid to that Finance Party, together with interest for the period while it held the redistribution. In this event, the subrogation in paragraph (b) of this Clause 31.2 will operate in reverse to the extent of the reimbursement.

31.3 Exceptions

Notwithstanding any other term of this Clause, a recovering Finance Party need not pay a redistribution to the extent that:

- (a) it would not, after the payment, have a valid claim against the Company in the amount of the redistribution and in the same quality and ranking (whether in case of the Insolvency Event or otherwise); or
- (b) it would be sharing with another Finance Party any amount which the recovering Finance Party has received or recovered as a result of legal or arbitration proceedings, where:
 - (i) the recovering Finance Party notified the Facility Agent of those proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those proceedings but did not do so or did not take separate legal or arbitration proceedings as soon as reasonably practicable after receiving notice of them.

32. 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.

33. 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.

34. NOTICES

34.1 Giving of notices

- (a) All notices or other communications under or in connection with the Finance Documents shall be given in writing and, unless otherwise stated, may be made by letter or facsimile.
- (b) Except as provided in this Clause 34, any such notice will be deemed to be given as follows:
 - (i) if by letter, when delivered personally or on actual receipt; and
 - (ii) if by facsimile, when received in legible form.

However, a notice given in accordance with this Clause 34.1 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.

34.2 Addresses for notices

- (a) The address and facsimile number of the Company are:

Address: U. S. Steel Košice, s.r.o.
Vstupný areál U. S. Steel
044 54 Košice
Slovak Republic
Attention: GM Credit and Banking
E-mail: mzupanova@sk.uss.com; milanjusko@sk.uss.com

and copied to:

Address: United States Steel Corporation
600 Grant Street, 61st Floor
Pittsburgh, PA 15219
United States of America
Attention: Treasurer and Chief Risk Officer
Fax +1 412 433 1167
E-mail: asjahn@uss.com; agcosnotti@uss.com

or such other as the Company may notify to the Facility Agent by not less than five Business Days' notice.

- (b) The address and facsimile number of the Facility Agent are:

Office address: Agency, P.O. Box 1800, 1000 BV Amsterdam, The Netherlands
Location Code: AME B 04
Attention: Agency / Rene van Versendaal / Herman Stegeman

Telephone: +31 20 563 5015 / +31 20 676 8863
E-mail: Agency.Services.AMS@ing.com

or such other as the Facility Agent may notify to the other Parties by not less than five Business Days' notice.

34.3 Communication through the Facility Agent

All formal communication under the Finance Documents to or from the Company must be sent through the Facility Agent.

34.4 Communication when Facility Agent is Impaired Agent

If the Facility Agent is an Impaired Agent the parties may, instead of communicating with each other through the Facility Agent, communicate with each other directly and (while the Facility Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Facility Agent shall be varied so that communications may be made and notices given to or by the relevant parties directly. This provision shall not operate after a replacement Facility Agent has been appointed.

34.5 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication as specified in paragraph (a) above to be made between the Company and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- (c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Facility Agent only if it is addressed in such a manner as the Facility Agent shall specify for this purpose.
- (d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 34.5.

34.6 Use of websites

- (a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the **Website Lenders**) who accept this method of communication by posting this

information onto an electronic website designated by the Company and the Facility Agent (the **Designated Website**) if:

- (i) the Facility Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;
 - (ii) both the Company and the Facility Agent are aware of the address of and any relevant password specifications for the Designated Website; and
 - (iii) the information is in a format previously agreed between the Company and the Facility Agent.
- (b) If any Lender (a **Paper Form Lender**) does not agree to the delivery of information electronically then the Facility Agent shall notify the Company accordingly and the Company shall supply the information to the Facility Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall supply the Facility Agent with at least one copy in paper form of any information required to be provided by it.
- (c) The Facility Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Facility Agent.
- (d) The Company shall promptly upon becoming aware of its occurrence notify the Facility Agent if:
- (i) the Designated Website cannot be accessed due to technical failure;
 - (ii) the password specifications for the Designated Website change;
 - (iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;
 - (iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or
 - (v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.
- (e) If the Company notifies the Facility Agent under paragraph (d)(i) or paragraph (d)(v) of this Clause 34.6, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Facility Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

35. 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 Facility Agent 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.

36. CONTRACTUAL RECOGNITION OF BAIL-IN

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 any Party to any other Party 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:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) 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;
 - (ii) 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
 - (iii) a cancellation of any such liability; and
- (b) 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.

In this Clause:

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 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (ii) in relation to any other state, 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.

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; and
- (ii) 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 exclusive jurisdiction to settle any dispute including a dispute relating to non-contractual obligations arising out of or in connection with any Finance Document.
- (b) References in this Clause 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, The Old Exchange, 12 Compton Road, Wimbledon, London SW19 7QD, 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 34.2 (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 Facility Agent 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 judgment 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 Waiver of immunity

The Company irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by a Finance Party against it 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.

38.5 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.

38.6 Alternative forms of dispute resolution

Each Slovak Finance Party in accordance with section 93b of the Slovak Banking Act hereby informs the Company that:

- (a) if a Slovak Finance Party and the Company enter into an arbitration agreement, any disputes between these 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 a Slovak Finance Party and the Company enter into an agreement to resolve disputes in mediation, any disputes between these 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**ORIGINAL LENDERS**

Name of Original Lender	Commitments (in €)
ING Bank N.V. acting through ING Bank N.V., pobočka zahraničnej banky	65,000,000
Slovenská sporiteľňa, a.s.	65,000,000
Komerční banka, a.s. acting through Komerční banka, a.s., pobočka zahraničnej banky	65,000,000
UniCredit Bank Czech Republic and Slovakia, a.s. acting through UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky	35,000,000
Československá obchodná banka, a.s.	35,000,000
Citibank Europe plc acting through Citibank Europe plc, pobočka zahraničnej banky	35,000,000
Total Commitments	€300,000,000

SCHEDULE 2
CONDITIONS PRECEDENT DOCUMENTS

1. A copy of the constitutional documents of the Company and Ferroenergy s.r.o. (**Ferroenergy**).
2. An extract from the Company's and Ferroenergy's entries in the Commercial Registry, sealed/stamped by the applicable Commercial Registry, as at a date no earlier than 10 days prior to the date of the Agreement and certified by an authorised signatory of the Company and Ferroenergy (as applicable), as at a date no earlier than the date of this Agreement, confirming the accuracy of all facts shown in the extract, except with respect to the attached amendments which have been filed with the Commercial Registry.
3. A copy of an extract from the register of public sector partners (*register partnerov verejného sektora*) evidencing registration of the Company and Ferroenergy in the register of public sector partners pursuant to the Slovak Public Sector Partners Act.
4. A specimen of the signature of each person authorised to sign the Finance Documents on behalf of the Company and Ferroenergy and to sign and/or despatch all documents and notices to be signed and/or despatched by the Company and Ferroenergy under or in connection with this Agreement.
5. A certificate of an authorised signatory of the Company and Ferroenergy certifying that each copy document delivered under this Schedule 2 with respect to the Company and Ferroenergy is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
6. A certificate of an authorised signatory of U. S. Steel certifying that the Company and Ferroenergy is a 100% owned Subsidiary of U. S. Steel.
7. A copy of this Agreement.
8. A copy of the Fee Letter in relation to the arrangement fees.
9. A copy of the Fee Letter in relation to the Facility Agent's fees.
10. (a) A legal opinion of a legal adviser to the Company in the Republic, substantially in the form of schedule 6 (Form of Legal opinion of legal adviser to the Company in respect of this Agreement) of this Agreement as in force prior to the First Effective Date, addressed to the Finance Parties;
(b) a legal opinion of Allen & Overy LLP, legal advisers to ING Bank N.V. as Mandated Lead Arranger in relation to the laws of England, substantially in the form of schedule 7 (Form of English legal opinion) of this Agreement as in force prior to the First Effective Date, addressed to the Finance Parties; and
(c) a legal opinion of Allen & Overy Bratislava, s.r.o., legal advisers to ING Bank N.V. as Mandated Lead Arranger in relation to the laws of the Republic, substantially in the form of schedule 8 (Form of Slovak legal opinion) of this Agreement as in force prior to the First Effective Date, addressed to the Finance Parties.
11. Evidence that the process agent referred to in Clause 38.2 (Service of process) has accepted its appointment under that Clause.
12. A copy of any other authorisation or other document, opinion or assurance that the Facility Agent, acting reasonably, considers to be necessary or desirable in connection with the entry into and

performance of, and the transactions contemplated by, any Finance Document or for the validity and enforceability of any Finance Document.

13. The audited consolidated financial statements of the Company for the financial year ended 31 December 2020.
14. Ferroenergy's audited unconsolidated balance sheets and income statements for its financial year ended 31 December 2020.
15. Evidence that the Existing Facility has been irrevocably cancelled in full.
16. Evidence that all fees and expenses then due and payable from the Company under this Agreement have been or will be paid by the first Utilisation Date.

SCHEDULE 3

FORM OF REQUEST

To: [FACILITY AGENT] as Facility Agent

From: U. S. Steel Košice, s.r.o.

Date: [●]

U. S. Steel Košice, s.r.o. - €300,000,000 Credit Agreement dated 29 September 2021 (as amended) (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 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 16.6 (Notification of Default) of the Agreement, we [confirm that no change referred to in clause 16.6 (Notification of Default) of the Agreement has occurred since [the date of the Agreement/the date of our preceding Request]¹/attach the up-to-date list of participants of the Company].²

By:

[●]

¹ Delete as applicable.

² Delete as applicable.

SCHEDULE 4
FORM OF COMPLIANCE CERTIFICATE

To: [FACILITY AGENT] as Facility Agent

From: U. S. Steel Košice, s.r.o.

Date: [●]

**U. S. Steel Košice, s.r.o. - €300,000,000 Credit Agreement
dated 29 September 2021 (as amended) (the Agreement)**

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that as at [relevant Measurement Date or for the Measurement Period] for the period ending on that date:
 - (a) EBITDA is [●];
 - (b) Total Assets is [●];
 - (c) Total Stockholders' Equity is [●];
 - (d) Subordinated Intercompany Indebtedness is [●];
 - (e) Cash and Cash Equivalents are [●]; and
 - (f) Net Debt is [●];

therefore:

- (i) Net Debt is [●] x EBITDA; and
- (ii) Total Stockholders' Equity and Subordinated Intercompany Indebtedness is [●] per cent. of Total Assets.

3. We set out below calculations establishing the figures in paragraph 2 above:

[●].
4. For purposes of calculating EBITDA for the Measurement Period referred to in paragraph 2 above, the following additions and/or exclusions have been made to and/or from (as the case may be) the profit (loss) of the Group before interest and taxation: [●].
5. [We confirm that as at [relevant Measurement Date] [no Default is continuing]/[the following Default[s] [is/are] continuing and the following steps are being taken to remedy [it/them]:

[●]].]

By:

[●]

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: [FACILITY AGENT] as Facility Agent

From: [EXISTING LENDER] (the **Existing Lender**) and [NEW LENDER] (the **New Lender**)

Date: [●]

**U. S. Steel Košice, s.r.o. - €300,000,000 Credit Agreement
dated 29 September 2021 (as amended) (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 following 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 counterparts 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:

The Transfer Date is confirmed by the Facility Agent as [●].

[FACILITY AGENT]

By:

Accepted:

U. S. Steel Košice, s.r.o.

By: _____

By: _____

Note: It is the responsibility of each New Lender to ascertain whether any other document or formality is required to perfect the transfer contemplated by this Transfer Certificate or to take the benefit of any interest in any security.

SCHEDULE 6

FORMS OF NOTIFIABLE DEBT PURCHASE TRANSACTION NOTICE

PART 1

FORM OF NOTICE ON ENTERING INTO NOTIFIABLE DEBT PURCHASE TRANSACTION

To: [FACILITY AGENT] as Facility Agent

From: [The Lender]

Dated:

**U. S. Steel Košice, s.r.o. - €300,000,000 Credit Agreement
dated 29 September 2021 (as amended) (the Agreement)**

1. We refer to paragraph (b) of Clause 27.2 (Disenfranchisement on Debt Purchase Transactions entered into by Affiliates of the Company) of the Agreement. Terms defined in the Agreement have the same meaning in this notice unless given a different meaning in this notice.
2. We have entered into a Notifiable Debt Purchase Transaction.
3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to our Commitment amounting to €[●].

[Lender]

By:

PART 2

FORM OF NOTICE ON TERMINATION OF NOTIFIABLE DEBT PURCHASE TRANSACTION / NOTIFIABLE DEBT PURCHASE TRANSACTION CEASING TO BE WITH AFFILIATE OF COMPANY

To: [FACILITY AGENT] as Facility Agent

From: [The Lender]

Dated:

U. S. Steel Košice, s.r.o. - €300,000,000 Credit Agreement dated 29 September 2021 (as amended) (the Agreement)

1. We refer to paragraph (c) of Clause 27.2 (Disenfranchisement on Debt Purchase Transactions entered into by Affiliates of the Company) of the Agreement. Terms defined in the Agreement have the same meaning in this notice unless given a different meaning in this notice.
2. A Notifiable Debt Purchase Transaction which we entered into and which we notified you of in a notice dated [●] has [terminated]/[ceased to be with an Affiliate of the Company].*
3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to our Commitment amounting to €[●].

[Lender]

By:

* Delete as applicable.

SCHEDULE 7

FORM OF ADDITIONAL COMMITMENT REQUEST NOTIFICATION

To: [FACILITY AGENT] as Facility Agent

From: U. S. Steel Košice, s.r.o as the Company

Date: [●]

U. S. Steel Košice, s.r.o. - €300,000,000 Credit Agreement dated 29 September 2021 (as amended) (the Agreement)

1. We refer to the Agreement. This is an Additional Commitment Request Notification delivered pursuant to Clause 2.2 (Additional Commitments). Terms defined in the Agreement have the same meaning in this Additional Commitment Request Notification unless given a different meaning in this Additional Commitment Request Notification.
2. The Company, in advance of submitting an Additional Commitment Request pursuant to paragraph (a) of Clause 2.2 (Additional Commitments), in accordance with paragraph (a) of Clause 2.2 (Additional Commitments) notifies the Existing Lenders that it requests EUR[●] as an Additional Commitment (as defined in Clause 2.2 (Additional Commitments)) and requests each Lender that wishes to participate in such Additional Commitment to notify the Company no later than [●] Business Days following the date of this Additional Commitment Request Notification.

Company

U. S. Steel Košice, s.r.o.

By:

SCHEDULE 8
FORM OF ADDITIONAL COMMITMENT REQUEST

To: [FACILITY AGENT] as Facility Agent

From: U. S. Steel Košice, s.r.o as the Company

Date: [●]

**U. S. Steel Košice, s.r.o. - €300,000,000 Credit Agreement
dated 29 September 2021 (as amended) (the Agreement)**

1. We refer to the Agreement. This is an Additional Commitment Request delivered pursuant to Clause 2.2 (Additional Commitments). Terms defined in the Agreement have the same meaning in this Additional Commitment Request unless given a different meaning in this Additional Commitment Request.
2. The Additional Commitment Lenders have agreed to commit to make available an Additional Commitment on the terms set out in this Additional Commitment Request:
 - (a) Additional Commitment Lenders: [●];
 - (b) Borrower: the Company;
 - (c) Currency and amount: EUR[●];
 - (d) Proposed date of increase: [●]; and
 - (e) Commitment of each Additional Commitment Lender: [*insert split*]
3. The Additional Commitment Lenders' administrative details (Facility Office, address, fax number and attention details for notices and payment details etc):
 - (a) [●]; and
 - (b) [●].
4. By signing this letter, the Additional Commitment Lenders agree to commit the amount of the relevant Additional Commitments set out in the table at paragraph 2 above and agree to become Additional Commitment Lenders and to assume (and be bound by) the same obligations to each other Party and acquire the same rights against each other Party as each would have assumed or acquired had it been an original party to the Finance Documents with the relevant Additional Commitment set out in this letter.
5. This Additional Commitment Request and any non-contractual obligations arising out of or in connection with it are governed by English law.
6. This is a Finance Document.
7. This Additional Commitment Request may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the Additional Commitment Request.

We hereby agree and accept to be bound by the terms of this Additional Commitment Request and the Agreement.

Company

U. S. Steel Košice, s.r.o.

By:

Additional Commitment Lenders

[Names of Additional Commitment Lender]

By:

Acknowledged by:

[FACILITY AGENT] as Facility Agent

SCHEDULE 9

ESG KPIS AND SPTS

[Omitted.]

SCHEDULE 10
FORM OF INCREASE CONFIRMATION

To: [FACILITY AGENT] as Facility Agent and U. S. Steel Košice, s.r.o. as Company, for and on behalf of the Company

From: *[the Increase Lender]* (the **Increase Lender**)

Dated: [●]

**U. S. Steel Košice, s.r.o. - €300,000,000 Credit Agreement
dated 29 September 2021 (as amended) (the Agreement)**

1. We refer to the Agreement. This is an Increase Confirmation. Terms defined in the Agreement have the same meaning in this Increase Confirmation unless given a different meaning in this Increase Confirmation.
2. We refer to Clause 2.3 (Increase) of the Agreement.
3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment(s) specified in the Schedule (the **Relevant Commitment(s)**) as if it had been an Original Lender under the Agreement in respect of the Relevant Commitment(s).
4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment(s) is to take effect (the **Increase Date**) is [●].
5. On the Increase Date, the Increase Lender becomes party to the Finance Documents as a Lender.
6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 34.2 (Addresses for notices) of the Agreement are set out in the Schedule.
7. The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in paragraph (i) of Clause 2.3 (Increase) of the Agreement.
8. This Increase Confirmation may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Increase Confirmation.
9. This Increase Confirmation and any non-contractual obligations arising out of or in connection with it are governed by English Law.
10. This Increase Confirmation has been entered into on the date stated at the beginning of this Increase Confirmation.

THE SCHEDULE

Relevant Commitment(s)/rights and obligations to be assumed by the Increase Lender

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments]

[Increase Lender]

By:

This Increase Confirmation is accepted by the Facility Agent and the Increase Date is confirmed as [●].

Facility Agent

[FACILITY AGENT]

By:

SIGNATORIES

[ORIGINAL SIGNATURE BLOCKS OMITTED FROM THE AMENDED FORM OF THIS AGREEMENT]

SIGNATORIES

Company

U. S. STEEL KOŠICE, S.R.O. as the Company

By: /s/ Silvia Gaálová

Name: Silvia Gaálová

Title: Company Executive

By: /s/ Marcel Novosa

Name: Marcel Novosad

Title: Company Executive

Facility Agent

ING BANK N.V.

By: /s/ O.S.C. de Vries

Name: O.S.C. de Vries

Title:

By: /s/ M.S. Preuss

Name: M.S. Preuss

Title:

**UNITED STATES STEEL CORPORATION
SUBSIDIARIES AND JOINT VENTURES AS OF DECEMBER 31, 2022**

Company Name	Jurisdiction
Chisholm Coal LLC	Kentucky
Chrome Deposit Corporation	Indiana
Compagnie de Gestion de Mifergui- Nimba, LTEE	Delaware
Cygnus Mines Limited	Canada
Double G Coatings, Inc.	Delaware
Double G Coatings Company, L.P.	Delaware
Essex Minerals Company	New Jersey
Fairfield Primary Operations, LLC	Texas
GCW/USS Energy, LLC	Illinois
Grant Assurance Corporation	Vermont
Kanawha Coal LLC	West Virginia
Orinoco Mining Company	Delaware
Perdido Land Development Co., Inc.	Delaware
Pitcal Pipe, LLC	Delaware
Preserve Village Developers, LLC	Delaware
Stelco Holding Company	Delaware
Ontario Coal Company	Delaware
Ontario Eveleth Company	Minnesota
Ontario Hibbing Company	Minnesota
Hibbing Development Company	Minnesota
Hibbing Taconite Company	Minnesota
Stelco Coal Company	Pennsylvania
Stelco Erie Corporation	Delaware
Ontario Tilden Company	Michigan
Swan Point Yacht & Country Club, Inc.	Delaware
Timber Wolf Land, LLC	Delaware
U. S. Steel China, LLC	Delaware
U. S. Steel Holdco LLC	Delaware
Big River Steel Holdings LLC	Delaware
BRS Intermediate Holdings LLC	Delaware
Big River Steel LLC	Delaware
BRS Finance Corp	Delaware
Exploratory Ventures, LLC	Delaware
BRS Stock Holdco LLC	Delaware
Big River Steel Corp	Delaware
U. S. Steel Blocker LLC	Delaware
U. S. Steel Holdings, Inc.	Delaware
U. S. Steel Global Holdings I B.V.	Netherlands
U. S. Steel Global Holdings VI B.V.	Netherlands
U. S. Steel Košice, s.r.o. (USSK)	Slovakia
Ferroenergy s.r.o.	Slovakia
Tubular s.r.o	Slovakia
U. S. Steel Košice – Labortest, s.r.o.	Slovakia
U. S. Steel Europe - France S.A.	France
U.S. Steel Košice - SBS, s.r.o.	Slovakia
U. S. Steel Europe - Germany GmbH	Germany
U. S. Steel Global Holdings II, B.V.	Netherlands
U. S. Steel Canada Limited Partnership	Canada
U. S. Steel LRD Canada North Inc.	Canada

**UNITED STATES STEEL CORPORATION
SUBSIDIARIES AND JOINT VENTURES AS OF DECEMBER 31, 2022**

U. S. Steel Mining Company, LLC	Alabama
U. S. Steel Timber Company, LLC	Alabama
U. S. Steel Tubular Products, LLC	Delaware
Lone Star Steel Holdings, Inc.	Delaware
Lone Star Steel Holdings II, Inc.	Oklahoma
U. S. Steel Tubular Products Middle East DMCC	Dubai, UAE
U. S. Steel Oilwell Services, LLC	Delaware
Patriot Premium Threading Services, LLC	Delaware
USS Construction Products, LLC	Delaware
U. S. Steel Tubular Products Canada ULC	Canada
U.S. Steel Produtos Tubulares do Brasil Ldta.	Brazil
Zinklahoma, Inc.	Delaware
U. S. Steel Tubular Products Holdings, LLC	Texas
U. S. Steel Seamless Tubular Operations, LLC	Texas
Star Brazil US, LLC 2	Texas
Star Brazil US, LLC 1	Texas
Lone Star Brazil Holdings 1 Ltda.	Brazil
UEC Technologies, LLC	Pennsylvania
USX Engineers and Consultants	Delaware
UEC Sail Information Technology, LTD.	India
United States Steel International, Inc.	New Jersey
United States Steel Export Company de Mexico, S.R.L. de C.V.	Mexico
United States Steel International de Mexico, S.R.L. de C. V.	Mexico
USS Galvanizing, Inc.	Delaware
PRO-TEC Coating Company, LLC	Delaware
PRO-TEC Coating Company, Inc.	Ohio
USS International Services, LLC	Delaware
USS Lakeside, LLC	Delaware
Chicago Lakeside Development, LLC	Delaware
CLD Parcel 14 LLC	Delaware
CLD Adjoining Residential Parcels LLC	Delaware
USS Oilwell Supply Co., LTD.	Delaware
USS Oilwell Tubular, Inc.	Delaware
USS Portfolio Delaware, Inc.	Delaware
USS Ventures, LLC	Delaware
USS WSP, LLC	Delaware
Worthington Specialty Processing	Michigan
ProCoil Company, LLC	Delaware
USS-UPI, LLC	Delaware
USX International Sales Company, Inc.	Barbados
Ventures RE Company I, LLC	Delaware
Ventures RE Company II, LLC	Delaware
Warrior & Gulf Navigation LLC	Alabama

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-229714 and 333-262654) and Form S-8 (Nos. 333-261805, 333-255653, 333-237966, 333-237965, 333-237964, 333-237963, 333-231216, 333-231215, 333-217464, 333-210953 and 333-196186) of United States Steel Corporation of our report dated February 3, 2023 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania
February 3, 2023

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint Jessica T. Graziano and Manpreet S. Grewal or either one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ David B. Burritt

David B. Burritt

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ Tracy A. Atkinson

Tracy A. Atkinson

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ Andrea J. Ayers

Andrea J. Ayers

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ Terry L. Dunlap

Terry L. Dunlap

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ John J. Engel

John J. Engel

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ John V. Faraci

John V. Faraci

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ Murry S. Gerber

Murry S. Gerber

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ Jeh C. Johnson

Jeh C. Johnson

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ Paul A. Mascarenas

Paul A. Mascarenas

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ Michael H. McGarry

Michael H. McGarry

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ David S. Sutherland

David S. Sutherland

POWER OF ATTORNEY

The undersigned does hereby make, constitute and appoint David B. Burritt, Jessica T. Graziano and Manpreet S. Grewal or any one of them, my true and lawful attorneys-in-fact to sign and execute for me and on my behalf United States Steel Corporation's Annual Report on Form 10-K for the year ended December 31, 202 to be filed with the Securities and Exchange Commission, and any and all amendments to such report to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, in such form as they or any one or more of them may approve, and to do any and all other acts which said attorneys-in-fact may deem necessary or desirable to enable United States Steel Corporation to comply with said Act and the rules and regulations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of February, 2023.

/s/ Patricia A. Tracey

Patricia A. Tracey

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, David B. Burritt, certify that:

1. I have reviewed this annual report on Form 10-K 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.

February 3, 2023

/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 annual report on Form 10-K 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.

February 3, 2023

/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 Annual Report on Form 10-K of United States Steel Corporation for the period ending December 31, 2022, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of United States Steel Corporation.

/s/ David B. Burritt

David B. Burritt
President and Chief Executive Officer

February 3, 2023

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 Annual Report on Form 10-K of United States Steel Corporation for the period ending December 31, 2022, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of United States Steel Corporation.

/s/ Jessica T. Graziano

Jessica T. Graziano

Senior Vice President and Chief Financial Officer

February 3, 2023

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)

Information for the twelve months ended December 31, 2022 follows:

Mine (Federal Mine Safety and Health Administration (MSHA) ID)	Total # of Significant & Substantial violations under §104(a) ^(a)	Total # of orders under §104(b) ^(a)	Total # of unwarrantable failure citations and orders under §104(d) ^(a)	Total # of violations under §110(b)(2) ^(a)	Total # of orders under §107(a) ^(a)	Total dollar value of proposed assessments from MSHA	Total # of mining related fatalities	Received Notice of Pattern of Violations under §104(e) ^(a) (yes/no)?	Received Notice of Potential to have Pattern under §104(e) ^(a) (yes/no)?	Total # of Legal Actions Pending with the Mine Safety and Health Review Commission as of Last Day of Period ^(b)	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Mt. Iron (2100820, 2100282)	86	2	1	—	1	\$1,251,170	—	no	no	88	272	184
Keewatin (2103352)	15	—	—	—	—	\$95,312	—	no	no	—	—	—

^(a) References to Section numbers are to sections of the Federal Mine Safety and Health Act of 1977.

^(b) Includes all legal actions pending before the Federal Mine Safety and Health Review Commission, together with the Administrative Law Judges thereof, for each of our iron ore operations. These actions may have been initiated in prior quarters. All of the legal actions were initiated by us to contest citations, orders or proposed assessments issued by the Federal Mine Safety and Health administration, and if we are successful, may result in the reduction or dismissal of those citations, orders or assessments. As of the last day of the period, all 88 legal actions were to contest citations and proposed assessments.