
D. Exercise of Options.

- (1) Effective Date of Exercise. The date of exercise of an Option shall be the business day on which the notice of exercise and payment for Shares being purchased are received by the Stock Plan Officer.
 - (2) Payment for Shares Purchased. Unless otherwise determined by the Committee, payment of the purchase price shall be made, at the election of the Participant, in cM
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- (a) “Disability” shall be determined, for all purposes under the Program, by reference to Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”).
 - (2) Retirement and Termination with Consent. Unless otherwise determined by the Committee, a prorated number of the Options scheduled to vest during the Vesting Year will vest, based upon the number of complete months worked during the Vesting Year in which the Participant’s termination of employment occurs by reason of Retirement or Termination with Consent. The prorated award will be calculated upon such termination and will vest at the next vesting date or, if earlier, immediately upon the Participant’s death. The remaining unvested Option grants are forfeited immediately upon termination. Vested options remain exercisable for three years following such termination or, if less, until the original expiration date.
 - (a) Example: If the 1/3 ratable vesting for Vesting Year 3 is 1000 shares for Award 1, 1000 shares for Award 2, and 1000 shares for Award 3 and if the Participant terminates employment by reason of Retirement six months following the Award 3 grants, the Participant is entitled to vesting of 1/2 of all grants that would have vested at the end of the Vesting Year during which he or she retires (Vesting Year 3 in this example), or 1500 shares. This example focuses only on the shares that would vest during Vesting Year 3; however, another 3000 shares would
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Further, to the extent necessary



- B. Restrictions. During the restriction period a Participant may not sell, transfer, assign, pledge or otherwise encumber or dispose of Shares of the Restricted Stock. During the restriction period a Participant shall have all rights and privileges of a stockholder, including the right to vote the Shares and to receive dividends, except as noted in the preceding sentence and except that any dividends payable in stock shall be subject to the restrictions. At the expiration of the restriction period, a stock certificate free of all restrictions for the number of Shares of Restricted Stock vested shall be registered in the name of, and delivered to, the Participant or, subject to the termination provisions below, to the Participant's estate.
- C. Vesting. The Committee shall determine the restriction period, provided that (i) Restricted Stock grants which are time-based shall vest ratably over a period of not less than three years (1/3 on each of the first, second and third grant date anniversaries), each such year to be considered a "Vesting Year" and (ii) Restricted Stock grants which are performance-based shall vest over a period of not less than one year.

D. Termination of Employment.

- (1) Death and Disability. Unless otherwise determined by the Committee, all Shares of Restricted Stock vest immediately upon the Participant's death during employment or termination of employment by reason of Disability.
- (2) Retirement and Termination with Consent. Unless otherwise determined by the Committee, a prorated number of the shares of Restricted Stock scheduled to vest during the Vesting Year will vest, based upon the number of complete months worked during the Vesting Year in which the Participant's termination of employment occurs by reason of Retirement or Termination with Consent. The prorated award will be calculated upon termination and will vest upon the date of termination. The remaining unvested shares are forfeited immediately upon termination.

(a) Example: If the Award 1 was 1000 shares, Award 2 was 1000 shares and Award 3 was 1000 shares for a total of 3000 shares and if the Participant terminates employment by reason of Retirement six months following the Award 3 grants, the Participant is entitled to vesting of 1/2 of the 1000 shares for Award 3 and if the Participant terminates employment by reason of Retirement six months following the Award 3 grants, the Participant is entitled to vesting of 1/2 of the 1000 shares for Award 3.

D. Termination of Employment.

- (1) Death and Disability. Unless otherwise determined by the Committee, all Restricted Stock Units vest immediately upon the Participant's death during employment or termination of employment by reason of Disability.
 - (2) Retirement and Termination with Consent. Unless otherwise determined by the Committee, a prorated number of the Restricted Stock Units scheduled to vest during the Vesting Year will vest, based upon the number of complete months worked during the Vesting Year in which the Participant's termination of employment occurs by reason of Retirement, or Termination with Consent, which is to be calculated upon termination and delivered, subject to the following, upon termination. In the case of any payment considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of Participant's termination if Participant is a "specified employee" under Section 409A of the Code upon his separation from service. The remaining unvested shares are forfeited immediately upon
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7. _____.

- A. Performance Periods. Each Performance Period will be three years in length. Each Performance Period will begin on the first day of the calendar year during which the Performance Period begins and shall end on the last day of the third calendar year succeeding the calendar year during which the Performance Period begins (the three year period is referred to herein as the “Performance Period”).
 - B. Performance Award Grants. At the beginning of each Performance Period, the Committee may grant Performance Awards to Participants for such Performance Period and shall identify for such grants the amount which may be earned based upon the level of achievement attained (the “Target” award, in the case of attainment of the target level of performance) for each Performance Goal.
 - C. Performance Goal Establishment/Grant Mechanics. The Committee shall establish and approve the Performance Goal and t in thteen
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ROCE Shares

- (4) Payout Calculation. For Performance Awards based upon a return on capital employed, payout shall be based upon a weighted average Return on Capital Employed ("ROCE"), as approved by the Committee within the first 90 days of the Performance Period, over the Performance Period.
- (a) Interpolation will be used to determine actual awards for performance that correlates to an award between Minimum and Target or Target and Maximum Award levels.
 - (b) In calculating the number of shares to be awarded, the Corporation's annual ROCE for each year of the Performance Period shall be rounded to the nearest decimal place consistent with the number of decimal places approved by the Committee at the time it set the relevant target, rounding up in the case of 5 or more and rounding down in the case of 4 or less. The related payout rate also shall be calculated to the nearest hundredth place using the same rounding procedure. Additionally, the calculated number of shares shall be rounded to the nearest whole share, rounding up if the fractional share is 5 tenths or more and truncating the fractional share if it is less than 5 tenths.
- (5) Return on Capital Employed (ROCE). ROCE shall mean, using a weighted average based on each calendar year of the Performance Period, income from consolidated worldwide operations (including minority interests), divided by consolidated worldwide capital employed (including minority interests) expressed as a percentage.

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

Capital employed shall be calculated by using the average of the opening balance at the com~tehe

similarly, if income or loss related to an asset is excluded from the numerator for any portion of the calendar year within the Performance Period that the related asset's capital employed shall be excluded from the denominator for the same portion of the calendar year within the Performance Period (and vice versa).

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

Subject to the foregoing, the following adjustment provisions shall apply to the numerator and denominator (to the extent included in such amount) of the ROCE performance calculation:

- (a) exclude the gain or loss related to a business disposition or divestiture (whether or not completed during the calendar year) and all amounts related to a permanent facility shutdown/closure, and assume that the business achieved (for the time period following such disposition, divestiture or shutdown/closure) the performance level included in the Business Plan as approved by the Committee within the first 90 days of the Performance Period;
- (b) exclude the gain or loss related to an asset sale not made in the ordinary course of business;
- (c) exclude all amounts associated with long-lived asset impairments;
- (d) exclude all amounts related to an acquisition or startup (defined as the startup of a previously closed facility or the startup of a new facility);
- (e) exclude all amounts related to workforce reductions and other restructuring charges;
- (f) except for retiree benefits, exclude all amounts not allocated to segments;
and
- (g) exclude all amounts associated with changes in accounting standards and changes in law that affect reported results;

provided, however, no adjustment pursuant to any adjustment category, identified as (a) through (g), above, shall be made to the ROCE calculation

Date of % Vested
Death or
Termination
for
Disability

Prior to 0%
completion
of
Performance
Period

On or after 50%
and
before
completion
of
Performance
Period

On or after 100%

completion
of
Performance
Period

- (b) Retirement and Termination with Consent. Unless otherwise determined by the Committee, a prorated value of the Performance Award will vest based upon the number of complete months worked during the Performance Period, in the event of a Participant's termination of employment by reason of Retirement, or Termination with Consent, to be calculated and delivered at the end of the relevant Performance Period, provided that the relevant performance goals are achieved. In the case of any payment considered to be based upon separation from service, and not compensation the Participant could receive without separating from service, then such amounts may not be paid until the first business day of the seventh month following the date of Participant's termination if Participant is a "specified employee" under Section 409A of the Code upon his separation from service.
- (i) Example: If the Target number of Shares is 1000 shares for Performance Period 1 Awards, 1000 shares for Performance Period 2 Awards, and 1000 shares for Performance Period 3 Awards and if the Participant terminates employment by reason of Retirement six months following the first day of Performance Period 3, the Participant is entitled to vesting of 5/6's of the Performance Period 1 awards, 1/2 of the Performance Period 2 awards, and 1/6 of the Performance Period 3 awards (or 1500 shares), subject to the Committee's determination of the payout basis for each Performance Period. That is, the above example assumes that the Committee had determined the Performance Goals had been met at least to the 100% of Target level and that the payout basis was 100% of Target for each period.
- (c) Termination without Consent and Termination for Cause. Unless otherwise determined by the Committee, Performance Awards will be forfeited immediately if a Participant's termination of employment is due to Termination without Consent or Termination for Cause.

- (9) Change of Control. Notwithstanding the foregoing provisions of the Regulations, if a Change of Control occurs, (i) the Performance Period shall automatically end,

(ii) the actual performance level for the abbreviated Performance Period shall be measured against the established Performance Goals, the performance criteria shall be deemed satisfied only to the extent that actual performance was achieved (the result is the “Achieved Performance Award”), and the balance of the Performance Award, if any, shall be forfeited, and (iii) the Achieved Performance Award shall remain subject to forfeiture until the third anniversary of the date of grant of the Performance Award if the Participant terminates employment after the Change of Control but before the third anniversary of the date of grant; provided, however, that (i) if a Change of Control Termination occurs within two years following a Change of Control, then the Achieved Performance Award shall not be forfeited upon such termination; rather, the Achieved Performance Award shall vest immediately upon the Change of Control Termination, (ii) if a Termination by reason of death or Disability occurs, then the Achieved Performance Award shall not be forfeited upon such death or Disability; rather, the Performance Award shall vest immediately upon the Participant’s death during employment or termination of employment by reason of Disability; and (iii) if a Termination by reason of Retirement or Termination with Consent occurs, then a prorated portion of the Achieved Performance Award will vest, based upon the number of complete months worked during the original Performance Period in relation to the number of whole months in the original Performance Period and the remainder shall be forfeited.

(a) Abbreviated Performance. In the event of a Change of Control:

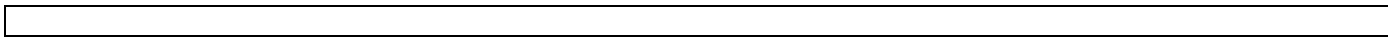
(i) the final price for purposes of determining the Annualized TSR shall be determined based on the closing price of the business day immediately preceding the closing date of the Change of Control; and

(ii) the ROCE for the year in which the Change of Control occurs shall be determined as the combination of the ROCE (x) actually achieved through the business day immediately preceding the closing date of the Change of Control and (y) measured at target for the period from the Change of Control through the end of the year in which the Change of Control occurs (applying the target ROCE for the year pro-rata over the number of whole and partial months remaining in the year).

In the event the Change of Control occurs in the first year of the Performance Period, the ROCE as so calculated in (ii), above, shall be the ROCE for the abbreviated Performance Period. In the event the Change of Control occurs in the second year of the Performance Period, the weighted average ROCE shall be calculated for the years in the abbreviated Performance Period using a weighting of 40% for the actual ROCE achieved in the first year of the Performance Period and 60% for the ROCE as calculated in (ii), above, in the second year of the Performance Period. In the event the Change of Control occurs in the

third year of the Performance Period, the weighted average ROCE shall be calculated for the years in the abbreviated Performance Period using a weighting of 20% for the actual ROCE achieved in the first year of the Performance Period, 30% for the actual ROCE achieved in the second year of the Performance Period and 50% for the ROCE as calculated in (i), above, in the third year of the Performance Period.

(b) Origin



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

Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Corporation and/or the Employing Company to satisfy all Tax-Related Items of the Corporation and/or the Employing Company. In this regard, the Grantee shall pay any Tax-Related Items directly to the Corporation or the Employing Company in cash upon request. In addition, the Corporation and/or the Employing Company, at their discretion, may, at their discretion, (to satisfy the obligation with regard to all applicable Tax-Related Items by one of the following methods: (a) withhold from the Tax-Related Items the amount of the contribution paid to Grantee by the Corporation and/or the Employing Company (2) or withholding from proceeds of t

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13. Data Privacy: The Grantee hereby explicitly and unambiguously consents to the colxttttttttnam

6. Vesting: Subject to Sections 4 and 5, in order to vest in the Performance Award, the Grantee must continue as an active employee of an Employing Company during the Performance Period and through the date on which the Committee certifies whether the Performance Goal relating to the Performance Period has been achieved, subject to the Employing Company's right to terminate the Grantee's employment at any time.

Except as provided in Section 5 of this Agreement, notwithstanding any other terms or conditions of the Plan, the Administrative Regulations or this Agreement to the mls

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

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

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

