



March 27, 2024

**BY OVERNIGHT  
AND ELECTRONIC MAIL**

David McCall  
International President  
United Steelworkers  
60 Boulevard of the Allies  
Pittsburgh, Pennsylvania 15222  
damccall@usw.org

Michael R. Millsap  
Director District 7 and Chair, Negotiating Committee  
United Steelworkers  
1301 Texas Street  
Gary, Indiana 46402  
mmillsap@usw.org

Re: Commitments to the USW

Dear Messrs. McCall & Millsap:

We write on behalf of Nippon Steel Corporation (“NSC”) and Nippon Steel North America, Inc. (“NSNA”) in furtherance of the detailed list of commitments (the “Commitments”) we provided to the United Steelworkers (“USW”) during our in-person meeting with the USW in Pittsburgh, Pennsylvania, on March 7, 2024 (the “March 7th Meeting”). The Commitments address each of the principal concerns we have heard from the USW (primarily through the USW’s press releases and public communications to its members) and reflect the great respect we have for the USW-represented employees of United States Steel Corporation (“U. S. Steel”). We believe the Commitments, among other reasons, clearly demonstrate that our transaction offers a superior outcome for the USW and its members, and that our interests are aligned in ensuring the long-term success of U. S. Steel and the American steel industry.

As noted during the March 7th Meeting, we are willing to memorialize the Commitments in a bilateral agreement by and between the USW, NSC and NSNA. Enclosed with this letter please find an agreement that we are prepared to enter into with the USW that accomplishes the same. We are glad to discuss the terms of this agreement further with the USW and look forward to the USW’s prompt response.

\* \* \* \* \*



Very truly yours,

Nippon Steel Corporation

By:

A handwritten signature in black ink, appearing to read "T. Mori", written over a horizontal line.

Takahiro Mori  
Representative Director and  
Executive Vice President

Nippon Steel North America, Inc.

By:

A handwritten signature in black ink, appearing to read "Hiroshi Ono", written over a horizontal line.

Hiroshi Ono  
President and CEO

Exhibit

cc: United States Steel Corporation  
600 Grant Street  
Pittsburgh, Pennsylvania 15219  
Attention: Karl G. Kocsis, Vice President Human Resources and Transformation

**DRAFT: FOR DISCUSSION PURPOSES ONLY**

**LETTER AGREEMENT**

\_\_\_\_\_, 2024

David McCall  
International President  
United Steelworkers  
60 Boulevard of the Allies  
Pittsburgh, Pennsylvania 15222

Michael R. Millsap  
Director District 7 and Chair, Negotiating Committee  
United Steelworkers  
1301 Texas Street  
Gary, Indiana 46402

Gentlemen:

This letter agreement (this “Agreement”) is entered into by and among Nippon Steel Corporation (“NSC”), Nippon Steel North America, Inc. (“NSNA”), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (the “USW” and with NSC and NSNA, collectively, the “Parties”), in connection with the transactions contemplated by that certain Agreement and Plan of Merger, dated as of December 18, 2023, by and among United States Steel Corporation (the “Company”), NSNA, 2023 Merger Subsidiary, Inc., and, solely as provided in Section 9.13 therein, NSC (the “Merger Agreement”). Reference is made to the basic labor agreements between the Company and the USW, dated September 1, 2022 (collectively, the “BLA”). For good and valuable consideration, the Parties hereby agree to the following Agreement, each provision of which shall be effective as of the “Closing” (as defined in the Merger Agreement) unless otherwise stated herein:

1. **Successorship.** NSC and NSNA hereby (a) recognize the USW as the bargaining representative for the “Employees” (as defined in the BLA) employed by the Company as of the Closing, (b) assure the USW that NSC and NSNA have the willingness and financial wherewithal to ensure that USS will continue to honor all commitments under all “USW Agreements” (as defined in the BLA), and (c) assume all USW Agreements. With regard to prong (b), NSC and NSNA agree to cause the Company, from and after the Closing and for so long as NSC possesses, directly or indirectly through one or more of its subsidiaries, more than fifty percent (50%) of the voting securities of the Company (referred to hereafter as the period of NSC’s “Ownership” of the Company), to continue to honor all USW Agreements, including, but not limited to, Article Eleven, Section A (Investment Commitment) and Section B (Upstreaming) of the BLA, and the USW acknowledges and agrees that NSC and NSNA have provided the USW with reasonable assurances that they have both the willingness and financial wherewithal to honor the commitments contained in all USW Agreements. The Parties also agree that the phrase “assumed all USW Agreements” in Article Two, Section D (Successorship), Subsection 3(c) of the BLA is satisfied by NSC and NSNA, despite the Company remaining the sole employer party to the BLA following the Closing,

given that the identity of the employer does not change as a result of the transactions contemplated by the Merger Agreement.

2. **NSC and NSNA Guarantees.**

(a) From and after the Closing, during the period of NSC's Ownership of the Company, NSC and NSNA agree that they shall absolutely, unconditionally and irrevocably guarantee, as principal and not as surety, to the USW, the due and punctual payment and performance by the Company required under its obligations set forth in the USW Agreements, including, but not limited to, any pension benefit plan or welfare benefit plan (in each case, as defined in and subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) obligations of the Company arising under the USW Agreements with respect to active Employees and/or retirees of the Company (collectively, the "Guaranteed Obligations") as follows:

i. if and whenever the Company defaults after a final and non-appealable adjudication for any reason whatsoever in the performance of any of the Guaranteed Obligations, NSNA shall, as soon as reasonably practicable following a written demand by the USW, unconditionally perform (or procure the performance of) and satisfy (or procure the satisfaction of) the Guaranteed Obligations in regard to which such default has been made so that the same benefits are conferred on the USW as the USW would have received if the Guaranteed Obligations had been duly performed and satisfied by the Company; and

ii. if and whenever NSNA fails to perform (or procure the performance of) and satisfy (or procure the satisfaction of) such Guaranteed Obligations as soon as reasonably practicable following such written demand by the USW, NSC shall unconditionally perform (or procure the performance of) and satisfy (or procure the satisfaction of) the Guaranteed Obligations in regard to which such default has been made so that the same benefits are conferred on the USW as the USW would have received if the Guaranteed Obligations had been duly performed and satisfied by NSNA and the Company.

(b) NSC and NSNA hereby acknowledge that, upon the Closing, they will be treated as a "single employer" with the Company under Section 414(b) of the Internal Revenue Code of 1986, as amended, and thereby will be part of the Company's "controlled group" for purposes of ERISA, during the period of NSC's Ownership of the Company.

(c) For the sake of clarity, for purposes of enforcing this Section 2, NSC and NSNA consent to personal jurisdiction and venue as provided in Section 11(c) below.

3. **Capital Expenditures at BLA-Covered Facilities.** NSC and NSNA will cause the Company to make capital expenditures (spent or under contract) of no less than \$1.4 billion in the aggregate in respect of calendar years 2024, 2025, and 2026 for existing Company facilities covered by the BLA (the "New Capex"), above and beyond the \$1 billion capital expenditure commitment required by Appendix M of the BLA, which the Parties hereby acknowledge and agree has already been fulfilled by the Company. For the sake of clarity, any capital expenditures (spent or under contract) in 2024 prior to the Closing by the Company for facilities covered by the BLA will be credited to this commitment. Promptly following the Closing, NSC and NSNA will

cause the Company to perform a detailed operational analysis of existing BLA-covered facilities in good faith for potential deployment of the New Capex, with a view towards increasing the efficiency of blast furnaces and furthering environmentally friendly operations with the support of NSC's operational expertise and leading-edge technology to be provided pursuant to Section 8 of this Agreement, and unconstrained by previous decisions made by current Company management. Such operational analysis shall include, but shall not be limited to, the Company's previously considered business plans for Mon Valley Works, Gary Works, and Granite City Works.

4. **No Layoffs or Plant Idling or Permanent Closures.** Following the Closing and during the period of NSC's Ownership, NSC and NSNA will cause the Company not to (a) at least through September 1, 2026, conduct any reduction-in-force after the Closing that results in the involuntary layoff of any Employees, unless such layoff is due to (i) a planned layoff, idling or permanent closure that is implemented or announced by the Company prior to the Closing, or (ii) any acts of God or other "force majeure" events or unanticipated and significant downturn in business conditions, or (b) at least through September 1, 2026, idle or permanently close any of the Company's "Plants" (as defined in the BLA), unless such idling or permanent closure is due to (i) a planned idling or permanent closure implemented or announced by the Company prior to the Closing, or (ii) any acts of God or other "force majeure" events or unanticipated and significant downturn in business conditions.

5. **No Transfers Overseas.** Unless agreed to by the USW, or otherwise permitted by Article Eleven, Section A (Investment Commitment), Subsection 3 of the BLA, following the Closing and during the period of NSC's Ownership, NSC and NSNA shall cause the Company (a) not to transfer any jobs or Company production to any overseas facilities of NSC, NSNA, or any of their affiliates, and (b) to otherwise comply with Article Eleven, Section A (Investment Commitment), Subsection 3.

6. **Independent Audit Right.** Beginning with the fiscal year in which the Closing occurs, and during the period of NSC's Ownership of the Company, NSC and NSNA will cause the Company to conduct an annual independent audit of the Company's financial statements, and promptly furnish such audit results and associated information to the USW for purposes of verifying compliance with applicable provisions of the BLA. NSC and NSNA will cause the Company to provide the USW with substantially the same information relative to quarterly profit-sharing calculations as the USW received from the Company prior to the Closing.

7. **Strategic Review.** Promptly following the Closing, NSC and NSNA shall conduct an analysis of existing Company business plans and opportunities based on their robust technical, engineering and operational expertise, and through a process that takes into account effects on all stakeholder constituencies, including the USW and its membership.

8. **Technology.** During the period of NSC's Ownership of the Company, NSC acknowledges that it will share its leading-edge technology in respect of high-grade products and efficient production and maintenance, including blast furnace operations and maintenance, with the Company following the Closing, to the extent that such sharing is economically and technically feasible to support the Company's business plans as the same may be revised post-Closing with the benefit of NSC's investments in BLA-covered facilities.

9. **Trade.** During the period of NSC’s Ownership of the Company, NSC and NSNA will protect the best interests of the Company in respect of foreign trade matters and, when appropriate, defend the Company against unfair trade for the benefit of Company facilities, workers, and customers in accordance with applicable trade remedy laws to the extent it supports the Company’s business plans as the same may be revised post-Closing with the benefit of NSC’s investments in BLA-covered facilities. During the period of NSC’s Ownership of the Company, NSC and NSNA will cause the Company to continue to comply with the Buy American Act of 1933, the Build America Buy America Act enacted as part of the Infrastructure Investment and Jobs Act of 2021, and similar federal statutes and regulations.

10. **Support Agreement; Release.** From and after the date upon which the USW executes this Agreement, the USW will use its reasonable best efforts to support publicly the transactions contemplated by the Merger Agreement. At the request of NSC and NSNA, without further consideration, the USW shall execute and deliver, or cause to be executed and delivered, such additional or supplemental documents and take such other actions as reasonably may be required to support publicly the transactions contemplated by the Merger Agreement. The USW shall not enter into any agreement or take any other action that is inconsistent with the terms of this Section 10. Within five (5) days following the date upon which the USW executes this Agreement, the USW will dismiss with prejudice the Successorship grievance brought against the Company on January 12, 2024, bearing grievance number WGa-2024-0039 (and the three grievances consolidated therewith, bearing grievance numbers GCS-2024-001, MIN-2024-001, and WGa-2-24-0018), and waive all rights under the Right-to-Bid process in the BLA, which the USW initiated on January 11, 2024, related to the transactions contemplated by the Merger Agreement (collectively, the “Transaction-Related Disputes”). The USW hereby releases and forever discharges NSC, NSNA, the Company, and each of their respective subsidiaries, affiliates, successors and assigns from any and all such causes of action, rights, claims, and grievances related to the Transaction-Related Disputes, effective as of the date upon which the USW executes this Agreement.

11. **Miscellaneous.**

(a) **Governing Law.** This Agreement shall be governed by the internal law of the Commonwealth of Pennsylvania, without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Pennsylvania.

(b) **Amendments and Waivers.** Any term of this Agreement may be amended, terminated or waived only with the written consent of the Parties.

(c) **Dispute Resolution.** The Parties (i) hereby irrevocably and unconditionally submit to the jurisdiction of the state and federal courts of the states in which the Company operates a BLA-covered facility, including but not limited to the state courts of the Commonwealth of Pennsylvania and the United States District Court for the Western District of Pennsylvania, for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (ii) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state and federal courts of the states in which the Company operates a BLA-covered facility, including but not limited to the state courts of the Commonwealth of Pennsylvania and the United States District Court for the Western District of Pennsylvania, and

(iii) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-referenced courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

(d) **WAIVER OF JURY TRIAL**: EACH OF THE PARTIES HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH OF THE PARTIES HEREBY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

(e) **Entire Agreement**. This Agreement constitutes the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and supersedes any other written or oral agreements, understandings or negotiations relating to the subject matter hereof between the Parties, including, but not limited to, the commitments handout provided to the USW on March 7, 2024, and the successorship letters provided by NSC and/or NSNA to the USW, dated December 18, 2023, January 5, 2024, and February 13, 2024. For the avoidance of doubt, the effectiveness of certain letter agreement, dated as of February 9, 2024, by and between the USW, NSC and NSNA and terms and conditions therein, shall not be superseded by this Agreement.

\* \* \* \* \*

Please confirm that the foregoing is in accordance with your understanding of our agreement by signing and returning to us a copy of this Agreement.

Very truly yours,

NIPPON STEEL CORPORATION

By: \_\_\_\_\_  
Takahiro Mori  
Representative Director and  
Executive Vice President

NIPPON STEEL NORTH AMERICA, INC.

By: \_\_\_\_\_  
Hiroshi Ono  
President and CEO



UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,  
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

By: \_\_\_\_\_  
David McCall  
International President

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Michael R. Millsap  
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