UNITED STATES STEEL CORP
Form DEF 14A
March 17, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

þ Filed by the Registrant o Filed by a Party other than the Registrant

Check the appropriate box:
o Preliminary Proxy Statement
o CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
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United States Steel Corporation

Notice of 2016 Annual Meeting of Stockholders and Proxy Statement

Tuesday, April 26, 2016 10:00 A.M. Eastern Time

U. S. Steel Tower
600 Grant Street
33rd Floor
Pittsburgh, PA 15219

Voting can be completed in one of four ways:

returning the proxy card by mail	online at www.proxyvote.com
through the telephone at 1-800-690-6903	attending the meeting to vote IN PERSON

United States Steel Corporation

United States Steel Corporation
600 Grant Street
Pittsburgh, PA 15219-2800
March 17, 2016

Mario Longhi
President
and Chief Executive Officer

Dear Fellow U. S. Steel Stockholder:

The Annual Meeting of Stockholders of United States Steel Corporation will be held on the thirty-third floor of the U. S. Steel Tower, 600 Grant Street, Pittsburgh, Pennsylvania 15219, on Tuesday, April 26, 2016, at 10:00 a.m. Eastern Time.

At this meeting, the agenda will include the following:

- Election of nine director nominees recommended by the Board of Directors;
- An advisory vote regarding the approval of the compensation paid to certain executive officers;
- Approval of the 2016 Omnibus Incentive Compensation Plan;
- Approval of an amendment of the Corporation’s Restated Certificate of Incorporation; and
- Ratification of the appointment of PricewaterhouseCoopers LLP as the Corporation’s independent registered public accounting firm for 2016.

Every vote is important and we strongly urge you to cast your vote in support of the recommendations made by the Board of Directors regarding each of the above items, whether or not you plan to attend the meeting. You can vote by telephone, over the Internet or by marking, signing and returning your proxy or voting instruction card. You can also vote in person if you attend the Annual Meeting.

We want to thank you for your investment in U. S. Steel and the trust you have placed in the Board of Directors, as stewards of the Corporation. U. S. Steel, like other American steelmakers and manufacturing firms, is at a critical point in its long and storied history. As we face existential threats from macro-economic headwinds and unfair global steel trade practices, our experienced and talented executive team is leading the Corporation in a strategic transformation to become a more agile and innovative organization that is well-positioned for the new paradigm in American steel manufacturing. In 2013, we launched the “Carnegie Way,” a strategic, disciplined process to transform the organization. The Carnegie Way process and its benefits are discussed in detail in the proxy statement.

We remain steadfast in our commitment to becoming a consistently profitable company that conducts business in an ethical and sustainable way. We still have work to do to reach sustainable profitability. But as we reflect on the past year, we recognize that we are in a better position today to respond to changing market conditions and we have begun building a more efficient and nimble company that can thrive under more traditional industry conditions and a fairer trade environment.

We encourage you to vote your shares on the proposals discussed in the proxy statement. Your involvement is important to the future of our company and our country. As always, we appreciate your support and continued commitment to U. S. Steel.

Our journey continues.

Sincerely,

Mario Longhi

QUESTIONS REGARDING U. S. STEEL IN 2015 AND BEYOND

What challenges did the Corporation face in 2015 and how were they handled?

2015 proved to be a more challenging year for us than we had expected when it began. We continued to face significantly high steel import levels, which have increased 44% since 2011. We also were confronted with a dramatic decline in steel prices of nearly $200 per ton and a decline in oil prices and rig counts of approximately 60%, compared to the prior year. Though these headwinds posed challenges that forced us to make tough decisions, including reducing headcount and idling facilities, we remain proud of the accomplishments we managed to achieve, including ending 2015 with positive adjusted EBITDA, repaying almost $380 million of debt, and maintaining positive operating cash flow through a very difficult economic environment.

What is the "Carnegie Way," and how will stockholders realize the benefits of this transformation in their investment?

The "Carnegie Way" is our multi-year, multi-phase transformational process. Through the Carnegie Way, we focus on our strengths and where we can create the most value for our stockholders and best serve our customers. The Carnegie Way is a framework that permeates all aspects of our business, and includes achieving sustainable cost improvements through process efficiencies and investments in reliability centered maintenance. As part of our transformation, we have also realigned the commercial entities within our flat-rolled operating segment in order to be much more responsive to customer needs.

In 2015, we completed the second full year of our Carnegie Way transformation. As part of the Carnegie Way, we are focused intensely on safety, operational excellence, our customers, results, and personal and professional accountability. The Corporation realized $815 million in Carnegie Way benefits, up significantly from the $575 million we realized in 2014. This achievement demonstrates that our Corporation is successfully improving the way we do business, exploring all aspects of operations in order to achieve greater efficiency, and finding new and better ways to deliver high quality steel, while remaining focused on our core values of: safety; diversity and inclusion; and environmental stewardship. Consistent with our Carnegie Way philosophy, we remained committed to focusing on what we could control, and we ended the year with a strong cash and liquidity position, at $755 million and approximately $2.4 billion, respectively.

What is U. S. Steel's plan for overcoming economic challenges in the near future?

While we cannot precisely predict what the economic landscape will look like in 2016 and after, through our Carnegie Way transformation, we are implementing permanent changes that will enable the Corporation to succeed across all business cycles. We remain committed to this philosophy and will maintain our relentless focus on the factors we control to weather whatever storms we face in the future.

Additionally, we recognize the need to continue to adapt our business to our customers' changing needs in order to stay competitive in the marketplace. We have increased our capabilities in people and equipment, namely at our Research and Technology Center in Munhall, Pennsylvania, and at our Automotive Technical Center in Troy, Michigan. We are investing in technology and innovation in order to develop new steel products that meet evolving regulatory requirements imposed on our customers. More specifically, we have made progress developing AHSS for automotive applications up to and including Generation 3 steels that possess unique properties in terms of strength, formability and toughness for light weighting and crash worthiness. We are working closely with customers on the use of specific applications using advanced analytic techniques for geometry, grade and gauge redesign. Our tubular division has also focused on innovations, including the development of premium connections designed to sustain harsh conditions.

What actions has U. S. Steel taken to address high levels of steel imports?

Total and finished steel products imported into our market by heavily subsidized economies increased dramatically over the past few years. The last time imports were at these levels, nearly half of American steel companies disappeared. Given this backdrop, U. S. Steel has undertaken an unprecedented effort to tackle the effects of unfairly traded imports on numerous fronts - including legislative bodies, in the courts and in the public arena.

In an effort to stem the surge of unfairly traded steel products into the U.S. market, this past year, U. S. Steel along with other domestic steel producers filed a series of three petitions with the Department of Commerce and the International Trade Commission. These cases have not yet been fully resolved, but based on initial findings, preliminary duties, some of significant magnitude, have been imposed on the importing countries.

We have also initiated discussions with the relevant agencies to change certain regulatory practices and procedures, commenced substantive work with regional trade partners and organizations, and outlined a robust engagement with the White House to tackle global overcapacity through bilateral negotiations. For the first time since 1979, we successfully changed the U.S. trade laws to clarify and strengthen the injury standard in trade enforcement actions, ensuring that 21st century metrics are considered when evaluating whether an American industry has suffered or will suffer material injury from foreign imports. We have also commenced discussions with other industries and stakeholders to launch a public trade campaign to bring a bright spotlight to the issues and challenges facing the American steel industry.

This great nation was built upon a strong foundation, melted and poured by American steel companies. From the bridges and roads we traverse, to the critical infrastructure upon which our national security depends, steel remains at the core of our national well being. The American people share our belief that a strong America requires a strong, viable and sustainable American steel industry. At this critical time for the industry and for our country, U. S. Steel has been and will continue to be a leader on these issues to ensure consistent and fair enforcement of our laws and to ensure that in a time of urgent need, America will have an American steel industry on which to rely.

Our Journey Continues

Everyone at U. S. Steel appreciates our stockholders' investment in and commitment to our Corporation. All of our employees are committed to delivering the highest quality steel products to our customers and value for our stockholders. 2015 was an unpredictably volatile year. We are on the right path to transform this Corporation into the iconic industry leader it has been in the past and we look forward to meeting our challenges head on.

"Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results."

Andrew Carnegie

United States Steel Corporation
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date: Tuesday, April 26, 2016
TIME: 10:00 a.m., Eastern Time
PLACE: U. S. Steel Tower, 600 Grant Street, 33rd Floor, Pittsburgh, PA 15219

To Stockholders of United States Steel Corporation

You are invited to attend the 2016 Annual Meeting of Stockholders of United States Steel Corporation. If you plan to attend the meeting, please see the instructions contained in the attached proxy statement.

ITEMS OF BUSINESS:

1. To elect nine directors nominated by our Board of Directors;

2. To consider and act on an advisory vote regarding the approval of compensation paid to certain executive officers;

3. To approve the Corporation's 2016 Omnibus Incentive Compensation Plan;

4. To approve an amendment of the Corporation's Restated Certificate of Incorporation;

5. To ratify the appointment of PricewaterhouseCoopers LLP as the independent public registered accounting firm for 2016; and

6. To transact any other business properly brought before the meeting and any adjournment or postponement thereof.

Voting can be completed in one of four ways:

returning the proxy card by mail	online at www.proxyvote.com
through the telephone at 1-800-690-6903	attending the meeting to vote IN PERSON

Only holders of record of the common stock of United States Steel Corporation at the close of business on February 29, 2016, the record date fixed by the Board of Directors, will be entitled to vote on each matter submitted to a vote of stockholders at the meeting. Any stockholder of record attending the Annual Meeting may vote in person, even if she or he has voted over the Internet, by telephone or returned a completed proxy card. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a valid form issued in your name from that record holder. Each holder of common stock is entitled to one vote for each share of stock held at the close of business on February 29, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

Arden T. Phillips
Corporate Secretary
March 17, 2016

To assure your representation at the Annual Meeting, you are urged to cast your vote, as instructed in the Notice of Internet Availability of Proxy Materials, over the Internet or by telephone as promptly as possible. You may also request a paper proxy card to submit your vote by mail, if you prefer.

IMPORTANT NOTICE: The proxy statement and 2015 annual report of United States Steel Corporation are available at www.proxyvote.com.

ADMISSION TO MEETING: Admission to the Annual Meeting will be limited to persons who: (a) are listed on United States Steel Corporation's records as stockholders as of February 29, 2016 (the "record date"); or (b) bring documentation to the meeting that demonstrates their beneficial ownership of the Corporation's common stock through a broker, bank or other nominee as of the record date; and (c) present a form of government-issued photo identification.

United States Steel Corporation
U. S. STEEL TOWER I 600 GRANT STREET I PITTSBURGH, PA 15219

PROXY STATEMENT
MARCH 17, 2016

INFORMATION REGARDING THE ANNUAL MEETING

This proxy statement is provided in connection with a solicitation of proxies by the Board of Directors of United States Steel Corporation to be used at the Annual Meeting of Stockholders to be held on Tuesday, April 26, 2016 at 10:00 a.m., Eastern Time, and at any adjournment or postponement thereof. The Annual Meeting will be held at the U. S. Steel Tower, 600 Grant Street, thirty-third floor, Pittsburgh, PA 15219. This proxy statement is first being provided to our stockholders on or about March 17, 2016. Throughout this proxy statement, "U. S. Steel," the "Corporation," "we," "our," or "us" are intended to refer to United States Steel Corporation and its consolidated subsidiaries, unless specifically indicated otherwise. You are invited to attend the Annual Meeting and we request that you

vote on the proposals described in this proxy statement as recommended by the Board of Directors. You do not need to attend the meeting to vote your shares. If you have received a printed copy of these materials by mail, you may complete, sign and return your proxy card, or submit your proxy vote by telephone or over the Internet. If you did not receive a printed copy of these materials by mail and are accessing them via the Internet, you may follow the instructions under the heading, "Questions and Answers About the Annual Meeting and Voting" beginning on page 63 of this proxy statement to submit your proxy vote via the Internet or by telephone. Also, other information about voting is provided under the heading, "Questions and Answers About the Annual Meeting and Voting."

Voting can be completed in one of four ways:

returning the proxy card by mail	online at www.proxyvote.com
through the telephone at 1-800-690-6903	attending the meeting to vote IN PERSON

proxy summary

This proxy summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement before voting. For more information
regarding the Corporation's 2015 performance, please see the Compensation Discussion and Analysis section of this proxy statement and the Corporation's Annual Report on Form 10-K for the year-ended December 31, 2015.

OVERVIEW OF VOTING MATTERS

Stockholders are being asked to vote on the following matters at the 2016 Annual Meeting of Stockholders:

	Board Recommendation
ITEM 1. Election of Directors (page 1) The Board believes that the combination of the various qualifications, skills and experiences of the director nominees would continue to contribute to a well-functioning Board and that, individually and as a whole, the director nominees possess the necessary qualifications to provide effective oversight, and quality advice and counsel to the Corporation's management.	**FOR** each Director Nominee
ITEM 2. Advisory Vote to Approve Compensation of Certain Executive Officers (page 18) The Corporation seeks a non-binding advisory vote from its stockholders to approve the compensation of the executive officers listed in the compensation tables of this proxy statement. The Board values the opinions of stockholders and the Compensation & Organization Committee will take into account the outcome of the advisory vote when considering future executive compensation decisions.	**FOR**
ITEM 3. Approval of the Corporation's 2016 Omnibus Incentive Compensation Plan (page 55) The Board recommends the approval of the 2016 Omnibus Incentive Compensation Plan (the "Incentive Plan"). We are requesting approval by stockholders of the material terms of the performance goals of the Incentive Plan so that compensation payable under the Incentive Plan to certain executive officers remains tax deductible under Section 162(m) of the Internal Revenue Code as well as to authorize the issuance of up to 7,200,000 additional shares under the Incentive Plan.	**FOR**
ITEM 4. Approval of an Amendment of the Corporation's Restated Certificate of Incorporation (page 60) The Board recommends the approval of an amendment of the Corporation's Restated Certificate of Incorporation to eliminate a provision that currently provides that directors may be removed by stockholders only for cause until the 2017 annual meeting. Approval of the amendment would allow stockholder removal of directors, with or without cause, subject to the provisions of applicable Delaware law.	**FOR**
ITEM 5. Ratification of the Appointment of PricewaterhouseCoopers LLP as Independent Registered Public Accounting Firm (page 62) The Audit Committee has appointed PricewaterhouseCoopers LLP to serve as the independent registered public accounting firm of the Corporation for the 2016 fiscal year. The Audit Committee and the Board	**FOR**

believe that the continued retention of PricewaterhouseCoopers LLP to serve as the independent registered public accounting firm is in the best interests of the Corporation and its stockholders. Stockholders are being asked to ratify the Audit Committee's selection of the Corporation's independent registered public accounting firm.

CORPORATE GOVERNANCE (PAGE 9)

The Corporation is committed to good corporate governance, which promotes the long-term interests of stockholders, strengthens Board and management accountability, and helps build public trust in the Corporation. Our governance highlights include:

•Annual Election of each Director by 2017

•11 Directors (9 Independent)

•Independent Audit, Compensation & Organization and Corporate Governance & Public Policy Committees

•Regular Executive Sessions of Independent and Non-Executive Directors

•Risk Oversight by Full Board and Committees

•Annual Board and Committee Self-Evaluations

•Long-standing Commitment to Sustainability

•Executive Compensation Driven by Pay-For-Performance Philosophy proxy summary

•Stock Ownership and Holding Guidelines for Directors and Executives

•Best in Class Compliance Commitment

•Annual Stockholder Engagement

•A robust Code of Ethical Business Conduct that is based on the Corporation's Gary Principles

•Our Board and its committees, at their sole discretion, may hire independent advisers, including counsel, at the Corporation's expense

Over 100 years ago, we adopted the Gary Principles which were among the first Codes of Conduct adopted by a publicly traded company. The Gary Principles are still in place today, and we remain committed to enhancing our sustainable business practices and ensuring they are maintained in the future.

We also recognize that the earth is a shared and finite resource that we all must safeguard for generations to come. It is our commitment to sustainability that drives our operations to adopt management systems and best practices that foster continuous improvement in our processes, preserving vital resources and ensuring the future of the industry.

KEY EXECUTIVE COMPENSATION PROGRAM PRACTICES (PAGE 19)

The Compensation & Organization Committee (the "Committee"), which consists solely of independent directors, has implemented the following best practices with respect to executive compensation:

Compensation & Organization Committee Practices

P Considers the results of the most recent say-on-pay advisory vote by stockholders and has implemented proactive communications with stockholders to gain input and feedback when making executive compensation decisions

P Undertakes a goal setting process that is used to arrive at rigorous short- and long-term performance goals under our incentive plans that are aligned to key corporate strategic and financial goals

P Engages in a robust CEO performance evaluation process

P Engages and consults with its own independent compensation consultant

P Has established formal selection criteria for the compensation peer group and annually reviews peer group composition

P Annually reviews tally sheets analyzing executive compensation levels and structures, including amounts payable in various termination scenarios

P Annually reviews the risks associated with our compensation programs and has implemented various risk mitigating practices and policies, such as:

  P Targeting the majority of our executives' compensation in long-term performance based compensation using multiple equity and cash vehicles

  P Implementing rigorous executive stock ownership and holding requirements

  P Utilizing multiple performance measures that focus on company-wide metrics and placing a cap on potential incentive payments

P Our Change in Control Severance Plan establishes a "double trigger," requiring participants to be terminated without "cause," or voluntarily "for good reason" following a change in control prior to receipt of any payment of severance benefits

P Maintains a "clawback" policy that applies to executive officers and provides for the recoupment of incentive awards under certain conditions in the event the Corporation's financial statements are restated

P Maintains Anti-Hedging and Pledging Policies that prohibit all employees and directors from engaging in any transaction that is designed to hedge or offset any decrease in our stock price and prohibits executive officers and directors from pledging our stock as collateral for a loan or holding shares in a margin account

P No payment of tax gross-ups to any executives for any payments relating to a change in control

proxy summary

CARNEGIE WAY AND 2015 HIGHLIGHTS AND ACCOMPLISHMENTS (PAGE 19)

The Carnegie Way: Earning the Right to Grow and Driving Sustainable, Profitable Growth

In 2013, our CEO Mario Longhi launched a transformational process called the "Carnegie Way," named for our co-founder and famous American industrialist Andrew Carnegie. The Carnegie Way is a strategic, disciplined approach to transforming the organization for the new realities of the marketplace. The Corporation is realizing the benefits of the Carnegie Way today by doing ordinary things extraordinarily well. In the more than two years since the launch of this Board-approved program, the Carnegie Way has driven a dramatic shift in the Corporation that is enabling us to withstand the current and prolonged downturn in steel prices, that we believe will position us for success in a market recovery. With a more intense focus on cash flow and a strong balance sheet, and a revised approach to how we view shipment volume and production, the Corporation is working through a series of transformational initiatives that we believe will enable us to more effectively add value, get leaner faster, right-size our operations, and improve our performance across core business process capabilities, including commercial, supply chain, manufacturing, procurement, innovation, and operational and functional support.

2015 Highlights and Accomplishments

2014 was U. S. Steel's first profitable year since 2008. Our financial results decreased meaningfully in 2015 as compared to 2014. Macroeconomic factors created market challenges for the Corporation that negatively affected revenues, earnings and stock price in 2015. Despite these difficult conditions, our focus on what we can control was a significant contributor to 2015 results and helped to mitigate many of the negative effects of the challenging economic environment. Benefits from our Carnegie Way transformation efforts continue to grow and include cost reductions, improving the flexibility and reliability of our operations, and working more closely with our customers to create differentiated and value enhancing solutions.

The Carnegie Way helped to generate $815 million in performance improvements in 2015, partially mitigating a $5.9 billion decrease in revenue resulting from significantly declined

steel prices as well as low oil prices and corresponding low oil rig counts. We believe that without the benefits realized through our Carnegie Way initiatives in 2014 and 2015, the Corporation would have been much more negatively impacted by market headwinds, including high levels of imports and low global commodity prices.

We are proud to report the following highlights and accomplishments achieved in 2015:

- Realized $815 million of Carnegie Way benefits in 2015, up significantly from the $575 million we realized in 2014
- Ended 2015 with positive operating cash flow of $359 million and adjusted EBITDA of $202 million despite the nearly 50% drop in the price of steel from 2014
- Strong year-end liquidity at approximately $2.4 billion

proxy summary

- Repayment of almost $380 million of long-term debt to end the year with a debt balance of approximately $3.2 billion and cash on hand of $755 million, representing a roughly 29% reduction in net debt since 2012
- Aggressive actions to reduce production in line with customer order rates resulted in short-term benefits in excess of $300 million
- Led the steel industry's efforts to strengthen and enforce trade laws against unfairly traded imports through new legislation and a series of trade cases
- Successful negotiation of three-year collective bargaining agreements with the United Steelworkers ("USW") affecting approximately 18,000 USW-represented employees
- Achieved significant safety improvements, including record low levels in our global OSHA recordable injury rate and global days away from work injuries

A Note About the Global Steel Market and American Manufacturing

Our achievements in 2015 were commendable given the unprecedented wave of economic and marketplace challenges facing the Corporation and the domestic steel industry. 2014 marked the first year we earned an economic profit in six years. This bright spot for our Corporation ended abruptly in 2015 when commodity (notably oil) prices caused a precipitous drop in demand for our products. In addition to economic challenges confronting our customers, domestic steel manufacturers continued to face a torrent of low-cost steel imports that are subsidized by foreign governments in violation of U.S. trade

laws. The persistent presence of these low-cost and potentially inferior imports not only puts undue pressure on the American manufacturing sector and job market, but also is hazardous to long-term sustainable business practices and represents a very real threat to our country's national security and infrastructure. The executive team at U. S. Steel leads the industry in lobbying our nation's government to enforce fair trade laws and safeguard the sustainable business practices that are the hallmark of the American steel industry, a critical component of the American manufacturing sector.

PROXY STATEMENT TABLE OF CONTENTS

PROPOSAL 1: ELECTION OF DIRECTORS

U. S. Steel's classified board structure is currently being phased out over a three-year period, which began at the 2014 annual meeting of stockholders. At the 2016 Annual Meeting, eight directors and one non-director nominee are up for election. Of the current directors nominated for election, three were previously Class III directors, four were elected last year for a one-year term, and one joined the Board on March 1, 2016. Each nominee will be elected to serve until our next annual meeting of stockholders. All of the nominees, except Mr. Girsky, are presently members of the Board of Directors. The Board is recommending that all nine nominees be elected.

Except in the case of contested elections, each director nominee is elected if a majority of the votes are cast for that director's election. The term "a majority of the votes cast" means that the number of votes cast "for" a director's election exceeds the number of votes cast "against" the director's election, with abstentions and broker non-votes not counted as votes cast either "for" or "against" the director's election. A "contested election" is one in which the number of nominees exceeds the number of directors to be elected at the meeting.

If a nominee who is currently serving as a director is not re-elected, Delaware law provides that the director would continue to serve on the Board until the director's successor is duly elected and qualified or until the director's earlier resignation or removal. Under our by-laws, in order for any incumbent director to become a nominee for election by the stockholders as a director, that director must tender an irrevocable offer to resign from the Board of Directors, contingent upon acceptance of such offer of resignation by the Board of Directors, if the director fails to receive a majority of the votes

cast in an election that is not a contested election. If an incumbent director fails to receive a majority of the votes cast in an election that is not a contested election, the Corporate Governance & Public Policy Committee, or such other independent committee designated by the Board of Directors, must make a recommendation to the Board of Directors as to whether to accept or reject the offer of resignation of the incumbent director, or to take other action.

The Board of Directors must act on the offer of resignation, taking into account the committee's recommendation, within 90 days following certification of the election results. Each of the Corporate Governance & Public Policy Committee, in making its recommendation, and the Board of Directors, in making its decision, may consider such factors and other information as it may consider appropriate and relevant to the circumstances.

A brief statement about the background and qualifications of each nominee and each continuing director is provided on the following pages. No director has a familial relationship to any other director, nominee for director or executive officer. The independence of Board members and other information related to the Board of Directors is described under the heading, "Corporate Governance – Independence" in this proxy statement.

If any nominee for whom you have voted becomes unable to serve, your proxy may be voted for another person designated by the Board.

The Board recommends a vote "FOR" the election of each nominee.

Criteria For Selection of Board Nominees

The Corporate Governance & Public Policy Committee is responsible for identifying nominees for election to the Board. The Corporate Governance & Public Policy Committee may consider nominees suggested by several sources, including outside search firms, incumbent Board members and stockholders.

As provided in its charter, the Corporate Governance & Public Policy Committee seeks candidates with experience and abilities relevant to serving as a director of the Corporation and who will represent the best interests of stockholders as a whole, and not any specific interest group or constituency.

The Corporate Governance & Public Policy Committee, with input from the Chairman of the Board and other directors, evaluates the qualifications of each director candidate in accordance with the criteria described in the director qualification standards section of our Corporate Governance Principles. In evaluating the qualifications of director nominees, the Corporate Governance & Public Policy Committee considers factors including, but not limited to, the following:

Independence. Directors should neither have, nor appear to have, a conflict of interest that would impair the director’s ability to represent the interests of all the Corporation’s stakeholders and to fulfill the responsibilities of a director.

Commitment. Directors should be able to contribute the time necessary to be actively involved in the Board and its decision-making and should be able and willing to prepare for and attend Board and Committee meetings.

Diversity. Though the Board does not have a formal policy regarding the consideration of diversity in identifying nominees for director, directors should be selected so that the Board represents diverse experience at various policy making and executive levels in business, government, education and in industries that are relevant to the Corporation’s business operations. The Board considers the term “diversity” to include differences of viewpoint, professional experience, veteran status, education, skill and other individual qualities and attributes that contribute to board heterogeneity as well as differences in race and gender.

Experience. Directors should be or have been in leadership positions in their field of endeavor and have a record of excellence in that field.

Integrity. Directors should have a reputation of integrity and be of the highest ethical character.

Judgment. Directors should have the ability to exercise sound business judgment on a large number of matters.

Knowledge. Directors should have a firm understanding of business strategy, corporate governance and board operations and other relevant business matters.

Skills. Directors should be selected so that the Board has an appropriate mix of skills in critical core areas, including, but not limited to: accounting, compensation, finance, government relations, legal, management, risk oversight and strategic planning.

The Corporate Governance & Public Policy Committee and the Board may take into account such other factors they consider

to be relevant to the success of a publicly traded company operating in the steel industry. As part of the annual nomination process, the Corporate Governance & Public Policy Committee reviews the qualifications of each director nominee, including currently serving Board members, and reports its findings to the Board. On February 23, 2016, the Corporate Governance & Public Policy Committee determined that each Board member satisfied the criteria described above and advised the Board that each of the director nominees listed under “Proposal 1: Election of Directors” was qualified to serve on the Board.

The director selection criteria described above are evaluated by the Corporate Governance & Public Policy Committee each time a new candidate is considered for Board membership. In addition, the Board of Directors conducts a thorough self-evaluation annually. This evaluation includes an assessment of whether the Board (i) has the appropriate mix of skills, experience and other characteristics, and (ii) is made up of a sufficiently diverse group of people.

Stockholder Recommendations

The Corporate Governance & Public Policy Committee will consider director nominees recommended by stockholders. Notice of such recommendation should be sent in writing to the Chair of the Corporate Governance & Public Policy Committee, c/o the Corporate Secretary of United States Steel Corporation, 600 Grant Street, Suite 1500, Pittsburgh, PA 15219. The recommendation must include: (i) the candidate’s name, address, occupation and share ownership; (ii) any other biographical information that will enable the Corporate Governance & Public Policy Committee to evaluate the candidate in light of the criteria described above; and (iii) information concerning any relationship between the candidate and the stockholder making the recommendation. The recommendation must also identify the writer as a

stockholder of the Corporation and provide sufficient detail for the Corporate Governance & Public Policy Committee to consider the recommended individual’s qualifications. The Corporate Governance & Public Policy Committee will evaluate the qualifications of candidates recommended by stockholders using the same criteria as used for other Board candidates.

Under the collective bargaining agreement with the United Steelworkers (the "USW"), the USW has the ability to recommend up to two individuals to be considered for Board membership. The agreement recognizes that every director has a fiduciary duty to the Corporation and all of its stockholders, and that each individual recommended by the USW must meet the criteria described above.

Director Nominees

For purposes of the upcoming annual meeting, the Corporate Governance & Public Policy Committee has recommended the election of each nominee as a director. Each nominee has informed the Board that he or she is willing to serve as a director. If any nominee should decline or become unable or unavailable to serve as a director for any reason, your proxy authorizes the persons named in the proxy to vote for a replacement nominee, if the Board names one, as such persons determine in their best judgment.

It is the intention of the proxyholders to vote proxies for the election of the nominees named in this proxy statement, unless such authority is withheld.

The following is a brief description of the age, principal occupation, position and business experience, including other public company directorships, for at least the past five years, and major affiliations of each of the nominees. Each nominee's biographical information includes a description of the director's experience, qualifications, attributes and skills that qualify him or her to serve on the Board.

Election of Directors

The Board of Directors recommends a vote
“FOR” the election of each of the following 2016 Director Nominees for a one-year term:

PATRICIA DIAZ DENNIS
AGE: 69
OCCUPATION: Retired Senior Vice President and Assistant General Counsel, AT&T
DIRECTOR SINCE: 2015
BOARD COMMITTEES: Corporate Governance & Public Policy and Compensation & Organization
OTHER BOARDS: Massachusetts Mutual Life Insurance Company, Entravision Communication Corporation

Patricia Diaz Dennis graduated from the University of California Los Angeles and received her law degree from the Loyola Law School of Loyola Marymount University. Ms. Dennis has held three Senate-confirmed federal government appointments. Former President Ronald Reagan named her to the National Labor Relations Board in 1983 and appointed her as a commissioner of the Federal Communications Commission three years later. After becoming partner and head of the communications section of Jones, Day, Reavis & Pogue, Ms. Dennis returned to public service in 1992 when former President George H. W. Bush appointed her Assistant Secretary of State for Human Rights and Humanitarian Affairs. Ms. Dennis served in a variety of executive positions with SBC Communications, Inc., which later became AT&T, including General Counsel and Secretary of SBC West from May 2002 until August 2004 and Senior Vice President and Assistant General Counsel of AT&T from 2004 to 2008. Ms. Dennis currently serves on the boards of Massachusetts Mutual Life Insurance Company and Entravision Communication Corporation. She also is a trustee of the NHP Foundation and a member of the Advisory Board for LBJ Family Wealth Advisors.

Particular experience, attributes or skills that qualify candidate for Board membership: Ms. Dennis’ legal expertise and federal government public service contributes to her skills in the areas of risk management, compliance, internal controls, and legislative and administrative issues. Additionally, her National Labor Relations Board experience brings significant union relations insight and expertise to the Board. These factors, along with her long record of demonstrated executive leadership and integrity, provides valued insight and perspective to Board deliberations and in the oversight of the Corporation’s operations. Ms. Dennis’ experience on the board of directors of a large insurance firm also demonstrates her knowledge of complex financial and operational issues. Ms. Dennis’ appointments to three federal government positions provide her with unique insight with respect to regulatory and public policy matters, both of which strengthen the Board’s collective knowledge, capabilities and experience.

DAN O. DINGES
AGE: 62
OCCUPATION: Chairman, President and Chief Executive Officer, Cabot Oil & Gas Corporation
DIRECTOR SINCE: 2010
BOARD COMMITTEES: Audit and Compensation & Organization
OTHER BOARDS: Spitzer Industries, Inc., Cabot Oil & Gas Corporation

Dan O. Dinges graduated from The University of Texas with a Bachelor of Business Administration degree in Petroleum Land Management. Mr. Dinges began his career with Mobil Oil Corporation in 1978. From 1981 to 2001, Mr. Dinges worked in a variety of management positions with Samedan Oil Corporation, a subsidiary of Noble Affiliates, Inc. (now Noble Energy Inc.). In September 2001, Mr. Dinges joined Cabot Oil & Gas Corporation as its

President and Chief Operating Officer, and assumed his current position as Chairman, President and Chief Executive Officer in May 2002. In May 2015, Mr. Dinges was appointed chairman of the American Exploration & Production Council, a national trade association representing 31 of America's premier independent natural gas and oil exploration and production companies. He also served on the executive committee of America's Natural Gas Alliance (in December 2015, ANGA merged into API, American Petroleum Institute). Mr. Dinges serves on the boards of directors of Spitzer Industries, Inc., American Petroleum Institute, the American Exploration & Production Council, the Foundation for Energy Education, Houston Methodist Hospital Research Institute, Boy Scouts of America, and Palmer Drug Abuse Program. Mr. Dinges previously served on the board of directors of Lone Star Technologies, Inc. Mr. Dinges is also a member of the All-American Wildcatters Association.

Particular experience, attributes or skills that qualify candidate for Board membership: Mr. Dinges has substantive experience in managing and overseeing strategic and operational matters as a result of his service as Chairman, President and Chief Executive Officer of Cabot Oil & Gas Corporation. Mr. Dinges also possesses knowledge of and insight into the steel industry through his prior service as a director of Lone Star Technologies, Inc. In addition, he provides the Board with an insightful perspective regarding the energy industry, an important supplier to, and customer of, the Corporation. Mr. Dinges' experience as Chairman, President and Chief Executive Officer of Cabot Oil & Gas Corporation demonstrates his leadership capability and general business acumen.

Election of Directors

2016 Director Nominees - continued

JOHN G. DROSDICK
AGE: 72
OCCUPATION: Retired Chairman, Chief Executive Officer and President, Sunoco, Inc.
DIRECTOR SINCE: 2003
BOARD COMMITTEES: Compensation & Organization (Chair)
OTHER BOARDS: Triumph Group, Inc.

John G. Drosdick graduated from Villanova University with a Bachelor of Science degree in chemical engineering and received a Master's degree in chemical engineering from the University of Massachusetts. From 1968 to 1983, Mr. Drosdick worked in a wide variety of management positions with Exxon Corporation. He was named President of Tosco Corporation in 1987 and President of Ultramar Corporation in 1992. In 1996, Mr. Drosdick became President and Chief Operating Officer of Sunoco and was elected Chairman and Chief Executive Officer in May 2000. He retired from his positions as Chief Executive Officer and President of Sunoco effective as of August 8, 2008 and as Chairman of Sunoco effective as of December 31, 2008. Mr. Drosdick is Chairman of the board of trustees of the PNC Funds and PNC Advantage Funds and a director of Triumph Group, Inc. Mr. Drosdick previously served on the boards of directors of H.J. Heinz Co., Lincoln National Corporation and Sunoco Logistic, Inc.

Particular experience, attributes or skills that qualify candidate for Board membership: Mr. Drosdick has valuable experience in managing the many complex issues large public companies face. In addition, he provides the Board with knowledge and insight regarding the energy industry, an important supplier to, and customer of, the Corporation. He also has experience in the chemicals and coke industries. Mr. Drosdick has valuable experience in managing critical operational, financial and strategic matters as a result of his service as Chairman and Chief Executive Officer of Sunoco, Inc.

JOHN J. ENGEL
AGE: 54
OCCUPATION: Chairman, President and Chief Executive Officer, WESCO International, Inc.
DIRECTOR SINCE: 2011
BOARD COMMITTEES: Audit (Chair)
OTHER BOARDS: WESCO International, Inc.

John J. Engel graduated from Villanova University in 1984 with a Bachelor of Science degree in mechanical engineering. He received his Master of Business Administration from the University of Rochester in 1991. Mr. Engel has served as Chairman, President and Chief Executive Officer of WESCO International, Inc. since 2011. Previously, at WESCO International, Inc., Mr. Engel served as President and Chief Executive Officer from 2009 to 2011, and Senior Vice President and Chief Operating Officer from 2004 to 2009. Before joining WESCO in 2004, Mr. Engel served as Senior Vice President and General Manager of Gateway, Inc.; Executive Vice President and Senior Vice President of Perkin Elmer, Inc.; and Vice President and General Manager of Allied Signal, Inc. Mr. Engel also held various engineering, manufacturing and general management positions at General Electric Company. Mr. Engel is a member of the Business Roundtable and the Business Council, and is a member of the board of directors of the National Association of Manufacturers.

Particular experience, attributes or skills that qualify candidate for Board membership: As a result of his service as Chairman, President and Chief Executive Officer of WESCO International, Inc. and working in a diverse range of industries, Mr. Engel has skills and valuable experience managing the significant operational and financial issues that the Corporation is likely to face. Further, Mr. Engel's demonstrated business acumen, strategic planning and risk oversight experience makes him a valued member of our Board.

Election of Directors

2016 Director Nominees - continued

MARIO LONGHI
AGE: 61
OCCUPATION: President and Chief Executive Officer, United States Steel Corporation
DIRECTOR SINCE: 2013

Mario Longhi received a Bachelor's degree in metallurgical engineering from the Institute Mauáde Tecnologica in São Paulo, Brazil in 1977. He joined Alcoa, Inc. in 1982 where he served until 2005 in a variety of senior management positions. He was President of Gerdau Ameristeel Corporation from 2005 to 2006 and President and Chief Executive Officer from 2006 to 2011. Mr. Longhi was elected Executive Vice President and Chief Operating Officer of United States Steel Corporation in July 2012; President and Chief Operating Officer in June 2013; and President & Chief Executive Officer and a Director in September 2013.

Particular experience, attributes or skills that qualify candidate for Board membership: As the President and Chief Executive Officer, Mr. Longhi is responsible for all of the business and corporate affairs of U. S. Steel. His diverse experience and deep knowledge of the steel industry is crucial to the Corporation's strategic planning and operational success. As the only employee-director on the Board, Mr. Longhi is able to provide the Board with an "insider's view" of what is happening in all facets of the Corporation. He shares not only his vision for the Corporation, but also his hands- on experience as a result of his daily management of the Corporation and constant communication with employees at all levels. His insider's perspective provides the Board with invaluable information necessary to direct the business and affairs of the Corporation.

PAUL A. MASCARENAS
AGE: 54
OCCUPATION: Retired Chief Technical Officer and Vice President, Ford Motor Company
DIRECTOR SINCE: 2016
OTHER BOARDS: ON Semiconductor Corp., Mentor Graphics, Inc.

Paul A. Mascarenas received a degree in mechanical engineering from University of London, King's College in England and in June 2013, received an honorary doctorate degree from Chongqing University in China. Mr. Mascarenas currently serves as President and Chairman of the Executive Board of FISITA (Fédération Internationale des Sociétés d'Ingénieurs des Techniques de l'Automobile). Previously, Mr. Mascarenas worked for 32 years at Ford Motor Company, holding various development and engineering positions, and most recently serving as Chief Technical Officer and Vice President, leading Ford's worldwide research organization, overseeing the development and implementation of the company's technology strategy and plans. Mr. Mascarenas is a fellow of the Institution of Mechanical Engineers, and a fellow of the Society of Automotive Engineers. He served as general chairperson for the 2010 SAE World Congress and Convergence and has served on the FISITA board since 2012. Mr. Mascarenas also currently serves on the board of directors at ON Semiconductor and Mentor Graphics, Inc. and is a Special Venture Partner with Fontinalis Partners. In 2015, he was awarded an Order of the British Empire (OBE) by Her Majesty, Queen Elizabeth II, for his services to the automotive industry.

Particular experience, attributes or skills that qualify candidate for Board membership: Mr. Mascarenas' long career at Ford provided him with extensive experience in product development, program management and business leadership, as well as experience working in an international forum. Mr. Mascarenas also brings to the Board insight and expertise related to the automotive industry. This experience, along with Mr. Mascarenas' record of demonstrated executive leadership, indicate that he will provide valued insight and perspective to Board deliberations and in the oversight of the Corporation's operations. Mr. Mascarenas' service on the board of directors of a Fortune 1000 semiconductors supplier company also demonstrates his knowledge of complex financial and operational issues, all of which strengthen the Board's collective knowledge, capabilities and experience.

2016 Director Nominees - continued

ROBERT J. STEVENS
AGE: 64
OCCUPATION: Retired Chairman of the Board, President and CEO, Lockheed Martin Corporation
DIRECTOR SINCE: 2015
OTHER BOARDS: Monsanto Company

Robert J. Stevens is a summa cum laude graduate of Slippery Rock University, from which he received the Distinguished Alumni Award. He earned a Master's degree in engineering and management from the Polytechnic University of New York and, with a Fairchild Fellowship, earned a Master's degree in business from Columbia University. He is a graduate of the Department of Defense Systems Management College Program Management course and also served in the United States Marine Corps. Mr. Stevens is the former Chairman, President and Chief Executive Officer of Lockheed Martin Corporation. He was elected Chairman in April 2005 and served as Executive Chairman from January through December 2013. He also served as Lockheed Martin's Chief Executive Officer from August 2004 through December 2012. Previously, he held a variety of increasingly responsible executive positions with Lockheed Martin, including President and Chief Operating Officer, Chief Financial Officer, and head of Strategic Planning. Mr. Stevens is a member of the board of directors of the Congressional Medal of Honor Foundation, the Marine Corps Scholarship Foundation and the Atlantic Council, and is a member of the Council on Foreign Relations. He is a Fellow of the American Astronautical Society, the American Institute of Aeronautics and Astronautics (AIAA), the Royal Aeronautical Society, and the International Academy of Astronautics. He serves on President Obama's Advisory Committee for Trade Policy Negotiations and is Chairman of the Director of National Intelligence Senior Advisory Group.

Particular experience, attributes or skills that qualify candidate for Board membership: Mr. Stevens has valuable experience in managing the issues that face a publicly held company as a result of his service as Chairman, President and Chief Executive Officer of Lockheed Martin. Mr. Stevens has significant experience in program management, finance, manufacturing, and operations. Mr. Stevens' experience as Chief Executive Officer of a Fortune 100 company demonstrates his leadership capability, general business acumen and knowledge of complex financial and operational issues that large public companies face.

DAVID S. SUTHERLAND (CHAIRMAN)
AGE: 66
OCCUPATION: Retired President and Chief Executive Officer, IPSCO, Inc.
DIRECTOR SINCE: 2008
BOARD COMMITTEES: Corporate Governance & Public Policy and Audit
OTHER BOARDS: GATX Corporation, Imperial Oil, Ltd

David S. Sutherland earned a Bachelor of Commerce degree from the University of Saskatchewan and a Master of Business Administration from the University of Pittsburgh's Katz Graduate School of Business. Mr. Sutherland retired as President and Chief Executive Officer of the former IPSCO, Inc., a leading North American steel producer, in July 2007 after spending 30 years with the company and more than five as President and Chief Executive Officer. Mr. Sutherland became the independent Chairman of the Board of U. S. Steel on January 1, 2014. Mr. Sutherland is a director of GATX Corporation and Imperial Oil, Ltd. Mr. Sutherland is a former chairman of the American Iron and Steel Institute and served as a member of the boards of directors of IPSCO, Inc., ZCL Composites Inc., the Steel Manufacturers Association, the International Iron and Steel Institute, the Canadian Steel Producers Association and the National Association of Manufacturers.

Particular experience, attributes or skills that qualify candidate for Board membership: By virtue of his diverse background and experience, Mr. Sutherland has an extraordinarily broad and deep knowledge of the steel industry. As a former Chief Executive Officer, Mr. Sutherland understands the issues facing executive management of a major corporation. His prior experiences enable him to provide the Board with valuable insights on a broad range of business, social and governance issues that are relevant to large corporations.

Election of Directors

The following current Directors will stand for election in 2017:

MURRY S. GERBER
AGE: 63
OCCUPATION: Retired Chairman and Chief Executive Officer, EQT Corporation
DIRECTOR SINCE: 2012
BOARD COMMITTEES: Compensation & Organization and Audit
OTHER BOARDS: BlackRock, Inc., Halliburton Company

Murry S. Gerber received a Bachelor's degree in geology from Augustana College and a Master's degree in geology from the University of Illinois. From 1979 to 1998, Mr. Gerber served in a series of technical and management positions with Shell Oil Company, including Chief Executive Officer of Coral Energy, L.P. (now Shell Trading North America) from 1995 to 1998. Mr. Gerber served as Chief Executive Officer and President of EQT Corporation from June 1998 through February 2007; Chairman and Chief Executive Officer from May 2000 through April 2010; and Executive Chairman from April 2010 until May 2011. Mr. Gerber is also a member of the boards of directors of BlackRock, Inc. and Halliburton Company.

Particular experience, attributes or skills that qualify candidate for Board membership: Mr. Gerber has valuable experience in overseeing various managerial, financial and operational issues that face a publicly held company as a result of his service as Chairman and Chief Executive Officer of EQT Corporation. Mr. Gerber also provides the Board with knowledge and insight regarding the energy industry, an important supplier to, and customer of, the Corporation. Mr. Gerber's experience on the boards of directors of publicly held companies demonstrates his knowledge of complex strategic financial and operations matters.

GLENDA G. McNEAL
AGE: 55
OCCUPATION: Executive Vice President and General Manager - Global Client Group Merchant Services, American Express Company
DIRECTOR SINCE: 2007
BOARD COMMITTEES: Corporate Governance & Public Policy and Audit
OTHER BOARDS: RLJ Lodging Trust

Glenda G. McNeal received a Bachelor of Arts degree in Accounting from Dillard University and a Master of Business Administration in Finance from the Wharton School of the University of Pennsylvania. Ms. McNeal began her career with Arthur Andersen, LLP in 1982, and was employed by Salomon Brothers, Inc. from 1987 to 1989. In 1989, Ms. McNeal joined American Express Company and since that time has served in a series of increasingly responsible positions for that company. She assumed her current position in 2011. Ms. McNeal is a director of RLJ Lodging Trust and the UNCF.

Particular experience, attributes or skills that qualify candidate for Board membership: Ms. McNeal has significant and valuable experience in business development, customer relationship management, and financial matters as a result of her current position as a senior executive at American Express Company, along with her prior positions with Arthur Andersen, LLP and Salomon Brothers, Inc. In addition, she provides the Board with knowledge and insight regarding the financial services industry and financial markets. Ms. McNeal's considerable senior executive level experience in business and management provides her with an insightful perspective on strategic planning, risk oversight and operational matters that is valuable to our Board.

Election of Directors

The following current Directors will stand for election in 2017 - continued

PATRICIA A. TRACEY
AGE: 65
OCCUPATION: Vice President, Homeland Security and Defense Services, HP Enterprise Services
DIRECTOR SINCE: 2007
BOARD COMMITTEES: Corporate Governance & Public Policy (Chair) and Compensation & Organization

Vice Admiral Tracey holds a Bachelor of Arts degree in Mathematics from the College of New Rochelle and a Master of Science in Operations Research and Systems Analysis from the Naval Postgraduate School. From 1970 to 2004, Vice Admiral Tracey served in increasingly responsible operational and staff positions with the United States Navy, including Chief of Naval Education and Training from 1996 to 1998; Deputy Assistant Secretary of Defense (Military Personnel Policy) from 1998 to 2001; and Director, Navy Headquarters Staff from 2001 to 2004. Vice Admiral Tracey served as a consultant on decision governance processes to the United States Navy from 2004 to 2005 and to the Department of Defense from 2005 to 2006. She took a position as a Client Industry Executive for business development and performance improvement with Electronic Data System Corporation in 2006. Hewlett Packard Co. acquired Electronic Data Systems Corporation in August 2008. Vice Admiral Tracey assumed her current position as Vice President, Homeland Security and Defense Services with HP Enterprise Services in September 2012.

Particular experience, attributes or skills that qualify candidate for Board membership: As a result of her military service, Vice Admiral Tracey has valuable experience in governmental affairs, human resources, organizational and workforce development, occupational safety and environment compliance, and governance. She also provides the Board with knowledge and insight regarding information technology and information security and also brings experience in planning large-scale transformation, and in executing multi-year turnaround.

2016 Nominee - the following nominee is not currently on the Board. If elected, the nominee will join the Board effective April 26, 2016.

STEPHEN J. GIRSKY
AGE: 53
OCCUPATION: President, S. J. Girsky & Company
OTHER BOARDS: General Motors, Valens Semiconductor Ltd.

Stephen J. Girsky holds a Bachelor of Science degree in mathematics from the University of California at Los Angeles and a Master of Business Administration from the Harvard Business School. Mr. Girsky currently serves as President of S.J. Girsky & Company, an independent advisory firm. Mr. Girsky previously served as Vice Chairman for General Motors Company (GM) and Chairman of the Adam Opel AG Supervisory Board. Mr. Girsky has also been an advisor to the United Autoworkers Union. Prior to joining GM, Mr. Girsky held various roles at Centerbridge Industrial Partners, LLC and Morgan Stanley. Mr. Girsky has been a member of the GM Board of Directors since July 2009. Mr. Girsky is also a director at Valens Semiconductor Ltd. He also served as lead director of Dana Holdings Corp. from 2008 to 2009.

Particular experience, attributes or skills that qualify candidate for Board membership: Mr. Girsky’s long career at GM provided him with extensive experience in global corporate strategy, product development, program management, research and development and business leadership. Mr. Girsky also brings to the Board insight and expertise related to the automotive industry. This experience, along with Mr. Girsky’s expertise in finance, market and risk analysis and labor relations indicates that he will provide valued insight and perspective to Board deliberations and in the oversight of the Corporation’s operations. Mr. Girsky’s service on the Board of directors of a Fortune 100 company also demonstrates his knowledge of complex financial and operational issues, all of which strengthen the Board’s collective knowledge, capabilities and experience.

CORPORATE GOVERNANCE

Corporate governance is a continuing focus at U. S. Steel, embraced by the Board of Directors, management, and all employees. The Corporation has a long and rich tradition relating to corporate governance and public company disclosure. For example, U. S. Steel was one of the first publicly traded company in United States history to hold an annual meeting of stockholders and to publish an annual report.

In this section, we describe some of our key governance policies and practices.

GOVERNANCE PRACTICES

U. S. Steel is committed to maintaining the highest standards of corporate governance, which we believe are essential for sustained success and long-term stockholder value. In light of this goal, the Board oversees, counsels and directs management in the long-term interests of the Corporation, its stockholders and its customers. The Board's responsibilities include, but are not limited to:

- overseeing the management of our business and the assessment of our business risks;
- overseeing the processes for maintaining our integrity with regard to our financial statements and other public disclosures, and compliance with laws and ethical principles;
- reviewing and approving our major financial objectives and strategic and operating plans; and
- overseeing our talent management and succession planning for the CEO and other executives.

The Board discharges its responsibilities through regularly scheduled meetings as well as through telephonic meetings, actions by written consent and other communications with management as appropriate. U. S. Steel expects directors to attend all meetings of the Board and the Board committees upon which they serve, and all annual meetings of the Corporation's stockholders. During the fiscal year ended December 31, 2015, the Board held five meetings and all of the directors attended in excess of 75 percent of the meetings of the Board and the committees on which they served. All of the then-serving directors attended the 2015 Annual Meeting of Stockholders.

The Board has long adhered to governance principles designed to assure excellence in the execution of its duties and regularly reviews the Corporation's governance policies and practices. These principles are outlined in our Corporate Governance Principles, which in conjunction with our certificate of incorporation, by-laws, Board committee charters and related policies, form the framework for the effective governance of the Corporation.

The full text of the Corporate Governance Principles, by-laws, the charters for each of the Board committees, and the Corporation's Code of Ethical Business Conduct are available on the Corporation's website, www.ussteel.com. These materials are also available in print to any person, without charge, upon written request to:

Corporate Secretary
United States Steel Corporation
600 Grant Street, Suite 1500
Pittsburgh, PA 15219

BOARD LEADERSHIP STRUCTURE

The Board regularly considers the appropriate leadership structure for the Corporation. It has concluded that the Corporation and its stockholders are best served by the Board retaining discretion to determine whether the same individual should serve as both Chief Executive Officer and Chairman of the Board, or whether the Chairman of the Board should be an independent director. The Board believes that it is important to retain the flexibility to make this determination at any given point in time based on what it believes will provide the best leadership structure for the Corporation, taking into account the needs of the Corporation at that time. Due to the high level of transition in the Corporation's executive leadership and the dynamic business environment in 2013 and 2014, the Board chose to implement a non-executive, independent Chairman role in January 2014 to allow the Chief Executive Officer to strategically focus on the associated business challenges. David S. Sutherland currently serves as the independent Chairman of the Board.

If the Chairman of the Board is not independent, the independent directors annually elect from among themselves a Lead Director. The duties of the Lead Director are as follows:

- chair executive sessions of the non-employee directors;
- serve as a liaison between the Chief Executive Officer and the independent directors;
- approve Board meeting agendas and, in consultation with the Chief Executive Officer and the independent directors, approve Board meeting schedules to ensure there is sufficient time for discussion of all agenda items;
- approve the type of information to be provided to directors for Board meetings;
- be available for consultation and direct communication with the Corporation's stockholders;
- call meetings of the independent directors when necessary and appropriate; and
- perform other duties as the Board may from time to time designate.

If the Chairman of the Board is independent, the Chairman's duties also include the duties of the Lead Director.

BOARD COMMITTEES

Under our by-laws and the general corporation law of the State of Delaware, U. S. Steel's state of incorporation, the business and affairs of U. S. Steel are managed under the direction of the Board of Directors. The non-employee directors hold regularly scheduled executive sessions without management. The directors spend considerable time preparing for Board and committee meetings.

The Board has three principal committees, each of which is comprised exclusively of independent directors: (i) the Audit Committee; (ii) the Compensation & Organization

Committee; and (iii) the Corporate Governance & Public Policy Committee.

Each of these committees has a written charter adopted by the Board, which are available on the Corporation's website (www.ussteel.com). The committee charters are regularly reviewed and updated to incorporate best practices and prevailing governance trends. The charters of the Corporate Governance & Public Policy Committee and the Compensation & Organization Committee were revised in November 2015.

The table below shows the current committee memberships of non-employee directors:

Director	**Audit Committee**	**Compensation & Organization Committee**	**Corporate Governance & Public Policy Committee**
Patricia Diaz Dennis		X	X
Dan O. Dinges	X	X	
John G. Drosdick		X *	
John J. Engel	X *		
Murry S. Gerber	X	X	
Paul A. Mascarenas**			
Glenda G. McNeal	X		X
David S. Sutherland***	X		X
Robert J. Stevens****			
Patricia A. Tracey		X	X *

*Committee Chair.

**Mr. Mascarenas joined the Board on March 1, 2016 and has not yet been assigned to any committee.

***Chairman of the Board.

****Mr. Stevens is not a member of any standing committee. All members of standing committees must be "independent" as defined by New York Stock Exchange listing rules. Mr. Stevens is not deemed to be independent under these rules because our Executive Vice President and Chief Financial Officer served on the compensation committee of Lockheed Martin while Mr. Stevens was an executive there. Mr. Stevens will be deemed to be independent under these rules in January 2017.

Each committee may in its sole discretion, retain or obtain the advice of outside advisers, including any consultant, independent legal counsel or other adviser, at the Corporation's expense to assist the committee in fulfilling its

duties and responsibilities. The Board also has an Executive Committee consisting of Messrs. Sutherland and Longhi. The Executive Committee acts on, and reports to the Board on, matters that arise between Board meetings.

Audit Committee

Pursuant to its charter, the Audit Committee's duties and responsibilities include:

- reviewing and discussing with management and the independent registered public accounting firm matters related to the annual audited financial statements, quarterly financial statements, earnings press releases and the accounting principles and policies applied;
- reviewing and discussing with management and the independent registered public accounting firm matters related to the Corporation's internal controls over financial reporting;
- reviewing the responsibilities, staffing and performance of the Corporation's internal audit function;
- reviewing issues that arise with respect to the Corporation's compliance with legal or regulatory requirements and corporate policies dealing with business conduct;
- being directly responsible for the appointment (subject to stockholder ratification), compensation, retention, and oversight of the work of the Corporation's independent registered public accounting firm, while possessing the sole authority to approve all audit engagement fees and terms as well as all non-audit engagements with such firm; and
- discussing policies with respect to risk assessment and risk management.

The charter requires the Audit Committee to perform an annual self-evaluation, review its charter each year and meet at least five times each year. During the fiscal year ended December 31, 2015, the Audit Committee held five meetings.

The charter also requires the Audit Committee to be comprised of at least three directors, each of whom is independent and financially literate, and at least one of whom must have accounting or related financial management expertise. Under the charter, no director who serves on the audit committees of more than two other public companies may serve on the Audit Committee, unless the Board determines that such simultaneous service will not impair the ability of such director to effectively serve on the Audit Committee. No member of the Audit Committee serves on the audit committees of more than two other publicly traded companies. The Board has determined that John J. Engel, the Committee's chairman, Dan O. Dinges and Murry S. Gerber meet the SEC's definition of audit committee financial expert.

Compensation & Organization Committee

Pursuant to its charter, the Compensation & Organization Committee's duties and responsibilities include:

- determining and approving, with the Board, the CEO's compensation level based on the evaluation of the CEO's performance;
- approving the compensation of the "executive officers" of the Corporation as defined under Section 16 of the Securities Exchange Act of 1934;
- reviewing the Corporation's executive management succession plans annually with the Board;
- administering the plans and programs under which short-term and long-term incentives are awarded to executive officers and approving such awards;
- assessing whether the Corporation's compensation and organization policies and practices are reasonably likely to create a risk that could have a material adverse effect on the Corporation;
- considering the most recent stockholder advisory vote on executive compensation in connection with determining executive compensation policies and decisions;
- reviewing with management and recommending to the Board the Compensation Discussion and Analysis (CD&A) section of the proxy statement and producing the committee report for inclusion in the proxy statement; and
- adopting and amending certain employee benefit plans and designating participants therein.

The Compensation & Organization Committee has retained Pay Governance, LLC as its consultant to assist it in evaluating executive compensation. The consultant reports directly to the Compensation & Organization Committee. The Compensation & Organization Committee retains sole authority to hire the consultant, approve its compensation, determine the nature and scope of its services, evaluate its performance, and terminate its engagement. A representative of the consultant attended all meetings of the Compensation & Organization Committee in 2015.

The consultant provides various executive compensation services to the Compensation & Organization Committee, which generally include advising the Compensation & Organization Committee on the principal aspects of our executive compensation program and changing industry practices and providing market information and analysis regarding the competitiveness of our program design and our award values in relationship to their performance.

Corporate Governance

During 2015, the consultant performed the following specific services:

- provided presentations on executive compensation trends, and best practices and recent developments;
- prepared competitive assessments by position for each element of compensation and for compensation in the aggregate;
- reviewed drafts and commented on the CD&A and related compensation tables for the proxy statement;
- reviewed the peer group used for compensation benchmarking purposes and recommended changes, if appropriate; and
- attended executive sessions of the Compensation & Organization Committee.

The consultant provided no services to management during 2015.

The Compensation & Organization Committee has assessed the independence of the consultant pursuant to the listing standards of the New York Stock Exchange ("NYSE") and U.S. Securities and Exchange Commission ("SEC") rules and concluded that no conflict of interest exists that would prevent the consultant from serving as an independent consultant to the Compensation & Organization Committee.

The Compensation & Organization Committee also obtains input from the CEO with regard to compensation for other executives.

Our CEO recommends the level of base salary increase (if any), the annual incentive award, and the long-term incentive award value for all of our executive officers, including the other named executive officers. These recommendations are based upon his assessment of each executive officer's performance, the performance of the individual's respective business or function, and employee retention considerations. The Compensation & Organization Committee reviews our CEO's recommendations and approves any compensation changes affecting our Section 16 executive officers.

The Compensation & Organization Committee's charter requires the committee to perform a self-evaluation and charter review annually. The charter also requires that the committee be comprised of at least three directors, each of whom is independent.

During the fiscal year ended December 31, 2015, the Compensation & Organization Committee held six meetings. Committee agendas are established in consultation among management, the Committee chair and the Compensation & Organization Committee's independent compensation consultant. The Compensation & Organization Committee meets in executive session without management for at least a portion of each regular meeting.

In 2015, the Compensation & Organization Committee considered reports and analysis that it had requested of management and its independent consultant concerning risks associated with the Corporation's compensation and organization policies and practices.

Corporate Governance & Public Policy Committee

The Corporate Governance & Public Policy Committee serves as the Corporation's governance and nominating committee. Pursuant to its charter, the duties and responsibilities of this committee include:

- Identifying and evaluating nominees for director and selecting, or recommending that the Board select, the director nominees for the next annual meeting of stockholders;
- making recommendations to the Board concerning the appropriate size and composition of the Board and its committees;
- making recommendations to the Board concerning the compensation of non-employee directors;
- recommending to the Board a set of corporate governance principles applicable to the Corporation, reviewing such principles annually and recommending appropriate changes to the Board;
- reviewing relationships with, and communications to and from, the investment community, including the Corporation's stockholders;
- reviewing matters and discussing risk relating to legislative, regulatory and public policy issues affecting the Corporation's businesses and operations;
- reviewing and approving codes of conduct applicable to employees and principal operating units; and
- assessing and making recommendations concerning overall corporate governance to the extent specific matters are not the assigned responsibility of other board committees.

The Corporate Governance & Public Policy Committee's charter gives the committee the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms.

Under the charter, the Corporate Governance & Public Policy Committee must: (i) be comprised of at least three directors, each of whom is independent, and (ii) perform a self-evaluation and charter review annually. During the fiscal year ended December 31, 2015, the Corporate Governance & Public Policy Committee held five meetings.

BOARD'S ROLE IN RISK OVERSIGHT

Pursuant to its charter, the Audit Committee is responsible for reviewing and discussing the Corporation's policies with respect to the assessment of risks and risk management, including the following:

- the guidelines and policies that govern the process by which the assessment and management of the Corporation's exposure to risk are handled by senior management; and

the Corporation's major risk exposures and the steps management has taken to monitor and control such exposures. The Corporation's Internal Audit group provides regular reports to the Audit Committee on the results of various internal audit projects and provides recommendations for the enhancement of operational functions in order to reduce certain risks. Although the Audit Committee has primary responsibility for overseeing risk management, each of our other Board committees also considers the risks within their specific areas of responsibility. For example, the charter of the Compensation & Organization Committee gives it responsibility for assessing whether the Corporation's compensation and organization policies and practices for executives and non-executives are reasonably likely to create a risk that could have a material adverse effect on the Corporation. Pursuant to its charter, the Corporate Governance & Public Policy Committee considers the risks associated with legislative, regulatory and public policy issues affecting the Corporation's businesses and operations. Each committee regularly reports to the full Board on their respective activities, including, when appropriate, those activities related to risk assessment and risk management oversight.

The Board, as a whole, also considers risk assessment and risk management. For example, the Board annually reviews the Corporation's strategic plan which includes a review of risks related to: safety, environmental, operating and competitive matters; political and regulatory issues; employee and labor issues; and financial results and projections. Management regularly provides updates to the Board related to legal and compliance risks and cyber- security matters.

The Chief Risk Officer of the Corporation reports to the Executive Vice President and Chief Financial Officer and is responsible for the Corporation's financial and business risk management, including the assessment, analysis and monitoring of business risk and opportunities and the identification of strategies for managing risk. The Chief Risk Officer provides regular reports to the Audit Committee and Board of Directors on these matters.

The Corporation believes that its leadership structure, as described above, supports the Board's role in risk oversight.

INDEPENDENCE

The following non-employee directors are independent within the definitions of independence of both the NYSE listing standards and the SEC standards for Audit Committee members: Patricia Diaz Dennis, Dan O. Dinges, John G. Drosdick, John J. Engel, Murry S. Gerber, Paul A. Mascarenas, Glenda G. McNeal, David S. Sutherland and Patrlcia A. Tracey. The Corporation has also determined that Stephen J. Girsky satisfies the SEC and NYSE standards for independence. The Corporation has incorporated the NYSE and SEC independence standards into its own categorical standards for independence. Robert J. Stevens is not deemed to be independent under the rules of the NYSE because our current Executive Vice President and Chief Financial Officer was a member of the compensation committee of Lockheed Martin while Mr. Stevens was an executive officer there. Mr. Stevens will be deemed to be independent under these rules on January 1, 2017. The Board believes that Mr. Stevens has sufficient independence to perform his fiduciary responsibilities as a Board member and that his business acumen, strategic planning and risk oversight experience, in addition to his other skills and attributes, make him a valued member of the Board. Mr. Stevens does not sit on any of the committees of the Board, but is invited to attend all committee meetings. The Board has affirmatively determined that none of the directors or nominees for director, other than Mr. Longhi, has a material relationship with the Corporation. The Board made such determination based on all relevant facts and circumstances.

In making its determination of director independence, the Board of Directors considered the fact that U. S. Steel purchased certain goods and services from WESCO International, Inc. (WESCO) in 2015. Mr. Engel is the Chairman, President and Chief Executive Officer of WESCO. The Board determined that Mr. Engel did not have a direct or indirect material interest in these transactions and that the transactions were undertaken in the ordinary course of business. In addition, the value of materials purchased by U. S. Steel in 2015 was less than 2% of WESCO's annual gross revenues. As a result, the Board concluded that these transactions would not affect Mr. Engel's independence.

The Board affirmatively determined that each member of the Audit Committee: (i) did not accept directly or indirectly any consulting, advisory, or other compensatory fee from the Corporation or any of its subsidiaries, (ii) was not an affiliated person of the Corporation or any of its subsidiaries, and therefore (iii) satisfied the NYSE's enhanced independence standards for audit committee members.

The Board also determined that: (i) no member of the Compensation & Organization Committee has a relationship to the Corporation which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, and (ii) each member of the Compensation & Organization Committee therefore satisfies the independence requirements of NYSE listing standards.

DIRECTOR RETIREMENT POLICY

Our Corporate Governance Principles require any non-employee director to retire at the first annual meeting of stockholders after he or she reaches the age of 74, however, the Board can grant exceptions to this policy on a case-by-case basis.

Each employee director must retire from the Board when he or

she ceases to be an executive officer of the Corporation, except that the Chief Executive Officer may remain on the Board after retirement as an employee, at the Board's request, through the last day of the month in which he or she turns 70.

Our Corporate Governance Principles also provide that directors who undergo a significant change in their business or professional careers shall volunteer to resign from the Board.

Director Compensation

DIRECTOR COMPENSATION

Our Corporate Governance Principles provide that each non-employee director shall be paid compensation as the Board may determine from time to time. Directors who are employees of U. S. Steel receive no compensation for their service on the Board.

The objective of U. S. Steel's director compensation programs is to enable the Corporation to attract and retain as directors individuals of substantial accomplishment with demonstrated leadership capabilities. In order to align the interests of directors with the interests of stockholders, our non-employee directors participate in the Deferred Compensation Program for Non-Employee Directors and the Non-Employee Director Stock Program, each of which is described below.

Non-employee directors are paid an annual retainer fee of $200,000. Committee Chairs and the Chairman of the Board are paid an additional annual fee of $20,000 and $50,000, respectively.

No meeting fees or committee membership fees are paid.

Under our Deferred Compensation Program for Non-Employee Directors, each non-employee director is required to defer at least 50% of his or her retainer in the form of Common Stock Units and may elect to defer up to 100%. A Common Stock Unit

is what is sometimes referred to as "phantom stock" because initially no stock is actually issued. Instead, we keep a book entry account for each director that shows how many Common Stock Units he or she has. When a director leaves the Board, he or she receives actual shares of common stock corresponding to the number of Common Stock Units in his or her account. The ongoing value of each Common Stock Unit equals the market price of the common stock. When dividends are paid on the common stock, we credit each account with equivalent amounts in additional Common Stock Units. If U. S. Steel were to undergo a change in control resulting in the removal of a non-employee director from the Board, that director would receive a cash payment equal to the value of his or her deferred stock account.

Under our Non-Employee Director Stock Program, upon joining our Board, each non-employee director is eligible to receive a grant of up to 1,000 shares of common stock. In order to qualify, each director must first have purchased an equivalent number of shares in the open market during the 60 days following the first date of his or her service on the Board.

The following table sets forth certain information concerning the compensation of non-employee directors in 2015:

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash[1] ($)	Stock Awards[2][3] ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation[4] ($)	Total ($)
Patricia Diaz Dennis	100,000	124,290	0	0	0	224,290
Dan O. Dinges	50,000	150,000	0	0	0	200,000

John G. Drosdick	110,000	110,000	0	0	0	220,000
John J. Engel	110,000	110,000	0	0	0	220,000
Richard A. Gephardt	55,075	110,000	0	0	0	165,075
Murry S. Gerber	100,000	100,000	0	0	0	200,000
Thomas W. LaSorda	33,340	100,000	0	0	0	133,340
Charles R. Lee	56,573	100,000	0	0	10,000	166,573
Paul A. Mascarenas(5)	0	0	0	0	0	0
Glenda G. McNeal	100,000	100,000	0	0	0	200,000
Seth E. Schofield	56,561	100,000	0	0	20,000	176,561
Robert J. Stevens	0	223,530	0	0	0	223,530
David S. Sutherland	0	250,000	0	0	0	250,000
Patricia A. Tracey	106,667	106,667	0	0	0	213,334

(1) Messrs. Gephardt, LaSorda, Lee and Schofield retired from the Board of Directors effective as of April 28, 2015, and received a prorated amount of their annual cash retainer in the following amounts: Mr. Gephardt: $36,666.67; Mr. LaSorda: $33,333.33; Mr. Lee: $33,333.33; and Mr. Schofield: $33,333.33. The amounts shown also include cash paid in lieu of fractional shares upon retirement in the following amounts: Mr. Gephardt: $25.39; Mr. LaSorda: $7.10; Mr. Lee: $29.91; and Mr. Schofield: $17.49. The amounts for Messrs. Gephardt, Lee and Schofield also include cash paid in respect of a one-time grant made in 2005 payable in cash upon retirement in the following amounts: Mr. Gephardt: $18,382.65; Mr. Lee: $23,210.12; and Mr. Schofield: $23,210.12.

(2) The amount shown represents the aggregate grant date fair value, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (ASC 718), as described in the Corporation’s financial statements for the year ended December 31, 2015 included in the Corporation’s annual report on Form 10-K for 2015. All of the 2015 stock awards represent Common Stock Units under the Deferred Compensation Program for Non-Employee Directors, except in the case of: (i) Messrs. LaSorda, Gephardt, Lee and Schofield whose common stock units were converted into shares of common stock upon their retirement; (ii) Ms. Dennis, where $100,000 represents Common Stock Units under the Deferred Compensation Program for Non-Employee Directors and $24,290 represents shares awarded under the Non-Employee Director Stock Program; and (iii) Mr. Stevens, where $200,000 represents Common Stock Units under the Deferred Compensation Program for Non-Employee Directors and $23,530 represents shares awarded under the Non-Employee Director Stock Program.

(3) The aggregate stock awards outstanding at the end of 2015 for each director listed in the table represent Common Stock Units under the Deferred Compensation Program for Non-Employee Directors.

(4) The amounts shown represent contributions made under the U. S. Steel Matching Gift program. Under this program, United States Steel Foundation, Inc. matches charitable contributions made by directors and employees to eligible organizations, subject to certain limitations and conditions as set forth in the program.

(5) Mr. Mascarenas joined the Board on March 1, 2016 and, therefore, received no compensation in 2015.

STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The Board has adopted stock ownership and holding requirements for executive officers. These requirements are described under the caption "A Culture of Ownership" in the Compensation Discussion and Analysis section of this proxy statement.

Non-employee directors are required to hold equity interests in the Corporation in the form of stock-based deferred compensation. This requirement is a part of our Corporate Governance Principles. Each non-employee director is required to defer at least 50% of his or her annual retainer as stock- based compensation under the Deferred Compensation Program for Non-Employee Directors. Amounts deferred are credited to the director's deferred stock account in the form of Common Stock Units. No amounts are paid to the director from the deferred stock account until the director leaves the Board, at which time he or she receives actual shares of common stock corresponding to the number of Common Stock Units in

his or her account. The Board and management believe that such deferral, by continually building each director's equity interest in the Corporation, provides a meaningful continued interest in the Corporation that is tied to the stockholders' interest because the stock issued upon a director's departure from the Board reflects all changes in the market value of U. S. Steel common stock from the date of deferral. Each non-employee director is in compliance with the requirement described in this paragraph.

The following table sets forth the number of shares of U. S. Steel common stock beneficially owned as of February 29, 2016 by each director and director nominee, by each executive officer named in the Summary Compensation Table and by all directors and executive officers as a group. No director or executive officer beneficially owned, as of the applicable date, any equity securities of U. S. Steel other than those shown.

Name	Shares Beneficially Owned*
David B. Burritt [(1)(3)]	320,330

Patricia Diaz Dennis (2)(3)	18,622
Dan O. Dinges (2)(3)	42,640
John G. Drosdick (2)(3)	47,481
John J. Engel (2)(3)	34,131
Suzanne R. Folsom (1)(3)	56,240
Murry S. Gerber (2)(3)	160,283
Stephen J. Girsky	0
Mario Longhi(1)(3)	557,007
Paul A. Mascarenas	0
Douglas R. Matthews (1)(3)	134,163
Glenda G. McNeal (2)(3)	37,016
Robert J. Stevens (2)(3)	35,245
David S. Sutherland (2)(3)	79,775
Patricia A. Tracey (2)(3)	38,243
Geoff M. Turk (1)(4)	72,216
All Directors and Executive Officers as a group (20 persons) (1)(2)(3)	1,920,280

* Does not include fractional shares.

(1) Includes shares which may be acquired upon exercise of outstanding options which are or will become exercisable within 60 days of February 29, 2016 in the following amounts: Mr. Burritt: 136,913; Ms. Folsom: 30,279; Mr. Longhi: 316,173; Mr. Matthews: 83,790; Mr. Turk: 14,644; and all executive officers as a group: 746,034.

(2) Includes those Common Stock Units granted under the Deferred Compensation Program for Non-Employee Directors that are convertible into shares of common stock upon departure from the Board in the following amounts: Ms. Diaz Dennis: 16,681; Mr. Dinges: 40,947; Mr. Drosdick: 46,804; Mr. Engel: 32,390; Mr. Gerber: 26,216; Ms. McNeal: 35,299; Mr. Stevens: 33,361; Mr. Sutherland: 78,368; Vice Admiral Tracey: 36,809; and all directors as a group: 276,705.

(3) The total number of shares beneficially owned by all directors and executive officers as a group constitutes approximately 1.31% of the outstanding shares of common stock of U. S. Steel.

(4) Shares beneficially owned by Mr. Turk are reported based on amounts known by the Corporation as of January 31, 2016, the last day of Mr. Turk's employment with the Corporation.

COMMUNICATIONS FROM STOCKHOLDERS AND INTERESTED PARTIES

Stockholders and interested parties may send communications through the Secretary of the Corporation to the: (1) Board, (2) Committee Chairs, (3) Chairman of the Board or the Lead Director, or (4) outside directors as a group. The Secretary will collect, organize and forward to the directors all communications that are appropriate for consideration by the directors. Examples of communications that would not be considered appropriate for

consideration by the directors include solicitations for products or services, employment matters, and matters not relevant to stockholders, to the functioning of the Board, or to the affairs of the Corporation. The Secretary of the Corporation may be contacted at: Corporate Secretary, United States Steel Corporation, 600 Grant Street, Suite 1500, Pittsburgh, PA 15219.

POLICY WITH RESPECT TO RELATED PERSON TRANSACTIONS

The Board of Directors of the Corporation has adopted a written policy that requires certain transactions with related persons to be approved or ratified by its Corporate Governance & Public Policy Committee. For purposes of this policy, related persons include: (i) any person who is, or at any time since the beginning of the Corporation's last fiscal year was, a director or executive officer of the Corporation or a nominee to become a director of the Corporation; (ii) any person who is the beneficial owner of more than 5% of any class of the Corporation's voting securities; and (iii) any immediate family member of any person described in (i) or (ii). The types of transactions that are subject to this policy are transactions, arrangements or relationships (or any series of similar transactions, arrangements or relationships) in which the Corporation, or any of its subsidiaries, was, is or will be a participant and in which any related person had, has or will have a direct or indirect material interest and the aggregate amount involved will or may be expected to exceed $120,000. The standards applied by the Corporate Governance & Public Policy Committee when reviewing transactions with related persons include: (a) the benefits to the Corporation of the transaction; (b) the terms and conditions of the transaction and whether such terms and conditions are comparable to the terms available to an unrelated third party or to employees generally; and (c) the potential for the transaction to affect the independence or judgment of a director or executive officer of the Corporation. Under the policy, certain transactions are deemed to be automatically pre-approved and do not need

to be brought to the Corporate Governance & Public Policy Committee for individual approval. The transactions which are automatically pre-approved include: (i) transactions involving compensation to directors and executive officers of the type that is required to be reported in the Corporation's proxy statement; (ii) indebtedness for ordinary business travel and expense payments; (iii) transactions with another company at which a related person's only relationship is as an employee (other than an executive officer), a director or beneficial owner of less than 10 percent of any class of equity securities of that company, provided that the amount involved does not exceed the greater of $1,000,000 or 2% of that company's consolidated gross annual revenues; (iv) transactions where the interest of the related person arises solely from the ownership of a class of equity securities of the Corporation, and all holders of that class of equity securities receive the same benefit on a pro rata basis; (v) transactions where the rates or charges involved are determined by competitive bid; (vi) transactions involving the rendering of services as a common or contract carrier or public utility at rates or charges fixed in conformity with law or governmental regulation; and (vii) transactions involving services as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture or similar services.

There were no transactions that required approval of the Corporate Governance & Public Policy Committee under this policy during 2015.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under Section 16(a) of the Securities Exchange Act of 1934, our directors and executive officers and persons holding more than ten percent of any class of our equity securities, are required to file with the SEC initial reports of their ownership of our common stock and reports of changes in such ownership. To our

knowledge, based on information furnished to us, there were no late filings by any U. S. Steel directors, executive officers or other persons subject to Section 16(a) of the Securities Exchange Act of 1934 required to be disclosed in this proxy statement.

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

Pursuant to Section 14A of the Securities Exchange Act of 1934, we are seeking an advisory vote from our stockholders on the following resolution to approve the compensation of the named executive officers (NEOs) listed in the compensation tables of this proxy statement:

RESOLVED, that the stockholders of United States Steel Corporation (the "Corporation") approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission in the Corporation's proxy statement for the 2016 Annual Meeting of Stockholders, including the Compensation Discussion and Analysis, compensation tables and narrative discussions.

We intend to offer this non-binding advisory vote at each of our annual meetings. Although it is not binding, we and the Board welcome our stockholders' views on our NEOs' compensation and will carefully consider the outcome of this advisory vote consistent with the best interests of all stockholders.

Advisory Vote Discussion

At the 2015 Annual Meeting of Stockholders, approximately 94% of the votes cast were "For" our advisory vote on executive compensation, up from 78.5% in 2014. We attribute the increase in support to our robust engagement with stockholders and responsiveness to the feedback we heard. We continued this outreach in November and December 2015 by contacting stockholders representing approximately 50% of our outstanding shares and having conversations with stockholders representing approximately 43% of our outstanding stock. All of the stockholders provided positive feedback regarding recent changes to our executive

compensation program and support the pay-for-performance nature of our compensation program. The Compensation & Organization Committee considered this feedback when reviewing the incentive compensation programs for 2016.

In considering this advisory vote, we encourage you to read the Compensation Discussion and Analysis, the compensation tables and other relevant information in this proxy statement for additional details on our executive compensation programs and the 2015 compensation paid to our named executive officers.

The Board recommends that you vote "FOR" the resolution approving the compensation of our Named Executive Officers.

COMPENSATION & ORGANIZATION COMMITTEE REPORT

The Compensation & Organization Committee of the Board of Directors of the Corporation has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussion, the Compensation & Organization Committee recommended to the Board that the

Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Corporation's Annual Report on Form 10-K for the year-ended December 31, 2015.

John G. Drosdick, Chairman	
Patricia Diaz Dennis	Dan O. Dinges
Murry S. Gerber	Patricia A. Tracey

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis ("CD&A") contains a discussion of the material elements of compensation awarded to, earned by, or paid to the Corporation's "Named Executive

Officers" ("NEOs"), including our principal executive officer, the principal financial officer, and the next three most highly compensated executives of U. S. Steel in 2015.

U. S. Steel's Named Executive Officers in 2015

Mario Longhi	President & Chief Executive Officer
David B. Burritt	Executive Vice President & Chief Financial Officer
Suzanne R. Folsom	General Counsel, Chief Compliance Officer & Senior Vice President - Government Affairs
Douglas R. Matthews	Senior Vice President - Industrial, Service Center and Mining Solutions
Geoff M. Turk	Vice President - Service Center Solutions

Executive Summary

Our executive compensation program is designed to attract, reward and retain executives who make significant contributions through operational and financial achievements aligned with the goals and philosophy of our Carnegie Way transformation. The Compensation & Organization Committee (the "Committee") is guided by five compensation principles outlined on page 27 that support these objectives and reflect

a strong pay-for-performance culture. The structure of our compensation program and the pay outcomes for executives demonstrate our commitment to linking compensation to company performance and strategy.

The Carnegie Way: Earning the Right to Grow and Driving Sustainable Profitable Growth

In 2013, we initiated a transformational process called the Carnegie Way. This process provides the framework for a multiyear journey to return our company to iconic status and sustainable profitability. U. S. Steel, like the American steel industry in general, has faced difficult market conditions as a result of macroeconomic challenges, including significant reductions in the market price of steel, global overcapacity and record levels of unfairly traded imports, slow growth globally, a strong U.S. dollar, and markedly low energy prices.

The objective of the Carnegie Way is to focus our executives and employees throughout the organization on the factors we can control. This includes creating a lower and more flexible cost structure and building a more agile business model that will produce stronger and more consistent results across industry cycles to mitigate the financial impact of the volatility in our industry. We are focused on the development of differentiated, innovative products, processes and approaches to doing business-through a culture of collaboration, accountability and demonstrating results. Our executive compensation program aligns incentives with the Carnegie Way.

The Carnegie Way is our culture and the way we run the business. We focus on our strengths, how we can create the most value for our stockholders, and best serve our customers with committed and engaged executives and employees.

Our Leadership Team

Our success in this transformation and our ability to overcome current challenging market conditions is predicated on having the right leaders to guide the Corporation and successfully execute on our strategy so it is critical to attract and retain the highest level of executive talent. We believe we have the right leadership team, which includes highly experienced executives from both inside and outside of the steel industry, to lead the Corporation over the operational, market and regulatory hurdles facing our business.

The objectives of our executive compensation program are to: attract, reward and retain talented executives; focus our executives on the goals of our Carnegie Way transformation; and clearly and closely align company performance, using measureable financial metrics, with the long-term interests of stockholders. The Board and the Committee recognize the difficult circumstances our executives are facing in transforming the Corporation using the Carnegie Way process while confronting challenging headwinds and current steel overcapacity. In fulfilling our responsibility to both oversee and support the executive team, we take great effort to create a fair, competitive and attractive compensation program that satisfies these objectives. We believe both the structure of our compensation programs and the pay outcomes for executives demonstrate our strong commitment to linking compensation to company performance and strategy.

2015 Highlights and Accomplishments

2014 was U. S. Steel's first profitable year since 2008. Our financial results decreased meaningfully in 2015 as compared to 2014. The macroeconomic factors described earlier created market challenges for the Corporation that negatively affected revenues, earnings and stock price. Despite these difficult conditions, our focus on what we can control was a significant contributor to 2015 results and helped to mitigate many of the negative effects of the challenging economic environment. Benefits from our Carnegie Way transformation continue to grow and include cost reductions, improving the flexibility and reliability of our operations, and working more closely with our customers to create differentiated and value enhancing solutions.

The Carnegie Way helped to generate $815 million in performance improvements in 2015, partially mitigating a $5.9 billion decrease in revenue resulting from significantly declined steel prices as well as low oil prices and corresponding low oil rig counts. We believe that without the benefits realized through our Carnegie Way initiatives in 2014 and 2015, the Corporation would have been much more negatively impacted by market headwinds including high levels of imports and low global commodity prices.

We are proud to report the following highlights and accomplishments achieved in 2015:

- Realized $815 million of Carnegie Way benefits in 2015, up significantly from the $575 million we realized in 2014
- Ended 2015 with positive operating cash flow of $359 million and adjusted EBITDA of $202 million despite the nearly 50% drop in the price of steel from 2014
- Strong year-end liquidity at approximately $2.4 billion
- Repayment of almost $380 million of long-term debt to end the year with a debt balance of approximately $3.2 billion and cash on hand of $755 million, representing a roughly 29% reduction in net debt since 2012
- Aggressive actions to reduce production in line with customer order rates resulted in short-term benefits in excess of $300 million
- Led the steel industry's efforts to strengthen and enforce trade laws against unfairly traded imports through new legislation and a series of trade cases
- Successful negotiation of three-year collective bargaining agreements with the United Steelworkers ("USW") affecting approximately 18,000 USW-represented employees
- Achieved significant safety improvements, including record low levels in global OSHA recordable injury rate and global days away from work injuries

Carnegie Way Transformation Improving Earnings Power

The chart below illustrates the positive impact of our Carnegie Way process on adjusted EBITDA in 2015. In 2015, the Corporation's revenue declined nearly $6 billion due to lower average realized prices and a decrease in shipment volumes. The decline in revenue was partially offset by lower costs, particularly for raw materials and energy, however, these lower costs would not have been enough to reach positive adjusted EBITDA in 2015. Our realized Carnegie Way benefits in 2015 of $815 million helped the Corporation achieve positive adjusted EBITDA of $202 million.

* Earnings (loss) before interest, income taxes, depreciation and amortization (EBITDA). Adjusted EBITDA is a non-GAAP measure, which is used as an additional measurement to enhance the understanding of our operating performance and facilitate a comparison with that of our competitors. See reconciliation to EBIT, as reported, on Appendix B.

Near-Term Steps to Return to Profitability. Our management team took several critical actions in 2015, including: idling facilities; freezing the defined benefit pension plan for non-represented employees; right-sizing the organization; and exiting parts of the business where it is not possible to earn an economic profit. These were tough decisions for the executive team and, despite the dire economic circumstances, U. S. Steel ended 2015 as a more streamlined organization focused on generating economic profit across all business cycles.

Longer-Term Steps to Improve Our Position. We continue to take steps to improve our position for the long-term. We recently announced the restructuring of the commercial entities within our flat-rolled operating segment to create differentiated steel solutions that will better meet the needs of our existing customers and provide increased opportunities to establish new customer relationships. We have also recently taken actions to streamline our support functions at both our headquarters and at our plants, reducing headcounts and other selling, general and administrative spending.

We have taken these actions as part of our strategy to return to profitable growth and deliver sustainable value creation for our stockholders when market conditions improve.

Maintaining Pay-for-Performance Approach in Challenging Environment

The Committee believes it is critical that our compensation program align with the goals of the Carnegie Way as we carry out our strategic turnaround in a challenging operating and economic environment. This includes a compensation structure that balances the following:

- a strong pay-for-performance approach that links financial performance to the incentive opportunities realized by our executives;
- measurable performance metrics in our incentive plans that support our strategic and financial goals;
- alignment of management interests with the long-term interests of our stockholders;
- our need to retain executives best qualified to guide the Corporation through its transformation.

The elements of compensation provided to our executives include: base salary, short-term annual incentive compensation, long-term incentive compensation, retirement benefits, and other compensation. The distribution of compensation among the various compensation elements is based on the Committee's belief that to link pay to performance, most of an executive's compensation should be paid in the form of performance-based variable compensation with a greater emphasis on variable components for the most senior executives who have greater responsibility for the performance of the business.

Variable, at-risk compensation accounted for 74% of our CEO's target compensation in 2015. Based on this strong pay-for- performance alignment, realizable compensation for our CEO over the last three years is 67% below the target value granted as reported in the summary compensation table on page 37 of this proxy statement. Notable aspects of NEO compensation include: (i) no long-term performance award payouts for NEOs in each of the last three years; and (ii) the average three-year payout under the annual incentive compensation plan for NEOs is 86% of target.

The following table highlights the key elements of our highly performance-based compensation structure. Goals for each incentive component are set at the beginning of the performance period for the entire period and above market performance is required for the target payout to be made under the relative TSR metric.

Element	Form	Description and Performance Metrics
Base Salary	**Fixed Cash**	Market competitive levels that take into account scope and complexity of role and individual qualifications, experiences and internal value to the Corporation
Annual Incentive Compensation Plan (AICP)	**Performance-based cash**	**Net sales -** funding trigger (no payout under plan if not met) **EBIT** - weighted 60% **Cash flow** - weighted 40% **Individual performance** - modifier on award amount **Safety goal** - upward adjustment of 5% if goal is met
Long-Term Incentive Program (LTIP)	**Performance-Based Awards (60%)***	**Relative TSR** - weighted 50% and measured over a 3-year period; requires above market performance for target payout to be made **ROCE -** weighted 50% and measured over a 3-year period (awarded in cash beginning in 2015)
	Time-Based RSUs (20%)*	Supports retention and linked to stock price performance
	Stock Options (20%)*	Measured relative to appreciation in stock price

*Percentage of award at target grant

Compensation Decisions and Outcomes Demonstrate Alignment with Performance

Compensation Decisions for 2015

In 2014, the Corporation experienced its first profitable year since 2008, and the Committee made compensation decisions for 2015 at the beginning of the performance year accordingly. In January and February 2015, the Committee approved the following items based on the Corporation's performance, continued development and execution of the Carnegie Way transformation strategy, and responsibilities of each of our NEOs, among other things:

- **Salaries:** Base salary increases for our NEOs were provided primarily based on the exceptional performance of the Corporation financially and operationally in 2014, and the additional responsibilities undertaken by our executives to continue that work. Salaries are generally above the median of the peer group. In 2015, Mr. Longhi's base salary was increased from $1,215,000 to $1,500,000.

- **Annual Incentive:** Mr. Longhi's target incentive for 2015 was increased by five percentage points to 150% of base salary. However, annual incentive payouts for 2015 were significantly lower than 2014 incentive payouts because they reflected 2015's macroeconomic factors outside the control of management (e.g., no annual incentive payout was paid to any NEO for 2015).

- **Long-Term Incentive:** The value of Mr. Longhi's LTI grant was increased from $7,535,000 to $8,750,000.

- **Total Compensation:** Although Mr. Longhi's base salary, annual incentive target and long-term incentive grant increased over 2014 in recognition of superior performance for 2014, and other factors described below, Mr. Longhi's total compensation decreased, as did the other NEO's, because of lower levels of financial performance influenced by unforeseen market downturns in 2015.

The Committee made compensation decisions for the CEO and other NEOs in early 2015, based on the following considerations:

- significant improvements in the Corporation's financial performance in 2014 versus 2013;

- continued development of the multi-year Carnegie Way transformation strategy which produced multi-million dollar cost savings and operational improvements;

- continued restructuring of the management team to further support new roles, responsibilities and transformational experiences required by the Carnegie Way initiative; and

- the seasoned leadership of Mr. Longhi and the executive team and the need to retain them to provide continuity during the critical stages of the transformation period.

The Committee believes pay decisions for 2015 demonstrate the significant link between executive compensation and company performance, and accountability of our executives to deliver value to our stockholders.

Compensation Outcomes: Payouts Significantly Below Targets

The Committee considers a mix of cash and equity awards over both the short- and long-terms as a critical balance in reinforcing U. S. Steel's commitment to performance alignment. This strong pay-for-performance alignment is clearly reflected in amounts actually earned by our NEOs based on the achievement of metrics established by the Committee for the short- and- long-term incentive plans.

The average annual incentive payout over the last three years for our executives is 86% of target, while no performance share award payouts have been made under our long-term incentive plan during this same time period.

The following table illustrates how our performance has affected the payout of our short-term incentives and how the performance of our common stock affects the value of the long-term incentives that would be received by our executives based on our closing stock price of $7.98 on December 31, 2015:

	Annual Incentive[1]	Stock Options		**Restricted Stock**[3]	**Performance Awards**[4]
Year	% **of Target Award Paid**	Exercise Price	**Intrinsic Value**[2]	Value as a % of Grant Value	Award Payout as a % of Target
2015	0%	$24.78	$ 0	32%	0%
2014	227%	$24.285	$ 0	33%	0%
2013	31%	$25.00	$ 0	43%	0%

(1) The "Annual Incentive" column indicates the percentage of the Target Award earned under our Annual Incentive Compensation Plan.

(2) The "Intrinsic Value" column shows the amount (if any) by which the market value of our shares underlying an option exceeds the exercise price. If the exercise price exceeds the market price, the stock options have no intrinsic value.

(3) The "Restricted Stock" column shows the market value on December 31, 2015, of the shares underlying the restricted stock units as a percentage of the market value on the grant date. To the extent that the market value has declined, the dollar amount of the value of the restricted stock units reflected in the Summary Compensation Table will also decline.

(4) The "Performance Awards" column indicates the percentage of the performance awards that would be paid out based on our TSR as compared to the TSR of the peer group companies and, for 2015, ROCE. The information in the table reflects the assumption that the performance periods for the 2013, 2014 and 2015 performance awards ended on December 31, 2015.

Compensation Discussion and Analysis – Executive Summary

Changes to the Compensation Program

The Committee approved the following changes to our compensation program in 2015 and 2016 to more closely align it with our current strategy, position and performance results.

- Revised Annual Incentive Compensation Plan - In January 2015, we modified the AICP to replace shipment tons with net sales as the measure used as the funding trigger threshold to place greater emphasis on producing profitable tons rather than on the sheer volume of tons shipped.
- ROCE Awards Granted in Cash - In February 2015, ROCE performance awards (payable at the end of the three-year performance period) were granted in cash to mitigate the dilutive effect of a share grant.
- Adopted New Performance Peer Group - In February 2016, we created a second, more industry focused peer group consisting of 12 domestic steel and steel-related companies against which we measure TSR for purposes of the relative TSR performance awards (described in more detail later under “Peer Group” discussion).
- Replaced EBIT with EBITDA for AICP Metric - In February 2016, the Committee replaced EBIT with EBITDA as a performance metric under our Annual Incentive Compensation Plan.

Commitment to Stockholder Engagement on Executive Compensation Matters

In November and December of 2015, we contacted stockholders representing approximately 50% of our outstanding shares and held telephonic meetings with stockholders representing ownership of approximately 43%. Our stockholders are supportive of the pay-for-performance nature of our executive program and none suggested any significant changes at this time.

The Board, as well as management, prioritizes constructive communication with our investors, therefore, management has continued our annual stockholder engagement program in order to gain valuable insights about how our stockholders view our performance, governance and compensation practices. The feedback we receive from these discussions is carefully considered by the Board and the Committee, and we believe the dramatic increase in support for our Say-on-Pay proposal over the last few years is evidence of our willingness to listen to our stockholders, and our ability to decisively take action and incorporate their perspectives in our programs.

We appreciate any opportunity to engage with our stockholders to learn about their views of the Corporation and our governance and compensation practices. In addition to the frequent

communication our CEO and Investor Relations team has with our stockholders, we have maintained ongoing dialogue with our largest stockholders regarding our corporate governance and executive compensation program since

2012.

The Committee has implemented changes to compensation practices to further align pay with performance and enhanced disclosure regarding the reasons behind certain compensation decisions as a result of this engagement. For example, in 2014 we increased the weighting of performance awards in our long- term program to 60% and added ROCE as a second measure in the plan (in addition to TSR) based on consistent feedback from our stockholders that a larger percentage of equity awards be performance-based and that the long-term program include a capital return metric.

Compensation Discussion and Analysis – Executive Summary

Compensation Governance Practices

Our compensation program is designed to promote exceptional performance and align the interests of our executives with the interests of our stockholders while avoiding excessive risk taking. Our executive compensation is directly aligned with company performance and measurable financial metrics.

Compensation & Organization Committee Practices

√ Considers the results of the most recent say-on-pay advisory vote by stockholders and has implemented proactive communications with stockholders to gain input and feedback when making executive compensation decisions

√ Undertakes a goal setting process that is used to arrive at rigorous short- and long-term performance goals under our incentive plans that are aligned to key corporate strategic and financial goals

√ Engages in a robust CEO performance evaluation process

√ Engages and consults with its own independent compensation consultant

√ Has established formal selection criteria for the compensation peer group and annually reviews peer group composition

√ Annually reviews tally sheets analyzing executive compensation levels and structures, including amounts payable in various termination scenarios

√ Annually reviews the risks associated with our compensation programs and has implemented various risk mitigating practices and policies, such as:

- √ Targeting the majority of our executives' compensation in long-term performance based compensation using multiple equity and cash vehicles
- √ Implementing rigorous executive stock ownership and holding requirements
- √ Utilizing multiple performance measures that focus on company-wide metrics and placing a cap on potential incentive payments

√ Our Change in Control Severance Plan establishes a "double trigger," requiring participants to be terminated without "cause," or voluntarily "for good reason" following a change in control prior to receipt of any payment of severance benefits

√ Maintains a "clawback" policy that applies to executive officers and provides for the recoupment of incentive awards under certain conditions in the event the Corporation's financial statements are restated

√

Maintains Anti-Hedging and Pledging Policies that prohibit all employees and directors from engaging in any transaction that is designed to hedge or offset any decrease in our stock price and prohibits executive officers and directors from pledging our stock as collateral for a loan or holding shares in a margin account

√ No payment of tax gross-ups to any executives for any payments relating to a change in control

Compensation Discussion and Analysis

Executive Compensation in Detail

Compensation Principles

Our executive compensation program is designed to attract, reward and retain executives who make significant contributions through operational and financial achievement aligned with the goals and philosophy of our Carnegie Way transformation

and the long-term interests of stockholders. The following five principles support these objectives and guide the design of our compensation program:

Compensation Principle	Compensation Design
Align Pay with Stockholder Interests	• More than 60% of target compensation opportunity is performance based for our CEO(53% for other NEOs). • Equity incentives comprise a significant portion of an executive’s compensation. • Executives are subject to rigorous stock ownership and holding requirements. • Performance metrics, applied to 60% of our long-term program, align with our annual and long-term strategic objectives.
Fair and Competitive	• Executive compensation is targeted to be competitive with our peer group. • Our compensation programs are focused on objective corporate performance measures and individual performance.
Link Pay to Performance	• Balance of compensation elements that focus on both short- and long-term performance and goals. • Short-term incentives are based on annual financial performance (i.e., EBIT and cash flow), measurable individual performance, and safety. • Long-term incentives are tied to the Corporation’s TSR and return on capital employed (ROCE).
Retain Executives	• Our long-term incentive grants include restricted stock units and performance awards that may retain some value in a period of stock market decline.
Equity-Focus and Tax-Efficient	• The largest portion of an executive’s compensation is in the form of long-term equity incentives, which preserves cash. • Our compensation programs are designed to preserve corporate tax deductions.

Compensation Program Elements

Short-Term Incentive Compensation

The purpose of our Annual Incentive Compensation Plan (AICP) is to align our executive officers’ compensation with the achievement of annual performance goals that support our business strategy. Typically, the short-term incentive awards are paid in cash, but the Committee retains discretion to provide the award in cash, stock, or a combination of both.

The AICP is designed to focus executives primarily on cash generation and profitability. It is funded each year based on the achievement of a pre-determined net sales performance goal, and once funded, actual amounts earned are based on the achievement of cash flow and earnings before interest and taxes (EBIT) performance measures. Final awards may be increased or decreased based on individual performance. In addition, achieving a performance goal related to safety can provide for an additional 5% of the target award. The Committee determined that cash flow and EBIT were the appropriate measures to drive the transformation required to achieve our goal of sustainable profitability.

Performance Measure	How it Works	Rationale/Description
Net Sales	Determines if plan is funded; no payouts are made if net sales goal is not achieved	Operational performance measure intended to encourage business growth. The Committee changed the funding threshold from shipment tons in 2014 to net sales in 2015 to place less emphasis on tons shipped, and to more fully align the objective with the Corporation's focus on shipping profitable tons
Cash Flow*	Determines 40% of award payout	Financial performance measure intended to focus on the generation of the cash required to reduce debt and fund investments that will yield profitable returns in the future
EBIT**	Determines 60% of award payout	Financial performance measure intended to focus the organization on operating at sustainable, profitable levels
Individual Performance	Modifier; Committee may increase award by 30% or reduce or eliminate based on individual performance	Based on an assessment of the executive's individual performance, including the contribution to overall corporation results and attainment of operational and strategic goals, and the priorities of profitability, customer focus, operational excellence and building a high performing organization, as well as internal equity fairness, and the impact of significant research, development and innovation
Safety	Provides an additional 5% of target award if goal is achieved	Safety is our primary core value. Based on the number of serious work- related incidents that prevent an employee from returning to work for 31 days, and work-related fatalities, if any

* Cash flow is defined as earnings before interest, taxes, depreciation, depletion, and amortization (EBITDA) for consolidated worldwide operations, plus or minus changes in current receivables, inventories, and current accounts payable and accrued expenses, less consolidated worldwide capital expenditures. EBITDA for consolidated worldwide operations means EBIT as reported in the consolidated statements of operations of the Corporation, plus or minus the effect of items not allocated to segments (excluding post-retirement benefit expenses) as disclosed in the notes to the consolidated financial statements, plus depreciation, depletion and amortization as reported in the consolidated statements of cash flows of the Corporation.

** EBIT is defined to mean EBIT for each business unit (reportable segments and other businesses) and in total means segment EBIT and total EBIT as reported in the notes to the consolidated financial statements of the Corporation. Unless contemplated in the approved performance target, EBIT excludes charges or credits for business dispositions, acquisitions, asset sales, asset impairments, workforce reductions, shutdowns, and amounts not allocated to business segments.

The target award under the AICP for each NEO is equal to the target percentage applied to the executive's base salary. The following table shows the maximum award payable under the AICP for 2015 and the actual amount awarded by the

Committee after consideration of the executive's individual performance. Because the safety performance goal was not met, the maximum award does not include the 5% increase for safety performance.

2015 Annual Incentive Payout

Executive	Target Award as % of Base Salary(1)	Target Award(2)	Total Payout Rate(3)	Maximum Award(4)	Actual Amount Awarded(5)
Longhi	150 %	$2,143,125	0 %	$ 0	$ 0
Burritt	100 %	$780,250	0 %	$ 0	$ 0
Folsom	80 %	$535,000	0 %	$ 0	$ 0
Matthews	80 %	$429,600	0 %	$ 0	$ 0
Turk	65 %	$287,138	0 %	$ 0	$ 0

(1) "Base Salary" is the actual salary earned for 2015.

(2) The "Target Award" is the amount that would be paid to the executive assuming the Corporation achieves its target performance objectives and before consideration of individual performance and safety.

(3) The "Total Payout Rate" is determined by the Corporation's actual performance measured against the 2015 performance metrics and before individual performance is considered.

(4) The "Maximum Award" is the Target Award times the Total Payout Rate times 130% for maximum individual performance.

(5) The "Actual Amount Awarded" is the amount awarded by the Committee after consideration of individual performance.

Setting Corporate Performance Goals and Determining Results

In setting the goals under the AICP for 2015, the Committee considered the Corporation's performance over the past five years, the business plan for the year, industry performance, and the Corporation's business transformation efforts. In general, the maximum performance goals were set at an amount that would

require the Corporation to achieve a substantial level of Carnegie Way benefits and approximate 2014 incentive targets, which was considered a significant stretch given the changing market conditions impacting the Corporation at the time.

Compensation Discussion and Analysis

In addition to determining individual targets, the Committee approved EBIT goals for each NEO. For the CEO, CFO and general counsel, the EBIT goal is based on total income, which generally measures the operational results of all business segments. For executives assigned to a specific segment, the EBIT goal is based on the income goal for that segment (for Messrs. Matthews and Turk, this was the Flat-Rolled segment). For all other executives, the EBIT goal is weighted among the business segments based on the amount of leadership and support provided to each segment. This segment allocation of the EBIT goal is intended to create stronger corporate, business segment and individual accountability by tying an executive's

award to the performance of the segments for which he or she is directly responsible.

We concluded 2015 with a total of $11.6 billion in net sales, therefore the award pool was funded for 2015 because the net sales goal of $9 billion was achieved. The payout rate (prior to adjustment of individual and safety goals) was determined based on achievement of the performance measures described in the table below. This payout rate demonstrates the performance alignment design of our plan. As noted previously, the 2015 payout under the annual incentive compensation plan was $0 for our NEOs, and the average payout for our executives over the last three years is 86% of target.

2015 Corporate Performance Targets And Results
($ are in Millions)

Performance Measure	Minimum	Target	Maximum	Actual	Payout Rate[1] Prior to Adjustment for Individual Performance and Safety
Cash Flow	$ 280	$ 580	$ 835	$ 237	0 %
EBIT:					
Flat-Rolled	309	416	491	(237)	0 %
Tubular	56	76	89	(179)	0 %
Europe	51	69	82	81	169 %
Total EBIT	$ 375	$ 525	$ 630	$ (345)	0 %

(1) The payout rate is 100% at target increasing to 175% of target for performance at the maximum level and decreasing to 50% of target for performance at the minimum threshold level.

Individual Performance Goals and Results

In determining the CEO's annual incentive, the Committee considers, among other things, the CEO's individual performance in delivering results for the established value creation drivers of profitability, customer focus, operational excellence and high performing organization. The CEO's individual performance objectives are reviewed by the Committee and approved by the Board. A similar evaluation is performed by the CEO with respect to all other executive officers using similar measures and objectives. The Committee sets performance goals for each annual period based on expected business results for the upcoming year, which are intended to be challenging stretch goals. The Committee uses its business judgment in reviewing each of these individual items and does not assign specific quantitative weighting to such items.

While the Corporation faced a number of challenges in 2015, including extreme macroeconomic headwinds, the Committee remains confident in the leadership of our executives who focused on the factors within their control to steer the Corporation through this difficult economic environment. The following provides a brief summary of each NEO's individual performance and contribution to the Corporation in 2015:

Mario Longhi - Mr. Longhi provided superior leadership of the Corporation's transformation efforts through ongoing implementation and application of the Carnegie Way method

as the disciplined and structured approach for improving business performance. The Corporation achieved record levels of $815 million in Carnegie Way benefits in 2015. Through Mr. Longhi's efforts leading the Carnegie Way, innovation was realigned and elevated as a strategic priority. Mr. Longhi also set the tone for dedicated commitment to the Corporation's long-standing core values, including safety, and in 2015 witnessed the achievement of two safety records as measured by fewer days away from work and lower OSHA recordable rates. In addition, Mr. Longhi continued his efforts to strengthen relationships with federal, state and local decision makers and served as a zealous advocate for the steel industry during the drafting, negotiation and consideration of essential trade legislation. Mr. Longhi continued to provide strong strategic leadership, adjusting as necessary in the difficult economic environment.

David Burritt - Mr. Burritt provided exceptional leadership in all of U. S. Steel's strategic and financial matters, including those relating to Finance, Strategy & Transformation, Revenue Management, North American Flat-Rolled Commercial Entities, Procurement & Supply Chain, Information Technology, Investor Relations, Human Resources, and Corporate Communications and Community Affairs. Mr. Burritt led the restructuring of the Corporation's commercial entities to further align the organization and focus on customer solutions and service. He elevated the Corporation's cash consciousness to maintain strong liquidity and cash on hand in an industry in recession. He not only set rigorous performance standards and made difficult decisions, but, as an architect of the Carnegie Way, also positioned the Corporation to survive a deep trough and respond favorably when the market recovery emerges. Through Mr. Burritt's financial and strategic leadership, the Corporation was able to achieve positive operating cash flow and positive adjusted EBITDA for the year, despite a wave of macroeconomic headwinds.

Suzanne R. Folsom - Ms. Folsom provided outstanding leadership to Legal, Compliance, Government Affairs, International Trade, Environmental Affairs, Corporate Security, Aircraft, Real Estate, Labor Relations, and U. S. Steel's joint ventures. Under her exceptional leadership, she led several strategic initiatives this year, including: leading the successful negotiations for three-year collective bargaining agreements with the United Steelworkers; directing ongoing efforts towards a resolution for the complex Companies' Creditors Arrangement Act (CCAA) process for U. S. Steel's unprofitable Canadian subsidiary; filing the steel industry's three trade cases in the United States; and championing the Trade Adjustment Assistance (TAA) bill signed by President Obama in June. Ms. Folsom is a key member of the executive management team who not only provides excellent legal and compliance advice and strategy, but also business expertise and analysis to ensure that the Corporation operates with proper protocols, practices and controls to mitigate risk and create value for its stakeholders.

Douglas Matthews - Mr. Matthews led the North American Flat-Rolled operations in 2015 and continued successful implementation of Carnegie Way methodology into our largest operating segment. The operational excellence, reliability centered maintenance and war on cost initiatives have been extremely effective and critical to the organization in delivering tangible benefits, including ensuring preservation of assets and reduction in process variability. In 2015, Carnegie Way benefits and efficiencies arising out of that work resulted in a $61 per ton improvement. In addition, Mr. Matthews led the business related aspects of the successful negotiation of three-year collective bargaining agreements with the United Steelworkers. In late 2015, Mr. Matthews assumed leadership over the newly realigned Industrial, Service Center and Mining Solutions commercial entity.

Geoff Turk - Mr. Turk led the North American Flat-Rolled Service Center Solutions business in 2015. In this role, he used the Carnegie Way to transform delivery performance leading a change he invented called Inventory Velocity Program, where he improved the business performance to a level not seen previously. Under Mr. Turk's leadership, Service Center Solutions increased business with selected service centers, resulting in a year over year increase in business despite challenging economic climate, and strengthened long-term partnerships in the industry. In late 2015, the decision was made to merge this commercial entity with the Industrial entity to better align the business structure and costs with the realities of the business.

Long-Term Incentive Compensation

Equity awards under the long-term incentive program (LTIP) are allocated among:

- Performance-based awards (60% of LTIP award in 2015)
- Stock options (20%)
- Restricted stock units (20%)

The Committee believes that these three long-term incentive vehicles best accomplish the objectives of aligning pay with performance and retaining executives. In February 2015, the Committee granted the long-term performance awards set forth in the table below.

Long-Term Incentive Awards Granted in 2015

Executive	Target Equity-Based Performance Awards	Stock Options	Restricted Stock Units	Grant Date Fair Value Of Equity Awards	Target Cash-Based Performance Awards
Longhi	105,210	174,300	70,620	$ 6,124,925	$ 2,625,000
Burritt	33,070	54,780	22,200	$ 1,925,204	$ 825,000
Folsom	17,130	28,390	11,500	$ 997,399	$ 427,500
Matthews	13,410	22,210	9,000	$ 780,588	$ 334,500
Turk	5,950	9,860	13,690	$ 586,685	$ 148,500

Compensation Discussion and Analysis

Performance-Based Awards (60% of LTIP Award Value)

Performance awards provide an incentive for executives to earn shares and cash based on our performance over a three-year performance period, with goals set at the beginning of each performance period. The performance awards do not pay dividends or carry voting privileges prior to vesting. In 2015, the three-year performance period began on January 1, 2015, and will end on December 31, 2018 (the "2015 Performance Period"). The value of the performance awards granted under the 2015 Performance Period was divided equally between relative TSR performance awards and ROCE performance awards. The three-year goals focus management on driving attractive returns on the capital we employ and on increasing stockholder value.

TSR performance awards

TSR performance awards are based on relative performance, with the payout determined based on the rank of the Corporation's TSR compared to the TSR of peer group companies over the three-year performance period. TSR is determined based on the following formula: final price plus dividends per share for the performance period, divided by the initial price, raised to 1/3, minus 1. The initial price and final price used are the average closing price for the 20 business days prior to the first and last day of the performance period, respectively.

As noted in the table below, above market performance at the 60th percentile is required for target payout, and no payout is made for performance below the 30th percentile.

Level	2015 Relative TSR Ranking	**Award Payout as a % of Target(1)**
	<30th percentile	0 %
Threshold	30th percentile	50 %
Target	60th percentile	100 %
Maximum	90th percentile	200 %

(1) Interpolation is used to determine actual awards between the threshold, target, and maximum levels.

For the three-year performance period beginning 2016, the Committee adopted a new peer group consisting of 12 domestic steel or steel-related companies for use in evaluating relative TSR (described in more detail under "Executive Compensation Peer Group" beginning on page 34). In addition, the Committee approved a new policy beginning with 2016 grants to address any potential pay for performance disconnect should the Corporation's TSR be negative over the performance period (regardless of relative performance).

- Payout is capped at target if the Corporation's TSR is 0% to -5% on a compound annual growth rate ("CAGR") basis;
- Payout is capped at threshold if the Corporation's TSR is lower than -5% to -10% on a CAGR basis; and
- Payout is forfeited if the Corporation's TSR is lower than -10% on a CAGR basis.

Restricted Stock Units (20% of LTIP Award Value)

Restricted stock units are awards that deliver shares of common stock and accumulated dividends upon vesting. Restricted stock units generally vest ratably on each of the first, second and third anniversaries of the grant date, subject to the executive's continued employment on each vesting date.

The Committee believes that restricted stock units provide the best retention benefits among our long-term incentives, especially during times of challenging economic and industry conditions. They also enable our executives to build ownership in the Corporation, which addresses a key compensation objective. Additionally, because of the downside risk of owning stock, restricted stock units discourage executives from taking excessive risks that would not be in the best long-term interest of stockholders.

ROCE performance awards

The payout is determined based on our weighted average cost of capital (noted as return on capital employed or "ROCE"), over the three-year performance period. ROCE is measured based on our consolidated worldwide EBIT, as adjusted, divided by our consolidated worldwide capital employed, as adjusted, over the three-year performance period. The weighted average ROCE is a three-year performance metric calculated based on the ROCE achieved in the first, second, and third years of the performance period, weighted at 20%, 30%, and 50% respectively. The ROCE awards payout at 50% at the threshold level, 100% at the target level, and 200% at the maximum level. ROCE performance goals are not provided during an ongoing performance period due to competitive reasons.

Beginning in 2015, the ROCE awards were granted in cash, rather than shares, to mitigate dilutive effects of a share grant.

Stock Options (20% of LTIP Award Value)

Stock options are "at-risk" awards that reward executives for an increase in the Corporation's stock price over the term of the option. The value of the options is limited to the appreciation of our stock price, if any, above the option's exercise price after the option becomes exercisable and before it expires. Stock options are:

- exercisable for a term of ten years;
- subject to ratable vesting on each of the first, second and third anniversaries of the grant date; and
- subject to continued employment on each vesting date.

On February 24, 2015, the Committee granted traditional stock options with an exercise price based on the fair market value on the date of grant, which was $24.78.

Compensation Discussion and Analysis

Fixed Compensation and Benefits

Base salary

Base salary is designed to compensate for the required day-to-day activities and responsibilities of each position. Base salary is set at a market competitive level to enable the Corporation to attract and retain talent. Actual salary levels take into account such factors as the contribution of the incumbent, individual qualifications and experiences, and internal value to the Corporation. Base salary is paid in cash.

Benefits

NEOs participate in many of the benefits provided to nonunion employees generally, including vacation and holiday benefits, insurance benefits, disability benefits, and medical and prescription drug programs. We believe these benefits support our overall retention objectives.

Retirement Programs

We provide the retirement benefits described below in order to attract and retain talented executive officers. We believe our

retirement programs are reasonable in light of competitive pay practices and the total compensation of our executives.

Tax-Qualified Plans

The Corporation maintains the following tax-qualified retirement programs (together, the “Qualified Plans”):

- United States Steel Corporation Plan for Employee Pension Benefits, Revision of 2003 (the “Pension Plan”), which is a defined benefit plan; and
- United States Steel Corporation Savings Fund Plan for Salaried Employees (the “Savings Plan”), which is a 401(k) defined contribution plan.

Participation in the Pension Plan was closed to new entrants on July 1, 2003 and benefits under the plan were frozen for all

non-union participants on December 31, 2015. For employees not covered by the Pension Plan, the Corporation makes a contribution to a “Retirement Account” under the Savings Plan, which is in addition to any matching contributions made under the Savings Plan.

In 2015, Mr. Matthews was the only NEO covered by the Pension Plan and the related non-qualified plans described below. All of the NEOs participated in the Savings Plan and, except for Mr. Matthews, received Retirement Account contributions under the Savings Plan and participated in the related non-qualified plans.

Non Tax-Qualified Plans

The Corporation maintains the following non tax-qualified programs (together, the "Non-Qualified Plans") that are designed to provide retirement benefits to executives and other high-level employees of the Corporation and its affiliates:

- United States Steel Corporation Non Tax-Qualified Pension Plan (the "Non Tax-Qualified Pension Plan");
- United States Steel Corporation Executive Management Supplemental Pension Program (the "Supplemental Pension Program");
- United States Steel Corporation Supplemental Thrift Program (the "Supplemental Thrift Program");
- United States Steel Corporation Non Tax-Qualified Retirement Account Program (the "Non Tax-Qualified Retirement Account Program"); and
- United States Steel Corporation Supplemental Retirement Account Program (the "Supplemental Retirement Account Program").

Benefits under the Non Tax-Qualified Pension Plan and Supplemental Pension Program were frozen on December 31, 2015 when the tax qualified Pension Plan was frozen for all nonunion participants.

The purpose of the Non Tax-Qualified Pension Plan, the Supplemental Thrift Program, and the Non Tax-Qualified Retirement Account Program is to provide benefits that are not permitted to be

provided under the Qualified Plans due to certain limits under the Internal Revenue Code. The benefit accrual formulas under these Non-Qualified Plans are approximately equal to the formulas under the respective Qualified Plans.

The purpose of the Supplemental Pension Program and the Supplemental Retirement Account Program is to provide pension benefits based upon compensation paid under our short-term incentive compensation plans, which is excluded under the Qualified Plans. We provide a retirement benefit based on incentive pay to enable our executives (who receive more of their pay in the form of incentive compensation) to receive a comparable retirement benefit.

Benefits under the Supplemental Pension Program and the Supplemental Retirement Account Program are subject to service-based and age-based restrictions. Unless the Corporation consents, benefits under the Supplemental Pension Program are not payable if the executive voluntarily terminates employment (1) prior to age 60 or before completing 15 years of service, or (2) within 36 months of the date coverage under the program commenced. Similarly, unless the Corporation consents, benefits under the Supplemental Retirement Account Program are not payable if the executive voluntarily terminates employment (1) prior to age 55 or before completing 10 years of service (or, if earlier, attaining age 65), or (2) within 36 months of the date coverage under the program commenced. We believe that these restrictions help to support our retention objectives.

For more information on our retirement programs, see the *Pension Benefits* table and *Non-Qualified Deferred Compensation* table later in this proxy statement.

Perquisites and Security

As part of the Carnegie Way initiative, we examined the perquisites that historically have been offered to executives, and have eliminated or reduced many of them, and none have been extended to any executive hired after November 2014. We continue to provide a limited number of reasonable perquisites as a recruiting and retention tool and to ensure the health and safety of our key executives. The perquisites available to our NEOs in 2015 are described in the footnotes to the Summary Compensation Table on page 37 of this proxy statement. In general, the perquisites:

- facilitate the ability of our executives to do their jobs without undue distractions or delays;
- have clear business-related purposes;
- ensure accurate personal tax reporting of the financial intricacies of our compensation programs; and
- provide a measure of security unavailable elsewhere.

The perquisites provided maximize the safe and efficient use of our executives' time and, by facilitating the development of commercial and other business relationships, provide a significant benefit to the Corporation and its stockholders. The perquisites provided to the NEOs in 2015, other than the CEO, were limited to tax preparation and financial planning, relocation benefits, and physical exams (for the CFO only).

The perquisites we provide include residential and personal security services to employees who are the subject of a credible and specific threat on account of his or her role with the Corporation. The level of security provided depends upon the nature of the circumstance. In 2015, Mr. Longhi was the only NEO who was provided with security services. The Board believes that providing personal security in response to threats arising because of employment by the Corporation is business-related.

We do not provide gross-up payments to cover personal income taxes that may be attributable to any of the perquisites except for (a) relocation and (b) tax equalization and travel related to expatriate assignments. These gross-ups are also provided to non-executive employees.

Change in Control Arrangements

Prior to 2016, the Corporation had entered into individual evergreen change in control agreements with each of its named executive officers and certain other executives. As part of the Committee's ongoing review of executive compensation trends, it decided to replace the individual agreements with a single change in control plan and issued notices that the agreements would not be renewed. The issuance of the notices caused the agreements to expire as of December 31, 2016 (the "Expiration Date"). At the end

of 2015, each of the named executive officers elected to terminate their change in control agreements prior to the Expiration Date in favor of obtaining coverage under the Corporation's Change in Control Severance Plan (the "CIC Plan") that was adopted by the Committee in November 2015. The CIC Plan became effective on January 1, 2016, and generally provides for the payment of severance benefits to certain eligible executives, including each of the named executive officers, in the event their employment with the Corporation terminates involuntarily following a change in control of the Corporation. The CIC Plan provides for substantially similar terms as were provided under the individual agreements.

The CIC Plan enables our executives to evaluate corporate transactional opportunities that may be in the best interests of the Corporation's stockholders, while limiting concerns about the potential impact of such opportunities on their job security. Under the CIC Plan, payments require a "double trigger," meaning the named executive officer is eligible for change in control severance payments and benefits in the event that he or she is terminated without cause or voluntarily for good reason in connection with a change in control. In general, upon a change in control and termination each of our named executive officers are entitled to a payment equivalent to a multiple of his or her salary and bonus which is consistent with the severance payment multiples under the prior change in control agreements. For Messrs. Longhi and Burritt and Ms. Folsom, the severance payment multiple is 2.5x, and for Mr. Matthews, is 2x. Mr. Turk left the Corporation in January 2016 and therefore, is no longer covered by the CIC Plan; the severance multiple applicable to Mr. Turk prior to his departure was 2x. The CIC Plan provides for payments and benefits that are substantially similar to the payments and benefits provided under the individual agreements, and also provides the Committee more flexibility to make changes to the benefits in the future based on business needs or executive compensation trends. We do not provide gross-up payments to cover personal income taxes that may be attributable to payments under the CIC Plan. See "Potential Payments Upon Termination or Change in Control" for additional information regarding the quantification of these payments and benefits.

Letter Agreements

In general, the Corporation does not enter into long-term employment agreements with its executives, but may enter into agreements for a limited period of time to attract or retain experienced professionals for high level positions. For Messrs. Longhi, Burritt, Turk, and Ms. Folsom, the Corporation agreed to severance provisions in their offer letters. The severance provisions for Messrs. Longhi and Burritt expired in 2015, and expired in January 2016 for Ms. Folsom. Mr. Turk left the Corporation in January 2016, and severance benefits equal to one-year base salary and target bonus were paid in accordance with his letter agreement. Mr. Turk is currently subject to a one- year non-compete agreement. The Corporation does not have any other agreements with its NEOs.

Compensation Discussion and Analysis

The Compensation Process

Independent Consultant and Management Input

The Committee retained Pay Governance, LLC as its independent consultant to assist in the evaluation of executive compensation programs and in setting executive officers' compensation. The use of an independent consultant provides additional assurance that the Corporation's executive compensation programs are reasonable and consistent with the Corporation's objectives. The consultant reports directly to the Committee and does not perform services for management without the express approval of the Committee. There were no services performed by the consultant for management in 2015.

The consultant regularly participates in Committee meetings, including executive sessions, and advises the Committee with respect to compensation trends and best practices, plan design, and the reasonableness of individual compensation awards.

With respect to the CEO's compensation, the Committee makes its determinations based upon its evaluation of the CEO's performance and with input from its consultant. Each year, the Committee reviews with the Board of Directors the CEO's goals and objectives,

and the evaluation of the CEO's performance with respect to the prior year's approved CEO goals and objectives. The CEO does not participate in the presentations to, or discussions with, the Committee in connection with the setting of his compensation.

Tally Sheets

The Committee uses tally sheets to evaluate the total compensation and projected payments to the named executive officers under various termination scenarios. This analysis is undertaken annually to assist the Committee in determining whether the compensation package of each named executive officer is appropriately aligned with our compensation philosophy and the compensation practices of our peers.

Executive Compensation Peer Group

The Committee also considers relevant market pay practices in its decision making process. The Committee uses the peer group data below as a frame of reference to guide executive compensation decisions.

How Peer Group Is Used:

- serve as a market reference when making compensation decisions and designing program features
- assess the competitiveness of each element of compensation and compensation in total
- serve as the standard for evaluating total shareholder return for long-term incentive purposes
- serve as a reference when analyzing pay-for- performance alignment

How Peer Group Was Selected:

- large companies primarily from the Materials sector or Industrials sector within the GICS classification codes
- companies similar in complexity - specifically, companies that have:

- revenues that range from half to double that of the Corporation;
- capital intensive businesses as indicated by lower asset turnover ratios;
- market capitalization reasonably aligned with the Corporation; and
- similar employee levels
- acceptable levels of financial and stockholder performance and a higher company stock price volatility (referred to as “beta”) to align with that of the Corporation
- elimination of companies with unusual compensation practices (e.g., company founders who receive little or no compensation and companies that are subsidiaries of other companies)

Compensation Discussion and Analysis

The Corporation's 2015 peer group included the following 29 companies:

AK Steel Holding Corporation	MeadWestvaco Corporation
Alcoa Inc.	Navistar International Corporation
Allegheny Technologies Inc.	Nucor Corporation
Cliffs Natural Resources Inc.	PACCAR Inc.
Cummins Inc.	Parker-Hannifin Corporation
Deere & Company	PPG Industries Inc.
Eastman Chemical Co.	Reliance Steel & Aluminum Co.
Eaton Corporation plc	Terex Corp.
Freeport-McMoRan Copper & Gold Inc.	Textron Inc.
Hess Corporation	The Goodyear Tire & Rubber Company
Illinois Tool Works Inc.	TRW Automotive Holdings Corp.
Ingersoll-Rand Plc	Union Pacific Corporation
International Paper Company	Weyerhaeuser Co.
Johnson Controls Inc.	Whirlpool Corp.
Masco Corporation	

In 2015, Hess Corporation was removed from the peer group for purposes of evaluating performance under the long-term incentive plan, and for 2016, was removed for purposes of benchmarking executive compensation practices.

New Long-Term Incentive Plan Performance Peer Group for 2016

In February 2016, the Committee approved the use of a second peer group that will be used for evaluating long-term performance. Therefore, going forward the Corporation will utilize two peer groups as described below:

- **Executive Compensation Peer Group.** The executive compensation peer group will continue to be used to benchmark and assess the competitiveness of the compensation of our named executive officers.

- **Performance Peer Group.** The performance peer group, which is more industry focused, is used to evaluate the long- term relative performance of our company for purposes of the relative TSR performance award. The performance peer group is being utilized to evaluate our performance against a targeted group of companies in our industry that we believe we need to outperform to be successful over the long term.

We created the new performance peer group because executive compensation arrangements and practices are influenced by business complexity and company size, and many of our industry competitors are much smaller than U. S. Steel. In setting the executive compensation peer group, the Committee considered a set of broader, industrial peers who might compete with the Corporation for talent as well as companies outside of the material/industrial industry who might attract the Corporation's talent that is transferable.

The performance peer group consists of twelve domestic companies in the steel industry. The use of a second peer group

or index for evaluating TSR is a common practice among our peers. Because steel industry companies have traded differently from many of our large industrial peers since 2012, the use of a second peer group is more appropriate when evaluating relative TSR performance. Peers were selected based on criteria that included:

- specific domestic steel or steel-related industry;
- five-year stock price correlation greater than .50; and
- stock price beta greater than 1.0.

The Performance Peer Group consists of the following companies:

AK Steel Holding Corporation
Allegheny Technologies Incorporated
Carpenter Technology Corporation
Cliffs Natural Resources Inc.
Commercial Metals Company
Nucor Corporation
Olympic Steel Inc.
Reliance Steel & Aluminum Co.
Schnitzer Steel Industries, Inc.
Steel Dynamics, Inc.
TimkenSteel Corporation
Worthington Industries, Inc.

In conjunction with the adoption of the new performance peer group for use in our relative TSR performance award plan, we adopted a negative TSR provision which is explained in further detail in the preceding section entitled *"TSR Performance Awards."*

Compensation Discussion and Analysis

Compensation Policies and Other Considerations

Stock Ownership and Holding Guidelines

We have a comprehensive stock ownership policy designed to align the interests of our executive officers with those of the Corporation's stockholders. As shown in the table below, our executives are required to accumulate and retain a minimum level of ownership in the Corporation's common stock based upon the salary midpoint for their position:

Executive	Ownership Requirement[1] (Multiple of Salary Midpoint)
Longhi	6x
Burritt	3x
Folsom	3x
Matthews	3x
Turk	1x

(1) Unvested restricted stock units count towards the ownership requirement.

Under our stock ownership policy, Mr. Longhi has a stock ownership requirement of six times his salary midpoint. Messrs. Burritt and Matthews and Ms. Folsom each have a stock ownership requirement of three times their salary midpoint. The stock ownership policy requires that an executive must retain 100% of the after-tax value of stock acquired upon the vesting of restricted stock units and performance awards and 100% of the after-tax value of shares issued upon the exercise of stock options until the ownership requirement is satisfied. All of the NEOs are in compliance with the terms of the policy.

Anti-Hedging and Pledging

We have a policy that prohibits all directors and employees, including the named executive officers, from engaging in any transaction that is designed to hedge or offset any decrease in our stock price. Our anti-pledging policy prohibits directors and executive officers, including the named executive officers, from pledging our stock as collateral for a loan or holding shares in a margin account.

Clawback Policy

The Board has adopted a policy setting forth procedures to recover payment if an executive engaged in any fraud or misconduct, including gross negligence that caused or partially caused the need for a material restatement of the Corporation's publicly filed financial results. For any periods as to which a performance-based award was paid or credited to the executive, such award shall be subject to reduction, cancellation or reimbursement to the Corporation at the Board's discretion. This policy is set forth in our Corporate Governance Principles which are available on our website www.ussteel.com.

Compensation and Risk Management

The Committee's compensation consultant annually performs a risk assessment of our executive compensation program and, based on its most recent review, the consultant has determined that our compensation program contains a variety of features that mitigate unnecessary risk taking, including the following:

•

Compensation Mix: Executive officers receive a mixture of short-term and long-term incentives in addition to base salary. Long-term incentives, which are paid mostly in equity, make up the majority of our executives' compensation;

- Capped Awards: Payments under our short-term incentive plan are capped at 233% of target and our performance awards are capped at 200% of target;
- Performance Metrics: Different metrics are used in the short- term and long-term incentive programs; and
- Stock Ownership: Executive officers are required to own a significant amount of common stock determined as a multiple of their salary midpoint.

For these reasons, the Committee concluded that our 2015 compensation programs discourage executives from taking excessive risks and encourage them to act in the best interests of the Corporation's stockholders.

Accounting and Tax Considerations

In determining executive compensation, the Committee considers, among other factors, the possible tax consequences to the Corporation. Tax consequences, including but not limited to tax deductibility by the Corporation, are subject to many factors (such as changes in the tax laws and regulations or interpretations thereof) that are beyond the control of the Corporation. In addition, the Committee believes that it is important for it to retain maximum flexibility in designing compensation programs that meet its stated objectives. For these reasons, the Committee, while considering tax deductibility as one of the factors in determining compensation, does not limit compensation to those levels or types of compensation that will be deductible by the Corporation. For a detailed discussion of the accounting impacts on various elements of long-term incentive compensation, see footnote 14 to the Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 29, 2016.

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

The following table sets forth certain compensation information for U. S. Steel's Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the three other most highly compensated executive officers (referred to as "Named Executive Officers" or "NEOs") who rendered services to U. S. Steel and its subsidiaries during 2015.

Name	Year[1]	Bonus[2] ($)	Salary[3] ($)	Stock Awards[4][5] ($)	Option Awards[4][6] ($)	Non-Equity Incentive Plan Compensation[7] ($)	Change in Pension Value & Nonqualified Deferred Compensation Earnings[8] ($)	All Other Compensation[9] ($)	Total ($)
Mario Longhi	2015	—	$1,428,750	$4,374,953	$1,749,972	—	N/A	$1,054,990	$8,608,665
President & Chief	2014	—	$1,186,250	$6,028,882	$1,507,036	$4,007,981	N/A	$481,364	$13,211,513
Executive Officer	2013	—	$933,337	$2,097,684	$1,894,134	$477,400	N/A	$239,101	$5,641,656
David B. Burritt	2015	—	$780,250	$1,375,213	$549,991	—	N/A	$291,041	$2,996,495
Executive Vice President & Chief	2014	—	$715,750	$2,000,054	$499,962	$1,558,261	N/A	$137,341	$4,911,368
Financial Officer	2013	—	$233,333	$1,749,993	$1,249,986	$79,567	N/A	$41,305	$3,354,184
Suzanne R. Folsom	2015	—	$668,750	$712,364	$285,036	—	N/A	$474,546	$2,140,696
General Counsel, Chief Compliance Officer & Senior Vice President - Government Affairs	2014	$255,000	$506,775	$1,117,794	$447,985	$1,046,500	N/A	$185,167	$3,559,221
Douglas R. Matthews	2015	—	$537,000	$557,600	$222,988	—	$399,272	$45,340	$1,762,200
	2014	—	$518,750	$892,866	$222,967	$882,000	$1,491,171	$43,745	$4,051,499

Senior Vice President-Industrial, Service Center and Mining Solutions	2013	—	$477,708	$470,012	$187,598	$128,340	$308,658	$52,136	$1,624,452
Geoff M. Turk Vice President-Service Center Solutions	2015	—	$441,750	$487,691	$98,994	—	N/A	$658,343	$1,686,778

(1) Amounts are not reported for 2014 and 2013 if the executive was not an NEO in those years.

(2) Bonus includes cash hiring incentive.

(3) Salaries provided reflect the actual amount earned in each year. Salary for Mr. Burritt in 2013 reflects his hire date of September 1, 2013. Salary in 2014 for Ms. Folsom reflects her hire date of January 27, 2014.

(4) Stock and option award grant date values are computed in accordance with Accounting Standard Codification Topic 718 (ASC 718), as described in footnote 14 to the financial statements included in the Corporation's Annual Report on Form 10-K for the year-ended December 31, 2015 which was filed with the SEC on February 29, 2016. The Stock Awards column includes restricted stock units and performance awards that are reported at the target number of shares and the grant date fair value of such awards includes a factor for the probable performance outcome of the portion of performance awards which are based on TSR, and excludes the effect of estimated forfeitures. The maximum payout for the performance awards is 200% of target. The following table reflects the grant date fair value of these performance awards, as well as the maximum grant date fair value of these performance awards based on the closing price of the Corporation's stock on the grant date if, due to the Corporation's performance during the applicable performance period, the performance awards vested at their maximum level:

Name	Grant Date Fair Value of Performance Awards			Maximum Value of Performance Awards		
	2013 ($)	2014 ($)	2015 ($)	2013 ($)	2014 ($)	2015 ($)
M. Longhi	$ 623,270	$ 4,522,000	$ 2,625,000	$ 1,246,540	$ 9,044,000	$ 5,250,000
D. B. Burritt	N/A	$ 1,500,000	$ 825,000	N/A	$ 3,000,000	$ 1,650,000
S. R. Folsom	N/A	$ 670,000	$ 427,500	N/A	$ 1,340,000	$ 855,000
D. R. Matthews	$ 257,516	$ 670,000	$ 334,500	$ 515,032	$ 1,340,000	$ 669,000
G. M. Turk[a]	N/A	N/A	$ 148,500	N/A	N/A	$ 297,000

(a) Mr. Turk was not a NEO and received no performance award grants prior to 2015.

Executive Compensation Tables

(5) The grant date fair market value used to calculate compensation expense in accordance with ASC 718 for the NEOs is $24.78 for our 2015 restricted stock unit grants, $24.29 per share for our 2014 restricted stock unit grants, and $18.64 for our 2013 restricted stock unit grants. For 2015, performance award grants were granted in two portions, one cash grant based on a 3-year weighted average return on capital employed measure and disclosed in the Grants of Plan-Based Awards table, and the second equity grant based on a total shareholder return measure. For 2014, performance award grants were granted in two portions, one equity grant based on a 3-year weighted average return on capital employed measure, and the second equity grant based on a total shareholder return measure. 2013 awards are based on total shareholder return. The grant date fair market value used to calculate the 2015 performance awards based on TSR is $24.95; $23.71 per share for our 2014 performance awards based on ROCE; $21.99 per share for our 2014 TSR shares, and $21.26 per share for our 2013 performance award grants. Ms. Folsom also received a 2014 hiring grant of equity which consisted of 8,800 restricted stock units and 20,000 stock options. The grant date fair market value used to calculate compensation expense in accordance with ASC 718 for Ms. Folsom's new hire grant is $25.56 per share for the restricted stock units and $11.25 per share for the stock options. For further detail, see our Annual Report on Form 10-K for the year-ended December 31, 2015, financial statement footnote 14.

(6) The grant date fair market value used to calculate compensation expense in accordance with ASC 718, is $10.04 per share for our 2015 stock option grants; $9.93 per share for our 2014 stock option grants, and $8.50 per share for our 2013 stock option grants. For further detail, see our report on Annual Report on Form 10-K for the year-ended December 31, 2015, Financial Statement footnote 14.

(7) The Non-Equity Incentive Plan Compensation benefits are short-term incentive awards and represent the aggregate amount of incentive awards earned pursuant to the Corporation's Annual Incentive Compensation Plan ("AICP").

(8) These amounts represent the aggregate increase in actuarial value on an accumulated benefit obligation (ABO) basis that accrued to each Named Executive Officer in 2015 under the Corporation's retirement plans and programs, calculated using the same assumptions used for the Corporation's annual financial statements except that retirement age is assumed to be the normal retirement age for the respective plans. Key assumptions, and the present value of the accumulated benefits for each executive reflecting all benefits earned as of December 31, 2015 by the executive under each plan and letter agreement, are shown under the 2015 Pension Benefits table. The values reported in the earnings column of the 2015 Nonqualified Deferred Compensation table are not included here because the earnings are not above-market and are not preferential. These amounts exclude any benefits to be paid from plans of formerly affiliated companies.

(9) Components of "All Other Compensation" are as follows:

		ALL OTHER COMPENSATION			
Name	Year	**U. S. Steel Savings Plan Contributions[a]**	**Non Qualified Defined Contribution Plan Accruals[b]**	**Perquisites[c]**	TOTAL
M. Longhi	2015	$37,100	$ 510,747	$ 507,143	$1,054,990
D. B. Burritt	2015	$33,401	$ 212,187	$ 45,453	$291,041
S. R. Folsom	2015	$31,292	$ 154,630	$ 288,624	$474,546

D. R. Matthews	2015	$15,900	$ 16,320	$ 13,120	$45,340
G. M. Turk	2015	$30,844	$ 71,063	$ 556,436	$658,343

(a) U. S. Steel Savings Plan Contributions include: (i) employer matching contributions that were made in the form of the Corporation's common stock and (ii) other non-elective employer contributions known as Retirement Account contributions that were made to the executive's account in the U. S. Steel Savings Plan (a federal income tax-qualified defined contribution plan also known as a "401(k) plan") during the most recently completed fiscal year. The U. S. Steel Savings Plan is available to all non-represented, domestic employees of U. S. Steel and certain of its subsidiaries and affiliates. The plan is designed to allow employees to supplement their retirement income. Employee contributions are voluntary and may commence the month following the employee's hire date. The Corporation matches the employee contributions up to certain limits. Eligible employees who are not covered by the U. S. Steel Pension Plan, including Messrs. Longhi, Burritt and Turk and Ms. Folsom, automatically receive Retirement Account contributions.

(b) The Non Qualified Defined Contribution Plan Accruals include accruals under the following programs:

- The Supplemental Thrift Program, in which benefits accrue in the form of phantom shares of U.S. Steel common stock equal to the portion of the Corporation's matching contributions to the U. S. Steel Savings Plan that cannot be provided due to the statutory limits on covered compensation and annual contributions.
- The Non Tax-Qualified Retirement Account Program, which provides book accruals equal to the amount of Retirement Account contributions that cannot be provided under the U. S. Steel Savings Plan due to the statutory limits on covered compensation and annual contributions.
- The Supplemental Retirement Account Program, which provides book accruals equal to the applicable Retirement Account contribution rate (8.5% for Messrs. Longhi, Burritt, Turk and Ms. Folsom) under the U. S. Steel Savings Plan multiplied by incentive compensation paid under our short-term incentive compensation programs or similar plans.

Messrs. Longhi, Burritt, Turk and Ms. Folsom accrued benefits under each of the above plans. Mr. Matthews accrued benefits only under the Supplemental Thrift Program.

(c) Types of perquisites available to the NEOs include personal use of corporate aircraft and automobiles, limited club memberships, financial planning and tax preparation services, company-paid physicals, limited personal use of corporate properties, tickets to entertainment and sporting events, company matching contributions to charities, relocation expenses and residential and personal security services. The amounts disclosed above are calculated using the aggregate incremental costs related to the perquisites received by the NEOs in 2015. The aggregate incremental cost of the personal use of corporate aircraft is calculated using the rate per flight hour for the type of corporate aircraft used. The rates are published twice per year by a nationally recognized and independent service. The calculated incremental costs for personal flights include the costs related to all flight hours flown in connection with the personal use. The Corporation consistently applies allocation methods for flights that are not entirely either business or personal. Not included in All Other Compensation are the values of dividends paid on restricted stock awards because these amounts are considered in determining the grant date fair market value shown under the "Stock Awards" column of the Summary Compensation Table. Mr. Longhi's 2015 personal aircraft usage totaled $210,458. During 2015, Mr. Longhi received personal security detail in the amount of $275,936. Mr. Burritt received relocation benefits in the amount of $33,851 which includes a gross up amount of $11,470. Ms. Folsom received relocation benefits in the amount of $272,212, which includes a gross up amount of $112,254. Mr. Turk received relocation benefits in the amount of $543,475, which includes a gross up amount of $267,374.

Executive Compensation Tables

Grants of Plan-Based Awards

The following table summarizes the grant of non-equity incentive compensation and equity based incentive compensation to each Named Executive Officer in 2015.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards[(3)]			**Estimated Future Payouts Under Equity Incentive Plan Awards[(5)]**			All Other Stock Awards: Number of Shares of **Stock or**	All Other Option Awards: Number of Securities **Underlyin**
Name	Plan Name[(1)]	**Grant Date[(2)]**	**Threshold[(4)] ($)**	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	Units[(6)] (#)	Options[(7)] (#)
M. Longhi	AICP	2/24/2015	$1,071,563	$2,143,125	$5,119,390	—	—	—	—	—
	LTIP	2/24/2015	$1,312,500	$2,625,000	$5,250,000	52,605	105,210	210,420	70,620	174,300
D. B. Burritt	AICP	2/24/2015	$390,125	$780,250	$1,863,822	—	—	—	—	—
	LTIP	2/24/2015	$412,500	$825,000	$1,650,000	16,535	33,070	66,140	22,200	54,780
S. R. Folsom	AICP	2/24/2015	$267,500	$535,000	$1,277,981	—	—	—	—	—
	LTIP	2/24/2015	$213,750	$427,500	$855,000	8,565	17,130	34,260	11,500	28,390
D. R. Matthews	AICP	2/24/2015	$214,800	$429,600	$1,026,207	—	—	—	—	—
	LTIP	2/24/2015	$167,250	$334,500	$669,000	6,705	13,410	26,820	9,000	22,210
G. M. Turk	AICP	2/24/2015	$143,569	$287,138	$685,900	—	—	—	—	—
	LTIP	2/24/2015	$74,250	$148,500	$297,000	2,975	5,950	11,900	13,690	9,860

(1) AICP refers to the Corporation's Annual Incentive Compensation Plan. LTIP refers to the Long-Term Incentive Compensation Program under the United States Steel Corporation 2005 Stock Incentive Plan.

(2) The grant date for the AICP represents the date that the Compensation & Organization Committee (the "Committee") established the annual incentive targets for the 2015 performance period.

(3) Our NEOs received non-equity incentive compensation under the AICP and LTIP. For a discussion of the plans, the 2015 performance targets and the 2015 award amounts, see the "Compensation Discussion and Analysis" section of this proxy statement.

(4) The calculated threshold is based upon the lowest possible payouts for income from operations (30% of target) and cash flow (20% of target) for a combined threshold of 50%. In addition, if the safety goal is met, 5% will be added to the award payout. Individual performance is also considered and can increase an award by up to 30% or reduce or eliminate the award.

(5) Performance award grants were made on February 24, 2015 to all NEOs. For 2015, performance awards represent 60% of the total annual grant value, with half of the award value granted in cash based on the Corporation's three-year average return of capital employed (ROCE) as the performance measure, and the other half of the award value granted in equity based on total shareholder return ("TSR"). Vesting is performance-based and will occur, if at all, following the end of the three-year performance period (the "performance period") on the date the Committee meets to determine the Corporation's actual performance for the performance period. The payout is based upon the three-year average ROCE for the period for one portion, and the rank of our total shareholder return compared to the total shareholder returns for the companies in the peer group for the other portion. Performance awards do not pay dividends or carry voting privileges. Executives may receive grants of options and restricted stock units in addition to performance awards under the LTIP. We have not engaged in any repricing or other material modification of any outstanding options or other equity-based award under the plan.

(6) Restricted stock unit grants were made on February 24, 2015 to all NEOs. The units are time-based awards and vest over a three-year period with one-third of the granted shares vesting on February 24, 2016; an additional one-third of the shares vesting on February 24, 2017; and the remaining one-third of the shares vesting on February 24, 2018, subject in each case to continued employment on the vesting dates.

(7) Option grants were made on February 24, 2015 to all NEOs. The option grants are time-based, with a ten-year term and vest over a three-year period with one-third of the granted shares vesting on February 24, 2016; an additional one-third of the shares vesting on February 24, 2017; and the remaining one-third of the shares vesting on February 24, 2018, subject in each case to continued employment on the vesting dates.

(8) Exercise Price of Option Awards represents the fair market value on the date of grant.

(9) This column represents the full grant date fair market value for the equity incentive awards, stock awards and option awards, calculated in accordance with ASC 718. The restricted stock units accrue dividends at a non-preferential rate ($0.05) per share (as of the last announced dividend) that are paid when the underlying restricted stock units vest. The value of these dividends is reflected in the fair market value of the restricted stock unit grant. Restricted stock units carry no voting privileges. The target number of TSR performance awards is also based on the fair market value on the date of grant and includes a factor predicting the probable outcome of the performance goal for the grant. The factor for the 2015 performance award grant was 100.687%, determined by a third-party consultant using a binomial calculation. The maximum payout for the performance awards is 200% of target. Accordingly, if maximum share payouts were achieved for such performance awards, the aggregate grant date fair value for such awards would be twice the target amount disclosed in the table related to such performance awards.

Executive Compensation Tables

Outstanding Equity Awards at 2015 Fiscal Year-End

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	**Number of Securities Underlying Unexercised Options(1) (#) Unexercisable**	Option Exercise Price ($)	Option Expiration Date	**Number of Shares or Units of Stock That Have Not Vested(2) (#)**	**Market Value of Shares or Units of Stock That Have Not Vested(2) ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(3) (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(3) ($)**
M. Longhi	7/3/2012	54,500	—	$ 21.630	7/3/2022	—	—	—	—
	5/28/2013	35,633	17,817	$ 25.000	5/28/2023	9,200	$ 73,416	0	0
	9/1/2013	117,360	58,680	$ 25.000	9/1/2023	17,534	$ 139,921	—	—
	2/25/2014	—	—	—	—	—	—	0	0
	2/25/2014	—	—	—	—	—	—	89,638	$ 715,314
	5/27/2014	50,580	101,160	$ 24.285	5/27/2024	41,367	$ 330,109	—	—
	2/24/2015	—	174,300	$ 24.780	2/24/2025	70,620	$ 563,548	0	0
D. B. Burritt	9/3/2013	101,873	50,937	$ 25.000	9/3/2023	50,230	$ 400,835	—	—
	2/25/2014	—	—	—	—	—	—	0	0
	2/25/2014	—	—	—	—	—	—	29,732	$ 237,263
	5/27/2014	16,780	33,560	$ 24.285	5/27/2024	13,727	$ 109,541	—	—
	2/24/2015	—	54,780	$ 24.780	2/24/2025	22,200	$ 177,156	0	0
S. R. Folsom	1/27/2014	6,666	13,334	$ 25.560	1/27/2024	5,867	$ 46,819	—	—
	2/25/2014	—	—	—	—	—	—	0	0
	2/25/2014	—	—	—	—	—	—	13,282	$ 105,992
	5/27/2014	7,483	14,967	$ 24.285	5/27/2024	6,120	$ 48,838	—	—
	2/24/2015	—	28,390	$ 24.780	2/24/2025	11,500	$ 91,770	0	0
D. R. Matthews	5/30/2006	1,074	—	$ 65.400	5/30/2016	—	—	—	—
	5/29/2007	1,480	—	$ 109.315	5/29/2017	—	—	—	—
	5/27/2008	1,600	—	$ 169.225	5/27/2018	—	—	—	—
	5/26/2009	11,660	—	$ 29.805	5/26/2019	—	—	—	—
	5/25/2010	7,680	—	$ 45.650	5/25/2020	—	—	—	—
	5/31/2011	10,730	—	$ 45.805	5/31/2021	—	—	—	—
	5/29/2012	19,960	—	$ 22.305	5/29/2022	—	—	—	—
	5/28/2013	14,720	7,360	$ 25.000	5/28/2023	3,800	$ 30,324	0	0

	2/25/2014	—	—	—	—	—	—	0	0
	2/25/2014	—	—	—	—	—	—	13,282	$ 105,992
	5/27/2014	7,483	14,967	$ 24.285	5/27/2024	6,120	$ 48,838	—	—
	2/24/2015	—	22,210	$ 24.780	2/24/2025	9,000	$ 71,820	0	0
G. M. Turk	5/27/2014	11,630	23,260	$ 24.285	5/27/2024	24,664	$ 196,819	—	—
	2/24/2015	—	9,860	$ 24.780	2/24/2025	13,690	$ 109,246	0	0

(1) All options vest in equal increments on the first three anniversaries of the date of grant, subject in each case to employment on the respective vesting dates or to pro rata vesting for retirement during the vesting period.

(2) All restricted stock units vest in equal increments on the first three anniversaries of the date of grant, subject in each case to employment on the respective vesting dates or to pro rata vesting for retirement during the vesting period; except for the restricted stock unit retention grant (27,400 units awarded to Mr. Burritt and 30,280 units awarded to Mr. Turk, pursuant to their offer letters), which is conditioned on continued employment with the Corporation and are subject to three-year cliff vesting from the date of grant.

(3) Value is based on $7.98 per share, which was the closing price of the stock on December 31, 2015.

(4) Performance awards granted in 2013 is based on TSR during a three-year performance period relative to a group of peer companies and continued employment (pro rata vesting on the vesting date applies to retirement during the performance period, assuming the performance goals are accomplished). For 2014 and 2015, performance awards represent 60% of the total annual grant value, with half of the award value granted based on the Company's three-year average ROCE as the performance measure, and the other half of the award value based on TSR. Using stock prices and dividends reported since the beginning of the respective performance periods, we estimate that, through December 31, 2015, the Corporation has performed at the 11th percentile relative to the peer group for the 2015 award, at the 14th percentile for the 2014 award, and at the 14th percentile for the 2013 award. For the 2015 ROCE cash grant and 2014 ROCE equity grant, we estimate that, through December 31, 2015, the Corporation performed below the target performance level.

Executive Compensation Tables

Option Exercises and Stock Vested in 2015

The following table illustrates for each Named Executive Officer, on an aggregate basis, the value realized from the exercise of stock options and from the vesting of restricted stock awards and performance awards in 2015.

Name	Option Awards Number of Shares Acquired on Exercise (#)	**Value Realized on Exercise[2] ($)**	Stock Awards[1] Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
M. Longhi	—	—	66,383	$ 1,385,851
D. B. Burritt	—	—	29,693	$ 537,876
S. R. Folsom	—	—	5,993	$ 137,684
D. R. Matthews	—	—	10,424	$ 255,434
G. M. Turk	—	—	2,036	$ 49,984

(1) The Stock Awards column includes the vesting of restricted stock grants during 2015.

(2) Value before taxes and exercise costs.

Pension Benefits

The following table illustrates the actuarial present value of pension benefits accumulated by Named Executive Officers as of December 31, 2015. Messrs. Longhi, Burritt, and Turk and Ms. Folsom are not eligible to participate in the Corporation's defined benefit pension plans.

Name	**Plan Name**	**Number of Years Credited Service[1] (#)**	**Present Value of Accumulated Benefit[2] ($)**
D. R. Matthews	U. S. Steel Pension Plan	25	$ 1,142,931
	Non Tax-Qualified Pension Plan	25	$ 918,386
	Supplemental Pension Program	25	$ 1,967,064
	Total	—	$ 4,028,381

(1) Service shown represents credited service years (rounded) used to calculate accrued benefits as of December 31, 2015.

(2) Accumulated benefit at December 31, 2015. The present value of accumulated benefits is calculated using the assumptions used in the preparation of the Corporation's financial statements contained in the Annual Report on

Form 10-K, except that retirement age is assumed to be the normal retirement age for the respective plans. Key assumptions used for the calculations in this table and in the Summary Compensation Table include a 4.25% discount rate for the 2015 calculations (3.75% for 2014 and 4.5% for 2013); a lump sum rate assumption of 3.0% for 2015 (3.0% for 2014 and 3.0% for 2013) assuming the Section 417(e) minimum was not applicable; a 100% lump sum benefit election for all plans; and unreduced benefit ages, which at December 31, 2015, are age 62 for the U. S. Steel Pension Plan and age 60 for the Non Tax-Qualified Pension Plan and the Supplemental Pension Program.

U. S. Steel Pension Plan

The United States Steel Corporation Plan for Employee Pension Benefits, Revision of 2003 (“U. S. Steel Pension Plan”) provides defined benefits for substantially all non-represented, domestic employees who were hired before July 1, 2003. Messrs. Longhi, Burritt, and Turk who were hired in 2012, 2013, and 2014 respectively, and Ms. Folsom, who was hired in 2014, are not participants in the U. S. Steel Pension Plan and the related nonqualified plans. Mr. Matthews is a participant under the U. S. Steel Pension Plan and the related non-qualified plans. Benefits under the U. S. Steel Pension Plan and the related non qualified plans described below were frozen for all non-union participants on December 31, 2015.

The U. S. Steel Pension Plan is designed to provide eligible employees with replacement income during retirement. The two

primary benefits provided to non-represented employees are based on final earnings (the “Final Earnings Benefit”) and career earnings (the “Career Earnings Benefit”) formulas. Benefits may be paid as an actuarially determined lump sum in lieu of monthly pension payments. The Internal Revenue Code (the “Code”) limits the amount of pension benefits that may be paid from tax- qualified pension plans.

The Final Earnings Benefit component is based on a formula using a specified percentage (dependent on years of service) of average monthly earnings which is determined from the five consecutive 12-month calculation periods in which the employee’s aggregate earnings were the highest during the last ten 12-month calculation periods of continuous service prior to retirement. Incentive compensation is not considered when determining average monthly earnings. Eligibility for an unreduced Final Earnings Benefit under the U. S. Steel Pension Plan is based on attaining at least 30 years of credited service or at least age 62 with 15 years of credited service. In addition to years of service and earnings while employed by the Corporation, service and earnings for certain purposes include those accrued while working for certain affiliated companies.

The annual normal retirement benefit under the Career Earnings Benefit component is equal to 1.3% of total career earnings. Incentive compensation is not considered when determining total career earnings. Career Earnings Benefits commenced prior to attaining normal retirement or age 62 with 15 years of service, but after attaining age 58, are subject to an early

commencement reduction equal to one-quarter of one percent for each month the commencement of pension payments precedes the month in which the participant attains the age of 62 years and one month. Career Earnings Benefits commenced prior to attaining age 58 are based on 1.0% of total career earnings and subject to a larger early commencement reduction. If he had retired on December 31, 2015, Mr. Matthews' annual Career Earnings Benefits would have been reduced by 59.59%.

Benefits accrued for each executive for the purpose of calculating both the Final Earnings and Career Earnings Benefits are limited to the executive's unreduced base salary and foreign service premium, if any, subject to the compensation limit under the Code.

U. S. Steel Pension Plan Calculation Assumptions

The present value of accumulated benefit obligations represents the actuarial value of benefits earned by the executives under the U. S. Steel Pension Plan. Assumptions used in the calculations include an unreduced benefit age of 62, the election of a lump sum option, and estimated career earnings and final average earnings as of December 31, 2015. Estimated final average earnings were developed based on the average of the actual monthly salaries paid in the highest five consecutive 12 month periods during the ten years preceding December 31, 2015.

The salary amounts include base salary, excluding incentive compensation. For these calculations, the executive's unreduced base salary is used to the extent necessary to avoid the adverse effects of the temporary reduction in base salary that was effective between July 1, 2009 and July 1, 2010. The number of years of credited service in the 2015 Pension Benefits table shows the number of years earned and used to calculate the accrued benefits reported.

Non Tax-Qualified Pension Plan

The purpose of the United States Steel Corporation Non Tax- Qualified Pension Plan ("Non Tax-Qualified Pension Plan") is to compensate individuals for the loss of benefits under the U. S. Steel Pension Plan that occur due to certain limits established or required under the Code. The amount payable under the Non Tax-Qualified Pension Plan is equal to the difference between the benefits the executive actually receives under the U. S. Steel Pension Plan and the benefits that the executive would have received under the U. S. Steel Pension Plan except for the limitations imposed by the Code. Benefits under the Non Tax- Qualified Pension Plan were frozen on December 31, 2015.

Benefits paid under the Non Tax-Qualified Pension Plan are in the form of an actuarially determined lump sum distribution of the benefits payable to the executive upon termination of employment, subject to the six-month waiting period under Section 409A of the Code for specified employees.

Non Tax-Qualified Pension Plan Calculation Assumptions

The present value of accumulated benefit obligations represents the actuarial value of benefits earned by the executives under the Non Tax-Qualified Pension Plan and was based on the same provisions and eligibility status as

determined under the U. S. Steel Pension Plan. Assumptions used in the calculations include an unreduced benefit age of 60, the election of a lump sum option, and estimated career earnings and final average earnings as of December 31, 2015.

Supplemental Pension Program

The purpose of the United States Steel Corporation Executive Management Supplemental Pension Program (the "Supplemental Pension Program") is to provide a pension benefit for executives and certain non-executives who participate in the U. S. Steel Pension Plan with respect to compensation paid under the short-term incentive compensation plans of the Corporation, its subsidiaries, and its joint ventures. Benefits under the Supplemental Pension Program were frozen on December 31, 2015.

Executives with at least 15 years of continuous service become eligible to receive a benefit under the Supplemental Pension Program at retirement or termination of employment. Benefits

will not be payable under the program with respect to an executive who (a) terminates employment prior to age 60 or (b) terminates employment within 36 months of the date coverage under the Supplemental Pension Program begins, unless, in either case, the Corporation consents to the termination; provided, however, such consent is not required for terminations because of death or involuntary termination, other than for cause. Distributions are subject to the six-month waiting period under Section 409A of the Code for specified employees.

An executive's average earnings are used to calculate the benefit under the Supplemental Pension Program and are defined as the average monthly earnings derived from the

Executive Compensation Tables

total short-term incentive (described as Non-Equity Incentive Plan Compensation in the Summary Compensation Table in this proxy statement) paid or credited to the executive under the Annual Incentive Compensation Plan with respect to the three calendar years for which total short-term incentive payments were the highest out of the last ten consecutive calendar years prior to the executive's termination. Short-term

incentive payments payable for the calendar year in which termination occurs would be considered if such payment produces average earnings greater than that determined at termination. Benefits are paid as an actuarially determined lump sum. Such lump sum cannot be less than the lump sum value determined using the executive's highest monthly accrued benefit under the Supplemental Pension Program.

Supplemental Pension Program Calculation Assumptions

The present value of accumulated benefit obligations represents the actuarial value of benefits earned through December 31, 2015 by an executive under the Supplemental Pension Program. Assumptions used in the calculations

include a normal retirement age of 60, a lump sum payment, and average earnings as of December 31, 2015. Credited service under the Supplemental Pension Program is the same as under the U. S. Steel Pension Plan.

Non-Qualified Deferred Compensation

The following table provides information with respect to accruals for each NEO under the Corporation's non-qualified defined contribution plans in 2015. 2015 Year-End Aggregate Balances are as of December 31, 2015.

Executive	Plan Name	**2015 Company Contributions/ Accruals**[(1)]	**2015 Aggregate Earnings**[(2)]	2015 Year-End Aggregate Balance
M. Longhi	Supplemental Thrift Program	$ 71,150	$ (109,599)	$ 75,913
	Non Tax-Qualified Retirement Account Program	$ 98,919	$ (3,124)	$ 255,113
	Supplemental Retirement Account Program	$ 340,678	$ (11,582)	$ 401,373
	Total	$ 510,747	$ (124,305)	$ 732,399
D. B. Burritt	Supplemental Thrift Program	$ 34,401	$ (33,080)	$ 29,423
	Non Tax-Qualified Retirement Account Program	$ 45,333	$ (979)	$ 85,397
	Supplemental Retirement Account Program	$ 132,452	$ (4,326)	$ 135,160
	Total	$ 212,186	$ (38,385)	$ 249,980
S. R. Folsom	Supplemental Thrift Program	$ 28,000	$ (20,271)	$ 21,988
	Non Tax-Qualified Retirement Account Program	$ 37,677	$ (912)	$ 60,084
	Supplemental Retirement Account Program	$ 88,953	$ (3,748)	$ 85,205
	Total	$ 154,630	$ (24,931)	$ 167,277
D. R. Matthews	Supplemental Thrift Program	$ 16,320	$ (44,873)	$ 29,299

G. M. Turk	Supplemental Thrift Program	$ 14,340	$ (6,284)	$ 10,897
	Non Tax-Qualified Retirement Account Program	$ 18,870	$ (175)	$ 23,017
	Supplemental Retirement Account Program	$ 37,853	$ (1,595)	$ 36,258
	Total	$ 71,063	$ (8,054)	$ 70,172

(1) Accruals are included in the All Other Compensation column of the Summary Compensation Table (See footnote 9 to that table for more detail.) Accruals in prior years have been reported in prior years under All Other Compensation in the Summary Compensation Table.

(2) Determined by taking the balance at the end of 2015, less 2015 accruals, less the balance at the beginning of 2015, and adding dividend equivalents.

Supplemental Thrift Program

The purpose of the United States Steel Corporation Supplemental Thrift Program (the “Supplemental Thrift Program”) is to compensate individuals for the loss of matching contributions by the Corporation under the U. S. Steel Savings Plan that cannot be provided due to the statutory limits on covered compensation (which limit was $265,000 in 2015) and combined Corporation and individual annual contributions (which limit was $53,000 in 2015). Under the Supplemental Thrift Program, executives accrue benefits in the form of phantom shares of U. S. Steel common stock. In the aggregate, the benefit accruals

under the Supplemental Thrift Program and the matching contributions under the U. S. Steel Savings Plan may equal up to six percent of the executive’s eligible base salary.

An executive receives a lump sum distribution of the benefits payable under this program upon his or her (a) termination of employment with five or more years of continuous service, (b) termination of employment, prior to attaining five years of continuous service, with the consent of the Corporation, or (c) pre-retirement death, subject to the six-month waiting period under Section 409A of the Code for specified employees.

Executive Compensation Tables

Non Tax-Qualified Retirement Account Program

The purpose of the United States Steel Corporation Non Tax-Qualified Retirement Account Program is to compensate individuals for the loss of Retirement Account contributions that cannot be provided under the U. S. Steel Savings Plan due to the statutory limits on covered compensation (which limit was $265,000 in 2015) and combined Corporation and individual annual contributions (which limit was $53,000 in 2015). In general, the Retirement Account contributions are non-elective employer contributions that are made on behalf of each eligible employee who was hired, or rehired, after participation in the U. S. Steel Pension Plan was frozen on July 1, 2003. Accordingly, Messrs. Longhi, Burritt and Turk and Ms. Folsom participate in the Non Tax-Qualified Retirement Account Program. Mr. Matthews does not participate in the Non Tax-Qualified Retirement Account Program because he was hired prior to July 1, 2003.

Under the Non Tax-Qualified Retirement Account Program, accrued benefits are recorded in a notional account and credited with earnings as if the account had been invested in the U. S. Steel Savings Plan. In the aggregate, benefit accruals under this program and the Retirement Account contributions under the U. S. Steel Savings Plan shall equal 8.5% of eligible base salary for Messrs. Longhi, Burritt and Turk and Ms. Folsom.

Benefits under this program are payable in a lump sum distribution following the termination of employment (a) after completing three years of continuous service, or (b) prior to completing three years of continuous service, with the consent of the Corporation; provided, however, such consent is not required for terminations because of death or involuntary termination, other than for cause. Payments are subject to the six-month waiting period under Section 409A of the Code for specified employees.

Supplemental Retirement Account Program

The purpose of the Supplemental Retirement Account Program is to provide Retirement Account contributions with respect to compensation paid under the short-term incentive compensation plans of the Corporation, its subsidiaries, and its joint ventures. Of the NEOs, only Messrs. Longhi, Burritt, and Turk and Ms. Folsom participate in the program.

Accrued benefits under the Supplemental Retirement Account Program are recorded in a hypothetical account and credited with earnings as if the account had been invested in the U. S. Steel Savings Plan. Executives who complete at least 10 years of continuous service (or, if earlier, attain age 65) become eligible to receive a benefit under the Supplemental

Retirement Account Program at retirement or termination of employment. Benefits will not be payable under the program with respect to an executive who (a) terminates employment prior to age 55 or (b) terminates employment within 36 months of the date coverage under the program begins, unless the Corporation consents to the termination; provided, however, such consent is not required for terminations because of death or involuntary termination, other than for cause. Benefits under the Supplemental Retirement Account Program are payable in the form of a lump sum distribution following termination of employment, subject to the six-month waiting period under Section 409A of the Code for specified employees.

Potential Payments Upon Termination or Change in Control

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The compensation and benefits payable to our executives upon termination vary depending upon the event triggering the termination and the executive's relevant employment facts at the time of termination. For purposes of the tables and discussions

included in this section, we have assumed the following termination scenarios (the column references are to the columns in the tables that follow):

Termination Scenarios

Voluntary Termination (with Consent) or Retirement - (Column A)

This termination scenario assumes retirement pursuant to a retirement plan. Benefits under the Supplemental Pension Program are not payable to an executive who voluntarily terminates employment prior to age 60, unless the Corporation consents to such termination. We have assumed the Corporation's consent to retire prior to age 60 under this scenario; however, the Corporation usually reserves its consent for an executive who has served the Corporation well, is not leaving for an opportunity at another company, and is not leaving prior to the development of his or her successor.

With respect to long-term incentives, the Compensation & Organization Committee (the "Committee") has discretion to terminate unvested awards upon termination and certain vested

option awards if the executive retires before the age of 65. While the Committee reserves the right to decide these matters on a case-by-case basis, its practice has been to prorate the vesting of the shares scheduled to vest during the current vesting period for the time employed during the current vesting period (for example, in the case of stock options and restricted stock units, seven months worked during the twelve-month vesting period from June 2014 to May 2015 would result in a vesting of seven-twelfths of the number of shares scheduled to vest in May 2015, with no such pro rata vesting for the shares scheduled to vest after May 2015). Given our assumption under this scenario that the Committee has consented to the executive's retirement, the pro rata vesting discussed above has been applied to the calculations in the table below.

Voluntary Termination (Without Consent) or Involuntary Termination (for Cause) - (Column B)

This termination scenario assumes that the Corporation does not consent to an executive's voluntary termination of his or her employment prior to age 60, or that the Corporation terminates the executive's employment for cause. Under these conditions, the Committee is not likely to exercise any discretion that it may

have in favor of the executive and, accordingly, we have not assumed the exercise of any discretion in favor of executives with respect to unvested awards for purposes of the calculations in the tables below.

Involuntary Termination (Not for Cause) - (Column C)

Events that could cause the Corporation to terminate an executive's employment involuntarily, not for cause, include the curtailment of certain lines of business or a facility shutdown where the executive's services are no longer required due to business conditions or an organizational realignment. Prior to the involuntary termination, the executive may be eligible for benefits under our Supplemental Unemployment Benefit Program for

Non-Union Employees, which may include the payment of a percentage of base salary, basic life and health insurance. For purposes of determining the vesting of equity awards upon termination, we have assumed the executive's employment was terminated on December 31, 2015. Awards are prorated upon termination for purposes of the calculations in the tables below.

Change in Control and Termination - (Column D)

All of the NEOs had individual Change in Control agreements through the end of 2015. As described on page 33, the agreements were replaced with a Change in Control Severance Plan with substantially similar terms, effective January 1, 2016. In addition to the benefits paid pursuant to the Change in Control agreements, all long-term incentive awards would vest upon a change in control and a termination, and benefits would be paid according to each benefit plan's provisions following the termination of an executive's employment in connection with a change in control. The following discussion describes the events and circumstances that would trigger payments under the Change in Control agreements.

Generally, payments are triggered upon the occurrence of both a Change in Control of the Corporation and termination of the executive's employment by the Corporation other than for cause.

Under the agreements, each executive agrees to remain in the employ of the Corporation until the earlier of (i) a date three months after a Change in Control and (ii) a date six months after a Potential Change in Control (as defined below). Payments are also triggered if the executive terminates his or her employment for Good Reason (as defined below); however, in order for the Corporation to be obligated to pay the benefits under the contract, all Good Reason terminations must also involve an actual Change in Control (if the Good Reason termination occurs prior to a Change in Control, the Change in Control must be a 409A Change in Control; see definition below).

Following a Change in Control, if there is a termination by the Corporation (other than for cause or disability) or by the executive for Good Reason, the executive is entitled to the following benefits:

Potential Payments Upon Termination or Change in Control

- Accrued compensation and benefits;
- Cash severance;
- Supplemental retirement benefit;
- Active medical;
- Outplacement services;
- Supplemental Savings Benefit - equal to the unvested portion of the Corporation's contributions on behalf of the executive under the tax-qualified and non tax-qualified savings plans; and
- Legal fees - reimbursement for legal fees incurred as a result of termination of employment and incurred in contesting or disputing such termination or seeking to enforce any right or benefit under the agreement or in connection with any tax audit relating to Sections 4999 (excise taxes) or 409A (deferred compensation) of the Code.

A "*Good Reason*" termination involves a voluntary termination following any of these events:

- An executive is assigned duties inconsistent with his or her position;
- Reduction in base salary;
- Relocation in excess of 50 miles from the executive's current work location;
- Failure to continue all of the Corporation's employee benefit, incentive compensation, bonus, stock option and stock award plans, programs, policies, practices or arrangements in which the executive participates or failure of the Corporation to continue the executive's participation therein at amounts and levels relative to other participants;
- Failure of the Corporation to obtain agreement from any successor to the Corporation to assume and perform the agreement; or
- Any termination that is not effected pursuant to a Notice of Termination (a Notice of Termination is to be given by the Corporation in connection with any termination for cause or disability and the executive must give a notice of termination in connection with a termination for good reason).

A "*Change in Control*" happens under the agreements if any of the following occurs:

- A person (defined to include individuals, corporations, partnerships, etc.) acquires 20% or more of the voting power of the Corporation;
- A merger occurs involving the Corporation except (a) a merger with at least a majority of continuing directors or (b) a merger involving a division, business unit or subsidiary;
- A change in the majority of the Board of Directors;
- A sale of all or substantially all of the assets of the Corporation; or
- Stockholder approval of a plan of complete liquidation.

A "*Potential Change in Control*" occurs if:

- The Corporation enters into an agreement that would result in a Change in Control;
- A person acquires 15 percent or more of the voting power of the Corporation;
- There is a public announcement by any person of intentions that, if consummated, would result in a Change in Control; or
- The Corporation's Board of Directors passes a resolution stating that a Potential Change in Control has occurred.

A "*409A Change in Control*" is similar to a Change in Control, except that it meets the requirements of Section 409A of the Code. The main difference between the two definitions is that a 409A Change in Control requires a person to acquire 30% of the total voting power of the Corporation's stock, while a Change in Control requires a person to acquire 20% of the total voting power of the Corporation's stock. A 409A Change in Control must occur prior to any payment in the event the termination precedes the Change in Control. In other words, payments under the change in control agreement are due to the executive if:

-

there is an involuntary termination by the Corporation (other than for cause or disability) or a voluntary termination by the executive for Good Reason;

- the executive reasonably demonstrates that an Applicable Event (defined below) has occurred; and
- a 409A Change in Control occurs within twenty-four months following the termination.

An "*Applicable Event*" (a term used for various purposes, including defining points at which compensation amounts and periods are measured) means a Change in Control, Potential Change in Control or actions of a third party who has taken steps reasonably calculated to effect a Change in Control.

To the extent required by Section 409A of the Code, payments would be delayed six months following the applicable reference date.

As mentioned above, a "double trigger" must occur prior to the Corporation incurring any liability under the Change in Control agreements; that is, for there to be payments under the Change in Control agreements, both of the following must occur: (i) a termination and (ii) a Change in Control (or, in some cases, a 409A Change in Control).

Disability and Death (Columns E and F)

Employees with at least 15 years of continuous service who are covered by the U. S. Steel Pension Plan and become totally and permanently disabled prior to age 65 are eligible to retire on a permanent incapacity pension. The criteria for a disability termination under the Long-Term Incentive Compensation Program are the same as for a disability

termination under Section 409A of the Code. If an employee with at least 15 years of service dies while actively employed, benefits under the Corporation's qualified and non-qualified plans are calculated as if the employee had retired on the date of his or her death.

Potential Payments Upon Termination or Change in Control

Potential Payments Upon Termination Tables

The following tables were developed using the above termination scenarios, as modified to reflect contractual obligations with executives, and an estimation of the amounts that would be payable to each NEO under the relevant scenario. A discussion of each of the types of compensation follows the tables. The estimated present values of the benefits provided to the NEOs under each of these termination scenarios were determined using the following assumptions:

1. Unless otherwise noted, the tables reflect amounts that would have been payable at, following, or in connection with a termination of employment, with the triggering event occurring on December 31, 2015;
2. The stock price used for valuation purposes for the long- term incentive awards was the closing stock price on December 31, 2015, which was $7.98;
3. The normal life expectancy obtained from the 1971 Group Annuity Mortality Tables, or, for a permanent incapacity type of pension, life expectancy obtained from the Disabled Life Expectancy Tables (wages and salaried) based on the Corporation's experience, made gender neutral on a nine to one male/female ratio; and
4. The December 31, 2015 Pension Benefit Guaranty Corporation interest rate of 1.25% was used to determine 2015 lump sum payment amounts.

Potential Payments Upon Termination

Executive	Component	A Voluntary Termination (with Consent) **or Retirement**[1]	B Voluntary Termination (Without Consent) or Involuntary Termination (For Cause)	C Involuntary Termination (Not for **Cause)**[2]	D Change in Control and Termination	E **Disability**[3]	F Death
M. Longhi	**Severance, Short- & Long-Term Compensation Elements**						
	Cash Severance	—	—	$450,000	$9,375,000	—	—
	Short-Term Incentive	—	—	—	—	—	—
	Long-Term Incentive:						
	Stock Options (Unvested)[4]	—	—	—	—	—	—
	Restricted Stock (Awards/Units)[4]	$342,287	—	$342,287	$1,106,986	$1,106,986	$1,106,986
	Performance Stock Award[5]	$2,410,585	—	$2,410,585	$5,279,946	$1,024,632	$1,024,632
	SubTotal	$2,752,872	—	$3,202,872	$15,761,932	$2,131,618	$2,131,618
	Benefits						
	Supplemental Thrift Program	$75,913	—	$75,913	$75,913	$75,913	$75,913
	Non Tax-Qualified Retirement Account Program	$255,113	$255,113	$255,113	$255,113	$255,113	$255,113
	Supplemental Retirement Account	$401,373		$401,373	$401,373	$401,373	$401,373
	Active Medical	—	—	—	$34,776	—	—

Supplemental Retirement Benefit(7)	—	—	—	$1,052,835	—	—
Outplacement Services	N/A	N/A	N/A	$15,000	N/A	N/A
SubTotal	$732,399	$255,113	$732,399	$1,835,010	$732,399	$732,399
TOTAL	$3,485,271	$255,113	$3,935,271	$17,596,942	$2,864,017	$2,864,017

Potential Payments Upon Termination or Change in Control

Potential Payments Upon Termination (Cont'd.)

Executive	Component	A Voluntary Termination (with Consent) **or Retirement**[(1)]	B Voluntary Termination (Without Consent) or Involuntary Termination (For Cause)	C Involuntary Termination (Not for **Cause)**[(2)]	D Change in Control and Termination	E **Disability**[(3)]	F Death
D. B. Burritt	**Severance, Short- & Long-Term Compensation Elements**						
	Cash Severance	—	—	$160,000	$4,000,000	—	—
	Short-Term Incentive	—	—	—	—	—	—
	Long-Term Incentive:						
	Stock Options (Unvested)[(4)]	—	—	—	—	—	—
	Restricted Stock (Awards/Units)[(4)]	$141,887	—	$305,876	$687,530	$687,530	$687,530
	Performance Stock Award[(5)(6)]	$712,703	—	$712,703	$1,613,504	$262,303	$262,303
	SubTotal	$854,590	—	$1,178,579	$6,301,034	$949,833	$949,833
	Benefits						
	Supplemental Thrift Program	$29,423	—	$29,423	$29,423	$29,423	$29,423
	Non Tax-Qualified Retirement Account Program	$85,397	—	$85,397	$85,397	$85,397	$85,397
	Supplemental Retirement Account	$135,160		$135,160	$135,160	$135,160	$135,160
	Active Medical	N/A	N/A	N/A	N/A	N/A	N/A
	Supplemental Retirement Benefit[(7)]	—	—	—	$529,440	—	—
	Outplacement Services	N/A	N/A	N/A	$15,000	N/A	N/A
	SubTotal	$249,980	—	$249,980	$794,420	$249,980	$249,980
	TOTAL	$1,104,570	—	$1,428,559	$7,095,454	$1,199,813	$1,199,813

Executive	Component	A Voluntary Termination (with Consent) **or Retirement**[(1)]	B Voluntary Termination (Without Consent) or Involuntary Termination (For Cause)	C Involuntary Termination (Not for **Cause)**[(2)]	D Change in Control and Termination	E **Disability**[(3)]	F Death
S. R. Folsom	**Severance, Short- & Long-Term**						

Compensation Elements						
Cash Severance	—	—	$1,235,000	$3,150,000	—	—
Short-Term Incentive	—	—	—	—	—	—
Long-Term Incentive:						
Stock Options (Unvested)(4)	—	—	—	—	—	—
Restricted Stock (Awards/Units)(4)	$61,193	—	$61,193	$164,016	$164,016	$164,016
Performance Stock Award(5)(6)	$344,261	—	$344,261	$798,490	$117,146	$117,146
SubTotal	$405,454	—	$1,640,454	$4,112,506	$281,162	$281,162
Benefits						
Supplemental Thrift Program	$21,988	—	$21,988	$21,988	$21,988	$21,988
Non Tax-Qualified Retirement Account Program	$60,084	—	$60,084	$60,084	$60,084	$60,084
Supplemental Retirement Account	$85,205	—	$85,205	$85,205	$85,205	$85,205
Active Medical	—	—	—	$55,584	—	—
Supplemental Retirement Benefit(7)	—	—	—	$411,459	—	—
Outplacement Services	N/A	N/A	N/A	$15,000	N/A	N/A
SubTotal	$167,277	—	$167,277	$649,320	$167,277	$167,277
TOTAL	$572,731	—	$1,807,731	$4,761,826	$448,439	$448,439

Potential Payments Upon Termination or Change in Control

Potential Payments Upon Termination (Cont’d.)

		A	B	C	D	E	F
Executive	Component	Voluntary Termination (with Consent) **or Retirement**[1]	Voluntary Termination (Without Consent) or Involuntary Termination (For Cause)	Involuntary Termination (Not for **Cause)**[2]	Change in Control and Termination	**Disability**[3]	De
D. R. Matthews	**Severance, Short- & Long-Term Compensation Elements**						
	Cash Severance	—	—	$297,550	$1,947,600	—	-
	Short-Term Incentive	—	—	—	—	—	-
	Long-Term Incentive:						
	Stock Options (Unvested)[4]	—	—	—	—	—	-
	Restricted Stock (Awards/Units)[4]	$51,883	—	$51,883	$150,982	$150,982	$1
	Performance Stock Award[5]	$386,582	—	$386,582	$772,442	$213,784	$2
	SubTotal	$438,465	—	$736,015	$2,871,024	$364,766	$3
	Benefits						
	U. S. Steel Pension Plan	$1,001,627	$1,001,627	$1,513,957	$1,001,627	$1,469,379	$9
	Non Tax-Qualified Pension Plan	$729,018	$729,018	$3,143,253	$729,018	$2,253,649	$6
	Supplemental Pension Program	$4,693,829	—	$4,587,634	$4,693,829	$3,193,462	$3
	Supplemental Thrift Program	$29,299	$29,299	$29,299	$29,299	$29,299	$2
	Active Medical	—	—	—	$50,400	—	-
	Supplemental Retirement Benefit[7]	—	—	—	$4,541,598	—	-
	Outplacement Services	N/A	N/A	N/A	$15,000	N/A	N
	SubTotal	$6,453,773	$1,759,944	$9,274,143	$11,060,771	$6,945,789	$5
	TOTAL	$6,892,238	$1,759,944	$10,010,158	$13,931,795	$7,310,555	$6

		A	B	C	D	E	F
Executive	Component	Voluntary Termination (with Consent) **or Retirement**[1]	Voluntary Termination (Without Consent) or Involuntary Termination (For Cause)	Involuntary Termination (Not for **Cause)**[2]	Change in Control and Termination	**Disability**[3]	Death
G. M. Turk	**Severance, Short- & Long-Term Compensation Elements**						
	Cash Severance	—	—	$732,600	$1,465,200	—	—
	Short-Term Incentive	—	—	—	—	—	—

Long-Term Incentive:						
Stock Options (Unvested)(4)	—	—	—	—	—	—
Restricted Stock (Awards/Units)(4)	$23,111	—	$83,254	$231,340	$231,340	$231,340
Performance Stock Award(5)(6)	$65,327	—	$65,327	$195,981	$—	—
SubTotal	$88,438	—	$881,181	$1,892,521	$231,340	$231,340
Benefits						
Supplemental Thrift Program	$10,897	—	$10,897	$10,897	$10,897	$10,897
Non Tax-Qualified Retirement Account Program	$23,017	—	$23,017	$23,017	$23,017	$23,017
Supplemental Retirement Account	$36,258	—	$36,258	$36,258	$36,258	$36,258
Active Medical	—	—	—	$48,924	—	—
Supplemental Retirement Benefit(7)	—	—	—	$260,272	—	—
Outplacement Services	N/A	N/A	N/A	$15,000	N/A	N/A
SubTotal	$70,172	—	$70,172	$394,368	$70,172	$70,172
TOTAL	$158,610	—	$951,353	$2,286,889	$301,512	$301,512

Potential Payments Upon Termination or Change in Control

(1) The term “with Consent” means consent with respect to each component of pay. This termination scenario typically involves retirement pursuant to a retirement plan. Retirement is generally not applicable to the NEOs because they have not yet attained the necessary age and service requirements for retirement and, accordingly, the amounts set forth in this column are payable to them only in the event of a voluntary termination with consent.

(2) Cash severance benefits would be paid over a specified period based on years of service. For Mr. Matthews who is covered by the U. S. Steel Pension Plan, retirement benefits become payable at the end of the layoff period, December 31, 2016. For NEOs not covered by the U. S. Steel Pension Plan, all other amounts become payable on December 31, 2015.

(3) All benefit amounts would become payable on May 31, 2016 under a permanent incapacity or a deferred vested pension, five months following a disabling event that occurred on December 31, 2015.

(4) The annual awards include pro rata vesting on each grant date anniversary, for February grants to NEOs there are ten months (March through December) and for May grants to NEOs there are seven months (June through December) counted toward service for the unvested portion of the stock option, restricted stock unit and restricted stock awards under certain termination events. For the annual awards granted in September 2013 to Mr. Burritt, there are four months counted toward service for the unvested portion of the stock options, restricted stock unit and restricted stock awards under certain termination events. For the annual awards granted in January 2014 to Ms. Folsom, there are eleven months counted toward service for the unvested portion of the stock options, restricted stock unit and restricted stock awards under certain termination events. These terms also apply in the case of the retention restricted stock units granted to Mr. Burritt and Mr. Turk, except that the retention restricted stock units would also fully vest upon an involuntary termination by the Corporation other than for cause or a voluntary termination with consent, and would be forfeited upon retirement.

(5) Assumes payout at target for the 2015, 2014 and 2013 performance award grants. The following are the possible vesting outcomes for the awards: (i) the performance goals are determined in the event of a change in control and termination (Column D) based upon performance through the abbreviated performance period ending December 31, 2015 and the performance shares vest immediately in the case of a termination that is not for cause and is not voluntary absent good reason (ii) all shares are assumed to be forfeited in the event of a voluntary termination without consent or an involuntary termination (Columns B and C), (iii) none of the 2015 grant, 1/2 of the 2014 grant and all of the 2013 grant (subject, in both cases, to satisfaction of the performance goals) would vest in the event of a death or disability (Columns E and F) and (iv) 12/36ths of the 2015 grant (January through December), 24/36ths of the 2014 grant (12 months in 2014 and 2015), 31/36ths of the 2013 grant (12 months in 2015, 12 months in 2014 and 7 months in 2013) are assumed to vest on the vesting date for all other termination events (Column A).

(6) Messrs. Burritt and Turk and Ms. Folsom did not receive Performance Awards in 2013. The vesting outcomes described in footnote (5) reflect their 2014 and 2015 grants of performance awards.

(7)