



United States Steel Corporation Corporate Governance Principles

I. Statement of Purpose

United States Steel Corporation has long embraced principles of sound corporate governance. The purpose of this document is to compile those principles, to reinforce and improve upon them, and to comply with applicable law and stock exchange listing standards. The Board of Directors recognizes its role in representing the shareholders' interests and in ensuring that the Corporation's management is competently and ethically executing its responsibilities. The Board and the executive management of the Corporation believe that good corporate governance is an important component in the fulfillment of the Board's role and management's responsibilities. By providing standards and a framework to guide directors, officers and employees in the performance of their duties to the Corporation and its shareholders good corporate governance is essential to the maintenance of investor confidence and the integrity of the Corporation's actions and disclosures. It is in this spirit that the Board has adopted these Corporate Governance Principles and that executive management has committed itself to their observance.

II. The Board of Directors

A. Director Qualification Standards

1. Independence

The Board has a substantial majority of independent directors. The definition of independence is that found in applicable law and stock exchange listing standards. No director is considered independent unless the Board affirmatively determines, after considering all relevant facts and circumstances, that the director has no material relationship with the Corporation (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation). The Corporation discloses the bases for such determinations in the proxy statement. In this regard, the Board has adopted the following categorical standards to assist it in making determinations of independence. No director is independent if

- (a) within the previous three years:
 - i. he or she has been an employee, or an immediate family member (hereinafter defined), has been an executive officer, of the Corporation;
 - ii. he or she, or an immediate family member, has received more than \$120,000 in any twelve-month period in direct compensation from the Corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such

compensation is not contingent in any way on continued service); or

- iii. he or she has been employed, or an immediate family member has been employed, as an executive officer of another company where any of the Corporation's present executives serve on that company's compensation committee;
- (b) he or she is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Corporation for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1 million or 2% of such other company's gross revenues; or
- (c) (i) he or she or an immediate family member is a current partner of a firm that is the Corporation's internal or external auditor; (ii) he or she is a current employee of such a firm; (iii) he or she has an immediate family member who is a current employee of such a firm and personally works on the Corporation's audit; or (iv) he or she or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Corporation's audit within that time.

"Immediate family member" includes a person's spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. It does not include individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

2. Other Standards

In addition to the foregoing independence criteria, nominees for the Board are selected on the basis of the following minimum qualifications, among others: their business or professional experience, their integrity and judgment, their records of public service, their ability to devote sufficient time to the affairs of the Corporation, the diversity of backgrounds and experience they will bring to the Board, and the needs of the Corporation from time to time. All nominees should be individuals of substantial accomplishment with demonstrated leadership capabilities. They should represent all shareholders and not any special interest group or constituency.

B. Selection Process

The Board is responsible for recommending director nominees to the shareholders and for selecting directors to fill vacancies between shareholder meetings. The Corporate Governance & Public Policy Committee identifies and evaluates nominees for director, including nominees recommended by shareholders, and evaluates all nominees in the same manner, i.e., against the criteria described in sections A.1 and A.2 of this Article II, and acknowledges that the Chief Executive Officer exercises the initiative to identify and recruit candidates with the knowledge and consent of the committee. Management investigates any possible interlocks which could create antitrust problems and any relationships which could create independence problems. Shareholders

may nominate candidates for the Board by following the procedures described in the By-Laws.

C. Director Responsibilities

The business and affairs of the Corporation are managed by or under the direction of the Board for the benefit of the shareholders in accordance with Delaware and federal law. The directors are expected to fulfill their fiduciary and due care duties under Delaware law. Except for matters requiring shareholder action, the Board is the ultimate decision-making body of the Corporation. One of the Board's most important responsibilities is to elect the Corporation's Chief Executive Officer and the rest of the executive management team. The Board has five regularly scheduled meetings per year (two per quarter) and other meetings as required. Directors are expected to attend Board meetings and annual meetings of stockholders and to review in advance the meeting materials sent to them. They should actively participate in Board and committee meetings and require full, accurate and honest answers to questions. They should act with integrity and demonstrate a commitment to the Corporation and its strategies, and to building shareholder value. Although the Board should exercise vigorous and diligent oversight over the Corporation's affairs, it should not perform or duplicate the role of management.

An incumbent director who has failed to receive a majority of the votes cast in a shareholder election that is not a Contested Election (as defined in the By-Laws) shall remain active and engaged in Board and committee activities while the Corporate Governance & Public Policy Committee (or other independent committee) and the Board consider whether to accept or reject such director's offer of resignation, or to take other action; provided, however, that such incumbent director shall not participate in any proceedings by the Corporate Governance & Public Policy Committee (or other committee) or the Board regarding whether to accept or reject such director's offer of resignation, or to take other action with respect to such matter.

D. Director Access to Management and to Independent Advisors

Directors have free access to members of management, including but not limited to in-house counsel and internal audit and accounting personnel, as well as to the independent auditors. The Board and its committees may, in appropriate circumstances and at Corporation expense, hire independent advisors, including counsel.

E. Director Compensation

Only non-employee directors are compensated for their service as directors. Their compensation is intended to be sufficient to attract the most qualified candidates available. Director compensation is a mix of cash and stock-based compensation. The cash portion is an annual retainer fee. Directors do not receive meeting fees or committee retainers. The stock based compensation is intended to align the interests of the directors with those of the shareholders. The stock-based compensation is deferred. Each director is required to defer at least 50 percent of his or her annual retainer fee as stock-based compensation until his or her departure from the Board. In addition, if a director purchases common stock of the Corporation on the open market

within 60 days after joining the Board, he or she is eligible for a matching grant from the Corporation of up to 1,000 shares. The Corporation has no retirement program for directors. Director compensation is reviewed by the Board from time to time. The Corporate Governance & Public Policy Committee is responsible for making recommendations to the Board concerning director compensation.

F. Director Orientation and Continuing Education

The Corporation has a director orientation process and encourages the directors to participate in continuing education programs.

G. Management Succession

Management succession planning is one of the most important roles of the Board. The Compensation & Organization Committee and the Board annually review the Corporation's management succession plans. They also regularly review policies and procedures for the selection and performance review of the CEO, as well as policies regarding succession in case of an emergency or the retirement of the CEO.

H. Annual Performance Evaluation of the Board

The Board annually conducts self-evaluations to determine whether it and its committees are functioning effectively. The Corporate Governance & Public Policy Committee oversees this process.

I. Executive Sessions

In order to promote open discussion among the non-employee directors, the non-employee directors meet at regularly scheduled executive sessions without members of management. Such sessions are chaired by the lead director. Any interested parties wishing to express their concerns to the non-employee directors should contact the Secretary of the Corporation.

J. Board Committees

All principal committees of the Board are composed entirely of independent directors. The principal committees of the Board are the Audit Committee, the Compensation & Organization Committee, and the Corporate Governance & Public Policy Committee. Each committee has a written charter that complies with the requirements of applicable law and stock exchange listing standards. Each committee reviews its charter during its first meeting of each calendar year. Each committee also conducts an annual performance self-evaluation; the Corporate Governance & Public Policy Committee oversees this process. The membership and chairs of the committees are recommended to the Board by the Corporate Governance & Public Policy Committee and are rotated periodically as the Board deems appropriate in the interest of sound corporate governance. With respect to all committees, specifically including the Audit Committee, director fees (including the matching stock described in paragraph E) are the only compensation a committee member may receive from the Corporation. As between the Audit Committee and management, the Audit Committee is directly responsible for the appointment (subject to shareholder election), compensation, retention and oversight of the work of the independent auditors, and has the sole authority to pre-approve all audit engagement fees and terms as well as all non-audit engagements with the

independent auditors. It meets regularly with the independent auditors, management, and the internal auditors. 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. Such determinations will be disclosed in the proxy statement.

K. Mandatory Retirement Age

Unless the Board grants an exception, non-employee directors must retire at the first annual meeting of stockholders following his or her 74th birthday. Each officer who is a member of the Board of Directors (an “Officer-Director”), other than the chief executive officer, shall retire from the Board of Directors at the time such Officer-Director ceases to be an officer of the Corporation, and the CEO 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.

L. Change in Career

A non-employee director who undergoes a significant change in his or her business or professional career shall promptly tender his or her resignation for consideration by the Corporate Governance & Public Policy Committee, which shall recommend to the Board the action, if any, to be taken with respect to such resignation. The Corporate Governance & Public Policy Committee, in making its recommendation, and the Board, in making its decision, shall take into consideration the effect of such change on the director’s qualifications to continue to serve as a director and on the interests of the Corporation and its shareholders.

M. Attendance by Members of Management at Board Meetings

Certain non-director executive officers regularly attend Board meetings.

N. Size of the Board

It is the sense of the Board that membership in the range of 10 to 14 directors is about right. However, the Board would be willing to increase the membership above 14 to obtain an outstanding candidate, or to function with fewer than 10 directors if circumstances so warranted.

O. Interaction with Outside Parties

The Board believes that management should speak for the Corporation. Individual directors may, from time to time at the request of management, speak to outside parties; but any time that comments from the Board are appropriate, they should be made by the CEO.

P. Communications from Security Holders

Security holders may send communications to the Board through the Secretary of the Corporation. The Secretary will forward to the directors all communications that, in his or her judgment, 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 and matters not relevant to the shareholders, to the functioning of the Board, or to the affairs of the Corporation.

Q. Limitations on Other Directorships

No director may serve on the boards of more than six publicly traded companies, including the Corporation, with the exception of active CEOs of publicly-traded companies, for whom the limit is three, including the Corporation (but excluding memberships on the boards of subsidiaries of the company they serve as CEO).

R. Lead Director

If the Chairman of the Board is not independent, the independent directors shall annually elect from among themselves a lead director. If the Chairman of the Board is independent, the Chairman's duties shall include those of the lead director as well. The lead director shall chair executive sessions of the non-employee directors and also do the following:

- (a) approve Board meeting agendas and, in consultation with the CEO and the independent directors, approve Board meeting schedules to ensure there is sufficient time for discussion of all agenda items;
- (b) approve the type of information to be provided to directors for Board meetings;
- (c) serve as liaison between the CEO and the independent directors;
- (d) be available for consultation and direct communication with the Corporation's shareholders;
- (e) call meetings of the independent directors when necessary and appropriate; and
- (f) perform such other duties as the Board may from time to time designate.

If the Chairman is not independent, the lead director shall also preside at all meetings at which the Chairman is not present including executive sessions of the independent directors and apprise the Chairman and CEO of the issues considered;

S. Risk Management Oversight

The Board recognizes the important role it plays in understanding the risks affecting U. S. Steel and risk management oversight and has assigned each Board committee a role in such oversight.

III. Internal Audit Function

The Corporation has an internal audit department, with a staff of employees dedicated to the task on a full-time basis.

IV. Equity-Compensation Plans

To increase shareholder control over equity-compensation plans, shareholders are given the opportunity to vote on all new equity-compensation plans, except inducement options, plans relating to mergers or acquisitions, and tax qualified and excess benefit plans.

V. Stock Ownership and Retention Requirements for Executive Management

Members of executive management are required to hold shares of the Corporation's common stock or other equity interests in specified amounts commensurate with their positions and salaries. Once such ownership amounts are reached, members of executive management are required to hold at least 25 percent of the after-tax profit realized through the exercise of stock options, as well as 25 percent of grants of restricted shares and performance shares, in the form of stock until such executives are eligible for retirement and have obtained consent from the CEO to sell such stock.

VI. Equity Ownership Requirement for Non-Employee Directors

Non-employee directors are required to hold equity interests in the Corporation in the form of stock-based deferred compensation. As described in Section II.E., each non-employee director is required to defer at least 50 percent of his or her annual retainer as stock-based compensation. 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 shareholders' 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.

VII. Executive Stock Transactions

The Corporation's executive officers may not purchase or sell any U.S. Steel security during the period beginning on the fifteenth day of the last month of a calendar quarter and ending on the second business day following the public release of the Corporation's quarterly results ("blackout period"). At all times outside the quarterly blackout periods ("pre-clearance periods"), no executive officer may purchase or sell any U.S. Steel security without the prior approval of the General Counsel or his designee for legal purposes and the prior approval of the CEO with respect to conformance with stock ownership and retention guidelines, with certain limited exceptions such as pre-programmed regular monthly purchases in the Corporation's Savings Fund Plan. At no time may any executive trade in U.S. Steel securities while in the possession of material non-public information or during a period in which the General Counsel has directed that no purchase or sales be made.

VIII. Executive Management Recoupment Policy

The Recoupment Policy provides a framework for the recovery of compensation delivered to any member of Executive Management whose intentional acts, or failures to act, are responsible in whole, or in part, for the material restatement of the Corporation's publicly filed financial results due to fraud or misconduct, including gross negligence, on the part of such executive. The Policy is intended to ensure that members of Executive Management act in the best interest of the Corporation and its shareholders.

The Board of Directors, in its sole discretion, will: (A) evaluate the circumstances of any material restatement of the Corporation's financial statements and determine whether fraud or misconduct, including gross negligence, involving intentional acts, or failures to act, on the part of any member of Executive Management was responsible in whole, or in part, for the restatement; (V) determine the time period involved with, and subsequent periods affected by, any such fraud or misconduct, and (C) determine the amount of

compensation that should be recouped in each case if such fraud or misconduct is determined to have occurred.

If the Board determines that recoupment of compensation is warranted, the Board may take appropriate action, including, but not limited to, the following:

- A. for the period restated or affected by the restatement, which may include any period during which the fraud or misconduct occurred, demand repayment, or effect the cancellation, of some or all of the following:
 1. any bonus, or incentive compensation, received or awarded for the period to the extent that the amount of the bonus, or incentive compensation, that would have been awarded to the member of Executive Management had the financial results been properly reported would have been lower than the amount actually awarded,
 2. any gains realized as a result of exercising an option during, or awarded for performance during, the period,
 3. any gains realized as a result of the vesting or payment of long-term incentives during, or awarded for performance during, the period, and/or
 4. any equity compensation awarded during, or based upon performance for, the period, and/or
- B. reduce future compensation as a means to recover the amount the Board determines should be recouped.

IX. Mandatory Retirement Age For Members of Executive Management

Executive Management employees (defined as those employees whose compensation is reviewed by the Compensation & Organization Committee of the Board) are required to retire from the Corporation by December 31st of the year in which they reach the age of 65. If the Corporation finds it necessary to retain the services of an Executive Management employee beyond the last day of the year in which such employee obtains the age of 65, it must obtain approval from the Compensation & Organization Committee.

X. Code of Ethical Business Conduct

The Corporation has a code of ethical business conduct that complies with applicable law and New York Stock Exchange listing standards. It applies to directors, employees and officers, including senior financial officers, and is distributed to all directors and employees. It promotes honest and ethical conduct, full, accurate and timely disclosure, and compliance with law. It also addresses conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of company assets, compliance with laws, rules and regulations (including insider trading laws), stock exchange listing standards, and the reporting of any illegal or unethical behavior. It includes not only standards governing honest and ethical conduct, but also standards governing full, fair and understandable disclosure in periodic reports. With respect to the reporting of illegal or unethical behavior, every employee is told whom to contact if he or she has a concern about any practice or occurrence, including accounting or auditing practices. The Audit Committee is charged with establishing procedures for the confidential, anonymous

submission by employees of such concerns. The Corporation prohibits retaliation against any employee who reports an occurrence or submits a concern in good faith, whether in the form of discharge, demotion, suspension, harassment, discrimination or otherwise.

XI. Integrity of Financial Disclosures

U. S. Steel has a long history of assumption by its executive management of responsibility for the integrity of the Corporation's financial disclosures. Executive management continues to recognize its responsibility in this area. Accordingly, the CEO and the CFO not only provide all required certifications with respect to the Corporation's disclosures, but, even when certifications are not required, certify with each 10-Q and 10-K that the reports fully comply with applicable securities laws and fairly present in all material respects the financial condition of the Corporation.

XII. Relationship between the Audit Committee and the Independent Auditors

The Audit Committee continually explores ways to improve its working relationship with the independent auditors, including processes that permit informal discussion of accounting treatments well in advance of reporting deadlines. As between the Audit Committee and management, the Audit Committee is directly responsible for the appointment (subject to shareholder ratification), compensation, retention and oversight of the work of the independent auditors, and has the sole authority to pre-approve all audit engagement fees and terms as well as all non-audit engagements. The independent auditors report directly to the Audit Committee, not to management. The independent auditors report to the Audit Committee on, among other things, all alternative treatments of financial information that were discussed with management, the ramifications of alternative approaches, and the treatment preferred by the independent auditors.

XIII. Hiring of Investment Bankers

The Corporation shall endeavor to hire investment bankers that provide assurances with respect to the separation of their banking and analyst functions.

XIV. Compliance with New York Stock Exchange Listing Standards

The CEO certifies each year to the New York Stock Exchange that he or she is not aware of any violation by the Corporation of the Exchange's corporate governance listing standards.

XV. Stockholder Meetings

The Corporation generally holds its annual meeting of stockholders in Pittsburgh, PA USA, the Corporation's headquarters city, but the Board may elect to hold the meeting elsewhere.

XVI. Confidential Voting

All voting records which identify stockholders are kept permanently confidential except as necessary to meet legal requirements and in other limited circumstances such as proxy contests.

XVII. Re-Pricing of Stock Options

The Corporation does not re-price stock options after their issuance to employees.

XVIII. Personal Loans

The Corporation will not make or arrange personal loans (as defined by applicable law) to directors or executive officers.

XIX. Annual Review

The Corporate Governance & Public Policy Committee will review these principles at its first meeting of each calendar year and recommend appropriate changes to the Board.

Any questions regarding these principles should be directed to the Secretary of the Corporation.

Last reviewed and approved by the Board on January 28, 2014.