

**U. S. STEEL CANADA INC.**

**SUPPLEMENTAL INFORMATION CIRCULAR  
WITH RESPECT TO A  
PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION**

pursuant to the

*Companies' Creditors Arrangement Act (Canada) and the Canada Business Corporations Act*

concerning, affecting and involving U. S. Steel Canada Inc.

April 26, 2017

This circular is being made available to certain creditors of U. S. Steel Canada Inc. in connection with meetings called to consider its plan of compromise, arrangement and reorganization that are scheduled to be held on April 27, 2017 at the Metro Toronto Convention Centre, North Building, Room 201, 222 Bremner Blvd, Toronto, Ontario, M5V 3L9.

This circular (the “**Circular**”) amends and supplements the information circular dated March 15, 2017 (the “**Original Circular**”) previously provided to Affected Creditors. The accompanying Circular describes updates to the terms of the plan of compromise, arrangement and reorganization attached to the Original Circular and attaches the first amended and restated plan of compromise, arrangement and reorganization. All capitalized terms used herein have the meaning attributed to them in the Original Circular, unless otherwise defined in this Circular. Except as otherwise set forth in this Circular, the information contained in the Original Circular continues to be applicable in all respects and this Circular should be read in conjunction with the Original Circular, the provisions of which (as hereby supplemented) are incorporated herein by reference (except as amended herein).

***These materials require your immediate attention. You should consult your legal, financial, tax and other professional advisors in connection with the contents of these documents. If you have any questions regarding voting procedures or other matters or if you wish to obtain additional copies of these materials, you may contact the court-appointed monitor, Ernst & Young Inc., by telephone at 416-941-7764 (Toronto local) or +1 844 941 7764 (toll-free) or by email at USSC.Monitor@ca.ey.com. Copies of these materials and other materials in the within proceedings are also posted on the following website: www.ey.com/ca/ussc.***

## U. S. STEEL CANADA INC.

April 26, 2017

TO: The Affected Creditors of U. S. Steel Canada Inc. (the “**Applicant** or **USSC**”)

On March 15, 2017, the Ontario Superior Court of Justice (the “**Court**”) accepted the filing of the plan of compromise, arrangement and reorganization (as may be further amended from time to time, the “**Plan**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) and the *Canada Business Corporations Act* and issued an order authorizing USSC to call and hold meetings of its creditors to vote on the Plan (the “**Meetings Order**”).

Following the issuance of the Meetings Order and the distribution of the meetings materials, USSC and Bedrock Industries Canada LLC (the “**Plan Sponsor**”) engaged in extensive negotiations with Representative Counsel and the Representatives (as such terms are defined in the Representative Counsel order of the Court dated October 8, 2014) in relation to the Transaction with a view to obtaining support for the Transaction from the Non-USW Active and Retiree Beneficiaries represented by them.

These negotiations culminated with the signing of a letter of agreement between Representative Counsel, USSC and the Plan Sponsor made as of April 10, 2017 (the “**Non-USW Support Agreement**”). The Non-USW Support Agreement contemplates certain changes to the Plan, one of which removes the holders of Non-USW Employee Termination Claims (as such term is defined in the Amended Plan) and Non-USW Unfunded Supplemental Pension Claims (as such term is defined in the Amended Plan) from the class of General Unsecured Creditors and reduces the General Unsecured Creditor Claims by approximately \$25 million and the General Unsecured Creditor Pool by \$2.5 million. A summary of further changes to the Plan are provided in this Circular and a copy of the first amended and restated plan of compromise, arrangement and reorganization (the “**Amended Plan**”) is attached to this Circular.

An agreement has also been reached with the Superintendent of Financial Services (the “**Superintendent**”) whereby assessments accrued to the Pension Benefits Guarantee Fund under the *Pension Benefits Act* (Ontario) (the “**PBGF**”) against USSC will be treated as a General Unsecured Claim and compromised as part of the General Unsecured Creditor class. In order to compensate for the addition of the PBGF Assessment Claim (as such term is defined in the Amended Plan), an additional \$900,000 will be contributed to the General Unsecured Creditor Pool.

Contemporaneously with the above, the CCAA acquisition and plan sponsor agreement (as amended, the “**Plan Sponsor Agreement**”) with Bedrock will be amended to reflect the updated Amended Plan. The agreement between the Province of Ontario (the “**Province**”) and USSC to support the Plan Sponsor Agreement, (as amended, the “**Province Support Agreement**”) will also be amended to reflect support for the Amended Plan.

Meetings of the affected creditors to consider a resolution to approve the Amended Plan will still be held on April 27, 2017 in Toronto, Ontario.

We are asking the Affected Creditors of the Applicant to approve the Amended Plan so that the Applicant can emerge from the CCAA proceedings as a viable business able to compete effectively in the North American steel industry.

**The Amended Plan is the result of an extensive canvass of potentially interested parties for a purchase of USSC’s business and assets and a thorough review of the available alternatives by the Applicant’s board of directors (the “Board”), management and its financial and legal advisors, as well as by Ernst & Young Inc., the court-appointed monitor (the “Monitor”) in the CCAA proceedings of the Applicant.**

**We believe that implementation of the Amended Plan and the various Stakeholder Agreements contemplated by it will generate the highest reasonable value in a timely manner for Affected Creditors and other creditors given the available alternatives. Failure to implement the Plan could result in Affected Creditors and other creditors receiving significantly less value at a much later unknown date.**

**The Board and the Monitor continue to recommend that all Affected Creditors vote FOR the resolution to approve the Plan.**

**Any Affected Creditor who has previously deposited a valid proxy for use at the meetings of Affected Creditors on April 27, 2017 and who does not wish to change their proxy or voting instructions need not take any further action.**

If the necessary approvals are obtained and the other conditions fulfilled, we currently expect to be able to implement the Amended Plan by May 31, 2017.

Yours truly,

*“William E. Aziz”*

William E. Aziz  
Chief Restructuring Officer

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## INFORMATION CIRCULAR

The Plan attached as Exhibit B to the Original Circular is replaced in its entirety by the Amended Plan attached as Exhibit A to this Circular and all references to the “Plan” in the Original Circular will be interpreted to mean the Amended Plan.

### BACKGROUND

Following the issuance of the Meetings Order and the distribution of the meetings materials, the Applicant and the Plan Sponsor engaged in extensive negotiations with Representative Counsel and the Representatives in relation to the Transaction with a view to obtaining support for the Transaction from the Non-USW Active and Retiree Beneficiaries represented by them.

Those negotiations culminated on April 10, 2017 with the signing of the Non-USW Support Agreement. On April 13, 2017, the Board approved the Non-USW Support Agreement, subject to Court approval. The Representatives, Representative Counsel and their financial and actuarial advisers have worked with USSC and the Plan Sponsor to settle the terms of the Non-USW Settlement Agreement (as defined below) and the Amended Plan, both of which will be required to implement the arrangements contemplated by the Non-USW Support Agreement. On April 13, 2017, the Board approved the Non-USW Settlement Agreement, subject to Court approval. On April 26, 2017, the Court issued orders approving the Non-USW Support Agreement and the Non-USW Settlement Agreement and accepting the filing of the Amended Plan.

There are four principal elements to the Non-USW Support Agreement: (i) a “parity” clause with respect to OPEBs; (ii) settlement of Non-USW Employee Termination Claims and Non-USW Unfunded Supplemental Pension Claims; (iii) salaried employees of the Applicant who participate in the Main Pension Plans will cease to accrue defined benefit (DB) pension benefits under the applicable Main Pension Plan as at December 31, 2017 and will join the Group Registered Retirement Savings Plan maintained by the Applicant (the “**GRRSP**”) effective January 1, 2018; and (iv) the agreement of Representative Counsel, on behalf of the groups that he represents, to support the Amended Plan and the Transaction it contemplates.

The Amended Plan (including the OPEB Term Sheet attached as Schedule E thereto) sets out the proposed treatment of claims relating to OPEBs. However, the Applicant has not yet reached agreement with USW Local 1005 on the treatment of OPEBs, which will be set out in the HW Local 1005 CBA Amendment that is required as a condition to the implementation of the Amended Plan. The Non-USW Support Agreement provides that if USSC agrees with USW Local 1005 in the HW Local 1005 CBA Amendment to more favourable contributions in respect of OPEBs than the terms contemplated by the Amended Plan, USSC will also provide more favourable contributions to the Non-USW Main Pension and OPEB Claim holders on similar terms.

The Non-USW Support Agreement also provides for the settlement of Non-USW Employee Termination Claims and Non-USW Unfunded Supplemental Pension Claims (the “**Settlement Claims**”). The Applicant has agreed to pay \$9 million in full satisfaction of those claims (other than the smallest of these claims, which will continue to be treated as claims of Convenience Creditors).

This aspect of the Non-USW Support Agreement will be implemented pursuant to a settlement agreement dated April 19, 2017 between Representative Counsel (on behalf of the Settlement Creditors (as defined therein)), the Applicant and the Plan Sponsor (the “**Non-USW Settlement Agreement**”) and the Amended Plan. The Non-USW Settlement Agreement will effect the compromise of the Settlement Claims. Therefore, changes to the Plan are necessary to remove the Settlement Claims from the class of

General Unsecured Creditors. Any Non-USW Termination Claim or Non-USW Unfunded Supplemental Pension Claim that is a Proven Claim as of April 21, 2017 in an amount less than \$20,000 is excluded from the Settlement Claims and will remain subject to the Amended Plan in the General Unsecured Creditor class so that the holder thereof can take advantage of the distribution available to Convenience Creditors.

Pursuant to the Non-USW Support Agreement, all active salaried employees of the Applicant who currently participate in a Main Pension Plan will cease to accrue further defined benefit (“DB”) pension benefits under the applicable Main Pension Plan as at December 31, 2017 and will join the GRRSP effective January 1, 2018.

This change will contain three beneficial aspects for the affected active employees: (i) employment service post-January 1, 2018 will be taken into account when determining eligibility for early retirement under the DB component at the time of the employee’s retirement; (ii) an employee’s final salary on retirement will be used to calculate the employee’s DB pension benefit on retirement; and (iii) the past employment service of the employee will be recognized for the determination of the tiered employer contributions to the employee’s account under the GRRSP.

Representative Counsel agreed in the Non-USW Support Agreement to support the Amended Plan and the Transaction it contemplates and to refrain from supporting any alternative transaction.

On April 19, 2017, the Plan Sponsor Agreement was amended to reflect the Amended Plan. Also on April 19, 2017, the Province Support Agreement between the Province and USSC to support the Plan Sponsor Agreement, as amended, was also amended to reflect support for the Amended Plan.

## **DESCRIPTION OF THE AMENDMENTS TO THE PLAN**

### **Implementation of the Non-USW Support Agreement**

The Amended Plan includes a reduction in the size of the General Unsecured Creditor Pool from \$17 million to \$15.4 million. This reduction reflects two adjustments:

- (a) a decrease in the pool by \$2.5 million, being the portion of the General Unsecured Creditor Pool that was notionally attributable to the Settlement Claims, based on the Applicant’s estimate of about \$25 million of Settlement Claims and an estimated distribution of about 10 cents-on-the-dollar; and
- (b) an increase in the pool by \$900,000, being the Applicant’s estimate of the amount necessary to add to the General Unsecured Creditor Pool to maintain approximately the same level of recovery for General Unsecured Creditors as a consequence of adding the PBGF Assessment Claim into the class of General Unsecured Creditors (using an estimated distribution of about 10 cents-on-the-dollar for the class), which is discussed in more detail below.

The provisions of the Plan that allow for modifications to be made to it have been changed in the Amended Plan to enable USSC, with the consent of Representative Counsel, the Plan Sponsor and the Monitor, to amend the Plan after the meetings, subject to certain restrictions to protect General Unsecured Creditors, among others. This change will enable USSC to implement the “parity” OPEB aspect of the Non-USW Support Agreement by way of the necessary future plan amendments, if the circumstances arise that trigger a “parity” adjustment.

### **Compromise of the PBGF Assessment Claim**

The Applicant pays an annual assessment fee to the PBGF which is administered by the Superintendent for each of the Main Pension Plans and the Non-Main Pension Plans.

On October 9, 2015, the Court issued an order suspending any obligation of the Applicant to pay any amounts that may become due in respect of PBGF assessments. The order included a declaration that it did not extinguish or compromise the claim of the Superintendent against the Applicant for the PBGF assessments. As a result of the suspension of payment, \$8,703,754.46 in assessments against the Applicant have accrued to the PBGF.

In connection with its restructuring effort, the Applicant needs to address the PBGF Assessment Claim that is outstanding. The amendments to the Plan include the treatment of the PBGF Assessment Claim as a General Unsecured Claim for both voting and distribution purposes. Ancillary relief is sought from the Court in an Amended Plan order to provide for the determination of the amount of the PBGF Assessment Claim and to confirm that the Superintendent may vote the claim at the applicable Meeting.

### **Global Release**

The global contractual release between USSC, the Plan Sponsor and the Stakeholders, and as required by the Applicant, is incorporated as a schedule to the Amended Plan. The Plan contemplates that a global mutual release will be entered into by United States Steel Corporation, USSC and the various Stakeholders, among others, but does not provide the form of that release. The inclusion of the form of release as a schedule provides greater certainty as to the terms of the release to be executed and delivered by the relevant parties on the Plan Implementation Date.

### **Other**

The definition of USS Unsecured Claims is amended to provide that five General Unsecured Claims totalling about \$3.4 million that were assigned to the USS Group are excluded from the USS Unsecured Claims that are being discharged and cancelled pursuant to the Amended Plan. These excluded claims will be treated as General Unsecured Claims and compromised under the Amended Plan accordingly.

## RECOMMENDATION OF MONITOR

The Monitor was appointed under the terms of the Initial Order and has assisted in the development of the Amended Plan. **For the reasons provided in the Original Circular, the Monitor continues to recommend that Affected Creditors vote in favour of the Arrangement Resolution to approve the Amended Plan.**

The Monitor continues to believe that if the Amended Plan is not implemented, the most likely alternative would be a realization of the Applicant's assets under the CCAA, the *Bankruptcy and Insolvency Act* ("BIA") or other statutes and the distribution of the net proceeds of such realization to creditors in accordance with their respective priorities. The Monitor's analysis indicates that the estimated proceeds of realization, after repayment of secured claims, will result in a recovery for unsecured creditors of the Applicant of between approximately 7% to 11% based on estimated Claims in a liquidation scenario. Reference should be made to Exhibit C to the Original Circular and the assumptions, notes and disclaimers set out therein.

The Monitor continues to believe that the Amended Plan will produce a more favourable result for the Affected Creditors and other Stakeholders than a realization of the Applicant's assets, taking into account, among other things, the following key benefits:

- Actual recoveries in a realization scenario may differ materially from the estimates and may take a significant period of time to realize because the estimates do not take into account potential priority or deemed trust claims, such as potential employee and environmental claims, or other claims or disputes as to priority that might ensue in a realization scenario, other than perfected secured claims and construction lien claims, and it could take substantial time for such matters to be determined before distributions could be made to Creditors.
- If the Amended Plan is not approved and USSC is liquidated in the near term, OPEBs will permanently cease, without replacement coverage, and the Main Pension Plans will be wound up with wind up deficits that will result in the reduction of members' pensions, based upon the funded status or transfer ratio of each of the plans at the date of wind up. In this case, OPEB beneficiaries would be general unsecured creditors and the administrator of the Main Pension Plans would be an unsecured creditor in respect of the pension deficits.
- Implementation of the Amended Plan allows the Applicant to remain a going concern and operate as a stand-alone steel company, thereby preserving in excess of 2,100 direct jobs, generating ongoing business for suppliers, servicing customers with high quality steel produced in Ontario and providing significant benefits for the communities in which it does business. Accordingly, the Monitor believes the Plan will produce a more favourable result for the Affected Creditors and other Stakeholders than a realization of the Applicant's assets, taking into account, among other things, the uncertainties and delays from potential priority disputes, currency fluctuations and permanent cessation of pension and OPEB benefits that may ensue in a liquidation.

Under the Amended Plan, based upon the Claims filed pursuant to the Claims Process Order and the provisions of the Amended Plan, the Monitor estimates that each General Unsecured Creditor with Proven Claims will recover approximately 10% of the principal amount of its Proven Claims, with Convenience Creditors recovering as much as 100% of their claim, and that they will receive payment on account of such claims shortly after implementation of the Amended Plan. The Amended Plan also provides for the restructuring and continuation of OPEBs and the Main Pension Plans. Reference should be made to the illustrative recovery for General Unsecured Creditors under the Amended Plan at



Exhibit B to this Circular and the assumptions, notes and disclaimers set out therein, which replaces Exhibit E to the Original Circular in its entirety.

### **RECOMMENDATION OF BOARD**

The Board has approved the Amended Plan and has authorized its submission to the Affected Creditors for their approval and, subject to that approval, to the Court for approval. The Non-USW Support Agreement provides the Applicant with the support of another key stakeholder group. **For the reasons provided in the Original Circular, the Directors of USSC recommend that Affected Creditors vote FOR the Arrangement Resolution to approve the Amended Plan.**

In making its recommendation that Affected Creditors vote FOR the resolution approving the Amended Plan, the Board has given consideration to, among other things:

1. Implementation of the Amended Plan results in the highest and most certain reasonable value in a timely manner for Creditors and the continuation of OPEBs and the Main Pension Plans.
2. Lack of alternatives to the Amended Plan to achieve a viable USSC on emergence from the CCAA Proceedings.

### **APPROVAL OF CIRCULAR**

The contents and the sending of this Circular have been approved by the Board.

Toronto, Ontario  
April 26, 2017

U. S. Steel Canada Inc.

*“William E. Aziz”*

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William E. Aziz

Chief Restructuring Officer

**EXHIBIT A**  
**FIRST AMENDED AND RESTATED PLAN OF COMPROMISE, ARRANGEMENT AND**  
**REORGANIZATION**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF  
COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
**U. S. STEEL CANADA INC.**

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**FIRST AMENDED AND RESTATED  
PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION**  
pursuant to the *Companies' Creditors Arrangement Act* and the *Canada Business  
Corporations Act* concerning, affecting and involving U. S. Steel Canada Inc.

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April 26, 2017

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**FIRST AMENDED AND RESTATED  
PLAN OF COMPROMISE AND ARRANGEMENT**

This is the first amended and restated plan of compromise, arrangement and reorganization of the Corporation pursuant to the CCAA and CBCA.

**ARTICLE 1**  
**INTERPRETATION**

1.1 **Definitions**

In the Plan:

“**Administration Reserve**” is defined in Section 5.2.

“**Affected Claims**” means the General Unsecured Claims and the Non-USW Main Pension and OPEB Claims.

“**Affected Creditor**” means a Creditor with an Affected Claim.

“**Affiliate**” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by or is under direct or indirect common control with such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the term “controlled” shall have a similar meaning.

“**Applicable Law**” means:

- (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, as well as the common law; and
- (ii) any applicable and enforceable rule, regulation, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

“**Articles of Reorganization**” means the articles of reorganization of the Corporation attached as Schedule A.

“**Available Cash**” means Cash on Hand and the Plan Funding Amount.

“**Business**” means the business conducted by the Corporation and its Subsidiaries consisting of cokemaking, ironmaking, steelmaking and production of hot rolled, cold rolled and coated steel products, and the related marketing and sale thereof and other related business operations ancillary thereto.

“**Business Day**” means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

“**Cash on Hand**” means the cash on hand of the Corporation immediately prior to the Effective Time, which, for greater clarity, does not include the Plan Funding Amount or amounts pursuant to the New ABL Facility.

“**CBA Amendments**” means the HW Local 1005 CBA Amendment, the LEW Local 8782 CBA Amendment and the LEW Local 8782(b) CBA Amendment.

“**CBCA**” means the *Canada Business Corporations Act*.

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada).

“**CCAA Charges**” means all court-ordered charges created by the Initial Order or subsequent orders in the CCAA Proceedings, including the critical supplier charge granted to USS pursuant to the cash conservation and business preservation order dated October 9, 2015.

“**CCAA Priority Payment Claims**” means claims for amounts required to be paid by sections 6(3), (5) and (6) of the CCAA.

“**CCAA Proceedings**” means the proceedings under the CCAA in respect of or relating to the Corporation, commenced by the Initial Order.

“**Certificate of Reorganization**” means the certificate of reorganization to be issued under the CBCA in respect of the Articles of Reorganization.

“**Chapter 15 Proceedings**” means proceedings by the Corporation pursuant to Chapter 15 of the U.S. Bankruptcy Code.

“**Claim**” means

- (i) any right or claim of any Person that may be asserted or made in whole or in part against the Corporation, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever and any interest accrued thereon and costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) and, whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, surety, insurance deductible or otherwise, and whether or not such right is executory or anticipatory in nature including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or to be commenced in the future, which indebtedness, liability or obligation is based in whole

or in part on facts existing prior to the Filing Date or relates to a time period prior to the Filing Date, and includes any other claims that would have been claims provable in bankruptcy had the Corporation become bankrupt on the Filing Date and also includes an Equity Claim and a Secured Claim, and

- (ii) any Restructuring Claim,

provided, however, that “Claim” will not include any investigation, action, suit, order or proceeding in respect of the Corporation by or before a regulatory body (as defined in the CCAA), unless such investigation, action, suit, order or proceeding constitutes a “claim” within the meaning of the CCAA.

“**Claims Procedure Orders**” means (i) the claims process orders of the Court made November 13, 2014 and March 15, 2017 respectively, in respect of the procedures governing the proof of claims, (ii) the Order made April 26, 2017 in respect of the PBGF Assessment Claim, and (iii) any other supplemental claims process order made in respect of the procedures governing the proof of claims, in each case as amended and supplemented from time to time.

“**Collective Agreements**” means the collective bargaining agreements made between the Corporation and each of the United Steel, Paper and Forestry, Rubber, Manufacturing, Allied Industrial and Service Workers International Union Local Union No. 1005, the United Steel, Paper and Forestry, Rubber, Manufacturing, Allied Industrial and Service Workers International Union Local Union No. 8782, the United Steel, Paper and Forestry, Rubber, Manufacturing, Allied Industrial and Service Workers International Union Local Union No. 8782(b), and the Brick and Allied Craft Union of Canada Local No. 1.

“**Construction Lien Claims**” means all claims made against the Corporation or its assets pursuant to or in reliance on the *Construction Lien Act* (Ontario), validly filed pursuant to a Claims Procedure Order, to the extent and in the amount accepted, in accordance with the Claims Procedure Order, as a Secured Claim.

“**Convenience Creditor**” is defined in Section 3.4(2)(a).

“**Corporation**” means U. S. Steel Canada Inc. (also known as Stelco).

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**Creditor**” means a Person having a Claim and includes the transferee or assignee of a transferred Claim that is recognized as a Creditor by the Monitor in accordance with the Claims Procedure Orders, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such Person.

“**CRO**” means, collectively, Mr. William Aziz and BlueTree Advisors II Inc.

“**D&O Claim**” is defined in the Claims Procedure Orders.



**“D&O Claims Condition”** means the satisfaction, release or compromise of all D&O Claims pursuant to and in accordance with the Plan.

**“DIP Lender”** means Brookfield Capital Partners Ltd.

**“Director”** means any Person who, as at the Effective Time, is a former or present director or officer of the Corporation or any other Person of a similar position or who by Applicable Law is deemed to be or is treated similarly to a director or officer of the Corporation or who currently manages or supervises the management of the business and affairs of the Corporation or did so in the past.

**“Distribution Date or Dates”** means the Business Day or Business Days upon which distributions are made by the Corporation to the General Unsecured Creditors in accordance with the provisions of the Plan.

**“Distribution Record Date”** means the date that is 7 Business Days prior to the Plan Implementation Date.

**“Effective Time”** means such time on the Plan Implementation Date as the Corporation may determine.

**“Election Notice”** means a duly and timely filed election in the form to be provided by the Corporation to General Unsecured Creditors pursuant to which a General Unsecured Creditor with Proven Claims exceeding \$7,500 (other than the Province and the USS Group) may elect to receive payment of \$7,500 as a Convenience Creditor in full satisfaction of such Proven Claims pursuant to Section 3.4(2)(a), subject to the terms and implementation of the Plan.

**“Employees”** means all individuals currently or formerly employed by the Corporation and its Subsidiaries immediately prior to the Effective Time, whether on a full-time, part-time, salaried, hourly, unionized or non-unionized basis, including current employees on long-term disability or any other leave of absence, which, for greater certainty, does not include contractors.

**“Encumbrance”** means any mortgage, charge, pledge, lien (statutory or otherwise), hypothec, security interest (whether contractual, statutory or otherwise), encumbrance, statutory or possessory lien, trust or deemed trust (whether contractual, statutory, or otherwise), execution, levy, charge, interest in property, or other financial or monetary claim or lease of personal property that creates a security interest, in respect of any assets that the Corporation owns or to which the Corporation is entitled or that secures payment or performance of an obligation, or similar charge of any kind.

**“Environment and Climate Change Canada”** means the federal Department of the Environment and its successors.

**“Environmental Closing Conditions”** means, in respect of the arrangements described in the Environmental Term Sheet: (i) the execution and delivery of the applicable Stakeholder Agreement(s) including, without limitation, the Environmental Framework Agreement and the satisfaction of the conditions precedent set out therein, (ii) the granting of releases or no-action letters by Environment and Climate Change Canada and the MOECC; and (iii) the completion of

the steps reasonably necessary in each case to be executed or completed prior to the Effective Time to implement such arrangements, including the execution and delivery of one or more agreements with the MOECC and Environment and Climate Change Canada to give effect to environmental releases/no-action letters in favour of the relevant recipients (including the Corporation and its directors, officers and other relevant recipients with a connection to the Corporation, to be identified in the Environmental Framework Agreement/no action letters), in each case on terms satisfactory to the Corporation, the Plan Sponsor and the MOECC.

**“Environmental Framework Agreement”** means the agreement between the MOECC, the Plan Sponsor and the Corporation contemplated by the Environmental Term Sheet.

**“Environmental Term Sheet”** means the term sheet related to environmental matters attached as Schedule B.

**“Equity Claim”** means a Claim that constitutes an “equity claim” as that term is defined by section 2 of the CCAA.

**“Existing HW Local 1005 Pension and OPEB Benefits”** means the pension and OPEB benefits provided for pursuant to (i) the Collective Agreement, (ii) the Agreement for a Pension Plan (including Schedule A which is the U.S. Steel Canada Inc. Retirement Plan for USW Local 1005 Members at Hamilton Works), and (iii) the Agreement for an Insurance Program (including the Schedules thereto), in each case between the Corporation and USW Local 1005 and in effect until March 31, 2017.

**“Existing LEW Local 8782 Pension and OPEB Benefits”** means the pension and OPEB benefits provided for pursuant to (i) the Collective Agreement, (ii) the Agreement for a Pension Plan (including Schedule A which is the U.S. Steel Canada Inc. Retirement Plan for USW Local 8782 Members at Lake Erie Works), and (iii) the Agreement for an Insurance Program (including the Schedules thereto), in each case between the Corporation and USW Local 8782 and in effect until September 1, 2018.

**“Existing LEW Local 8782(b) Pension and OPEB Benefits”** means the pension and OPEB benefits provided for pursuant to (i) the Collective Agreement between the Corporation and USW Local 8782(b) in effect until June 28, 2019 and (ii) the applicable provisions of the U.S. Steel Canada Inc. Retirement Plan for Employees at the Pickle Line Department of Lake Erie Works and the Administrative Services Only agreement between the Corporation and Green Shield.

**“Existing Non-USW Main Pension and OPEB Benefits”** means (i) the pension benefits provided under the Non-USW Main Pension Plans; and (ii) OPEBs provided to retirees of the Corporation (or its predecessors or affiliates) not represented by the USW, and eligible spouses and beneficiaries of such retirees.

**“EY”** means Ernst & Young Inc. in respect of the services it provided to the Corporation before and after the Filing Date including in respect of services provided in its capacity as Monitor, and includes Ernst & Young LLP and any of their affiliates, partners, officers, directors, employees, agents, subcontractors and legal counsel.

**“Filing Date”** means September 16, 2014.

**“General Unsecured Claim”** means any Claim that is not an Unaffected Claim or Non-USW Main Pension and OPEB Claim and includes, for greater certainty (i) the PBGF Assessment Claim, (ii) a Restructuring Claim, (iii) a Non-USW Unfunded Supplemental Claim or Non-USW Employee Termination Claim that is not subject to the Non-USW Settlement Agreement, and (iv) a Non-USW Funded Supplemental Pension Claim.

**“General Unsecured Creditor”** means a Creditor with a General Unsecured Claim.

**“General Unsecured Creditor Pool”** means [\$15.4] million to fund distributions to General Unsecured Creditors with Proven Claims as provided in the Plan.

**“Governmental Authority”** means any domestic or foreign legislative, executive, judicial or administrative body or person having jurisdiction in the relevant circumstances.

**“Hamilton Pension Plans”** means (i) U.S. Steel Canada Inc. Retirement Plan for USW Local 1005 Members at Hamilton Works, FSCO Registration No. 0354878; and (ii) U.S. Steel Canada Inc. Retirement Plan for Salaried Employees at Hamilton Works, FSCO Registration No. 0338509.

**“Hamilton Works”** means the Business of the Corporation conducted on the HW Lands.

**“HW Lands”** means all freehold and leasehold property of the Corporation located in Hamilton, Ontario and interests therein, including all rights of way, licences or rights of occupation, easements or other similar rights of the Corporation in connection with such freehold and leasehold property.

**“HW Local 1005 CBA Amendment”** means any renewal Collective Agreement between HW Local 1005 and the Corporation, in form and substance also satisfactory to the Plan Sponsor, that takes effect on or prior to the Plan Implementation Date.

**“Initial Distribution Date”** means the first Distribution Date determined by the Corporation, which will be as soon as practicable following the Plan Implementation Date.

**“Initial Order”** means the order obtained from the Court on the Filing Date commencing the CCAA Proceeding, as amended and/or amended and restated from time to time.

**“Insured Claims”** is defined in Section 2.3(h).

**“Lake Erie Works”** means the Business of the Corporation conducted on the LEW Lands.

**“Land Assets”** is defined in the Land Term Sheet attached as Schedule C.

**“Land Contribution”** is defined in Section 4.2(j).

**“Land Notes”** means the non-interest bearing promissory notes issued by the Land Vehicle in consideration for the Land Assets.

**“Land Term Sheet”** means the term sheet related to the transfer of the Land Assets to the Land Vehicle and related matters attached as Schedule C.

**“Land Vehicle”** means the entity, partnership, trust or other vehicle established to hold the Land Assets consistent with the intention of the Land Term Sheet.

**“Land Vehicle Closing Conditions”** means, in respect of the arrangements described in the Land Term Sheet, the execution and delivery of the applicable Stakeholder Agreement(s) and the completion of the steps reasonably necessary to be executed and delivered or completed prior to the Effective Time to implement such arrangements, including: (i) the formation of the Land Vehicle; (ii) the conveyance by the Corporation of the Land Assets to the Land Vehicle and related funding; (iii) execution and delivery of the provincial land vehicle loan agreement, security and related documentation; and (iv) receipt of a letter from the federal Ministry of Finance confirming an intention to recommend amendments to the *Income Tax Regulations* to ensure the Land Vehicle is deemed not to be a retirement compensation arrangement as defined under the Tax Act.

**“Land Vehicle Funding”** is defined in the Land Term Sheet attached as Schedule C.

**“Lands”** means the HW Lands and LEW Lands.

**“Lease Closing Conditions”** means, in respect of the arrangements described in the Lease Term Sheet, the execution and delivery of the applicable Stakeholder Agreement(s) and completion of the steps reasonably necessary in each case to be executed and delivered or completed prior to the Effective Time to implement such arrangements, including: (i) the execution and delivery of leases for the applicable portions of the Lands; (ii) the execution and delivery of applicable shared services agreements and any applicable reciprocal easement and operating agreements or infrastructure agreements; and (iii) arrangements in respect of the abatement, quantum, allocation and payment of property taxes attributable to the Leased Lands.

**“Lease Term Sheet”** means the term sheet related to leasing matters in respect of the Leased Lands attached as Schedule D.

**“Leased Lands”** is defined in the Lease Term Sheet.

**“LEW Lands”** means all freehold and leasehold property of the Corporation located in Nanticoke, Ontario and interests therein including all rights of way, licences or rights of occupation, easements or other similar rights of the Corporation in connection with such freehold and leasehold property.

**“LEW Local 8782 CBA Amendment”** means amendments to the Collective Agreement between LEW Local 8782 and the Corporation, in form and substance also satisfactory to the Plan Sponsor and including, if applicable, any renewal Collective Agreement that takes effect upon the expiry of such amended Collective Agreement.

**“LEW Local 8782(b) CBA Amendment”** means amendments to the Collective Agreement between LEW Local 8782(b) and the Corporation, in form and substance also satisfactory to the

Plan Sponsor and including, if applicable, any renewal Collective Agreement that takes effect upon the expiry of such amended Collective Agreement.

“**LEW Pension Plans**” means (i) U.S. Steel Canada Inc. Retirement Plan for USW Local 8782 Members at Lake Erie Works, FSCO Registration No. 0698761; (ii) U.S. Steel Canada Inc. Retirement Plan for Salaried Employees at Lake Erie Works, FSCO Registration No. 0698753; and (iii) the U.S. Steel Canada Inc. Retirement Plan for Employees at the Pickle Line Department of Lake Erie Works, FSCO Registration No. 1206457.

“**Main Pension Plans**” means the Hamilton Pension Plans and the LEW Pension Plans.

“**Meeting**” means a meeting of a class of Affected Creditors to consider and vote on the Plan held pursuant to the Meeting Order.

“**Meeting Order**” means an order directing the calling and holding of one or more Meetings of Affected Creditors to consider and vote on the Plan, as amended from time to time.

“**MOECC**” means the Ontario Ministry of the Environment and Climate Change.

“**Monitor**” means Ernst & Young Inc., in its capacity as the monitor appointed pursuant to the Initial Order, and any successor thereto appointed in accordance with any further order of the Court.

“**New ABL Facility**” means a new loan agreement, security and related documentation arranged by the Plan Sponsor with not less than \$125 million of borrowing availability (which, for greater certainty, excludes the Plan Funding Amount) to the Corporation and a wholly-owned Subsidiary or Affiliate of the Plan Sponsor, by the lenders thereunder, on terms and conditions satisfactory to the Plan Sponsor acting reasonably.

“**New HW Local 1005 Pension and OPEB Benefits**” means the Existing HW Local 1005 Pension and OPEB Benefits, as modified and amended by the HW Local 1005 CBA Amendment, the Pension Agreement, the Special Regulation, the OPEB Agreement and the applicable OPEB ELHT Documents.

“**New LEW Local 8782 Pension and OPEB Benefits**” means the Existing LEW Local 8782 Pension and OPEB Benefits, as modified and amended by the LEW Local 8782 CBA Amendment, the Pension Agreement, the Special Regulation, the OPEB Agreement and the applicable OPEB ELHT Documents.

“**New LEW Local 8782(b) Pension and OPEB Benefits**” means the Existing LEW Local 8782(b) Pension and OPEB Benefits, as modified and amended by the LEW Local 8782(b) CBA Amendment, the Pension Agreement, the Special Regulation, the OPEB Agreement and the applicable OPEB ELHT Documents.

“**New Non-USW Pension and OPEB Benefits**” means the Existing Non-USW Main Pension and OPEB Benefits, as modified by the Pension Agreement, the Special Regulation and the OPEB Agreement and OPEB ELHT Documents.

**“Non-Main Pension Plans”** means the Stelco Inc. Retirement Plan for Mark C. Steinman, FSCO Registration No. 1056738; the U. S. Steel Canada Inc. Retirement Plan for CAW-Canada Local 523 Employees at the Former Stelpipe Ltd., FSCO Registration No. 1018860; the U. S. Steel Canada Inc. Retirement Plan for Non-USW Employees of the Former Stelpipe Ltd., FSCO Registration No. 1017177; and the U.S. Steel Canada Inc. Retirement Plan for Non-USW Employees at the Former Welland Pipe Ltd., FSCO Registration No. 1017185.

**“Non-Released USSC Claims”** means, collectively: (i) the right to enforce against the Corporation its obligations under the Plan; (ii) the right to enforce against the Corporation its obligations under the Stakeholder Agreements, including the agreements between the Corporation and USS contemplated under the USS Closing Conditions; (iii) the right to enforce the Unaffected Claims against the Corporation; (iv) solely as against a Director in his or her capacity as such, any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA; (v) any claim against a Released USSC Party, based on facts not known by the claimant prior to the Effective Time nor reasonably capable of being known, if the Released USSC Party is determined by a final order of a court of competent jurisdiction to have committed fraud; (vi) any claim against the Corporation for the purchase or supply of goods or services delivered after the Filing Date; (vii) subject to the Environmental Framework Agreement and the releases from the MOECC, any investigation, action, suit, order or proceeding by or before a regulatory body (as defined in the CCAA) unless such investigation, action, suit, order or proceeding constitutes a “claim” within the meaning of the CCAA; and (viii) the right to enforce against the Corporation any agreement in force on the Effective Date that was entered into with the Corporation between the filing of the Plan and the Effective Date.

**“Non-USW Employee Termination Claim”** means a Claim of a Non-USW Employee arising in respect of the cessation of employment, including a Claim for termination pay, severance pay, pay in lieu of notice or wrongful dismissal.

**“Non-USW Employees”** means all Employees other than USW Employees.

**“Non-USW Funded Supplemental Pension Claim”** means a Claim arising in respect of the provision of or an obligation to provide pension benefits to Non-USW Employees and their beneficiaries pursuant to retirement benefit contracts for specified members funded pursuant to a retirement compensation arrangement trust.

**“Non-USW Main Pension Plans”** means the U.S. Steel Canada Inc. Retirement Plan for Salaried Employees at Lake Erie Works (FSCO/CRA Registration No. 0698753), the applicable provisions of the U. S. Steel Canada Inc. Retirement Plan for Employees at the Pickle Line Department of Lake Erie Works (FSCO/CRA Registration No. 1206457) and the U.S. Steel Canada Inc. Retirement Plan for Salaried Employees at Hamilton Works (FSCO/CRA Registration No. 0338509).

**“Non-USW Main Pension and OPEB Claim”** means a Claim arising in respect of the Existing Non-USW Main Pension and OPEB Benefits (other than, for greater certainty, any Non-USW Funded Supplemental Pension Claim or Non-USW Unfunded Supplemental Pension Claim).

**“Non-USW Representatives”** means the Court-appointed representatives of the “Non-USW Active and Retiree Beneficiaries” (as defined in the Representative Counsel Order), in their capacity as such.

**“Non-USW Settlement Agreement”** means the settlement agreement dated as of April 19, 2017 between Representative Counsel, the Corporation and the Plan Sponsor in respect of the compromise and release of Non-USW Employee Termination Claims and Non-USW Unfunded Supplemental Pension Claims, as may be amended from time to time in accordance with the terms thereof.

**“Non-USW Support Agreement”** means the letter agreement dated April 10, 2017 between Representative Counsel, the Corporation and the Plan Sponsor, as may be amended from time to time in accordance with the terms thereof.

**“Non-USW Unfunded Supplemental Pension Claim”** means a Claim arising in respect of the provision of or an obligation to provide pension benefits to Non-USW Employees and their beneficiaries pursuant to non-registered unfunded retirement benefit contracts for specified retired members, retiring allowance arrangements for former Stelpipe union members, and special retiring allowances for certain retired members and beneficiaries.

**“OPEBs”** means post-employment health and welfare benefits provided by the Corporation to retirees of the Corporation (or its predecessors or affiliates) and eligible spouses and beneficiaries of such retirees, including life insurance, health and dental benefits but excluding pensions and other retirement payments.

**“OPEB Agreement”** means the agreement between the Corporation, the Province and the OPEB Entities contemplated by the OPEB Term Sheet, in respect of, among other things, the funding of OPEBs from and after the Plan Implementation Date.

**“OPEB Closing Conditions”** means, in respect of the arrangements described in the OPEB Term Sheet, the execution of the applicable Stakeholder Agreement(s) and the completion of the steps reasonably necessary in each case to be executed or completed prior to the Effective Time to implement such arrangements, including: (i) the formation of the OPEB Entities; (ii) the execution of the OPEB Agreement; and (iii) the execution of the provincial OPEB loan agreement, security and related documentation.

**“OPEB ELHT Documents”** means the documentation relating to and governing an OPEB Entity, which shall (among other things) establish the type and level of OPEBs payable.

**“OPEB Entities”** is defined in the OPEB Term Sheet.

**“OPEB Term Sheet”** means the term sheet related to OPEB matters attached as Exhibit E.

**“Order”** means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Authority.

**“PBGF Assessment Claim”** means the claim of the Superintendent of Financial Services of Ontario, in its capacity as administrator of the Pension Benefits Guarantee Fund, for the amount

owing by the Corporation, determined in accordance with the applicable Claims Procedure Order, in respect of Pension Benefits Guarantee Fund assessments pursuant to the *Pension Benefits Act* (Ontario) in respect of the Main Pension Plans and Non-Main Pension Plans, the payment of which has been suspended by the Order dated October 9, 2015.

**“Pension Agreement”** means the agreement between the Province, the Superintendent of Financial Services, the Corporation and the Plan Sponsor contemplated by the Pension Term Sheet, in respect of, among other things, the funding of the benefits under the Main Pension Plans, which funding shall take effect from and after the Plan Implementation Date. Pension Agreement includes any related agreements for trusts referred to in the Pension Agreement.

**“Pension Closing Conditions”** means, in respect of the arrangements described in the Pension Term Sheet, the execution and delivery of the applicable Stakeholder Agreement(s), the coming into force of any legislation or regulation of any Governmental Authority and the completion of the steps reasonably necessary in each case to be executed and delivered, come into force or be completed prior to the Effective Time to implement such arrangements, including: (i) the formation of the Pension Deficit Funding Trust(s); (ii) the execution and delivery of the Pension Agreement; (iii) the execution and delivery of the Bedrock Guarantee (as defined in the Pension Term Sheet); (iv) the receipt of a letter from the federal Ministry of Finance confirming an intention to recommend any necessary amendments to the *Income Tax Regulations* to facilitate the characterization of and payment of funds from the Pension Deficit Funding Trust(s) and Land Vehicle for the benefit of certain registered pension plans; (v) settlement of pension benefits to retirees of the Main Pension Plans whose benefit entitlements are subject to provincial pension benefit minimum standards legislation other than the *Pension Benefits Act* (Ontario); (vi) commencement of the wind-up of the Non-Main Pension Plans; (vii) the implementation of arrangements satisfactory to the Corporation, Province, Superintendent of Financial Services and Plan Sponsor in respect of the funding obligations and administration in respect of pension entitlements accruing under the Main Pension Plans and any future service successor pension plans on and after the Plan Implementation Date including (A) the execution and delivery of the Pension Agreement and the Pension Transition Agreement; and (B) the coming into force of pension regulations, reflecting such arrangements. Capitalized terms used in this definition that are not defined in this Section 1.1 are defined in the Pension Term Sheet.

**“Pension Deficit Funding Trust”** means a special pension deficit funding trust, separate and apart from the Main Pension Plans, to be established for the benefit of the Main Pension Plans in accordance with the Pension Agreement.

**“Pension Term Sheet”** means the term sheet related to pension matters in respect of pension entitlements accrued under the Main Pension Plans prior to the Plan Implementation Date, attached as Exhibit F.

**“Pension Transition Agreement”** means the arrangements and agreement among the Province, the Corporation, USS, USSCPF and other relevant parties in respect of the transition of the Main Pension Plans and other pension retirement or benefit plans of the Corporation from and after the Plan Implementation Date (which, for greater certainty, will constitute a Stakeholder Agreement).



**“Permitted Encumbrances”** is defined in Section 4 of the Land Term Sheet.

**“Person”** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity.

**“Plan”** means this First Amended and Restated Plan of Compromise, Arrangement and Reorganization pursuant to the CCAA and the CBCA concerning, affecting and involving the Corporation, including all Schedules.

**“Plan Funding Amount”** means the amount needed by the Corporation, in excess of the Cash on Hand at the Effective Time, to fund the General Unsecured Creditor Pool and the Unresolved Claims Reserve in accordance with Article 5, to pay all amounts set out in Section 6.2 hereof to the extent they are not already paid prior to the Effective Time, to make any other payments to be made by the Corporation pursuant to or as otherwise contemplated by the Plan and the Stakeholder Agreements and to leave the Corporation with not less than \$5 million in cash immediately after the Effective Time.

**“Plan Implementation Conditions”** is defined in Section 9.1.

**“Plan Implementation Date”** means the date of the Certificate of Reorganization.

**“Plan Sponsor”** means Bedrock Industries Canada LLC.

**“Plan Sponsor Agreement”** means the CCAA Acquisition and Plan Sponsor Agreement between the Corporation, Plan Sponsor and Bedrock Industries L.P. made as of December 9, 2016, including its recitals, schedules and exhibits, as amended from time to time.

**“Proof of Claim”** means a proof of claim filed in accordance with the Claims Procedure Orders.

**“Proven Claim”** means a Claim (or the portion thereof) that has been finally determined: (i) in the case of a General Unsecured Claim, for voting and distribution purposes; (ii) in the case of a Non-USW Main Pension and OPEB Claim, for voting purposes, and (iii) in the case of any Unaffected Claim, for the purposes of any payment thereof contemplated by the Plan (including pursuant to the Non-USW Settlement Agreement), in each case in accordance with the Claims Procedure Orders or any other Order of the Court.

**“Province”** means Her Majesty the Queen in Right of the Province of Ontario and all of its ministries, agencies, commissions and other entities and funds.

**“Released Claims”** means the Released USSC Claims and the Released Stakeholder Claims.

**“Released Parties”** means the Released USSC Parties and the Released Stakeholder Parties.

**“Released Stakeholder Claims”** means all of the claims released by either the Stakeholder Contractual Releases or the USS/USSCPF Court-Ordered Release.

**“Released Stakeholder Parties”** means the USSC Group, USSCPF, the USS Group, the Province, the USW and the Non-USW Representatives and their respective Representatives who are the recipients of the Stakeholder Contractual Releases and the USS/USSCPF Court-Ordered Release.

**“Released USSC Claims”** means any and all demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature (including for, in respect of or arising out of environmental matters, pensions or post-employment benefits or alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any member of the USSC Group or its Representatives) that any Creditor or other Person (including each of the Province, the Unions on behalf of the Employees they represent, the Non-USW Representatives on behalf of every Person they represent, and the members of the USS Group) has or may be entitled to assert, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time, or such later time as actions are taken to implement the Plan and the Transaction, that in any way relate to or arise out of or in connection with (i) any Claims, including Claims that are enumerated in section 19(2) of the CCAA and that are compromised under the Plan in accordance with such section as a consequence of the applicable Creditor’s vote in favour of or other form of consent to the Plan; (ii) the assets, obligations, business or affairs of the Corporation or any of the other members of the USSC Group; (iii) the administration or management of all pension plans of the Corporation or the assets thereof; (iv) the CCAA Proceedings or any matter or transaction involving any of the members of the USSC Group occurring in or in connection with the CCAA Proceedings (including the Plan, the Transaction or the development thereof); or (v) any D&O Claims, but excluding Non-Released USSC Claims.

**“Released USSC Parties”** is defined in Section 7.1.

**“Representatives”** means, in relation to a Person, such Person’s current and former directors, officers, partners, employees, consultants, legal counsel, actuaries, advisers and agents, including their respective heirs, executors, administrators and other legal representatives, successors and assigns, and each of their respective employees and partners.

**“Representative Counsel”** has the meaning given to it in the Representative Counsel Order.

**“Representative Counsel Order”** means the order of the Court in the CCAA Proceedings dated October 8, 2014, as amended or supplemented from time to time.

**“Responsible Person”** means any Director and any Person who, prior to the Effective Time, was requested to act, and who is acting or did or does act or is deemed or treated by applicable law to be acting or to have acted, as a director, officer or Person of a similar position of another entity in which the Corporation has a direct or indirect interest.

**“Restructuring Claim”** means any right of any Person against the Corporation in connection with any indebtedness, liability, or obligation of any kind owed to such Person arising out of the disclaimer, restructuring, repudiation or termination after the Filing Date of any contract, lease, agreement or other arrangement, whether written or oral, including any such right of a Non-USW Employee arising as a result of the termination of employment of such Non-USW Employee by the Corporation on or after January 1, 2017 or the suspension of “Salary Continuance Payments” as defined in and pursuant to the Court order dated October 28, 2015, provided that a “Restructuring Claim” does not include any Unaffected Claim.

**“Restructuring Steps”** is defined in Section 4.2.

**“Rothschild”** means Rothschild Inc.

**“Sanction Order”** means the order to be made under the CCAA and CBCA sanctioning the Plan, approving the Articles of Reorganization, vesting the Land Assets in the Land Vehicle and providing for the releases and other relief contemplated in the Plan, as such order may be amended by any court of competent jurisdiction, in form and content satisfactory to the Corporation and the Plan Sponsor.

**“Schedules”** is defined in Section 1.5.

**“Secured Claims”** means all Claims of a Creditor (other than a Claim of the USS Group) to the extent that they are secured by a valid Encumbrance that is duly and properly registered or otherwise perfected in accordance with Applicable Law in the appropriate jurisdiction as of the Filing Date or thereafter pursuant to an Order, to the extent of the value of such Encumbrance as at the Filing Date (having regard to the value of the assets subject to such Encumbrance and the priority of such Encumbrance) and which Claim is entitled to be proven as a secured claim pursuant to the provisions of the CCAA.

**“Secured Municipal Tax Claims”** means all Claims made against the Corporation or its assets by a municipality for municipal taxes, validly filed pursuant to a Claims Procedure Order, to the extent and in the amount accepted, in accordance with the Claims Procedure Order, as a Secured Claim and all claims against the Corporation for amounts validly owing to a municipality for municipal taxes subsequent to the Filing Date, which remain unpaid.

**“Shareholder”** means U.S. Steel Canada Limited Partnership, a wholly-owned Affiliate of USS.

**“Special Regulation”** means the special regulation or regulations enacted under the *Pension Benefits Act* (Ontario) to give effect to the Pension Agreement and Schedule F.

**“Stakeholder Agreements”** means the agreements contemplated by the Term Sheets or the conditions set out in Section 9.1 that are required to be executed prior to the Effective Time, in each case, by the Plan Sponsor or the Corporation (to the extent the Corporation is a party thereto prior to the Effective Time) or both, as applicable, with one or more Stakeholders, as applicable, in each case with terms that are consistent with the Term Sheet(s) and other terms of the Plan.

“**Stakeholder Contractual Releases**” means the global mutual release or releases between or among each of the Stakeholders and the Corporation and their respective Representatives, among others, substantially in the form of the global release agreement attached as Schedule J.

“**Stakeholders**” means the Province, USS, USSCPF, the USW and the Non-USW Active and Retiree Beneficiaries (as defined in the Representative Counsel Order) acting through the Non-USW Representatives.

“**Subsidiary**” has the meaning set out in Section 1.1 of National Instrument 45-106 – *Prospectus Exemptions*.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Tax Closing Conditions**” means the execution of the Tax Savings Agreement as defined in the Tax Term Sheet.

“**Tax Term Sheet**” means the term sheet related to tax matters attached as Schedule G.

“**Term Sheets**” means the Environmental Term Sheet, the Land Term Sheet, the Lease Term Sheet, the OPEB Term Sheet, the Pension Term Sheet and the Tax Term Sheet.

“**Transaction**” means the restructuring of the Corporation by way of the Plan and the Stakeholder Agreements.

“**Unaffected Claim**” is a Claim identified in Section 2.3.

“**Unaffected Creditor**” means a Creditor with an Unaffected Claim.

“**Uncashed Distribution**” is defined in Section 6.6(2).

“**Undeliverable Distribution**” is defined in Section 6.6(1).

“**Unions**” means USW Local 1005, USW Local 8782 and USW Local 8782(b).

“**Unresolved Claim**” means a General Unsecured Claim (or the portion thereof) that at the relevant time is not a Proven Claim and is not barred pursuant to the applicable Claims Procedure Orders, but in respect of which a Proof of Claim has been filed in a proper and timely manner or a notice of claim delivered by USSC or the Monitor, in each case in accordance with the applicable Claims Procedure Order.

“**Unresolved Claims Reserve**” is defined in Section 5.2.

“**USS**” means the United States Steel Corporation.

“**USS/Bedrock ITS**” means the indicative term sheet dated November 1, 2016 between Bedrock Industries Group LLC and USS relating to the Transaction.

“**USS Closing Conditions**” means, in each case to the satisfaction of USS: (i) the execution and delivery of the Stakeholder Agreement(s) to which USS is party and the completion of the steps

reasonably necessary in each case to be executed and delivered or completed prior to the Effective Time to implement same, to the satisfaction of the Plan Sponsor and the Corporation (for greater certainty, in addition to USS); (ii) the payment to USS in full satisfaction of the USS Secured Claims; (iii) arrangements satisfactory to the Corporation and the Plan Sponsor, acting reasonably, for the discharge and cancellation of the USS Unsecured Claims for nominal consideration and the transfer to an Affiliate of the Plan Sponsor of all issued and outstanding common shares of the Corporation; (iv) execution and delivery of one or more transitional services agreements between the relevant member(s) of the USS Group and the Corporation having terms and conditions consistent in all material respects with Schedules C1, C2 and C3 to the USS/Bedrock ITS; (v) execution and delivery of a license or other agreement with respect to intellectual property and trade secrets between the relevant member(s) of the USS Group and the Corporation having terms and conditions consistent in all material respects with Schedule D to the USS/Bedrock ITS; (vi) execution and delivery of an iron ore pellet supply agreement agreed between the Corporation and the relevant member(s) of the USS Group having terms and conditions consistent in all material respects with Schedule B to the USS/Bedrock ITS; (vii) execution and delivery of the Stakeholder Contractual Releases and such other agreements or arrangements as are required by USS in respect of any limitation therein and granting of the USS/USSCPF Court-Ordered Release; (viii) appointment of a new administrator for the Main Pension Plans (whose identity does not have to be satisfactory to USS) who is not a member of the USSC Group, the USS Group or USSCPF, on or before the Effective Time; (ix) execution and delivery of a Pension Transition Agreement, if USS agrees to enter into such Pension Transition Agreement, which agreement shall include release and indemnification provisions satisfactory to USS in respect of any obligations to be carried out by any member of the USS Group thereunder after the Effective Time; (x) USS being satisfied with the form and content of the Meeting Order, any further Claims Procedure Orders, the Sanction Order and any other order which may reasonably affect USS' obligations or liabilities; and (xi) for greater certainty, all other transactions and arrangements contemplated under the USS/Bedrock ITS to the extent not otherwise reflected in the foregoing.

**“USS/USSCPF Court-Ordered Release”** means the release to be ordered in the Sanction Order irrevocably and unconditionally compromising, releasing and forever discharging, as against the USS Group, USSCPF and their respective Representatives, all claims of all Persons of the nature released pursuant to the Stakeholder Contractual Releases, excluding (but without limiting the terms of the Stakeholder Contractual Releases): (i) to the extent applicable, claims enumerated in subsection 5.1(2) of the CCAA; (ii) any claims enumerated in subsection 19(2) of the CCAA unless such claims have been compromised under the Plan; and (iii) any claims by the Corporation or others excluded in the Stakeholder Contractual Releases and as agreed to by USS or USSCPF, as the case may be, and the Corporation or the relevant Stakeholder, as the case may be.

**“USS Group”** means USS and its Affiliates, excluding the USSC Group.

**“USS Indemnity Release Conditions”** means the execution of the necessary agreements and the completion of the necessary steps to implement the matters set out in Schedule I at or before the Effective Time.

**“USS Secured Claims”** means the secured Claims of the USS Group as described in Schedule H as to currency, principal amounts and accrued and accruing interest all of which constitute Proven Claims.

**“USS Unsecured Claims”** means the unsecured Claims of the USS Group, in the amounts and of the nature determined by the Court in accordance with the Claims Procedure Orders, excluding five General Unsecured Claims totalling about \$3.4 million that were assigned to the USS Group and in respect of which a notice of assignment has been provided to the Monitor prior to the date hereof.

**“USSC Group”** means the Corporation and its Subsidiaries.

**“USSCPF”** means the United States Steel and Carnegie Pension Fund, with a place of business at 350 Park Avenue, 17<sup>th</sup> Floor, New York, NY 10022.

**“USSCPF Agreements”** means (i) the retirement plan administration services agreement between USSCPF and USSC dated as of August 5, 2008; (ii) the side letter agreement between USSCPF and USSC dated November 18, 2015; (iii) the USSC/USS Transition Arrangements dated as of October 6, 2015; and (iv) the designation resolution of the directors of USSC dated August 5, 2008.

**“USSCPF Closing Conditions”** means (i) appointment of a new administrator for the Main Pension Plans who is not a member of the USSC Group, the USS Group or USSCPF, on or before the Effective Time; (ii) termination of any service provider, investment advisor, investment manager or other roles by USS and USSCPF in respect of any pension, retirement or benefits plans of the Corporation, existing up to the Effective Time; (iii) termination of the USSCPF Agreements on or before the Effective Time; (iv) the receipt by USSCPF of the applicable Stakeholder Contractual Releases and such other agreements or arrangements as are required by USSCPF in respect of any limitation therein and the granting of the USS/USSCPF Court-Ordered Release; (v) USSCPF’s satisfaction with any Stakeholder Agreement to which it is a party; (vi) the execution and delivery of a Pension Transition Agreement, if USSCPF agrees to enter into such Pension Transition Agreement, which agreement shall include release and indemnification provisions satisfactory to USSCPF in respect of any obligations to be carried out by USSCPF thereunder after the Effective Time; and (vii) USSCPF’s satisfaction with the Sanction Order and any other order which reasonably may affect USSCPF’s obligations or liabilities.

**“USW”** means the United Steel, Paper and Forestry, Rubber, Manufacturing, Allied Industrial and Service Workers International Union.

**“USW Employees”** means the Employees who are in the bargaining units represented by the Unions.

## 1.2 **Certain Rules of Interpretation**

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) unless otherwise specified, all references to currency are in Canadian dollars;
- (d) the division of the Plan into “articles” and “sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “articles” and “sections” intended as complete or accurate descriptions of the content thereof;
- (e) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) the words “includes” and “including” and similar terms of inclusion will not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather will mean “includes but is not limited to” and “including but not limited to”, so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;
- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day means prior to 5:00 p.m. (Toronto time) on such Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature or Governmental Authority includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

- (j) references to a specified “article” or “section” will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions will be deemed to refer generally to the Plan and not to any particular article, section or other portion of the Plan and includes any documents supplemental hereto; and
- (k) references to “Affected Creditor”, “General Unsecured Creditor” or “Unaffected Creditor” refer to Creditors of the Corporation in such capacity.

### 1.3 **Successors and Assigns**

The Plan will be binding upon and enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of any Person named or referred to in or subject to the Plan.

### 1.4 **Governing Law and Jurisdiction**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions will be subject to the exclusive jurisdiction of the Court.

### 1.5 **Schedules**

The following are the Schedules to the Plan (the “**Schedules**”), which are incorporated by reference into the Plan and form a part of it:

- Schedule A – Articles of Reorganization
- Schedule B – Environmental Term Sheet
- Schedule C – Land Term Sheet
- Schedule D – Lease Term Sheet
- Schedule E – OPEB Term Sheet
- Schedule F – Pension Term Sheet
- Schedule G – Tax Term Sheet
- Schedule H – USS Secured Claims
- Schedule I – USS Indemnity Release Conditions
- Schedule J – Stakeholder Contractual Releases

## **ARTICLE 2** **PURPOSE AND EFFECT OF THE PLAN**

### 2.1 **Purpose**

The purposes of the Plan are to:

- (a) complete a restructuring and reorganization of the Corporation by implementing the Restructuring Steps and filing the Articles of Reorganization;



- (b) provide for a compromise of, and consideration for, all Affected Claims that are Proven Claims by:
  - (i) providing to holders of all General Unsecured Claims that are Proven Claims a distribution from the General Unsecured Creditor Pool;
  - (ii) replacing Existing Non-USW Main Pension and OPEB Benefits provided to Non-USW Main Pension and OPEB Claim holders with New Non-USW Pension and OPEB Benefits;
- (c) effect a release and discharge of all Affected Claims and Released Claims; and
- (d) ensure the Corporation and its Business continue as a going concern, having addressed its balance sheet issues and legacy obligations,

in the expectation that all Affected Creditors will derive a greater benefit from implementation of the Plan than they would derive from a bankruptcy or liquidation of the Corporation.

## 2.2 **Affected Claims and Released Claims**

The Plan provides for a compromise with Affected Creditors and a full, final and irrevocable release and discharge of the Affected Claims and the Released Claims. The Plan will become effective at the Effective Time in accordance with its terms and will be binding on and enure to the benefit of the Corporation, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan.

## 2.3 **Unaffected Claims**

Subject to the express provisions hereof providing for the payment of certain Unaffected Claims and the treatment of Insured Claims, the Plan does not compromise the following (collectively, the “**Unaffected Claims**”):

- (a) Claims secured by the CCAA Charges;
- (b) USS Secured Claims and USS Unsecured Claims;
- (c) Secured Claims that are accepted as or determined to be Proven Claims pursuant to the Claims Procedure Orders as Secured Claims, Construction Lien Claims and Secured Municipal Tax Claims;
- (d) CCAA Priority Payment Claims;
- (e) Claims of any Subsidiary against the Corporation;
- (f) Claims of USW Employees and their beneficiaries:
  - (i) under the provisions of the Collective Agreements or any employment-related statute, including employment standards and applicable human rights legislation; or

- (ii) for Existing HW Local 1005 Pension and OPEB Benefits, Existing LEW Local 8782 Pension and OPEB Benefits and Existing LEW 8782(b) Pension and OPEB Benefits

(which, for greater certainty, are to be addressed in the manner set out in Section 4.2(d) and the CBA Amendments);

- (g) Claims of Non-USW Employees and Directors that are:
  - (i) unrelated to the cessation of employment for all amounts owing to them in their capacity as such by statute or otherwise for or in connection with accrued salary, accrued wages, accrued bonuses, fees and expenses, reimbursement obligations, accrued vacation leave and accrued vacation pay, other than Non-USW Supplemental Pension Claims and Non-USW Main Pension and OPEB Claims; or
  - (ii) Non-USW Termination Claims and Non-USW Unfunded Supplemental Pension Claims that are subject to the Non-USW Settlement Agreement;
- (h) Subject to Section 3.7 hereof, that portion of a Claim arising from a cause of action for which the Corporation is covered by insurance, only to the extent of such coverage and limited to the actual recovery received from the applicable insurer(s) by the Corporation (“**Insured Claims**”);
- (i) Claims by any Director or other Responsible Person under any directors’ or officers’ indemnity policy or agreement with the Corporation to the extent not otherwise covered by the CCAA Charges;
- (j) Claims by EY, the CRO, Rothschild or counsel to the Corporation; and
- (k) Claims in respect of the legal and advisor costs of the Non-USW Employees pursuant to the Representative Counsel Order and Claims in respect of legal and advisor costs of the USW to the extent that the Corporation has agreed to pay them in connection with the CCAA Proceedings.

Nothing in the Plan will affect the Corporation’s rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights or entitlements to set-offs or recoupments against such Unaffected Claims.

#### 2.4 **Equity Claims**

At the Effective Time, the Plan will be binding on all holders of Equity Claims. Holders of Equity Claims will not receive a distribution or other consideration under the Plan and will not be entitled to vote on the Plan in respect of their Equity Claims. On the Plan Implementation Date all Equity Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred without any compensation of any kind whatsoever.

**ARTICLE 3**  
**CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS**

**3.1 Claims Procedure**

The procedure for determining the validity and quantum of the Affected Claims for voting and/or distribution purposes under the Plan will be governed by the Claims Procedure Orders, the Meeting Order, the CCAA, the Plan and any further Order of the Court. For the avoidance of doubt, the Claims Procedure Orders will remain in full force and effect from and after the Plan Implementation Date.

**3.2 Classification of Creditors**

In accordance with the Meeting Order, Affected Creditors will be divided into two separate classes for the purposes of considering and voting on the Plan as follows:

- (a) the class of General Unsecured Creditors; and
- (b) the class of Non-USW Main Pension and OPEB Claim holders.

**3.3 Creditors' Meeting**

The Meetings will be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Meetings are those specified in the Meeting Order and any further Order of the Court.

**3.4 Treatment of General Unsecured Claims**

- (1) At the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, all General Unsecured Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred subject only to the right of General Unsecured Creditors with Proven Claims to receive distributions pursuant to this Section 3.4.
- (2) On the Initial Distribution Date (or such later date in accordance with Section 6.4 in respect of any Unresolved Claim that becomes a Proven Claim, if any),
  - (a) each General Unsecured Creditor with Proven Claims not exceeding an aggregate of \$7,500, or who has duly filed an Election Notice with the Monitor will receive, in full satisfaction of such Proven Claims (in each case, a “**Convenience Creditor**”), payment in an amount equal to the lesser of \$7,500 and the actual amount of such Proven Claims; and
  - (b) each General Unsecured Creditor with Proven Claims that exceed an aggregate of \$7,500 who has not filed an Election Notice, other than the Province (in respect of its General Unsecured Claim other than the PBGF Assessment Claim) and USS, will receive, in full satisfaction of such Proven Claims, its *pro rata* share of the

General Unsecured Creditor Pool remaining after payment of all Convenience Creditors in accordance with subsection 3.4(2)(a).

- (3) The Province shall be entitled to vote each of its General Unsecured Claims that is a Proven Claim at the Meeting but waives its entitlement to, and shall not receive, any distributions under this Plan in respect of its General Unsecured Claim other than the PBGF Assessment Claim.
- (4) For greater certainty, a General Unsecured Creditor with a Proven Claim will receive distributions as set forth in this Section 3.4 only to the extent that such Proven Claim has not been paid, released or otherwise satisfied prior to the Effective Time.

### 3.5 **Treatment of Non-USW Main Pension and OPEB Claims**

- (1) At the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, each Non-USW Main Pension and OPEB Claim will be compromised and Existing Non-USW Main Pension and OPEB Benefits will be replaced with New Non-USW Main Pension and OPEB Benefits in accordance with the Pension Agreement (including the Special Regulation), the OPEB Agreement and the applicable OPEB ELHT Documents in full satisfaction of the Non-USW Main Pension and OPEB Claims.
- (2) At the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, all Non-USW Main Pension and OPEB Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred subject to the right of holders of Non-USW Main Pension and OPEB Claims to receive New Non-USW Main Pension and OPEB Benefits pursuant to this Section 3.5.
- (3) For greater certainty, holders of Non-USW Main Pension and OPEB Claims are entitled to vote on the Plan in the manner and to the extent set out in the Meeting Order and Existing Non-USW Main Pension and OPEB Benefits will be replaced with New Non-USW Main Pension and OPEB Benefits as described in this Section 3.5, but holders of Non-USW Main Pension and OPEB Claims will not be entitled to receive cash distributions hereunder.
- (4) Without limitation to the Representative Counsel Order, each holder of a Non-USW Main Pension and OPEB Claim is hereby deemed to authorize, empower and direct Representative Counsel, in consultation with the Non-USW Representatives, to negotiate, finalize, execute and deliver (to the extent applicable), on behalf of all such holders, the Stakeholder Agreements and all other agreements, orders and other documents (including, without limitation, the Stakeholder Contractual Releases and any amendments to the Plan required in the future by the Non-USW Support Agreement) as may be necessary or desirable to implement the Plan and the Non-USW Support Agreement and to complete the transactions contemplated hereby and by the Stakeholder Agreements, consistent with the terms of the Plan and the Non-USW Support Agreement.

### 3.6 **Unaffected Claims**

Unaffected Creditors will not be entitled to vote on the Plan. Unaffected Claims will be paid in accordance with Section 6.2, addressed pursuant to the Stakeholder Agreements or otherwise satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the Corporation.

### 3.7 **Insured Claims**

Notwithstanding anything to the contrary herein, from and after the Effective Time, any Person having an Insured Claim will be irrevocably limited to recovery in respect of such Insured Claim solely from the proceeds of the applicable insurance policies, and Persons with any Insured Claims will have no right to, and will not, directly or indirectly, make any claim or seek any recoveries from any Person, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable insurance policies. This Section 3.7 may be relied upon by the Corporation and any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section. Nothing in the Plan will prejudice, compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Claim.

### 3.8 **Unresolved Claims**

No General Unsecured Creditor will be entitled to receive any distribution hereunder with respect to an Unresolved Claim or any portion thereof unless and until, and then only to the extent that, such Unresolved Claim is finally resolved in the manner set out in the applicable Claims Procedure Order and becomes a Proven Claim entitled to the treatment described in Section 3.4 hereof.

### 3.9 **Extinguishment of Claims**

At the Effective Time, in accordance with the sequence of steps set out in Section 4.2 hereof and in accordance with the terms of the Plan and Sanction Order, the treatment of Affected Claims (including Unresolved Claims) and Released Claims, in each case as set forth herein, will be final and binding on the Corporation, Affected Creditors and any Person holding a Released Claim. All Affected Claims and all Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred and the Corporation will thereupon have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable; provided that (i) nothing herein releases the Corporation from the obligation to make distributions or provide entitlements in the manner and to the extent provided for in the Plan; and (ii) such discharge and release of the Corporation will be without prejudice to the right of an Affected Creditor in respect of an Unresolved Claim to prove such Unresolved Claim in accordance with the applicable Claims Procedure Order.

### 3.10 **Guarantees and Similar Covenants**

No Person who has a claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is

compromised under the Plan will be entitled to any greater rights as against the Corporation than the Person whose Claim is compromised under the Plan.

### 3.11 **Set-Off**

The law of set-off applies to all Claims in accordance with Applicable Law. Without limiting the generality of the foregoing, the Corporation will be entitled to set-off from any payments or distributions to be made to a Creditor hereunder, except USS in respect of the USS Secured Claims, any amounts due and owing to the Corporation from such Creditor. The Corporation agrees that, as of the Effective Time, it has no right of set-off or other claims or means of reducing or eliminating the USS Secured Claims and, to the extent any such rights, claims or means did or do exist, they are irrevocably and completely waived and released for all purposes as of the Effective Time.

## **ARTICLE 4** **RESTRUCTURING STEPS AND REORGANIZATION**

### 4.1 **Articles of Reorganization**

Upon satisfaction or waiver of each of the Plan Implementation Conditions in Section 9.1 hereof, the Corporation will file the Articles of Reorganization.

### 4.2 **Restructuring Steps**

At the Effective Time on the Plan Implementation Date, the following will occur, and be deemed to have occurred, in the order set out below unless otherwise specified in this Section 4.2 and become effective, without any further act or formality:

- (a) All of the issued and outstanding shares of the Corporation will be transferred by the Shareholder to an Affiliate of the Plan Sponsor in accordance with the applicable Stakeholder Agreement;
- (b) Concurrently,
  - (i) The Corporation will pay USS all amounts required to satisfy the USS Secured Claims in full;
  - (ii) All USS Unsecured Claims shall be discharged and cancelled for nominal consideration (such consideration to be applied in respect of the principal amount of such USS Unsecured Claims) in accordance with the applicable Stakeholder Agreement;
- (c) The Corporation will pay the DIP Lender all amounts required to satisfy all obligations and liabilities of the Corporation to the DIP Lender;
- (d) Replacement of pension and OPEB benefits for USW Local 1005, USW Local 8782 and USW Local 8782(b) will occur as follows:

- (i) the New HW Local 1005 Pension and OPEB Benefits will replace, and the Corporation will be released from, the Existing Local 1005 Pension and OPEB Benefits in accordance with the HW Local 1005 CBA Amendment, the Pension Agreement, the Special Regulation, the OPEB Agreement and the OPEB ELHT Documents;
- (ii) the New LEW Local 8782 Pension and OPEB Benefits will replace, and the Corporation will be released from, the Existing LEW Local 8782 Pension and OPEB Benefits in accordance with the LEW Local 8782 CBA Amendment, the Pension Agreement, the Special Regulation, the OPEB Agreement and the OPEB ELHT Documents;
- (iii) the New LEW Local 8782(b) Pension and OPEB Benefits will replace, and the Corporation will be released from, the Existing LEW Local 8782(b) Pension and OPEB Benefits in accordance with the LEW Local 8782(b) CBA Amendment, the Pension Agreement, the Special Regulation, the OPEB Agreement and the OPEB ELHT Documents;
- (e) The Land Assets will be transferred to and vested in the Land Vehicle (free and clear of all Encumbrances other than Permitted Encumbrances) in accordance with the applicable Stakeholder Agreement and the Sanction Order in exchange for the Land Notes and the Corporation will pay to the Land Vehicle the Land Vehicle Funding, if any, as provided in the Land Term Sheet;
- (f) The Leased Lands will be leased to the Corporation as provided in the Lease Term Sheet;
- (g) The New ABL Facility will become available to the Corporation (if not previously available);
- (h) If not already paid, the Plan Sponsor will pay the Plan Funding Amount to the Corporation in accordance with the Plan Sponsor Agreement;
- (i) The Corporation will pay USD\$61 million to the Province in accordance with the Environmental Framework Agreement;
- (j) The Corporation will contribute an amount equal to the aggregate principal amount of the Land Notes, 50% to the Main Pension Plans and 50% to the OPEB Entities (the “**Land Contribution**”). The portion of the Land Contribution made to the Main Pension Plans will be allocated amongst the Main Pension Plans in accordance with the allocations set out in the Pension Agreement. The portion of the Land Contribution made to the OPEB Entities will be allocated amongst the OPEB Entities in accordance with the allocation set out in the OPEB Agreement;
- (k) The Corporation will pay \$30 million to the Main Pension Plans in accordance with the Pension Agreement;



- (l) Each of the Main Pension Plans and the OPEB Entities will purchase a Land Note from the Corporation with a principal amount equal to the amount of the Land Contribution made to the respective Main Pension Plan and OPEB Entity, with the aggregate purchase price for the Land Notes equal to the aggregate principal amount of the Land Notes.
- (m) The Corporation will pay any other amounts that it is required to pay on or before the Effective Time in accordance with the Stakeholder Agreements, the Plan Sponsor Agreement or the Plan;
- (n) To the extent not already paid, the Corporation will deliver to the Monitor, in trust, an amount required to satisfy the CCAA Priority Payment Claims, Secured Municipal Tax Claims, Construction Lien Claims and all Claims secured by the CCAA Charges, in full, which Unaffected Claims will be paid by the Monitor, for and on behalf of the Corporation, to the respective Unaffected Claim holders from such funds within five (5) Business Days of the Plan Implementation Date (unless otherwise agreed with an Unaffected Claim holder);
- (o) The Corporation will deliver to the Monitor, in trust, the General Unsecured Creditor Pool and the Unresolved Claims Reserve in accordance with Article 5 hereof from which the Proven Claims of General Unsecured Creditors will be paid in accordance with the Plan in full and final compromise and satisfaction of such General Unsecured Creditors' Proven Claims, as well as the Administration Reserve in accordance with Article 5 hereof;
- (p) The Corporation will deliver to the Monitor, in trust, the Settlement Amount (as defined in the Non-USW Settlement Agreement);
- (q) In accordance with Section 3.5, the New Non-USW Pension and OPEB Benefits will become effective in accordance with the Pension Agreement, the Special Regulation, the OPEB Agreement and the OPEB ELHT Documents in full and final satisfaction of the Non-USW Main Pension and OPEB Claims;
- (r) All Affected Claims and Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred in accordance with Section 3.9 and Article 7, and all notes, certificates and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Section 6.8 hereof; and,
- (s) The term of office of those individuals who are directors of the Corporation immediately prior to the Effective Time will terminate. The Plan Sponsor will appoint replacement directors as of the Effective Time,

(collectively, the “**Restructuring Steps**”). The failure of the Plan to incorporate any provision of a document evidencing a Restructuring Step will not derogate from the enforceability of such provision.



### 4.3 Corporate Approvals

The execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of the Corporation, including the Restructuring Steps and filing of the Articles of Reorganization, will be authorized and approved under the Plan and by the Court as part of the Sanction Order in all respects and for all purposes without any requirement of further action by any Person.

## ARTICLE 5 CASH POOL AND UNRESOLVED CLAIMS RESERVE AND ADMINISTRATION RESERVE

### 5.1 General Unsecured Creditor Pool

At the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, the Corporation will deliver to the Monitor, in trust, from Available Cash, the General Unsecured Creditor Pool from which cash distributions will be made to General Unsecured Creditors with Proven Claims on and subject to the terms of Article 6. The Monitor will hold the General Unsecured Creditor Pool in trust for the Corporation, and will oversee the distribution of funds from the General Unsecured Creditor Pool by the Corporation in accordance with the provisions of Article 6.

### 5.2 Unresolved Claims Reserve and Administration Reserve

- (1) At the Effective Time in accordance with Section 4.2 hereof, the Corporation will deliver to the Monitor an amount sufficient to pay:
  - (a) each holder of an Unresolved Claim in the General Unsecured Creditor Pool the amount approved by the Court in the Sanction Order (the “**Unresolved Claims Reserve**”), to make distributions required by the Plan in respect of Unresolved Claims in the General Unsecured Creditor Pool if such Unresolved Claims (or parts thereof) are determined to be Proven Claims in accordance with the Claims Procedure Orders; and
  - (b) the fees and expenses of the Monitor and its counsel in administering the resolution of Unresolved Claims in accordance with the Claims Procedure Orders and performing such other activities as may be required of the Monitor after the Effective Date in the amount approved by the Court in the Sanction Order (the “**Administration Reserve**”).
- (2) The Monitor will hold the Unresolved Claims Reserve and the Administration Reserve in trust for those entitled under the Plan, and will oversee the distribution of funds from the Unresolved Claims Reserve by the Corporation in accordance with the provisions of Section 6.4.
- (3) The Monitor and its counsel shall be entitled to payment from the Administration Reserve of their fees and expenses in connection with administering the resolution of Unresolved Claims in accordance with the Claims Procedure Orders and performing any

other work required of the Monitor after the Effective Date. Any amount remaining in the Administration Reserve after completion of such work will be released by the Monitor to the Corporation.

**ARTICLE 6**  
**PROVISIONS REGARDING DISTRIBUTIONS, PAYMENTS AND CURRENCY**

**6.1 Distributions Generally**

All distributions to Affected Creditors and other payments to be effected pursuant to the Plan will be made pursuant to this Article 6. For greater certainty, all payments and distributions pursuant to this Article 6 will be subject to satisfaction or waiver of the conditions specified in Article 9 hereof and the occurrence of the Effective Time and will occur in accordance with the timing set out in Section 4.2 hereof.

**6.2 Payments of Certain Unaffected Claims**

In accordance with and at the time specified in Section 4.2 hereof (which for greater certainty is prior to payment of any distributions to Affected Creditors), the Corporation will make the following payments from Available Cash by wire transfer of immediately available funds in full satisfaction and discharge of the following:

- (a) payment to the DIP Lender of all amounts required to satisfy all obligations and liabilities of the Corporation to the DIP Lender;
- (b) payment to USS of all amounts required to satisfy the USS Secured Claims in full, which payment shall be in U.S. dollars;
- (c) payment of USD\$61 million to the Province as provided in the Environmental Framework Agreement;
- (d) payment to each holder of a CCAA Priority Payment Claim of all amounts required to satisfy such holder's CCAA Priority Payment Claim in full;
- (e) payment to each holder of a Secured Municipal Tax Claim of all amounts required to satisfy such holder's Secured Municipal Tax Claim in full;
- (f) payment to each holder of a Construction Lien Claim of all amounts required to satisfy such holder's Construction Lien Claim in full;
- (g) payment to the Land Vehicle of the Land Vehicle Funding, if any, as provided in the Land Term Sheet;
- (h) payment of \$30 million to the Main Pension Plans in accordance with the Pension Agreement;
- (i) payment in full of all Claims secured by the CCAA Charges;

- (j) payment of the settlement amount pursuant to the Non-USW Settlement Agreement; and
- (k) payment of any other amounts required to be paid in accordance with the Stakeholder Agreements, the Plan Sponsor Agreement or the Plan on or before the Effective Time.

### 6.3 **Distribution Mechanics for General Unsecured Claims**

In accordance with Section 3.4 hereof, the Corporation, with oversight of and assistance from the Monitor, will distribute to each General Unsecured Creditor with a Proven Claim (other than the Province in respect of its General Unsecured Claim other than the PBGF Assessment Claim) its share of the General Unsecured Creditor Pool by way of (in the sole discretion of the Corporation): (i) cheque sent by prepaid ordinary mail to the address on file with the Corporation on the Distribution Record Date; or (ii) wire transfer of immediately available funds to an account designated in writing by the Creditor to the Monitor (with any wire transfer or similar fee being satisfied from the distribution amount). No distribution will be made for an amount less than \$10. The Corporation's liability to a General Unsecured Creditor for any distribution in an amount less than \$10 will be forever discharged and extinguished.

### 6.4 **Distributions in Respect of Unresolved Claims**

- (1) The Monitor will hold the Unresolved Claims Reserve in trust (as may be reduced from time to time as Unresolved Claims are ultimately disallowed in whole or in part) for the Corporation until the final determination of all Unresolved Claims in accordance with the applicable Claims Procedure Orders.
- (2) To the extent that an Unresolved Claim becomes a Proven Claim, the Corporation, with oversight of and assistance from the Monitor, will distribute to the holder thereof an amount from the Unresolved Claims Reserve equal to the *pro rata* share that such Creditor would have been entitled to receive in respect of its Proven Claim on the Initial Distribution Date had such Unresolved Claim been a Proven Claim on the Initial Distribution Date.
- (3) After all Unresolved Claims have been finally resolved in accordance with the applicable Claims Procedure Orders and any required distributions have been made with respect to Proven Claims, the Corporation, with oversight of and assistance from the Monitor, will distribute the amount remaining in the Unresolved Claims Reserve *pro rata* to each General Unsecured Creditor with a Proven Claim, other than the Convenience Creditors, provided that the amount remaining in the Unresolved Claims Reserve makes such a distribution economically practical (having regard to the funds to be distributed and the cost of such distribution), as determined by the Monitor, acting reasonably. If the Monitor is of the view that the amount remaining in the Unresolved Claims Reserve would not make such a distribution economically practical, then the Monitor will release the amounts remaining in the Unresolved Claims Reserve to the Corporation.

## 6.5 Allocation of Distributions

All distributions made pursuant to the Plan to General Unsecured Creditors will be allocated first towards the repayment of the amount of the General Unsecured Claim, as applicable, attributable to principal and, if greater than the amount of principal, second, towards the repayment of any amount of such Claim attributable to unpaid interest.

## 6.6 Treatment of Unclaimed Distributions

- (1) If any distribution to a General Unsecured Creditor under this Article 6 is returned as undeliverable (an “**Undeliverable Distribution**”), then neither the Corporation nor the Monitor will be required to make further efforts to deliver the distribution to such Creditor unless and until the Corporation and Monitor are notified in writing by such Creditor of such Creditor’s current address at which time all such distributions will be made to such Creditor. The obligations of the Corporation and Monitor to a General Unsecured Creditor with an Undeliverable Distribution will expire on the second anniversary of the Plan Implementation Date, after which date any entitlement with respect to any Undeliverable Distributions will be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Laws to the contrary. For greater clarity, nothing herein will require the Corporation or the Monitor to attempt to locate any Creditor or other Person with respect to an Undeliverable Distribution. No interest will be payable in respect of an Undeliverable Distribution. On the second anniversary of the Plan Implementation Date, the amount of any Undeliverable Distributions will be released to the Corporation.
- (2) If any cheque in payment of a distribution to a General Unsecured Creditor under this Article 6 is not cashed within 6 months after the date of the applicable distribution (an “**Uncashed Distribution**”): (i) such cheque may be cancelled by the Corporation, after which date any entitlement with respect to such distributions will be forever discharged and forever barred and the obligations of the Corporation and Monitor with respect thereto will expire, without any compensation therefor, notwithstanding any Applicable Laws to the contrary; and (ii) the amount otherwise payable pursuant to such cancelled cheque will be released to the Corporation. For greater clarity, nothing herein will require the Corporation or the Monitor to attempt to locate any Creditor or other Person with respect to an Uncashed Distribution.

## 6.7 Withholding Rights

The Corporation and any other Person facilitating payments pursuant to the Plan will be entitled to deduct and withhold from any such payment to any Person such amounts as may be required to be deducted or withheld under any Applicable Law and to remit such amounts to the appropriate Governmental Authority or other Person entitled thereto. To the extent that amounts are so withheld or deducted and remitted to the appropriate Governmental Authority or other Person, such withheld or deducted amounts will be treated for all purposes hereof as having been paid to such Person as the remainder of the payment in respect of which such withholding or deduction was made. Without in any way limiting the generality of the foregoing, the Corporation will deduct from any distribution to a Creditor hereunder any amounts as indicated

by Employment and Social Development Canada in a Notice of Debt, and remit such amounts to Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada). Any Creditor whose address on file with the Corporation on the Distribution Record Date is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on all payments hereunder, subject to receipt by the Corporation of information satisfactory to it (in its sole discretion) that such Creditor is not a non-resident. No gross-up or additional amount will be paid on any payment hereunder to the extent the Corporation or any other Person deducts or withholds amounts pursuant to this Section 6.7. Notwithstanding any withholding or deduction, each Person receiving a payment will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority (including income and other tax obligations on account of such distribution).

Each appropriate entity of the USS Group has delivered to the Corporation an executed NR-301 Declaration of Eligibility for Benefits (Reduced Tax) Under a Tax Treaty for a Non-Resident Person form (the "NR301") which certifies entitlement to the benefits of Canada-United States Tax Convention (1980), as amended. Provided that there is no change in entitlement to such benefits as of the Effective Time, the Corporation acknowledges and agrees that no amounts are required to be deducted or withheld under any Applicable Law in respect of any amount paid or credited to the USS Group in respect of the USS Secured Claims.

Notwithstanding the foregoing, if the Corporation deducts or withholds any amounts in respect of any amount paid or credited to the USS Group in respect of the USS Secured Claims, the Corporation shall pay such additional amounts as may be necessary to ensure that the net amount received by the USS Group after such withholding or deduction will be equal to the amount the USS Group would have received if such amounts had not been withheld or deducted, provided that the Corporation shall not be required to pay any such additional amounts if:

- (a) The appropriate entity of the USS Group does not confirm in writing on the Plan Implementation Date that there has been no change to the information provided on the NR301 form or in entitlements to the benefits of the Canada-United States Tax Convention (1980), as amended;
- (b) Notice of a claim for payment of such additional amounts under this Section 6.7 is not given to the Corporation within five Business Days of the Plan Implementation Date; or
- (c) Both (a) and (b) apply.

#### 6.8 **Cancellation of Certificates and Notes, etc.**

At the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing), will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be deemed cancelled and extinguished and be null and void.

## 6.9 Calculations

All amounts to be paid by the Corporation hereunder will be calculated by the Corporation, with the assistance of the Monitor. All calculations made by the Corporation will be conclusive, final and binding upon the Affected Creditors, the Corporation and all other Persons, absent manifest error.

## 6.10 Currency Matters

- (1) Distributions to General Unsecured Creditors with Proven Claims will be paid in Canadian dollars and any such Claims that are denominated in a currency other than the lawful money of Canada will be converted to the equivalent thereof in the lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Filing Date, in accordance with the Claims Procedure Orders.
- (2) The Corporation is hereby authorized to effect such exchange(s) of currency between Canadian dollars and U.S. dollars (or other foreign currencies) as may be necessary to effect payments of Unaffected Claims contemplated in Section 6.2 of the Plan.

## ARTICLE 7 RELEASES

### 7.1 Plan Releases

At the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, each of (i) the members of the USSC Group, (ii) the CRO, (iii) EY, and (iv) their respective Representatives (including Responsible Persons) (collectively, the “**Released USSC Parties**”), will be fully, finally and irrevocably released and discharged from all Released USSC Claims which will be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released USSC Parties. Notwithstanding the foregoing, nothing in this Section 7.1 will release Non-Released USSC Claims.

### 7.2 Stakeholder Releases

The Stakeholder Contractual Releases by each of the Stakeholders and, where applicable, the Corporation in favour of the recipients thereof are authorized and approved pursuant to the Plan. The Stakeholder Contractual Releases, once executed by the applicable parties thereto, will be binding on and enure to the benefit of the Released Stakeholder Parties.

### 7.3 Injunctions

From and after the Effective Time as set out in Section 4.2 hereof all Persons are permanently and forever barred, estopped, stayed and enjoined with respect to any and all Released Claims from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the

Released Parties or their property; (iii) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of the Plan. All Persons who have previously commenced a Released Claim in any court, which Released Claim has not been finally determined, dismissed or discontinued prior to the Effective Time, shall forthwith after the Effective Time take steps to discontinue and/or dismiss, without costs, such Released Claim.

## **ARTICLE 8** **COURT SANCTION**

### **8.1 Application for Sanction Order**

If the Plan is approved by each class of Affected Creditors, the Corporation will apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set.

### **8.2 Sanction Order**

The Sanction Order will, among other things:

- (a) declare that (i) the Plan has been approved by the requisite majorities of each class of Affected Creditors in conformity with the CCAA; (ii) the activities of the Corporation and the Monitor have been in compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects; (ii) neither the Corporation nor Monitor have done or purported to do anything that is not authorized by the CCAA; and (iii) the Plan and the transactions contemplated thereby are fair and reasonable;
- (b) declare that the Plan, subject to the terms and conditions of the Plan, including the Plan Implementation Conditions described in Section 9.1 and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are sanctioned and approved, and at the Effective Time as set out in Section 4.2 hereof will be binding and effective upon and with respect to the Corporation, all Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan or the Sanction Order;
- (c) declare that the articles of the Corporation will be amended as set out in the Articles of Reorganization as of the Effective Time as set out in Section 4.2 hereof;
- (d) approve and authorize the Restructuring Steps;



- (e) authorize the Corporation, in its capacity as administrator of the Main Pension Plans, to execute and deliver the Stakeholder Contractual Releases (to the extent it is to be a party thereto in such capacity);
- (f) order that, without limitation to the terms of the Representative Counsel Order, Representative Counsel is authorized and empowered, in consultation with the Non-USW Representatives, to negotiate, finalize, execute and deliver (to the extent applicable), on behalf of the holders of Non-USW Main Pension and OPEB Claims, the Stakeholder Agreements and all other agreements and documents (including, without limitation, the Stakeholder Contractual Releases and any amendments to the Plan required in the future by the Non-USW Support Agreement) as may be necessary or desirable to implement the Plan and the Non-USW Support Agreement and to complete the transactions contemplated thereby and the Stakeholder Agreements, consistent with the terms of the Plan and the Non-USW Support Agreement;
- (g) confirm the Stakeholder Contractual Releases and authorize the Corporation, where applicable, to execute and deliver the Stakeholder Contractual Releases;
- (h) as of the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, compromise, discharge and release the Corporation from any and all Affected Claims in accordance with the Plan, and declare that the ability of any Person to proceed against the Corporation in respect of or relating to any Affected Claims, whether directly, derivatively or otherwise will be forever discharged, enjoined and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims (to the extent they become Proven Claims);
- (i) as of the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, compromise, discharge and release the Released USSC Parties from any and all Released Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Released USSC Parties (or any of them) in respect of or relating to any Released Claim will be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Released Claims be permanently stayed;
- (j) as of the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, order the USS/USSCPF Court-Ordered Release;
- (k) as of the Effective Time as set out in Section 4.2 hereof, bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing of any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Released Claims and any matter which is released pursuant to Article 7 hereof;



- (l) declare that any Affected Claim that is not a Proven Claim or Unresolved Claim is forever barred and extinguished;
- (m) declare that any D&O Claim for which a proof of claim has not been filed by the applicable Claims Bar Date in accordance with the Claims Procedure Orders is forever barred and extinguished and order the release of all D&O Claims;
- (n) authorize the Corporation and the Monitor to perform their respective obligations and functions under the Plan and to perform all such other acts and execute such documents as may be required in connection with the foregoing;
- (o) declare that each of the CCAA Charges will be terminated, discharged, expunged and released upon receipt by the Corporation of an acknowledgement of payment in full and in the appropriate currency of the claims secured thereby;
- (p) declare that, notwithstanding: (i) the pendency of the CCAA Proceedings; (ii) any applications for a bankruptcy, receivership or other order now or hereafter issued pursuant to the BIA, the CCAA or otherwise in respect of the Corporation and any bankruptcy, receivership or other order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made or deemed to be made in respect of the Corporation, the transactions contemplated by the Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Corporation or their assets and will not be void or voidable by creditors of the Corporation, nor will the Plan, or the payments and distributions contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, CCAA or any other applicable federal or provincial legislation, nor will the Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;
- (q) declare that, subject to the performance by the Corporation of its obligations under the Plan, all contracts, leases, agreements and other arrangements to which the Corporation is a party and that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA will be and remain in full force and effect, unamended as of the Effective Time as set out in Section 4.2 hereof, and no Person who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:
  - (i) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of the Corporation);

- (ii) the insolvency of the Corporation or the fact that the Corporation sought or obtained relief under the CCAA;
- (iii) any compromises or arrangements effected pursuant to the Plan or any action taken or transaction effected pursuant to the Plan; or
- (iv) any change in the control of the Corporation arising from the implementation of the Plan and the Stakeholder Agreements;
- (r) declare that the stay of proceedings under the Initial Order continues until the Effective Time;
- (s) if required, appoint the members of the board of the Land Vehicle;
- (t) vest the Land Assets in the Land Vehicle, free and clear of claims other than those assumed by the Land Vehicle (if any) and free and clear of encumbrances other than Permitted Encumbrances;
- (u) give effect to any elements of the Stakeholder Agreements necessary to more fully implement the purpose and intention of such agreements and the Plan, including approval of the Pension Transition Agreement and the granting of release and no liability provisions with respect to the carrying out of the terms of such agreement on terms satisfactory to all parties to such agreement;
- (v) approve the conduct of the Directors of the Corporation during the CCAA Proceedings;
- (w) approve all conduct of the CRO and EY in relation to the Corporation and bar all claims against them arising from or relating to the services provided to the Corporation up to and including the date of the Sanction Order;
- (x) if the Corporation chooses to seek such relief, declare that the fees paid by the Corporation during the CCAA Proceedings to advisers of certain stakeholders of the Corporation (including without limitation the USW and the Non-USW Representatives) have been in respect of professional services that have facilitated the restructuring of the Corporation for the continued operation of the Corporation's business and for the Corporation's benefit;
- (y) declare that the Corporation and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or in relation to the Plan; and
- (z) approve the Unresolved Claims Reserve and Administration Reserve amounts.

**ARTICLE 9**  
**PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION**

9.1 **Conditions Precedent to Plan Implementation**

- (1) The Plan is subject to the satisfaction of the following conditions (the “**Plan Implementation Conditions**”), which may be waived (except in the case of Sections 9.1(1)(a) and (b) below which may not be waived) only by the mutual agreement, in writing, of the Corporation, the Plan Sponsor and, if applicable, by the applicable Stakeholder(s):
- (a) the Plan will have been approved by each class of Affected Creditors of the Corporation;
  - (b) the Sanction Order will have been issued by the Court, consistent with the terms of Section 8.2;
  - (c) all applicable appeal periods in respect of the Sanction Order will have expired and any appeals therefrom will have been finally disposed of by the applicable appellant tribunal;
  - (d) the Sanction Order will have been recognized and given full force and effect in the United States by an order of the U.S. Bankruptcy Court in the Chapter 15 Proceedings;
  - (e) the Plan Sponsor will have paid the Plan Funding Amount to the Corporation in accordance with the Plan Sponsor Agreement;
  - (f) the CBA Amendments will have been executed and ratified and become effective in accordance with their terms, subject only to the occurrence of the Plan Implementation Date;
  - (g) all applicable appeal periods in respect of the Order approving the Non-USW Support Agreement and the Non-USW Settlement Agreement will have expired and any appeals therefrom will have been finally disposed of by the applicable appellant tribunal, and each of the Non-USW Support Agreement and the Non-USW Settlement Agreement will have become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date;
  - (h) the OPEB Closing Conditions will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;
  - (i) the Pension Closing Conditions will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;
  - (j) the Environmental Closing Conditions will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;

- (k) the Land Vehicle Closing Conditions will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;
- (l) the Lease Closing Conditions will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;
- (m) the Tax Closing Conditions will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;
- (n) the D&O Claims Condition will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;
- (o) the USS Closing Conditions will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;
- (p) the USSCPF Closing Conditions will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;
- (q) the USS Indemnity Release Conditions will have been satisfied on terms and conditions acceptable to the Plan Sponsor and the Corporation, each acting reasonably;
- (r) the loan agreement in respect of the New ABL Facility and all other security and agreements required pursuant thereto will have been executed, delivered and become effective in accordance with their terms, subject only to the occurrence of the Plan Implementation Date, on terms and conditions satisfactory to the Plan Sponsor acting reasonably;
- (s) the Stakeholder Contractual Releases will have been executed, delivered and become effective in accordance with their terms, subject only to the occurrence of the Plan Implementation Date, in each case on terms satisfactory to the Corporation, the Plan Sponsor and each Stakeholder, to the extent that the Corporation, the Plan Sponsor or such Stakeholder are parties receiving or giving the applicable release or releases;
- (t) all other Stakeholder Agreements, if any, not addressed in Sections 9.1(1)(f) through (s) will have been executed and delivered by all parties thereto on terms and conditions acceptable to the Plan Sponsor, the Corporation and any applicable Stakeholder(s), each acting reasonably;
- (u) each of the conditions precedent to the closing of the Transaction provided in the Plan Sponsor Agreement will have been satisfied or waived in accordance with the terms of the Plan Sponsor Agreement;
- (v) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Corporation and Plan Sponsor, acting

reasonably, are necessary to implement the provisions of the Plan or the Sanction Order;

- (w) no action or proceeding will be pending by any third party to enjoin or prohibit the Transaction; and
  - (x) all applicable approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the Plan (including the steps and transactions which are Plan Implementation Conditions) will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the Corporation and Plan Sponsor, in form and substance satisfactory to the Corporation and Plan Sponsor.
- (2) The Plan Implementation Conditions include the execution and delivery of Stakeholder Agreements and other agreements that include one or more Stakeholders or other Persons as counterparties. For greater certainty, it is acknowledged that to the extent that any applicable Stakeholder or other applicable Person is directly affected by a Plan Implementation Condition, that Stakeholder or other Person must be satisfied with and agree to the terms and conditions of the applicable agreement(s) in order for them to become parties thereto and for the relevant condition(s) to be satisfied.

#### 9.2 **Corporation's Certificate – Plan Implementation**

Upon receipt of the Certificate of Reorganization, the Corporation will deliver to the Monitor, and file with the Court, a copy of a certificate stating that each of the Plan Implementation Conditions has been satisfied or waived and that the Articles of Reorganization have been filed and have become effective as of the date set out in the Certificate of Reorganization.

#### 9.3 **Monitor's Certificate – Plan Implementation**

As soon as practicable following the occurrence of the Effective Time, the Monitor will serve on the service list in the CCAA Proceedings and post on the Monitor's Website a certificate confirming that the Plan Implementation Date has occurred and will file such certificate with the Court as soon as practicable after it has been delivered.

### **ARTICLE 10** **GENERAL**

#### 10.1 **Binding Effect**

At the Effective Time and in accordance with the sequence of steps set out in Section 4.2 hereof, the Plan will become effective and binding on and enure to the benefit of the Corporation, the Stakeholders, the Released Parties, the Affected Creditors and any other Person named or referred to in or subject to the Plan and their respective heirs, executors, successors and assigns. Without limiting the generality of the foregoing, at the Effective Time:

- (a) the treatment of Affected Claims and Released Claims under the Plan will be final and binding for all purposes upon and enure to the benefit of the Corporation, the Released Parties, all Affected Creditors and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (b) all Affected Claims will be forever discharged and released, excepting only with respect to any distribution thereon in the manner and to the extent provided for in the Plan;
- (c) all Released Claims will be forever discharged, released, enjoined and barred;
- (d) each Affected Creditor and each Person holding a Released Claim will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (e) each Affected Creditor and each Person holding a Released Claim (to the extent that contractual releases have not been executed and delivered by such Person) will be deemed to have:
  - (i) executed and delivered to the Corporation and to the other Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;
  - (ii) waived any default by or rescinded any demand for payment against the Corporation that has occurred on or prior to the Effective Time pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim and the Corporation with respect to an Affected Claim or Released Claim, respectively; and
  - (iii) agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim and the Corporation with respect to an Affected Claim or Released Claim, respectively, as at the moment before the Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

## 10.2 **Deeming Provisions**

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

### 10.3 **Modification of the Plan**

- (1) The Corporation reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan (including to address or further address the treatment of claims subject to the Claims Procedure Orders), provided that any such amendment, restatement, modification or supplement is on terms satisfactory to the Plan Sponsor and must be contained in a written document which is filed with the Court and (i) if made prior to or at the Meetings, communicated to the Stakeholders and the Affected Creditors in the manner contemplated by the Meeting Order; and (ii) if made following the Meetings, approved by the Court and following notice to the Stakeholders and the Affected Creditors.
- (2) Notwithstanding Section 10.3(1), after the Meetings the Corporation may amend, restate, modify and/or supplement the Plan with the consent of the Plan Sponsor, Representative Counsel and the Monitor (including in the manner required by paragraph A of the Non-USW Support Agreement), without the consent of the General Unsecured Creditors or approval of the Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the Court, (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the Stakeholders and the Affected Creditors (other than Affected Creditors represented by Representative Counsel), (iii) does not materially decrease the anticipated recovery of General Unsecured Creditors under the Plan and is otherwise not materially adverse to the financial or economic interests of General Unsecured Creditors, in each case as determined by the Monitor, and (iv) does not amend the Plan Implementation Conditions (including any provision of the Plan that is the subject of such conditions) without the consent of the party or parties for whose benefit the conditions exist (including without limitation, the USS Closing Conditions, the USSCPF Closing Conditions or the Pension Closing Conditions without the consent of USS, USSCPF or the Province, as the case may be).
- (3) Notwithstanding Sections 10.3(1) and (2), any amendment, restatement, modification or supplement to the Plan may be made by the Corporation at any time and from time to time, provided that it is made with the consent of the Monitor and: (i) concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan; or (ii) is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors and the Stakeholders.
- (4) Any amended, restated, modified or supplementary Plan or Plans filed with the Court and, if required by this Section, approved by the Court, will for all purposes be and be deemed to be a part of and incorporated in the Plan.

### 10.4 **Paramountcy**

From and after the Effective Time, any conflict between:

- (a) the Plan or the Sanction Order; and



- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Corporation as at the moment before the Effective Time,

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which will take precedence and priority.

#### 10.5 **Severability of Plan Provisions**

If, prior to the Plan Implementation Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Corporation and with the consent of the Monitor and the Plan Sponsor, following consultation with the Stakeholders, will have the power to either (a) sever such term or provision from the balance of the Plan and provide the Corporation with the option to proceed with the implementation of the balance of the Plan, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as so altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Corporation proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

#### 10.6 **Protections of the Monitor**

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Corporation (and not in its personal capacity). The Monitor will not be responsible or liable for any obligations of the Corporation. The Monitor will have the powers and protections granted to it by the Plan, the CCAA and any other Order made in the CCAA Proceedings. EY will incur no personal liability whatsoever whether on its own part or in respect of any failure on the part of the Corporation to observe, perform or comply with any of its obligations under the Plan. Any release, discharge or other benefit conferred upon the Monitor pursuant to the Plan will enure to the benefit of EY. The Monitor in its personal capacity will be a third party beneficiary to the Plan entitled to enforce such releases, discharges and benefits in accordance with the terms of the Plan.

#### 10.7 **Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless otherwise provided in the Meeting Order expressly agreed by the Corporation and the Person in writing or unless its Claims overlap or are otherwise duplicative.



## 10.8 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Corporation:

U. S. Steel Canada Inc.  
386 Wilcox Street  
Hamilton, Ontario  
L8N 3T1

Fax No.: 905-849-4248

Attention: William E. Aziz, USSC Chief Restructuring Officer

With copies to (which will not constitute notice)

McCarthy Tétrault LLP  
66 Wellington Street West  
Suite 5300  
Toronto, Ontario Canada  
M5K 1E6

Fax No: 416-868-0673

Attention: James D. Gage and Robert O. Hansen

If to an Affected Creditor: to the mailing address, facsimile number or email address provided on such Affected Creditor's Proof of Claim or such more recent address particulars of an Affected Creditor as noted in the files of the Corporation or the Monitor;

If to the Monitor:

Ernst & Young Inc.  
Toronto Dominion Centre  
P.O. Box 251  
222 Bay Street  
Toronto, Ontario, Canada  
M5K 1J7

Fax No.: 416-943-3300

Attention: Alex Morrison

With copies to (which will not constitute notice)

Bennett Jones LLP  
3 One First Canadian Place  
Toronto, Ontario, Canada  
M5X 1A4

Fax No: 416-863-1716

Attention: Kevin J. Zych and Raj Sahni

or to such other address as any party may from time to time notify the others in accordance with this section, or, in the case of an address change for the Corporation or the Monitor, by posting notice of such address change on the Monitor's website ([www.ey.com/ca/ussc](http://www.ey.com/ca/ussc)). Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:00 p.m. (Toronto time) on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.

#### 10.9 **Further Assurances**

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the Restructuring Steps, Stakeholder Agreements and Stakeholder Contractual Releases or any other events or transactions contemplated herein, notwithstanding any provision of the Plan that deems any event or transaction to occur without further formality.

#### 10.10 **Language**

This Plan, as well as any notices, schedules or other documents related thereto has been and will be prepared in the English language only. To the extent a French language or other translation is prepared, any such translation will be for informational purposes only, it being intended that the English language version will govern and prevail in all respects.

#### 10.11 **Acts to Occur on Next Business Day**

If any distribution, payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such distribution, payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

#### 10.12 **Non-Consummation of the Plan**

If the Plan is revoked at any time prior to the Effective Time, it will be null and void in all respects. Nothing contained in the Plan and no act taken in preparation for the implementation

of the Plan will (a) constitute or be deemed to constitute a waiver or release of any Claims by or against the Corporation or any other Person; (b) prejudice the rights of the Corporation or any other Person in any further proceeding involving the Corporation; or (c) constitute an admission of any sort by the Corporation or any Person.

DATED as of the 26th day of April, 2017.

**SCHEDULE A  
ARTICLES OF REORGANIZATION**



*Canada Business Corporations Act (CBCA)*  
**FORM 14  
ARTICLES OF REORGANIZATION  
(Section 191)**

<b>1 - Corporate name</b>
U. S. Steel Canada Inc. Acier U. S. Canada Inc.

<b>2 - Corporation number</b>
4 5 0 5 0 7 - 7

<b>3 - In accordance with the court order for reorganization, the articles of incorporation are amended as follows:</b>
To change the name of the Corporation to Stelco Inc.

<b>4 - Declaration</b>
I hereby certify that I am a director or an authorized officer of the corporation.
Signature: _____
Print name: _____ Telephone number: _____
<b>Note:</b> Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).





**Instructions  
FORM 14  
ARTICLES OF REORGANIZATION**

**Filing this application costs \$200.**

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

**Item 3**

(1) Set out the amendments to the articles of incorporation in accordance with the court order pursuant to section 191 of the Act. If an amendment involves a change of corporate name (including the addition of the English or French version of the corporate name), the new name must comply with sections 10 and 12 of the CBCA as well as part 2 of the regulations, and the Articles of Amendment must be accompanied by a Nuans Name Search Report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a Nuans Name Search Report.

(2) Any amendment shall conform to and correspond to the paragraph and subparagraph references of the existing articles.

If the space available is insufficient, please attach a schedule to the form.

**Item 4**

This form must be signed by a director or an authorized officer of the corporation.

**Also include:**

- A copy of the court order
- Form 3 - Change of Registered Office Address, if there was a change in the registered office address
- Form 6 - Changes Regarding Directors, if there was a change regarding the directors
- A Nuans Name Search Report if a change of corporate name is requested. A Nuans Name Search Report is not required if a numbered name (for example, 123456 Canada Inc.) is requested
- Fee of \$200, payable by credit card (American Express, Visa or Master Card) or by cheque made payable to the Receiver General for Canada.

For more information, consult the Corporations Canada Website ([corporationscanada.ic.gc.ca](http://corporationscanada.ic.gc.ca)) or call toll-free (within Canada) 1-866-333-5556 or (from outside Canada) (613) 941-9042.

**Send documents:**

By e-mail: [IC.corporationscanada.IC@canada.ca](mailto:IC.corporationscanada.IC@canada.ca)

By mail: Corporations Canada  
235 Queen Street  
Ottawa, Ontario K1A 0H5

## **SCHEDULE B ENVIRONMENTAL TERM SHEET**

Capitalized terms used herein and not otherwise defined shall have the meaning in the Plan to which this Environmental Term Sheet is attached.

The following describes the proposed high level terms for an agreement in respect of the environmental conditions at the properties of the Corporation known as the Hamilton Works (“**HW**”) and the Lake Erie Works (“**LEW**”).

### **Funds for Historical Environmental Issues**

1. At the Plan Implementation Date, a one-time payment of \$61 million (US Dollars) shall be paid to the Province on a non-refundable basis (the “**Payment**”). For the avoidance of doubt, the receipt by the Province of \$61 million (US Dollars) in cash shall satisfy this condition.

### **Lease of HW and LEW**

2. The Corporation shall enter into a lease with the owner of the HW and LEW real property for those portions of the sites on which it will be operating.
3. The Corporation shall be responsible for any and all environmental liabilities at the leased portions of the sites that did not exist prior to the Plan Implementation Date.

### **Baseline Monitoring Program**

4. The Corporation shall retain a qualified person (as defined by O. Reg. 153/04) to design, implement and oversee a baseline monitoring program at HW and LEW, in accordance with Exhibit A (attached).
5. The Corporation shall submit for approval to the MOECC, Hamilton District Manager, a Terms of Reference (“**TOR**”), prepared by the qualified person, for the baseline monitoring program within 120 days of the Plan Implementation Date. The TOR shall include all of the aspects set out in Exhibit A as well as:
  - (i) a plan to communicate the progress of the baseline study to the Hamilton District Office; and
  - (ii) plans for monitoring, inspections and maintenance of operating equipment consistent with regulations to ensure that unplanned discharges to groundwater which may impact the accuracy of the baseline monitoring program are minimized to the greatest extent practicable.
6. Upon approval of the TOR in Item 5, the Corporation shall implement the baseline monitoring program in accordance with the TOR for a period of three (3) years.

## Setting Reference Levels

7. The Corporation and MOECC shall agree to act in good faith and in accordance with sound scientific and hydrogeological principles to establish reference contaminant levels acceptable to the MOECC and the Corporation to assist in distinguishing contamination that existed prior to the Plan Implementation Date from contamination created, exposed or mobilized after the Plan Implementation Date (the “**Reference Levels**”).
8. The Reference Levels will be set having regard to:
  - (a) a reasonable operating margin to be determined by the parties based on the baseline sampling, site conditions, operations at the facilities and associated contaminants, uncertainties and other considerations;
  - (b) the fact that the chemical constituents may degrade, increase or change over time and/or may become more concentrated (collectively to be defined as the “**contaminants of concern**”); and
  - (c) the statistical methods set out in “*Groundwater Statistics and Monitoring Compliance*” (ITRC, 2013), “*Statistical Analysis of Groundwater Monitoring Data at RCRA Facilities, Unified Guidance*” (USEPA, March 2009) and other similar guidance available from US and Canadian regulators.

## Before Reference Levels are Established

9. The Corporation and the MOECC shall agree to work together in good faith on a process for the period between the start of the baseline monitoring and the establishment of the Reference Levels.
10. In accordance with the TOR required by Item 5, the Corporation will communicate and meet with representatives of the MOECC Hamilton District Office to advise of progress and any recommended adjustments (to be agreed upon) to be made to the baseline program.
11. The Corporation shall at all times during the baseline study period operate in accordance with all obligations set out by the applicable environmental legislation and related instruments including orders and environmental compliance approvals.

## Environmental Management Plan

12. The Corporation and the MOECC shall agree to an environmental management plan relating to the Corporation’s operations at the HW and LEW (the “**Environmental Management Plan**”). The environmental management plan shall be overseen by a qualified person and shall at minimum set out:
  - (a) environmental compliance monitoring to be carried out by the Corporation associated with facility operations and environmental compliances approvals (“**ECAs**”);

- (b) an ongoing soil, groundwater and on-site sediment monitoring program to be carried out by the Corporation for the purpose of comparing the levels of contaminants to the Reference Levels;
- (c) the appropriate process for the period before Reference Levels are established;
- (d) the appropriate process for comparing monitored results with the Reference Levels and for addressing exceedances of the Reference Levels, consistent with the process outlined in Exhibit B;
- (e) the appropriate process for updating the Reference levels as may be necessary;
- (f) frequency and timing for the submission of reports and the communication of results to the Manager of the Hamilton District office;
- (g) the development of a soil, on-site sediment and groundwater management plan, to be updated as required, for the purpose of ensuring that activities undertaken by the Corporation do not mobilize soil, and/or on-site sediment and/or groundwater contaminants; and
- (h) a dispute resolution mechanism consistent with the process outlined in Exhibit C.

## Release

13. In a definitive legally-binding agreement executed by the Corporation and MOECC (the “**Environmental Agreement**”), the MOECC will agree to not take any regulatory action, including the issuance of orders or instruments, under provincial environmental legislation against the Corporation in respect of contaminants present in soil, and/or on-site sediment and/or groundwater at HW and LEW prior to the Plan Implementation Date (“**Historical Contamination**”), provided that the obligations under the Environmental Agreement are being fulfilled.
14. For greater clarity, the MOECC shall not hold the Corporation responsible for Historical Contamination regardless of when it is discovered or how it was caused except where, the Corporation has altered, exposed or mobilized such Historical Contamination through:
  - (i) Construction activities;
  - (ii) Maintenance activities other than normal maintenance on plant and equipment;
  - (iii) A spill;
  - (iv) Negligence, recklessness, wilfully blindness or willful misconduct; or
  - (v) Lack of due diligence in complying with applicable environmental legislation and permits;



and such activity, as set out in (ii)-(iv) may result in risk of an adverse effect.

15. For the sake of clarity, nothing in this document or the proposed Environmental Agreement shall in any way fetter the MOECC's authority or discretion to regulate the environment in relation to the following:
  - (a) the Corporation's on-going compliance with applicable environmental legislation, regulations and permits; or
  - (b) the Corporation's control and remediation of environmental impacts from its operations, including the Corporation's management and/or removal of newly generated solid or liquid waste.

### **Assignment of Rights and Obligations**

16. The Corporation may assign the rights and obligations in the Environmental Agreement, including the release described herein, subject to the prior written consent of the MOECC. MOECC shall respond in no more than sixty (60) days after the Corporation submits a request supported by financial information concerning the purchaser and confirmation that the purchaser is aware of the obligations in the Environmental Agreement and agrees to comply with them. If no response is received in such sixty (60) day period, MOECC shall be deemed to have consented. Such consent shall not be unreasonably withheld. The factors to be considered by the MOECC in reaching such a determination shall be: (i) the capitalization and financial wherewithal of the assignee; (ii) the assignee's track record of environmental regulatory compliance in Canada, the US and other jurisdictions if the assignee has no operations in Canada or the US; and (iii) the ability of the assignee to perform the obligations in the Environmental Agreement and the Environmental Management Plan. The Corporation will continue to have the benefit of the release following the assignment, if any.

**EXHIBIT A**  
**BASELINE MONITORING PROGRAM**

The purpose of the Baseline Monitoring Program (“BMP”) is:

- (i) to understand the current levels of contaminants in the groundwater discharging from HW and LEW to offsite; and
- (ii) to understand the current levels of contaminants in soil, on-site sediment and groundwater in key sections of the HW and LEW properties where the Corporation will be operating.

Note: Sampling of other onsite media such as surface water, particulate or sediment within sewers or ditches or other means of baselining these areas of impact may also be considered in the BMP.

To that end, the QP will design, implement and oversee the following:

- (i) a groundwater monitoring program for the north end of the HW site and other locations focused on potential impacts to Hamilton Harbour;
- (ii) a groundwater monitoring program for the south end of the LEW site and other locations focused on potential impacts to adjacent rivers and Lake Erie;
- (iii) an environmental investigation at HW with the purposes of establishing reference levels of contamination in soil, on-site sediment and groundwater in the Corporation’s areas of operation including at minimum the following process areas: Coke Oven Battery and By-Products Plant, Finishing Mill;
- (iv) an environmental investigation at LEW with the purpose of establishing reference levels of contamination in soil, on-site sediment and groundwater in the Corporation’s areas of operation including at minimum the following process areas: Coke Oven Battery and By-Products Plant, Secondary Material Handling Areas; and
- (v) it is understood that that full investigation of the entire properties HW and LEW properties is not being conducted as part of this baseline; however, additional baseline monitoring may be required, by mutual agreement, in additional areas in the future.

The monitoring programs in items (i) and (ii) shall include:

- The establishment of groundwater monitoring wells to assess potential contaminant levels in shallow and deep groundwater (as applicable);
- The selection of an appropriate contaminant matrix for sampling and applicable criteria for all designated monitoring locations; and
- The establishment of Reference Levels.

The environmental investigations in item (iii), (iv) and (v) shall include the following elements:

- The characterization of the soil within the process area identified;
- The establishment of upgradient, cross gradient and downgradient monitoring wells with the purpose of profiling chemical concentrations in groundwater migrating onto and from the process area;
- The establishment of Reference Levels; and
- Any other actions or criteria deemed necessary by the qualified person.

## **EXHIBIT B**

### **On-Going Monitoring Program and Process for Exceedances of Reference Levels**

1. The Corporation shall implement a monitoring program including, but not limited to, the following components:
  - (a) Be overseen by a Qualified Person;
  - (b) Consisting of the collection of samples of groundwater from the monitoring wells sampled in the BMP;
  - (c) Groundwater samples shall be sent to an appropriately qualified laboratory and analyzed for the contaminants analysed for in the BMP;
  - (d) The frequency of sample collection;
  - (e) The results of the samples shall be compared to the applicable Reference Levels;
  - (f) In the event that a sample(s) collected is observed to be greater than the applicable Reference Level(s), the Corporation shall collect an additional sample (confirmatory) within 30 days at the location(s) where the Reference Level(s) were exceeded;
  - (g) In the event that the results of the confirmatory sample(s) collected exceeds the applicable Reference Levels, the Corporation shall:
    - (i) Provide written notice to the District Manager within 30 days of the receipt of the laboratory analysis. The written notice shall include the groundwater analytical results, laboratory certificates of analysis and any other information deemed necessary by the Qualified Person; and
    - (ii) Collect additional samples as set out by Exhibit B.
  - (h) In the event that the results of the confirmatory sample(s) collected exceed the Reference Levels, the Corporation shall provide written notice to the District Manager within 30 days of the receipt of the laboratory analysis. The written notice shall include the groundwater analytical results, and laboratory certificates of analysis.
  - (i) the Corporation shall also provide a work plan prepared by a Qualified Person providing recommended actions as deemed necessary by the Qualified Person.
  - (j) Upon the Corporation receiving written approval from the District Manager of the work plan, the Corporation shall forthwith implement the work plan. The work plan shall be completed under the supervision of the Qualified Person.

- (k) In the event of a dispute about whether an environmental issue is the responsibility of the Corporation, the Corporation shall advise the MOECC of the basis of the dispute within 30 days of receipt of the laboratory analysis and the parties shall follow the process set out in Exhibit C, in which event, (i) and (j) hereto shall not apply.

**EXHIBIT C**  
**DISPUTE RESOLUTION MECHANISM**

1. Any dispute in relation to any parties' compliance with the Environmental Agreement or any dispute as to whether an environmental issue in respect of soil, and/or on-site sediment and/or groundwater contamination at the HW or LEW sites is the responsibility of the Corporation, shall be resolved through a progressive dispute resolution process as follows:
  - (a) The Corporation local management and the MOECC Hamilton District Office shall initially attempt to resolve the dispute.
  - (b) If a resolution cannot be achieved to the satisfaction of both parties, the matter shall be referred to the MOECC Director – West Central Region and the President of the Corporation for resolution by them.
  - (c) If a resolution still cannot be reached, then the parties shall refer the matter to an agreed upon Mediator and prepare mediation briefs which set out each party's proposed approach to resolving the issue. The Mediator shall attempt to reach a resolution that is satisfactory to both parties. If a resolution cannot be reached, the Mediator shall identify the issues in dispute.
2. For the sake of clarity, any issues for which there is no dispute as to whether they relate to historical contamination at HW or LEW will be regulated in accordance with the MOECC's normal practices and applicable guidelines

**Adjudication**

3. If the dispute resolution process described in Item 1 above is unsuccessful, the MOECC may issue an order to the Corporation in respect of the issues identified by the Mediator, which shall contain a right for the Corporation to appeal said order to the Environmental Review Tribunal (the "**Tribunal**").
  - (a) A draft copy of the order shall be provided to the Corporation for review prior to its issuance. The MOECC shall consider submissions from the Corporation as to the terms of the Order.
  - (b) Any requirements for monitoring, recording or reporting in the Order will not be effective until six (6) months after the issuance of the Order. If six (6) months is insufficient time for the proceeding before the Tribunal to be completed, the MOECC will amend the Order to extend the time for the proceeding to be complete and a decision rendered.
  - (c) Upon appeal of the Order to the Tribunal, the MOECC will consent to a stay of other requirements of the order, subject to s. 143(2) and (3) of the Environmental Protection Act, pending a final determination of the Tribunal.

- (d) Upon appeal of the Order, the parties agree that any assertion that contamination is Historic Contamination or not Historic Contamination, shall be proven by the party making said assertion on the balance of probabilities.
4. Nothing in this Environmental Agreement is intended to oust the jurisdiction of the courts to consider disputes that are outside the jurisdiction of the Tribunal.

**Danger to Health or the Environment**

5. Nothing in Items 1 or 3 above or the proposed Environmental Agreement shall prevent the MOECC from taking any appropriate regulatory action in respect of a matter that would result in:
- (a) danger to the health or safety of any person; and
  - (b) impairment or serious risk of impairment of the quality of the natural environment for any use that can reasonably, without investment be made of it; and
  - (c) serious and material injury or damage or serious risk of material injury or damage to any property or to significant plant or animal life.

**Reimbursement of Environmental Costs**

6. If the Corporation incurs environmental costs as a result of complying with an Order issued in accordance with Items 3 or 4 above, and it is subsequently determined by the parties or the Tribunal or appellate courts that the Corporation ought not to have responsibility for the subject matter of the Order under the terms of the Environmental Agreement, the MOECC will agree to reimburse the Corporation for the reasonable costs incurred in respect of any environmental work undertaken.

## SCHEDULE C LAND TERM SHEET

Capitalized terms used herein and not otherwise defined shall have the meaning in the Plan to which this Land Term Sheet is attached.

The following describes the proposed high level terms for an agreement in respect of the treatment of the lands owned by the Corporation, consisting of the HW Lands and the LEW Lands.

Unless otherwise specified, all dollars referred to herein are Canadian dollars.

1. In exchange for the release by MOECC described in the Environmental Term Sheet, the Province shall receive an irrevocable cash payment of US\$61 million (the “**Province Payment**”) on the Plan Implementation Date. Such release shall not become effective until the Province has received the Province Payment in full (the “**Effective Date**”). The Province Payment shall be applied first to the repayment of professional fees and expenses incurred by the Province with respect to restructuring matters in the Corporation’s CCAA proceedings on the same basis as is paid to the USW from the Corporation’s estate, with the balance remaining after such repayment being referred to as the “**Province Payment Balance**”.

### LAND VEHICLE TRANSACTION

2. The proceeds of the Province Payment Balance shall be paid exclusively to the Province and will be used by the MOECC in connection with environmental issues relating to the Lands. If the MOECC determines that there is a portion of the Province Payment Balance that is not required by the MOECC in connection with environmental issues relating to the Lands, such portion of the Province Payment Balance, if any, shall be distributed as follows, subject to the application of such funds to the payments in respect of (i) the Provincial Land Vehicle Loan (as defined below) in accordance herewith and (ii) the Provincial OPEB Loan (as defined in the OPEB Term Sheet), if applicable, in accordance with the terms of the OPEB Term Sheet:
  - (a) fifty percent (50%) will be allocated to other post-employment benefits for USW retirees, non-USW retirees and others entitled to such benefits under the Corporation’s post-employment benefit plans (the “**OPEB Remaining Share**”); and
  - (b) fifty percent (50%) will be paid to the Stelco Plans (as defined in the Pension Term Sheet) and allocated among such plans as determined by the Superintendent and set out in the New Regulation (as defined in the Pension Term Sheet) (the “**Pension Remaining Share**”).
3. The Province shall have a first-ranking secured charge (including an assignment of any leases) (the “**Province Land Charge**”) on the Land Assets (as defined below) as continuing security for (i) the payment to the MOECC of the amounts referred to in paragraph 11 below, (ii) amounts owing under the Provincial OPEB Loan, (iii) amounts



owing under the Provincial Land Vehicle Loan and (iv) the payment of all amounts referred to in paragraphs 13 and 15 below. The Province Land Charge shall be the only charge, security or mortgage against the Land Assets. The Province Land Charge shall attach to the Land Assets regardless of the owner thereof and shall continue until such time as it has been released by the Province, in its sole discretion.

4. The following assets that will not be owned by the Corporation after the Plan Implementation Date are referred to herein collectively as the “**Land Assets**”: (i) the Lands and the buildings and other improvements on the Lands; (ii) any equipment, scrap material or other tangible assets of the Corporation that are located on the portion of the Lands that is not leased by the Corporation after the Plan Implementation Date (the “**Non-Leased Land**”), provided that equipment and materials located on the Non-Leased Land that may be used in the Corporation’s steel-making or steel-processing operations in the ordinary course shall form part of the assets of the Corporation after the Plan Implementation Date); and (iii) any books, records, data, intangible assets or other assets (including any stockpiled liquid or solid waste) pertaining to the property described in sub-paragraphs (i) and (ii) above that will not be owned by the Corporation after the Plan Implementation Date. The ownership of the Land Assets shall be transferred, free and clear of all claims and encumbrances other than the Province Land Charge and the encumbrances and instruments listed in Exhibit A attached hereto (collectively, the “**Permitted Encumbrances**”) (which, for greater certainty shall continue against the Land Assets), into a special purpose entity formed for the purpose of holding and monetizing the Land Assets (the “**Land Vehicle**”). The Land Assets shall be transferred to the Land Vehicle on the Plan Implementation Date in a tax-efficient manner that maintains as much of the cost basis in those assets as is feasible in the circumstances. The structure of the Land Vehicle shall be acceptable to the Province and the USW.
5. The Corporation shall lease from the Land Vehicle (and any subsequent purchaser of the Lands) that portion of the Lands required to operate the purchased assets and business, and the terms and conditions of such leases shall be consistent with those set forth in the Lease Term Sheet and otherwise acceptable to the Province.
6. Land Vehicle shall be governed by a board (the “**Board**”) of trustees (or directors, as applicable) who are independent from the Province, the USW, the Non-USW Representatives and the Corporation. Initially, the Board shall be appointed by a Court order in connection with the Transaction, and thereafter it shall be self-perpetuating such that the members of the Board shall appoint new members to fill any vacancies on the Board. The Board shall report to the USW, the Province and other beneficiaries of the Land Vehicle regularly with respect to the operation and management of the Land Vehicle. The Province shall not, under any circumstances, have control over the Board or the Land Vehicle, nor shall it own or operate the Land Vehicle.
7. The Board shall provide a monetization plan for the Land Assets to the Province and the USW within six months of the Effective Date. Such plan shall provide for the sale of the Land Assets within five years of the Effective Date, and such plan shall be updated at regular intervals.

8. Concurrently with the transfer of the Land Assets to the Land Vehicle, the Corporation shall transfer an amount to be agreed to the Land Vehicle (the “**Land Vehicle Funding**”) to fund the following activities of the Land Vehicle:
  - (a) the operation of the Land Vehicle and the maintenance of the Land Assets, including any environmental monitoring costs, until such time as the Land Assets have been sold; and
  - (b) a sale process to maximize value from the sale of the Land Assets.

The Corporation shall immediately initiate the process of marketing the excess land comprising part of the LEW Land as well as excess buildings and structures located on the HW Land (if applicable) and LEW Land, and any proceeds generated therefrom shall be added to and comprise part of the Land Vehicle Funding. In the event that such assets are not monetized by the Corporation prior to the transfer of the Land Assets to the Land Vehicle pursuant to paragraph 4 above, the ownership of such assets shall be transferred to the Land Vehicle.

9. The Land Vehicle shall conduct a sale process on terms acceptable to the Province to maximize value from the Land Assets. Unless otherwise agreed by the Province and the USW in writing, the Land Vehicle must sell the Land Assets within five years of the Effective Date. Until the Provincial Land Vehicle Loan and the Provincial OPEB Loan have been repaid in full or discharged, any transaction in respect of any portion of the HW Land and/or the LEW Land (and any purchaser thereof) must be acceptable to the Province, in its sole discretion.
10. An amount of the Land Proceeds (as defined below) and/or cash flow from the operation of the Land Assets approved by the Board and acceptable to the Province (the “**Operating Amount**”) shall be available to the Land Vehicle to fund the operating costs of the Land Vehicle for the five years following the Effective Date or such later date as may be agreed to in writing by the Province and the USW. These operating costs may include the reasonable costs of professional property and asset managers retained by the Board to manage and maximize the value of the Land Assets.
11. If the MOECC incurs any expenditures in connection with testing, monitoring or investigating environmental conditions on the Lands, such expenditures shall be reimbursed first from any proceeds derived from the sale or lease of the Land Assets and any residual portion of the Land Vehicle Funding remaining following the sale of the Land Assets (collectively, the “**Land Proceeds**”). For greater certainty, the obligation of the Land Vehicle to reimburse such amounts shall be secured by the Province Land Charge.
12. Subject to paragraphs 10 and 11 hereof, all Land Proceeds shall be applied as follows:
  - (a) fifty percent (50%) will be allocated to other post-employment benefits for USW retirees, non-USW retirees and others entitled to such benefits under the Corporation’s post-employment benefit plans (the “**OPEB Land Proceeds**”); and

- (b) fifty percent (50%) will be allocated to the Main Pension Plans and allocated among such plans as determined by the Superintendent and set out in the New Regulation (the “**Pension Land Proceeds**”).

## **PROVINCIAL LAND VEHICLE LOAN**

- 13. The Province shall provide a secured revolving line of credit to the Land Vehicle in the maximum amount of \$10 million for the sole purpose of funding the operations of the Land Vehicle to the extent that the Land Vehicle Funding and the portion of the Land Proceeds referred to in paragraph 10 hereof is determined by the Board, with the consent of the Province, to be insufficient to fund the operations of the Land Vehicle (the “**Provincial Land Vehicle Loan**”).
- 14. The Provincial Land Vehicle Loan shall mature and be repaid by the Land Vehicle no later than six years from the closing date of the Transaction. The Provincial Land Vehicle Loan shall bear interest at the Province’s borrowing rate plus 5.00%, and such interest shall be added to the principal amount outstanding and shall be payable on maturity of the Provincial Land Vehicle Loan. The Provincial Land Vehicle Loan shall be secured by the Province Land Charge and a first charge on (i) the Land Proceeds (including, for greater certainty, the OPEB Entity’s entitlement to the OPEB Land Proceeds and the Stelco Plans’ entitlement to the Pension Land Proceeds); (ii) the OPEB Entity’s entitlement to the OPEB Free Cash Flow Contribution (each as defined in the OPEB Term Sheet); (iii) the OPEB Remaining Share; and (iv) the Pension Remaining Share.
- 15. Notwithstanding anything to the contrary herein, until the Provincial OPEB Loan (as defined in the OPEB Term Sheet) and the Provincial Land Vehicle Loan have been repaid in full and discharged:
  - (a) the OPEB Free Cash Flow Contribution will be paid directly to the Province as follows: (i) first to repay amounts outstanding under the Provincial OPEB Loan; (ii) second to repay amounts outstanding under the Provincial Land Vehicle Loan; and (iii) third if all amounts outstanding under the Provincial OPEB Loan and the Provincial Land Vehicle Loan have been repaid but there is additional availability under such loans, the OPEB Free Cash Flow Contribution will be paid to the Province and held as security for future advances under such loans up to the amount of the additional availability under such loans; and
  - (b) subject to paragraphs 10 and 11 hereof, all Land Proceeds shall be applied as follows:
    - (i) first, to repay amounts outstanding under the Provincial OPEB Loan;
    - (ii) second, to repay amounts outstanding under the Provincial Land Vehicle Loan;
    - (iii) third, if all amounts outstanding under the Provincial OPEB Loan and the Provincial Land Vehicle Loan have been repaid but there is additional

availability under such loans, the Land Proceeds will be paid to the Province and held as security for future advances under such loans up to the amount of the additional availability under such loans; and

- (iv) fourth, any Land Proceeds remaining following the payments referred to in sub-paragraphs 15(b)(i), 15(b)(ii) and 15(b)(iii) will be allocated in the manner referred to in 12 above.

## EXHIBIT A TO LAND TERM SHEET

### GENERAL

The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown including, without limitation, the reservation of any mines and minerals.

### SPECIFIC

#### HW LANDS

1. Instrument No. NS234352, registered October 19, 1953, is an agreement between The Steel Company of Canada, Limited and International Harvester Company of Canada, Limited regarding maintenance and use of railway spur line and trackage in and around Wilcox Street; Renewed by Notice of Claim Instrument No. VM171299, registered December 6, 1993. *17575-0126*
2. Instrument No. HL216274, registered October 31, 1962, is an easement in favour of The Corporation of the City of Hamilton (the “**City of Hamilton**”) for a sewer line. *17575-0126*
3. Instrument No. AB160388, registered February 6, 1970, is an easement in favour of The Hydro Electric Power Commission of Ontario. *17575-0095*
4. Instrument No. AB343421, registered July 4, 1974, is an easement in favour of The Procter & Gamble Company of Canada, Limited and the City of Hamilton. *17575-0126*
5. Instrument No. CD123252, registered April 27, 1979, is an easement in favour of The Procter & Gamble Company of Canada, Limited, the City of Hamilton, and The Regional Municipality of Hamilton-Wentworth (the “**Region of Hamilton-Wentworth**”). *17575-0126*
6. Instrument No. CD183147, registered April 3, 1981, is an agreement between Stelco Inc. and the City of Hamilton regarding the installation, construction and operation of two (2) overhead volt aerial services across the road allowance of Queen Street. *17580-0099*
7. Instrument No. CD400596, registered May 10, 1987, is a Provisional Certificate of Approval registered March 10, 1987 issued under the Environmental Protection Act for the use and operation of a 35.4 hectare landfill site for waste disposal. *17575-0126*
8. Instrument No. CD499218, registered March 22, 1989, is an agreement between Stelco Inc. and Her Majesty the Queen in Right of Ontario as represented by the Minister of the Environment regarding indemnification and use of such lands for parking, storage of raw materials, steel coils, ingots, slabs, moulds and other iron and steelmaking products and uses accessory thereto. *17575-0126*

9. Instrument No. CD393144, registered January 5, 1987, is an agreement between Stelco Inc. and the Region of Hamilton-Wentworth giving permission to the encroachment of proposed installation of landscaping 14m wide by 109m long on the north side of Industrial Drive. *17575-0095*
10. Instrument No. VM277332, registered September 9, 2008, is a transfer from Hamilton Land GP Inc. (0.01% interest) to U.S. Steel Canada Inc. granting and reserving a right of way for the common use of a railway switch over Part 2 on 62R-10965 as in Instrument No. HA114263 registered on July 9, 1910 and Instrument No. CD214133 registered on May 14, 1982.. *17580-0099*
11. Instrument No. VM279347, registered July 22, 2009, is an easement in favour of the City of Hamilton to construct and maintain sewers. *17575-0095*
12. Instrument No. VM280916, registered May 12, 2010, is a notice of claim with respect to U. S. Steel Canada Inc. having a right to construct, maintain and use an overhead pipe bridge for the purpose of carrying a 10” steam line, a 6” air line and a 2” oxygen line over, across and through the lands described as Parts 31, 32, 33, 34, 35 and 36 on Plan 62R-18732 in favour of the lands described therein relating to Instrument No. HL169844. *17575-0095*
13. Instrument No. VM280963, registered May 20, 2010, is a notice of claim relating to Instrument No. HL169844 with respect to U. S. Steel Canada Inc. having a right to construct, maintain and use an overhead pipe bridge for the purpose of carrying a 10” steam line, a 6” air line and a 2” oxygen line over, across and through the lands described as Parts 31, 32, 33, 34, 35 and 36 on Plan 62R-18732 in favour of the lands described therein. *17575-0095*
14. Instrument No. VM281238, registered July 27, 2010, is a certificate of first registration made by the Land Registrar of Hamilton. *17575-0126, 17575-0127*
15. Instrument No. WE726708, registered November 12, 2010 is a reciprocal easement and operating agreement between U.S. Steel Canada Inc. and Max Aicher (North America) Inc. *17575-0126, 17575-0127*
16. Instrument No. WE917932, registered August 21, 2013 is a notice of agreement amending the reciprocal easement and operating agreement WE726708 and other agreements between U.S. Steel Canada Inc., Max Aicher (North America) Realty Inc. and Max Aicher (North America) Bloom Mill Realty Inc. *17575-0126, 17575-0127*
17. Instrument No. WE726709, registered November 12, 2010, is a joint service agreement between U.S. Steel Canada Inc. and the City of Hamilton. *17575-0126, 17575-0127*
18. Instrument No. WE726764, registered November 12, 2010, is a Land Registrar’s order. *17575-0095*

19. Instrument No. WE726838, registered November 12, 2010, is a Transfer of Land from U.S. Steel Canada Inc. to Max Aicher (North America) Inc. including grants of easements. *17575-0126, 17575-0127*
20. Instrument No. WE726839, registered November 12, 2010, is a Transfer of Easement over Parts 19 to 29, Plan 62R-18877. *17575-0095*
21. Instrument No. WE726840, registered November 12, 2010, is a Transfer of Land from U.S. Steel Canada Inc. to Max Aicher (North America) Inc. including grants of easements. *17575-0095, 17575-0126, 17575-0127*
22. Instrument No. WE726841, registered November 12, 2010, is a Transfer of Easement over Parts 19 to 29, Plan 62R18877. *17575-0095*
23. Instrument No. WE726842, registered November 12, 2010, is a development agreement between U.S. Steel Canada Inc., Max Aicher (North America) Inc. and City of Hamilton *17575-0126, 17575-0127*
24. Instrument No. WE735573, registered December 23, 2010, is a Land Registrar's order correcting the legal description. *17575-0095*
25. Instrument No. WE851698, registered August 22, 2012, is a Transfer of Easement in favour of Air Liquide Canada Inc. *17575-0095, 17575-0126*
26. Instrument No. WE883559, registered February 15, 2013, is a Transfer of Easement in favour of Hamilton Port Authority. *17575-0126*

## **LAKE ERIE LANDS**

### **Haldimand Land Titles Office (No. 18)**

1. Instrument No. W21573, registered May 16, 1941, is an easement in favour of The Hydro-Electric Power Commission of Ontario over Part of Lot 2 Concession 1). *328249-0114*
2. Instrument No. HC238048, registered February 12, 1998 is a notice of claim registered by Ontario Hydro re Instrument No. W21573. *38249-0114*
3. Instrument No. HC38351, registered June 9, 1959 is a Grant of Easement in favour of Union Gas Limited over Part of Lot 2 Concession 1 designated as Part 17 on 18R-6313. *38249-0114*
4. Instrument No. HC38352, registered June 9, 1959 is a Grant of Easement in favour of Union Gas Limited over Part of Lot 1 Concession 1 designated as Parts 15 and 16 on 18R-6313. *38249-0114*
5. Instrument No. HC245009, registered April 27, 1999, is a Notice of Claim re Instrument Nos. HC38351 and HC38252. *38249-0114*

6. Instrument No. HC63908, registered February 1, 1967, is a notice of subdivision control by-law. 38249-0114, 38249-0161, 38249-0173, 38249-0174, 38249-0176, 38249-0178, 38249-0172, 38249-0118, 38249-0053, 38248-0389, 38248-0390, 38249-0124, 38249-0407, 38249-0387, 38249-0395, 38249-0402
7. Instrument No. HC64973, registered May 15, 1967, is a notice of subdivision control by-law. 38249-0114, 38249-0161, 38249-0173, 38249-0174, 38249-0176, 38249-0178, 38249-0172, 38249-0118, 38249-0053, 38248-0389, 38248-0390, 38249-0124, 38249-0407, 38249-0387, 38249-0395, 38249-0402
8. Instrument No. HC65543Z, registered June 30, 1967, is a transfer containing restrictive covenants and agreement as to use. 38249-0172
9. Instrument No. HC70790 registered September 30, 1968, is a transfer containing easements. 38248-0389
10. Instrument No. HC71118, registered September 30, 1968, is a transfer containing easements. 38248-0389
11. Instrument No. HC77197, registered January 27, 1970, is an assignment by Glenn Charles Reicheld and Frederick Wilmer Reicheld, cob as Jarvis Hereford Farms, as assignor, to Glenfred Gas Wells Limited, as assignee, of the leases noted in Schedule "A", including the lease registered as Instrument No. 77021 being an oil and gas lease in favour of F.W.Reicheld/Jarvis Hereford Farms, partially surrendered by 116745 by F.W. Reicheld. 38248-0389
12. Instrument No. HC81472, registered February 8, 1971, is an easement in favour of The Hydro Electric Commission of Ontario over Parts of Lots 1, 2 and 3 Concession 4 designated as Part 3 on 18R-4328. 38248-0389
13. Instrument No. HC107708, registered December 5, 1975 is an agreement for right of way in favour of Union Gas Limited. 38249-0173
14. Instrument No. HC116816, registered July 4, 1977, is a subdivision agreement between The Regional Municipality of Haldimand-Norfolk ("**Region of Haldimand**"), The Corporation of the City of Nanticoke (the "**City of Nanticoke**") and The Steel Company of Canada, Limited. 38249-0114, 38249-0080, 38249-0081, 38249-0110, 38249-0058, 38249-0061, 38249-0063, 38249-0064, 38249-0066, 38249-0068, 38249-0091, 38249-0390, 38249-0391, 38249-0392, 38249-0393, 38249-0398, 38249-0118, 38248-0389, 38249-0395
15. Instrument No. HC117764Z, registered August 19, 1977, is a transfer containing building restrictions. 38249-0174
16. Instrument No. HC123573, registered August 14, 1978 is a Deed of Land containing easements in favour of the City of Nanticoke over Part of Lot 27 Plan 84 designated as Part 1 on 18R-1057, Part of Block P Plan 84 designated as Part 1 on 18R-1058; Part of



Block DD on Plan 84 designated as Part 1 on Plan 18R-1056 and reserving easements over Parts B, Q, T, Y and EE on Plan 84. *38249-0118*

17. Instrument No. HC130688, registered November 23, 1979, is a Grant of Easement in favour of Her Majesty the Queen in Right of Ontario represented by the Minister of Environment over Part of Lots 4 and 5 Concession 1 designated as Parts 1 and 2 on 18R-1287. *38249-0407*
18. Instrument No. HC133369, registered July 7, 1980, is a Grant of Easement in favour of Ontario Hydro over Part of Lot 37 Plan 84 Designated as Part 3 on 18R-1140, Part of Lot 36 Plan 84 Designated as Part 4 on 18R-1140, Part of Lot 34 Plan 84 Designated as Part 6 on 18R-1140, Part of Lot 33 Plan 84 Designated as Part 7 on 18R-1140, Part of Block S Plan 84 Designated as Parts 9 and 14 on 18R-1140, Lot 17 Plan 84 Designated as Part 12 on 18R-1140, Part of Lot 18 Plan 84 Designated as Part 13 on 18R-1140, Part of Lot 6 Plan 84 Designated as Part 16 on 18R-1140, Part of Block R Plan 84 Designated as Part 17 on 18R-1140, Part of Lot 5 Plan 84 Designated as Part 19 on 18R-1140, Part of Lot 4 Plan 84 Designated as Part 22 on 18R-1140, Part of Lot 2 Plan 84 Designated as Part 24 on 18R-1140, Part of Lot 1 Plan 84 Designated as Part 25 on 18R-1140, Part of Block D Plan 84 Designated as Part 27 on 18R-1140, Part of Block A Plan 84 Designated as Part 29 on 18R-1140, Part of Lot 27 Plan 84 Designated as Part 30 on 18R-1140. *38249-0081, 38249-0110, 38249-0058, 38249-0068, 38249-0091, 38249-0390, 38249-0391, 38249-0118*
19. Instrument No. HC133370, registered July 7, 1980, is a Grant of Easement in favour of Ontario Hydro over Part of Lot 4 Concession 3 formerly in the Township of Walpole now Haldimand County designated as Part 1 on 18R-1141. *38249-0118*
20. Instrument No. HC134096, registered September 4, 1980, is a Grant of Easement in favour of Her Majesty the Queen in Right of Ontario represented by the Minister of Environment over Parts 2, 5 and 8 on 18R-1527. *38249-0058, 38249-0063, 38249-0064, 38249-0066, 38249-0053, 38248-0389*
21. Instrument No. HC250354, registered February 29, 2000, is a Minister's Transfer Order from The Ontario Clean Water Agenda to the Region of Haldimand relating to Instrument No. HC134096 and other easements. *38249-0058, 38249-0063, 38249-0064, 38249-0066, 38249-0053, 38249-0407, 38248-0389*
22. Instrument No. HC137459, registered June 2, 1981, is an agreement between the Region of Haldimand, the City of Nanticoke and Stelco Inc. (relates to Instrument No. HC116816) *38249-0081*
23. Instrument No. HC141769, registered July 5, 1982, is a bylaw to designate the Low—Morrow Stelco Inc. Residence located on Part Lot 4, Concession 1, former Township of Walpole as a property of historic and architectural value. *38249-0114, 38249-0173, 38249-0402*
24. Instrument No. HC223177, registered August 14, 1995, is a Transfer of Easement in favour of Union Gas Limited. *38249-0114*

25. Instrument No. HC223178, registered August 14, 1995, is a notice of Regulator Site Lease from Stelco Inc. in favour of Union Gas Limited, affecting Part of Lot 1 Concession 1 designated as Part 2 on 18R-4582. *38249-0114*
26. Instrument No. HC226859, is a transfer containing easements. *38249-01736, 38249-0174, 38249-0196*
27. Instrument No. HC225835, registered February 13, 1996, is a Transfer of Easement in favour of Union Gas Limited over Part of Block FF Plan 84 designated as Part 3 on 18R-4641. *38249-0114, 38249-0393, 38249-0395*
28. Instrument No. HC225836, registered February 13, 1996, is a Transfer of Easement in favour of Union Gas Limited. over Parts 1 to 6, 18R-4642 & Parts 1, 2 and 6, 18R-4641. *38249-0393, 38249-0118, 38249-0395*
29. Instrument No. HC225922, registered February 20, 1996 is a notice of lease from Stelco Inc. in favour of Union Gas Limited, over Part of Lot 3 Concession 3 Designated as Part 8 on 18R-4641. *38249-0114*
30. Instrument No. HC232673, registered April 8, 1997, is a Transfer of Easement in favour of Union Gas Limited over Part 1, 18R4731. *38249-0114*
31. Instrument No. HC232674, registered April 8, 1997, is a Transfer of Easement in favour of Union Gas Limited over Part 3, 18R4731. *38249-0114*
32. Instrument No. HC238834, registered April 7, 1998 is a Transfer of Easement in favour of ESM Metallurgical Products Inc. over Part of Block E Plan 84 designated as Parts 1 and 2 on 18R-4846. *38249-0393*
33. Instrument No. HC293542, registered April 3, 2006, is a Transfer of Land with easements (see CH11066 re merging of easement). *38249-0173, 38249-0196, 38249-0178*
34. Instrument No. HC245795, registered June 9, 1999, is a Notice of Lease between Stelco Inc. and Air Products Canada Ltd. affecting Part of Lot 1 Concession 1 designated as Part 1 on 18R-5252. *38249-0114*
35. Instrument No. HC253492, registered September 1, 2000, is a transfer containing an interest to reside in favour of transferor for a period of 21 years less one day. *38249-0174*
36. Instrument No. HC258356, registered July 9, 2001 is a deposit with funeral director's statement and affidavit attached. *38249-0172*
37. Instrument No. HC261610, registered January 23, 2002, is an assignment of easements from Hydro One Networks Inc. to Haldimand County Hydro Inc. *38249-0114, 38249-0387*

38. Instrument No. HC269844, registered April 3, 2003, is a Notice of Lease between Stelco Inc., as landlord, and St. Marys Cement Inc. Canada, as tenant, affecting Part of Lot 1 Concession 1 Designated as Part 1 on 18R-5894. *38249-0114*
39. Instrument No. HC276132, registered February 12, 2004, is a deposit containing a death certificate. *38249-0172*
40. Instrument No. CH8017, registered May 20, 2008 is a Land Registrar's Order to add transfer HC282012 and charge HC282013 (now deleted). *38249-0172*
41. Instrument No. CH11066, registered September 17, 2008 is an Application General by Lake Erie Steel GP Inc. re merging of easement in HC226859 (parcel thirteen) and to amend thumbnail description in 38249-0173. *38249-0173*
42. Instrument No. CH11370, registered September 26, 2008 is a Land Registrar's order (amend transferees name to U.S. Steel Canada Inc. and the owner's field). *38249-0058, 38249-0061, 38249-0063, 38249-0064, 38249-0066, 38249-0068, 38249-0091, 38249-0390, 38249-0391, 38249-0392, 38249-0393, 38249-0398, 38249-0118, 38249-0053, 38248-0389, 38248-0390, 38249-0124*
43. Instrument No. CH50242, registered December 9, 2013, is a transmission application for estate trustee, Terry Dana Winder. *38249-0172*
44. Instrument No. CH55551, registered October 9, 2014 is an application to change name owner. *38249-0080, 38249-0081, 38249-0110*
45. Instrument No. CH62814, registered October 29, 2015 is a transmission by personal representative relating to Patricia Joyce Lowry. *38249-0172*
46. Pipeline easement to be granted by U.S. Steel Canada Inc. in favour of Union Gas Limited. *38249-0393*

### **Haldimand Registry Office (No. 18)**

#### **Leasehold Lands – PIN 38250-0240**

1. Instrument No. HC64064, registered February 17, 1967, is an order of The Ontario Municipal Board relating to boundaries of The Corporation of the Township of Walpole.
2. Instrument No. HC107123, registered November 3, 1975, is water lot lease 3238 between The Minister of Natural Resources, as lessor, and The Steel Company of Canada Limited, as lessee.
3. Instrument No. HC226859, registered April 30, 1996, is a Transfer of Land from Stelco Inc., as transferor, to Lake Erie Steel Company Ltd., as transferee including this Crown Lease.

4. Instrument No. HC242019, registered October 1, 1998 is a notice of security interest filed by ESM II Inc., Inc., as secured party, relating to a Station Agreement for the Transfer Ladle Desulphurization Station.
5. Instrument No. HC256562, registered March 20, 2001, is a notice of security interest filed by the Bank of Montreal, as secured party, relating to a security agreement dated January 31, 2001 with 1349028 Ontario Limited, as debtor securing an interest in the bulk material handling and vessel loading facility erected and operated by the debtor.

**Norfolk Registry Office (No. 37)**

1. Instrument No. NR419076, registered November 2, 1983, is a provisional certificate of approval for a waste disposal site under the Environmental Protection Act. 50259-0281, 50259-0289
2. Instrument No. NR427471, registered April 25, 1985, is a provisional certificate of approval for a waste disposal site under the Environmental Protection Act. 50259-0281
3. Instrument No. NR545347, registered March 3, 2000, assigns Instrument No. NR400118 (being a Transfer of Easement in favour of Her Majesty the Queen) being a Minister's transfer order in favour of Region of Haldimand relating to Haldimand-Norfolk Water Treatment Plant and Distribution System. 50258-0194
4. Instrument No. NK13312, registered May 26, 2008 is a Land Registrar's Order (amending t/w description to Part Lot23 & 24, Concession 2 Woodhouse). 50259-0281
5. Instrument No. NK13703, registered June 3, 2008 is a Land Registrar's Order (amending owners' name to read as in NR599374). 50259-0289, 50258-0194, 50258-0175
6. Instrument No. NK14295, registered June 20, 2008 is an Application General to amend owners' name to Lake Erie Land GP Inc. 50259-0289, 50258-0194, 50258-0175
7. Instrument No. NK16404, registered August 25, 2008 is an Application General by Lake Erie Steel GP Inc. to amend owner's name by removing Lake Erie Steel Limited Partnership. 50259-0281
8. Instrument No. NK17675, registered September 30, 2008 is a Land Registrar's Order (amending t/n, amending owner's names, amending remarks). 50259-0281, 50259-0289, 50258-0194, 50258-0175
9. Instrument No. NK24278, registered June 1, 2009, is an Application for Absolute Title. 50259-0289
10. Instrument No. NK47730, registered November 7, 2011 is a certificate by the Director Appointed under S.5 of the Environmental Protection Act regarding S.197 (2) of the Act. 50259-0281, 50259-0289

11. Instrument No. NK52602, registered May 16, 2012 is a Transfer of Easement favour of Haldimand County Hydro Inc. 50259-0301, 50259-0302, 50259-0303, 50259-0304, 50259-0305, 50259-0307
12. Instrument No. NK59411, registered February 7, 2013 is a certificate by the Director Appointed under S.5 of the Environmental Protection Act regarding S.197 (2) of the Act (Part 1 on 37R2787). 50259-0281
13. Instrument No. NK66761, registered November 25, 2013 is an Application for Absolute Title (NK30087, NK60562). 50259-0301, 50259-0302, 50259-0303, 50259-0304, 50259-0305, 50259-0307
14. Instrument No. NK71750, registered July 10, 2014 is an Application for Absolute Title. 50258-0194, 50258-0175
15. Instrument No. NK92514, registered September 1, 2016 is an Application General to transfer the easement in Instrument No. NK52602 from Haldimand County Hydro Inc. to Hydro One Networks Inc. 50259-0301, 50259-0302, 50259-0303, 50259-0304, 50259-0305, 50259-0307

## **SCHEDULE D LEASE TERM SHEET**

Capitalized terms used herein and not otherwise defined shall have the meaning in the Plan to which this Lease Term Sheet is attached.

The following describes the proposed high level terms for a) a lease agreement in respect of the LEW Lands (the “**LEW Lease**”); and (b) a lease agreement in respect of the HW Lands (the “**HW Lease**”).

Unless otherwise specified, all dollars referred to herein are Canadian dollars.

The Corporation shall enter into long term lease agreements with the Land Vehicle. The lease terms shall include:

1. The Corporation will lease up to 300 acres of the HW Lands in the HW Lease and up to 2,200 acres of the LEW Lands in the LEW Lease with the boundaries of each of such leased areas to be continuous and acceptable to the Corporation and the Province (the “**Leased Lands**”).
2. Lease term in each lease of 21 years less a day. Once Planning Act Consent has been obtained, the term of each lease will be 25 years with lessee rights to extend for 10 year renewal periods.
3. Initial annual triple net rent of \$17,000 per acre on the leased portion of the HW Lands in the HW Lease and \$1,000 per acre on the leased portion of the LEW Lands in the LEW Lease, escalating annually at the consumer price index for inflation in Canada, with a minimum annual escalation of zero.
4. In addition to the rent amounts referred to in paragraph 3 above, the Corporation shall be responsible for paying its *pro rata* share (based upon ground area) of the common costs of the HW Lands and the LEW Lands (including security, maintenance of common facilities such as roads, jointly used power and lighting, snow removal, etc.).
5. The rent referred to in paragraph 3 and the other amounts referred to in paragraph 4 above shall be paid monthly in advance.
6. The lease agreements will contain usual provisions with respect to the lessee’s obligations to comply with law and other matters, without duplication of or conflict with the agreement that the Corporation proposes to enter into with the MOECC with respect to environmental matters.
7. The Corporation and the Land Vehicle shall enter into mutually satisfactory arrangements with respect to the costs required to sever the Corporation’s operating facilities on the leased lands from the common utilities of the HW Lands and the LEW Lands. The Corporation and the Land Vehicle shall negotiate in good faith agreements whereby utilities and other jointly required assets might be shared in a cost-effective manner.

8. The Corporation and the Province will work together in good faith to seek a reduction in the property taxes payable on the HW Lands and the LEW Lands. It is acknowledged and understood that the determination of the taxes payable on such lands is within the jurisdiction of the applicable municipal taxation authorities and is not determined by the Province. It is a condition precedent to the Transaction in favour of the Plan Sponsor that the Plan Sponsor is satisfied with the quantum of property taxes payable by the Corporation on the portion of the HW Lands and the LEW Lands leased by the Corporation. It is a condition precedent to the Transaction in favour of the Province that the Province is satisfied with the quantum of property taxes payable by the Corporation on the portion of the HW Lands and the LEW Lands leased by the Corporation and the quantum of the property taxes payable by the Land Vehicle on the portion of such lands that is not leased by the Corporation.

**Alternative lease payment structure:**

9. In the event that the Corporation does not wish to make a fixed triple net rent payment for the lands as contemplated in paragraph 3 above, it shall have the option at the commencement of the lease to elect to pay “percentage rent” on a triple net basis based on the total third party revenues of the Corporation in lieu of the triple net rental rate specified in paragraph 3 above. Such percentage rent shall be calculated as a percentage of the Corporation’s annual third party revenue. Rent shall be paid monthly in advance on an estimated basis with adjustments made annually upon receipt of the annual audited financial statements of the Corporation.
10. The relevant percentage rent shall be 0.0% for the first two years after the Plan Implementation Date, 0.2% for year three, 0.4% for year four and 0.6% for each year thereafter. Rent will be payable only if the total third party revenue of the Corporation exceeds US\$1 billion in a given year.
11. The Corporation shall be entitled to assign each lease to a third-party purchaser of all or substantially all of its assets, provided that such purchaser provides substantially similar terms and conditions and provided that the revenues of the purchaser can be determined with the same degree of confidence as for the Corporation.

## **SCHEDULE E OPEB TERM SHEET**

Capitalized terms used herein and not otherwise defined shall have the meaning in the Plan to which this OPEB Term Sheet is attached or the Land Term Sheet.

The following describes the proposed terms concerning OPEBs for USSC retirees and others entitled to such benefits under post-employment benefit plans of the Corporation. This document describes proposed arrangements to fund OPEBs following the completion of a Transaction.

Unless otherwise specified, all dollars referred to herein are Canadian dollars.

### **Application of Agreement**

1. The arrangements described herein apply to fund OPEBs following the Plan Implementation Date.

### **OPEB Entities**

2. In connection with a Transaction, entities satisfactory to the USW, the Province and Representative Counsel shall be established for the purpose of receiving, holding and distributing funds on account of OPEBs (the “**OPEB Entities**”). The OPEB Entities shall be established, and shall receive, hold and distribute funds, in a tax efficient manner acceptable to the Province, the Plan Sponsor, the USW and Representative Counsel.

### **OPEBs to be Provided on Completion of the Transaction**

3. The documentation relating to and governing each of the OPEB Entities shall set out the type and level of OPEBs to be provided from time to time.

### **Annual Funding of the OPEBs**

4. Following completion of the Transaction, the Corporation shall make or cause to be made annual contributions to the OPEB Entities in respect of OPEBs as follows (the “**OPEB Fixed Contribution**”):
  - (a) \$15 million in the aggregate, pro-rated for 2017; and
  - (b) 6.5% of the Corporation’s Free Cash Flow (as defined in Exhibit A to this OPEB Term Sheet) to a maximum annual amount of \$11 million (the “**OPEB Free Cash Flow Contribution**” and, together with the OPEB Fixed Contribution, the “**OPEB Contributions**”). The OPEB Free Cash Flow Contribution shall be payable annually within 15 days of receipt of the Corporation’s audited annual financial statements.



The OPEB Contributions do not include any additional amounts in excess of \$20 million payable by the Corporation in respect of OPEBs for USW Local Union 8782 (the “**8782 OPEBs**”) for the first five years following the Plan Implementation Date (any additional amount in excess of \$20 million for the first five years being referred to as the “**Excess 8782 Amount**”). The Excess 8782 Amount, if any, payable by the Corporation to the OPEB Entity from which the 8782 OPEBs are payable shall be paid by May 31, 2022. If the aggregate of the 8782 OPEBs paid during the first five years following the Plan Implementation Date is less than \$20 million, the OPEB Entity from which the 8782 OPEBs are payable shall pay that difference to the Province concurrently with the maturity of the Provincial OPEB Loan (as defined below).

The annual amount of the OPEB Fixed Contribution shall be payable in equal pro-rated monthly installments on the last day of each month. The OPEB Fixed Contribution and the OPEB Free Cash Flow Contribution shall be unsecured, contractual obligations of the Corporation that rank not lower than other unsecured obligations of the Corporation. Notwithstanding anything to the contrary in the Pension Term Sheet or this OPEB Term Sheet, the amount of the OPEB Fixed Contribution shall be subject to adjustment in the five years following an Advance OPEB Payment (as defined below) based on the amortization of the Advance OPEB Payment in paragraph 5 below.

For greater certainty, with the exception of the year in which the Advance OPEB Payment is paid to the OPEB Entities, the maximum annual amount paid by the Corporation to the OPEB Entities shall be no greater than the sum of the OPEB Fixed Contribution, the OPEB Free Cash Flow Contribution and the Excess 8782 Amount.

### **Advance OPEB Payment**

5. The Corporation shall make a payment to the OPEB Entities of \$30 million (the “**Advance OPEB Payment**”), which amount shall be paid on the earlier of (i) the date on which the Corporation first pays any dividend, redeems any capital stock or otherwise directly or indirectly makes any distribution to the Plan Sponsor or its affiliates, investors or funds; and (ii) the date that is three years following the closing of the Transaction. The benefit of the Advance OPEB Payment shall be amortized over the period continuing from the fourth year through the ninth year following the Plan Implementation Date such that, notwithstanding anything to the contrary in section 3(a) hereof, the OPEB Fixed Contribution owed by the Corporation to the OPEB Entities shall be: (A) \$12 million per year in the fourth and fifth years following the Plan Implementation Date; (B) \$9 million per year in the sixth, seventh, eighth and ninth years following the Plan Implementation Date; and (C) \$15 million per year in the tenth year following the Plan Implementation Date and thereafter. The OPEB Entities shall apply \$15 million from the Advance OPEB Payment to the payment of OPEBs in each of the fourth and fifth years following the Plan Implementation Date.

### **Provincial Loan**

6. The Province shall provide an interest-free secured reducing, non-revolving line of credit to the OPEB Entities for the sole purpose of providing the OPEB Entities with cash to

fund OPEBs (the “**Provincial OPEB Loan**”). Pursuant to the Provincial OPEB Loan, the OPEB Entities shall be entitled to borrow up to a maximum aggregate amount of \$66 million. The OPEB Entities shall be permitted to make annual draws under the Provincial OPEB Loan in the following annual maximum amounts:

- (a) in the first, second and third years following the Plan Implementation Date, an amount of up to \$18 million; and
- (b) in the fourth and fifth years following the Plan Implementation Date, an amount of up to \$6 million.

Each draw under the Provincial OPEB Loan shall correspondingly reduce the total availability under the Provincial OPEB Loan.

- 7. The Provincial OPEB Loan shall mature and be repaid by the OPEB Entities no later than six years from the Plan Implementation Date. The Provincial OPEB Loan shall be secured by a first charge on (i) the Lands, (ii) the Land Proceeds, (iii) the OPEB Entities’ entitlement to the OPEB Free Cash Flow Contribution, (iv) the OPEB Remaining Share (as defined in the Land Term Sheet) and (v) the Pension Remaining Share (as defined in the Land Term Sheet).
- 8. Until the Provincial OPEB Loan and the Provincial Land Vehicle Loan have been repaid in full and discharged:
  - (a) the OPEB Free Cash Flow Contribution will be paid directly to the Province as follows: (i) first to repay amounts outstanding under the Provincial OPEB Loan; (ii) second to repay amounts outstanding under the Provincial Land Vehicle Loan; and (iii) third if all amounts outstanding under the Provincial OPEB Loan and the Provincial Land Vehicle Loan have been repaid but there is additional availability under such loans, the OPEB Free Cash Flow Contribution will be paid to the Province and held as security for future advances under such loans up to the maximum amount of the additional availability under such loans; and
  - (b) Land Proceeds will be applied in the manner described in paragraphs 10, 11 and 15 of the Land Term Sheet.
- 9. The payment of the Land Proceeds on account of the Provincial OPEB Loan pursuant to section 8(b) hereof shall occur and be accounted for in accordance with the following schedule of payments:
  - (a) first, by payment of any OPEB Land Proceeds to the Province;
  - (b) second, by payment of any Pension Land Proceeds to the Province.
- 10. If any amount of the Provincial OPEB Loan remains outstanding at the time of any payment of the OPEB Remaining Share or the Pension Remaining Share, the OPEB Remaining Share and the Pension Remaining Share shall be paid to the Province in

reduction of such outstanding amount in accordance with the following schedule of payments:

- (a) first, by payment of the OPEB Remaining Share to the Province; and
- (b) second by payment of the Pension Remaining Share to the Province.

11. In the event that (i) all or any portion of the Pension Land Proceeds are applied to repay the Provincial OPEB Loan in accordance with paragraph 8(b) (the “**Pension Land Proceeds Repayment Amount**”) and (ii) a portion of the OPEB Remaining Share remains available after the Provincial OPEB Loan has been repaid in full and discharged, a portion of the remaining OPEB Remaining Share equal to the lesser of (a) the Pension Land Proceeds Repayment Amount and (b) the remaining OPEB Remaining Share, shall be paid to the Stelco Plans (as defined in the Pension Term Sheet).

**Allocation of Contributions to the OPEB Entities**

The annual contributions<sup>+</sup> made to the OPEB Entities shall be allocated as follows for the first five years following the completion of the Transaction:

	In respect of Local 8782 and 8782(b) retirees	In respect of Local 1005 retirees	In respect of all non-USW retirees (including Salarieds and Others <sup>*</sup> )
Allocation of each contribution to the OPEB Entities (\$33 million total annual contribution <sup>+</sup> first 5 years)	12.12% (\$4M)	60.61% (\$20M)	27.27% (\$8M Salarieds/ \$1M <sup>1</sup> Others <sup>*</sup> )

+ Including draws on the Provincial OPEB Loan

\* Pensions/ survivors of Stelpipe and Welland

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<sup>1</sup> Amount fixed for first five years.



## EXHIBIT A - FREE CASH FLOW

References to USSC's "**Free Cash Flow**" mean the following:

- A. Consolidated net income after tax, before free cash flow sweep
- plus/minus**
- B. All non-cash charges/credits (e.g. depreciation, deferred tax, etc.) included in the calculation of **A** above
- plus/minus**
- C. Changes in working capital in the year
- less**
- D. Capital expenditures incurred in the course of USSC's Business in the year (net of any government grants or subsidies for capital expenditures)
- =
- E. Free Cash Flow

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**Note:**

**A** already includes deductions for all operating costs, including payments in respect of OPEBS and any labour costs, including profit-sharing. However, **A** is calculated before the calculations of the Pension Free Cash Flow Contribution (as defined in the Pension Term Sheet) and the OPEB Free Cash Flow Contribution (as defined in the OPEB Funding Agreement). **A** is to be calculated before Tax Savings Payments (as defined in the Tax Savings Agreement) are paid or accounted for by USSC. In addition, any interest incurred by USSC on intercompany indebtedness provided by any non-arm's length party in excess of available market interest rates shall be added back to consolidated net income after tax.

In the event USSC enters into or undertakes any non-arm's length transactions that are not on a strictly cost recovery basis or that otherwise contain non-market terms the Free Cash Flow shall be adjusted to reflect such transactions.

## SCHEDULE F PENSION TERM SHEET

Capitalized terms used herein and not otherwise defined shall have the meaning in the Plan to which this Pension Term Sheet is attached.

The following describes the proposed high level terms for an agreement in respect of the five registered pension plans listed on Exhibit A hereto (collectively, the “**Stelco Plans**”) of which the Corporation is the sponsor.

Unless otherwise specified, all dollars referred to herein are Canadian dollars.

### **Application of Agreement**

1. The funding and arrangements referred to herein apply to fund the pension benefits of the retired and other former members of the Stelco Plans and their survivors and beneficiaries and active employees of Stelco for service accrued to the Plan Implementation Date.

### **Funding of the Stelco Plans**

2. At the Plan Implementation Date, the Plan Sponsor shall pay or cause to be paid the sum of \$30 million (the “**Upfront Payment**”) to the Stelco Plans in such amounts as shall be determined by the Superintendent.
3. The Corporation will not be permitted to pay any dividend, redeem any capital stock or otherwise directly or indirectly make any distribution to its shareholders, affiliates, investors or funds (each a “**Dividend**”) unless and until the Corporation has made the following payments: (i) \$20 million to the Stelco Plans (the “**Advance Pension Payment**”) and (ii) the Advance OPEB Payment (as defined in the OPEB Term Sheet). Once the Corporation has made the Advance Pension Payment and the Advance OPEB Payment, the Corporation shall be permitted to pay Dividends in the ordinary course and in compliance with applicable law. In the event that the Corporation makes the Advance Pension Payment, the Advance Pension Payment shall be allocated to the Stelco Plans in such amounts as shall be determined by the Superintendent.
4. The Corporation shall make or cause to be made contributions of 10% of Free Cash Flow (as defined in the OPEB Term Sheet) (the “**Pension Free Cash Flow Contribution**”) to the Stelco Plans, provided that the Pension Free Cash Flow Contributions shall be subject to the following minimum amounts, which shall be paid to the Stelco Plans by the Corporation regardless of the amount of Free Cash Flow:
  - (a) in respect of 2017, a minimum contribution equal to the pro-rated portion of \$10 million based on the number of completed months between the Plan Implementation Date and December 31, 2017;

- (b) in respect of each of the four years commencing January 1, 2018, a minimum contribution of \$10 million;
- (c) in respect of each of the 15 years commencing January 1, 2022, a minimum contribution of \$15 million; and
- (d) in respect of 2037, a minimum contribution of \$10 million less the amount in paragraph 4(a), (the minimum annual contribution referred to in (a) through (d) being referred to as the “**Minimum Contribution**”).

The Pension Free Cash Flow Contribution shall commence on the Plan Implementation Date and shall be paid monthly based on the pro-rated monthly amount of the Minimum Contribution, with a reconciliation and adjustment of the amounts paid by the Corporation pursuant to the Pension Free Cash Flow Contribution and the amounts paid by Bedrock pursuant to the Bedrock Guarantee (as defined below) occurring no later than March 31 of the following year. For the year 2037, the Minimum Contribution shall be paid monthly with the last installment paid by no later than the Plan Implementation Date anniversary date. The allocation of contributions among the Stelco Plans shall be determined by the Superintendent and set out in the New Regulation (as defined below).

- 5. The Pension Free Cash Flow Contributions (including, for greater certainty the obligation to pay the Minimum Contribution) shall be an unsecured contractual obligation of the Corporation ranking equally with other unsecured obligations of the Corporation.
- 6. The maximum total contribution of the Corporation to the Stelco Plans shall be \$400 million (the “**Maximum Contribution**”) which, for greater certainty, does not include the Upfront Payment or the Carried Interest (defined below). The Corporation shall have no further obligation to make contributions to the Stelco Plans once it has made the Maximum Contribution. For greater certainty, the Corporation shall not be liable for any deficit in the Stelco Plans existing as of the Plan Implementation Date or thereafter and shall be exempt from any deficit funding obligations under Section 75 of the *Pension Benefits Act* (Ontario).

### **Bedrock Guarantee**

- 7. Bedrock shall guarantee the Minimum Contribution as follows:
  - (a) in respect of 2017, a minimum contribution by the Corporation equal to the pro-rated portion of \$10 million based on the number of completed months between the Plan Implementation Date and December 31, 2017;
  - (b) in respect of each of the four years commencing January 1, 2018, a minimum contribution by the Corporation of \$10 million;
  - (c) in respect of each of the 15 years commencing January 1, 2022, a minimum contribution by the Corporation of \$15 million; and

(d) in respect of 2037, a minimum contribution by the Corporation of \$10 million less the amount in paragraph 7(a).

(the “**Bedrock Guarantee**”). However, subject to section 8 hereof, the maximum amount of contributions guaranteed is \$160 million (the “**Guaranteed Amount**”).

8. The Guaranteed Amount shall be reduced on a dollar for dollar basis by any:
  - (a) payment by the Corporation of an amount in excess of the Minimum Contribution payable in any year;
  - (b) payment by Bedrock under the Bedrock Guarantee;
  - (c) any payment by the Corporation made after the aggregate amount paid to the Stelco Plans exceeds \$140 million (excluding the Upfront Payment); and
  - (d) Advance Pension Payment.
9. The Bedrock Guarantee shall be an unsecured contractual obligation of Bedrock ranking equally with other unsecured obligations of Bedrock. The capital structure of Bedrock shall be satisfactory to the Province as at the Plan Implementation Date.
10. The Bedrock Guarantee shall be discharged on the earlier of:
  - (a) the payment by the Corporation and/or Bedrock of \$300 million; and
  - (b) the date on which the Guaranteed Amount has been reduced to zero.

For greater certainty, the Bedrock Guarantee shall remain in full force and effect notwithstanding any change of control of the Corporation unless the new controlling party has assumed the Bedrock Guarantee with the consent of the Province, such consent to be in the sole discretion of the Province but shall not be unreasonably withheld or delayed.

### **Carried Interest**

11. On the Plan Implementation Date, Bedrock, the Corporation and the Province shall enter into a carried interest agreement (the “**Carried Interest Agreement**”) with a trust to be established for the benefit of the Stelco Plans (the “**Pension Trust**”). The terms of the Pension Trust shall be determined by the Province. The Carried Interest Agreement shall provide that the Pension Trust will receive 10% of all profits earned by Bedrock (or its investors, funds or affiliates without duplication) arising from the Corporation (the “**Carried Interest**”). Without limiting the generality of the foregoing, Carried Interest payments shall be made to the Pension Trust with respect to 10% of each distribution made by the Corporation to Bedrock (or its investors, funds or affiliates without duplication) to the extent such distributions exceed Bedrock’s equity investment in the Corporation and 10% of all profits realized by Bedrock (or its investors, funds or affiliates without duplication) from the sale of its interests in the Corporation to a third



party. In the event that Bedrock has not disposed of its entire interest in the Corporation to a third party by the date that is 10 years from the Plan Implementation Date, the Pension Trust shall be entitled at any time after such date to sell its entitlement to the Carried Interest and assign the Carried Interest Agreement to a third party (the “**Third Party**”), subject to the consent of Bedrock, which shall not be unreasonably withheld or delayed. The Plan Sponsor and the Corporation shall provide all reasonable assistance as may be requested by the Pension Trust in respect thereof, including without limitation, after signing of a reasonable and market standard confidentiality and non-disclosure agreement, the provision of relevant due diligence materials and access to Bedrock and the Corporation personnel and management. The Third Party shall have all the rights of the Pension Trust with respect to the sale of the Carried Interest, as will any party to which it sells the Carried Interest.

### **Stelco Plans**

12. The governance structure in respect of the Stelco Plans shall be satisfactory to both Bedrock and the Province and shall include one or more advisory committees for the Stelco Plans. It is acknowledged and understood that (a) the Corporation shall not be liable for any deficit in the Stelco Plans existing as of the Plan Implementation Date or thereafter, (b) it is the intent of Bedrock that any deficit for service accrued to the Plan Implementation Date in the Stelco Plans existing as of the Plan Implementation Date or thereafter will not be recorded as a liability on the balance sheet of the Corporation and (c) the obligations of the Corporation set forth in paragraph 4 hereof are continuing obligations of the Corporation and may be recorded as a liability on the balance sheet of the Corporation.
13. For greater certainty, the Pension Benefits Guarantee Fund shall continue to apply to the Stelco Plans. The Superintendent may cause the Stelco Plans to be wound up at any time, in his discretion. Paragraphs 4 through 11 hereof shall continue to apply to the Stelco Plans in wind up.

### **New Regulation**

14. The Minister of Finance will recommend to the Lieutenant Governor-in-Council that a new regulation be made the purpose of which shall be to implement the arrangements agreed to herein with respect to the Stelco Plans, if all conditions are satisfied (the “**New Regulation**”).

## **EXHIBIT A**

### **Stelco Plans**

1. U.S. Steel Canada Inc. Retirement Plan for USW Local 8782 Members at Lake Erie Works, FSCO Registration No. 069876.
2. U. S. Steel Canada Inc. Retirement Plan for Salaried Employees at Lake Erie Works, FSCO Registration No. 0698753.
3. U. S. Steel Canada Inc. Retirement Plan for USW Local 1005 Members at Hamilton Works, FSCO Registration No. 0354878.
4. U.S. Steel Canada Inc. Retirement Plan for Salaried Employees at Hamilton Works, FSCO Registration No. 0338509.
5. U.S. Steel Canada Inc. Retirement Plan for Employees at the Pickle Line Department of Lake Erie Works, FSCO Registration No. 1206457.

## SCHEDULE G TAX TERM SHEET

Capitalized terms used herein and not otherwise defined shall have the meaning in the CCAA Acquisition and Plan Sponsor Agreement to which this Tax Term Sheet is attached.

References to the “Corporation” in this Tax Term Sheet include the Corporation as restructured by the Transaction, where applicable, at which time it will be an indirect subsidiary of the Plan Sponsor.

The following describes the proposed high level terms for an agreement (the “**Tax Savings Agreement**”) in respect of the arrangements concerning the treatment of the accumulated tax losses, undepreciated capital cost and other beneficial tax attributes (and all of the foregoing types of tax attributes shall be estimated immediately following the conclusion of the Transaction and confirmed by the Corporation within a reasonable period of time thereafter) (“**Tax Attributes**”) of the Corporation in connection with the Transaction.

Unless otherwise specified, all dollars referred to herein are Canadian dollars.

1. Following implementation of the CCAA Plan, the Corporation shall have the right to derive tax savings through application of 50% of the Tax Attributes to future taxable earnings of the Corporation (“**Tax Savings**”). The remaining 50% of the Tax Attributes shall be irrevocably cancelled (the “**Cancelled Tax Attributes**”), and the cancellation of the Cancelled Tax Attributes will be implemented by way of an agreement of the Corporation not to claim the benefit of the Cancelled Tax Attributes. The Corporation will agree with the Province to take no steps or actions to apply or to seek to derive any benefit from the Cancelled Tax Attributes.
2. The Corporation shall make an annual cash payment equal to 33.5% of all Tax Savings actually realized in the most recently completed tax year (the “**Tax Savings Payment**”) to be allocated in the following manner:
  - (a) 50% of the Tax Savings Payment shall be paid to the OPEB Entities (as defined in the OPEB Term Sheet); and
  - (b) 50% of the Tax Savings Payment shall be paid to the Stelco Plans (as defined in the Pension Term Sheet) (and allocated in such amounts as shall be directed by the Superintendent in his sole discretion).
3. The Tax Savings in any given tax year shall be calculated as follows: (i) the amount of Tax Attributes used, applied, deducted or claimed in that tax year as recorded on the T2 – Corporate Tax Return of the Corporation that is filed by the Corporation for the respective tax year, subject to the terms of the Tax Savings Agreement, multiplied by (ii) Corporation’s combined Canadian statutory tax rate for that year, provided that in the event there is a Notice of Re-Assessment issued or the T2 Corporate Tax Return is otherwise amended with the result that the amount of Tax Attributes recorded on the T2 Corporate Tax Return as initially filed by the Corporation is revised, the Tax Savings shall be re-calculated using the amount of Tax Attributes used in the Notice of Re-

Assessment or the amended T2 Corporate Tax Return, subject to the terms of the Tax Savings Agreement.

4. In respect of each tax year, the Corporation shall deliver an officer's certificate (the "**Officer's Certificate**") setting out the calculation of the Tax Savings Payment in accordance with the Tax Savings Agreement following receipt of a Notice of Assessment in respect of that tax year. The Corporation shall make its annual Tax Savings Payment for a given tax year within thirty days of the delivery of the Officer's Certificate. In the event there is a Notice of Re-Assessment issued or the T2 Corporate Tax Return is otherwise amended with the result that the amount of Tax Attributes recorded on the T2 Corporate Tax Return as initially filed by the Corporation is revised, the Tax Savings Payment shall be re-calculated using the amount of Tax Attributes used in the Notice of Re-Assessment or the amended T2 Corporate Tax Return, subject to the terms of the Tax Savings Agreement.
5. For greater certainty, it is acknowledged and understood that the use of the Tax Attributes as contemplated in this term sheet are not conditions to the completion of the Transaction.

**SCHEDULE H  
USS SECURED CLAIMS**

Claim Category	Principal Amount	Accrued Interest			Cumulative balance as at March 31, 2017 (Principal Amount plus Accrued Interest)	Per Diem From April 1 - April 30, 2017	Per Diem From May 1 - September 30 2017
		Pre-filing Accrued Interest	Post-filing interest to December 31, 2016	Post-filing interest January 1 to March 31, 2017			
Loan Under the Third Amended and Restated Loan Agreement	\$71,000,000	\$1,938,390	\$5,768,158	\$655,268	<b>\$79,361,816</b>	\$7,281	\$7,403
Cliffs Iron Ore Transaction	\$14,538,463	N/A	\$425,121	\$45,712	<b>\$15,009,296</b>	\$508	\$508
LRD Trade Claim	\$31,252,193	N/A	\$931,658	\$100,178	<b>\$32,284,029</b>	\$1,113	\$1,113
<b>Total</b>	<b>\$116,790,656</b>	<b>\$1,938,390</b>	<b>\$7,124,937</b>	<b>\$801,158</b>	<b>\$126,655,141</b>	<b>\$8,902</b>	<b>\$9,024</b>

\*All amounts in USD as at February 3, 2017

## Schedule I

### USS Indemnity Release Conditions

1. The Corporation will have provided an indemnity in favour of each of the individuals or their estate, as the case may be (the “**USS Contractually Indemnified Individuals**”) who are or were directors and/or officers of the Corporation and who have the benefit of a contractual indemnity granted by USS as of the Filing Date (the “**Existing USS Indemnities**”), effective from and after the Effective Date, on substantially the same terms as the Existing USS Indemnities to the extent permitted by Applicable Law.
2. The Plan Sponsor will have arranged for one or more other parties acceptable to the USS Contractually Indemnified Individuals in their discretion (having regard to, among other things, creditworthiness) to have provided indemnities in favour of the USS Contractually Indemnified Individuals, effective from and after the Effective Date, on substantially the same terms as the Existing USS Indemnities or other terms acceptable to the USS Contractually Indemnified Individuals.
3. Arrangements satisfactory to the Corporation and the USS Contractually Indemnified Individuals will have been made for the continuation of insurance coverage for the Directors and employees of the Corporation under existing insurance policies maintained by or on behalf of the Corporation and its Affiliates (and any renewals thereof).

## Schedule J

### GLOBAL FULL AND FINAL MUTUAL RELEASE

**THIS GLOBAL FULL AND FINAL RELEASE (the “Release”)** is made as of **►**, 2017

**BETWEEN:**

**UNITED STATES STEEL CORPORATION, and its Affiliates** (excluding Stelco, as defined below) (collectively, the “USS Group”)

OF THE FIRST PART,

- and -

**U.S. STEEL CANADA INC., together with its subsidiaries, U.S. STEEL TUBULAR PRODUCTS CANADA GP INC., U.S. STEEL TUBULAR PRODUCTS CANADA LIMITED PARTNERSHIP, THE STELCO PLATE COMPANY LTD., THE STEEL COMPANY OF CANADA, LIMITED and 4347226 CANADA INC.** (collectively, “Stelco”)

OF THE SECOND PART,

- and -

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE, and all of its ministries, agencies, commissions and other entities and funds including the Superintendent of Financial Services** (collectively, the “Province”)

OF THE THIRD PART,

- and -

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF THE ENVIRONMENT AND CLIMATE CHANGE** (the “MOECC”)

OF THE FOURTH PART,

- and -

**UNITED STATES STEEL AND CARNEGIE PENSION FUND (“USSCPF”)**

OF THE FIFTH PART,

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ALLIED INDUSTRIAL AND SERVICE WORKERS  
INTERNATIONAL UNION (“USW International”)**

OF THE SIXTH PART,

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ALLIED INDUSTRIAL AND SERVICE WORKERS  
NATIONAL UNION (“USW National”)**

OF THE SEVENTH PART,

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ALLIED INDUSTRIAL AND SERVICE WORKERS  
LOCAL 8782 (“8782”)**

OF THE EIGHTH PART,

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ALLIED INDUSTRIAL AND SERVICE WORKERS  
LOCAL 8782(b) (“8782(b)”)**

OF THE NINTH PART,

- and -

**UNITED STEEL, PAPER AND FORESTRY, RUBBER,  
MANUFACTURING, ALLIED INDUSTRIAL AND SERVICE WORKERS  
LOCAL 1005 (“1005” and collectively with USW International, USW  
National, 8782 and 8782(b) the “USW”)**

OF THE TENTH PART



- and -

**NON-USW ACTIVE AND RETIREE BENEFICIARIES** (as that term is defined in the Order dated October 8, 2014 (as amended and restated, the “Representative Counsel Order”), excluding **Opt-Out Individuals** (as defined in the Representative Counsel Order) as represented by their court-appointed counsel, Koskie Minsky LLP (the “Non-USW Group”)

OF THE ELEVENTH PART,

- and -

**ROBERT J. MILBOURNE, an Opt-Out Individual**

OF THE TWELFTH PART,

- and -

**SHARON P. MILBOURNE, an Opt-Out Individual**

OF THE THIRTEENTH PART,

- and -

**RENALD TURGEON, an Opt-Out Individual**

OF THE FOURTEENTH PART,

- and -

**GERALD EHRMAN, an Opt-Out Individual**

OF THE FIFTEENTH PART,

- and -

**ESTATE OF ANN PASE, the estate of an Opt-Out Individual**

OF THE SIXTEENTH PART,

- and -

**THE ESTATE OF RICHARD E. NEWSTED**

OF THE SEVENTEENTH PART,

- and -

**CHARLES H. CREMENS**

OF THE EIGHTEENTH PART,

- and -

**MICHAEL A. MCQUADE**

OF THE NINETEENTH PART,

- and -

**THOMAS H. FERNS**

OF THE TWENTIETH PART,

(collectively, the “**Parties**” and individually as a “**Party**”)

**WHEREAS:**

- A. On September 16, 2014, Stelco obtained an initial order (as amended and restated from time to time, the “**Initial Order**”) pursuant to the *Companies Creditors’ Arrangement Act* (the “**CCAA**”) among other things, granting a stay of proceedings and appointing Ernst & Young Inc. as monitor (the “**Monitor**”);
- B. Stelco, under the supervision of the Monitor and the CCAA court, with the assistance of Stelco’s financial advisor, Rothschild Inc. (the “**Financial Advisor**”) and with significant involvement from key stakeholders, conducted extensive sales and marketing efforts within the CCAA proceedings, including the Sale and Restructuring/Recapitalization Process (“**SARP**”) and the Sale and Investment Solicitation Process (“**SISP**”);
- C. By the end of July 2016, the proposal from Bedrock Industries Group LLC (“**Bedrock**”) emerged as the most promising bid in the SISP process and was designated as a Qualified Bid (as defined in the SISP);
- D. On September 21, 2016, the Province announced that it had signed a memorandum of understanding with Bedrock to help facilitate a restructuring of Stelco. On November 1, 2016, USS announced that it had signed an indicative term sheet with Bedrock (“**USS/Bedrock ITS**”) that, among other things, contemplated the provision of mutual releases among key stakeholders;

- E. On December 15, 2016, Stelco obtained an order, among other things, declaring Bedrock to be the successful bidder in the SISP and authorizing Stelco to enter into a Plan Sponsor Agreement with Bedrock and a Support Agreement with the Province;
- F. Stelco, Bedrock and the Stakeholders engaged in extensive discussions and negotiations regarding a form of plan of compromise, arrangement and reorganization that would be acceptable to the Released Stakeholder Parties;
- G. On March 15, 2017, Stelco obtained an order, among other things, accepting the filing of a Plan of Compromise, Arrangement and Reorganization (as amended or amended and restated from time to time in accordance with its terms, the “**Plan**”) with the Court and authorizing and directing Stelco to call, hold and conduct meetings of its creditors to vote on the Plan;
- H. The Plan contemplates the acquisition, directly or indirectly, of Stelco by Bedrock (the “**Bedrock Transaction**”);
- I. The Plan provides for the execution and delivery and the issuance by Court Order of a number of releases, including this contractual release, which is a condition of closing to the Bedrock Transaction;
- J. **[NTD: describe how the Plan was ratified by the USW and approved by the Non-USW Group];** and
- K. The Plan was sanctioned by the Court pursuant to the Order of Mr. Justice Wilton-Siegel dated ►, 2017.

**NOW THEREFORE** in consideration of the various obligations and undertakings contained in the Plan and the Stakeholder Agreements and the completion of the Bedrock Transaction and implementation of the Plan contemplated thereby and for good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby agree as follows:

- 1. All terms not otherwise defined herein have the meanings ascribed to them in the Plan.

#### **GENERAL MUTUAL RELEASE**

- 2. (a) Save and except for the exclusions described herein, each of the Parties, on behalf of itself and its or their respective current and former Affiliates, and the respective officers, directors, employees, clients, shareholders, partners (including limited or general), members, consultants, legal counsel, actuaries and administrators, representatives, advisors, agents, successors and assigns (collectively, “**Representatives**”) of such Party and its current and former Affiliates, as applicable (collectively, the “**Releasors**”), hereby remises, releases and forever discharges each of the other Parties hereto and the Monitor, and their respective current and former Affiliates, and the respective Representatives of such other Parties and the Monitor and their current and former Affiliates, as applicable (collectively, the “**Releasees**”), in each case as applicable, of and from all actions, causes of actions, demands, rights or claims for damages, indemnity, interest, costs and loss or

injury of every nature and kind howsoever arising, including but not limited to by statute or common law, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty or breach of a standard of care), by reason of any fraud (actual or constructive) or by reason of any ownership of, management of, control of or title to property or assets (or rights in respect thereof) or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) and, whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, surety, insurance deductible or otherwise, and whether or not such right is executory or anticipatory in nature including the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, which each of the Releasors now has or hereafter can, shall or may have for, or by reason of, or in any way arising out of, any cause, matter or thing whatsoever existing up to the Effective Time and that relate in any manner whatsoever to Stelco or any of its assets (current or historical), obligations, business or affairs or any pension or retirement plans sponsored or administered by Stelco or the assets related thereto or the CCAA Proceedings or the USS Group's ownership, management, operation or control of Stelco (individually, a "**Claim**" and collectively, "**Claims**"), including, without limitation, any Claims made or alleged or that could be made or alleged by any of the Releasors.

(b) Each Party understands that it may later discover Claims or facts that may be different from, or in addition to, those that it or any other Party now knows or believes to exist regarding the subject matter of the release contained in this Section 2, and which, if known at the time of signing this Release, may have materially affected this Release and such Party's decision to enter into it and grant the release contained in this Section 2. Nevertheless, the Parties intend to fully, finally and forever settle and release all Claims that now exist, may exist, or previously existed, as set out in the release contained in this Section 2, whether known or unknown, foreseen or unforeseen, or suspected or unsuspected, and the release given herein is and will remain in effect as a complete release, notwithstanding the discovery or existence of such additional or different facts. The Releasors hereby waive any right or Claim that might arise as a result of such different or additional Claims or facts.

(c) For greater certainty, all Releasors hereby release and waive any rights they may have to seek equitable subordination in respect of any Claims of any of the Releasees as against Stelco.

(d) For greater certainty, the release of Claims as against Stelco, the USS Group, USSCPF and their respective current and former Affiliates, and the respective Representatives of such Parties and their current and former Affiliates, includes all Claims, including but not limited to Claims for or related to: (a) environmental conditions, matters or liabilities, whenever determined, realized or incurred; (b) retirement or pension or post-employment benefit liabilities, whenever determined, realized or incurred; (c) the management, investment and administration of the Main

Pension Plans, Non-Main Pension Plans, any non-USW supplemental pension plans, group registered retirement savings plans, retirement benefits contracts funded pursuant to retirement compensation arrangement trusts, non-registered unfunded retirement benefit contracts and retirement allowance arrangements; and (d) alleged oppression, misrepresentation, wrongful conduct, fraud, breach of fiduciary duty or standard of care by the USS Group, USSCPF, Stelco or any of their respective current and former Affiliates and their respective Representatives.

(e) For greater certainty, the release of Claims by each Releasor includes all D&O Claims.

### **CCAA PLAN AND STAKEHOLDER AGREEMENT EXCLUSIONS**

3. Notwithstanding anything else contained herein, the Release will not release a Party from:
  - (a) any obligation it has in favour of another Party pursuant to a Stakeholder Agreement to which both are parties, or any claims related thereto; or
  - (b) any obligation it has in favour of another Party under indemnities or agreements, or arrangements in connection therewith, in satisfaction of the USS Indemnity Release Conditions, or any claims related thereto.

### **USS EXCLUSIONS**

4. Notwithstanding anything else contained herein, the Release shall not release the USS Group from any Claims by Stelco relating to (a) obligations under the agreements listed in **Schedule "A"** hereto; and (b) amounts owing for goods or services supplied to the USS Group by Stelco up to the Effective Time, as listed in **Schedule "B"** hereto.

### **USW EXCLUSIONS**

5. Notwithstanding anything else contained herein, the Release shall not release the USW from: (a) any Claims relating to the HW Local 1005 CBA Amendment, the LEW Local 8782 CBA Amendment or the LEW Local 8782(b) CBA Amendment; or (b) any Claims in respect of those agreements listed in **Schedule "C"** hereto.

### **STELCO EXCLUSIONS**

6. Notwithstanding anything else contained herein, the Release shall not release Stelco from any Claims relating to:
  - (a) the right to enforce against Stelco its obligations under the Plan;
  - (b) the right to enforce the Unaffected Claims against Stelco, except for the existing pension and OPEBs claims for 8782, 8782b, and 1005 which, for greater certainty, are to be addressed in the manner set out in Section 4.2(d) of the Plan and the CBA Amendments;

- (c) any Claim against Stelco for the supply of goods or services delivered after the Filing Date and up to the Effective Time;
- (d) any investigation, action, suit, order or proceeding by or before a regulatory body (as defined in the CCAA) unless specifically released by the MOECC under the Environmental Framework Agreement and the release from the MOECC provided separately from this Release or such investigation, action, suit, order or proceeding constitutes a “claim” within the meaning of the CCAA. Further and for greater certainty, this Release solely as it relates to Stelco is subject to the provisions of the Environmental Framework Agreement;
- (e) the right to enforce against Stelco, any agreement in force at the Effective Time that was entered into with Stelco between the Filing Date and the Effective Time, including, but not limited to any indemnity in favour of an individual or their estate who are or were a director and/or an officer of Stelco (but, for greater certainty, this exclusion does not apply to the USS Group); and
- (f) the right to enforce against Stelco any agreement entered into prior to the Effective Date which is not terminated by the Plan or otherwise during the CCAA Proceeding.

#### **RELEASE BINDING AGAINST USW AND NON-USW GROUP**

- 7. This Release shall become contractually binding on the USW and every current member and former member including retirees (and each of their surviving spouses and beneficiaries) of each of 8782, 8782(b) and 1005 upon ratification of each CBA Amendment for 8782, 8782(b) and 1005.
- 8. This Release shall become contractually binding on the Non-USW Group upon execution of this Release by the Court appointed Representative as authorized and directed by the Order of Mr. Justice Wilton-Siegel dated April [25], 2017 and pursuant to the terms of the Non-USW Settlement Agreement dated [April ►, 2017].

#### **CLAIMS AGAINST PARTIES WITH CONTRIBUTION OR INDEMNITY RIGHTS**

- 9. Each of the Releasers acknowledges and agrees to not make or continue any Claims or proceedings against any other person, entity, agency or corporation, in any manner or forum, who may claim contribution or indemnity in common law or in equity or under the provisions of any statute, regulation or otherwise, including the *Negligence Act* (Ontario) and the amendments thereto, against any of the Releasees with respect to the subject matter hereof. In the event that any such Claims or proceedings are brought, this Release may be pleaded as a complete defence and reply by the Releasees, and may be relied upon in any proceeding to dismiss the Claims or proceedings on a summary basis as against any of the Releasees. The Releasers, for the same consideration, further covenant and agree not to join, assist or act in concert in any manner whatsoever with any person, firm or corporation in the making of any Claim or demand in the bringing of any proceeding or action in any manner whatsoever against any of the Releasees arising out of or in relation to the matters herein remised, released and discharged. Notwithstanding

the foregoing, the Ministry of the Environment and Climate Change shall not be precluded from pursuing any investigation, action, suit, order, or proceeding, as a regulatory body or before a regulatory body (as defined in the CCAA), in respect of any person, entity, agency or corporation other than any Releasee, in any manner or forum, who may claim contribution or indemnity in common law or in equity or under the provisions of any statute or regulation against any Releasee.

## **REPRESENTATIONS AND WARRANTIES**

10. Each of the Parties represents and warrants to the other Parties that: (a) if applicable, it is duly organized, validly existing and in good standing under the laws of the jurisdiction in which, in the case of corporations, it was incorporated; (b) it is duly authorized to enter into this Release and perform any actions described in this Release; (c) the execution, delivery and performance of this Release by such Party requires no further consents or approvals of any third party nor violates any law or regulation binding upon such Party; (d) this Release constitutes the legal, valid and binding obligation of such Party, its affiliates or the individuals such Party represents, enforceable against such Party in accordance with its terms; and (e) it (i) knows of no Claims against any of the Releasees that are not covered by the release contained in Section 2 and (ii) has neither assigned nor transferred any of the Claims released herein to any person or entity and no person or entity has subrogated to or has any interest or rights in any Claims.

## **GENERAL**

11. This Release shall become effective as of the Effective Time.
12. Each of the Parties hereto consents to the releases in the Sanction Order. This Release is in addition to, and without limitation to, the releases in the Plan, the Stakeholder Agreements, the Sanction Order and any other Order in the CCAA Proceedings.
13. Each of the Parties hereto hereby warrants and confirms that it has executed this Release voluntarily, without any duress or undue influence on the part of any person, firm or corporation, and that it has been advised by counsel of its choice with respect to the terms of this Release, the consequences of same, and the legal effects thereof.
14. In the event any action shall be commenced by a Releasee to enforce this Release, the prevailing party in such action (as determined by a court in the Province of Ontario) shall be entitled to such reasonable legal fees, costs and expenses as may be fixed by the decision maker, including, but not limited to, reasonable legal fees, expenses and costs of investigation incurred in: (a) appellate proceedings; (b) any post-judgment proceedings to collect or enforce the judgment; (c) establishing the right to indemnification or payment; and (d) any action or participation in, or in connection with, any case or proceeding under any bankruptcy, insolvency or other similar statute or laws.
15. If any provision of this Release or any part of any provision of this Release is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (i) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and

enforceable to the fullest possible extent, (ii) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (iii) such invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Release. Each provision of this Release is separable from every other provision of this Release, and each provision of this Release is separable from every other part of such provision.

16. This Release shall be governed by the laws of the Province of Ontario, without regard to conflicts of laws or choice of law principles, and the federal laws of Canada applicable therein. The courts of the Province of Ontario, and any appellate court thereof, shall have exclusive jurisdiction to adjudicate any dispute or claim arising out of or in connection with this Release. Each of the Parties hereby irrevocably and unconditionally submits to the jurisdiction of the courts in the Province of Ontario, in respect of any proceedings brought in connection with this Release. Each of the Parties acknowledges and agrees that the courts in the Province of Ontario, are the most appropriate and convenient courts to settle any such dispute in connection with this Release and agrees not to argue to the contrary, and waives any objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Release. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION BASED ON THIS RELEASE.
17. Except as expressly provided herein (and except for the Stakeholder Agreements and any other agreements referenced herein to the extent such agreements remain in effect), this Release sets forth the entire agreement of the Parties with respect to the subject matter hereof as of the Plan Implementation Date, and supersedes any prior written or oral agreement or arrangement, and all agreements, covenants, representations and warranties, express and implied, oral and written, of the Parties with regard to the subject matter of this Release are contained herein.
18. No modification of or amendment to this Release shall be valid unless in writing signed by the Parties hereto referring specifically to this Release and stating the Parties' intention to modify or amend the same. No waiver of any breach of or failure to comply with any of the terms of this Release shall be effective unless such waiver is made expressly in writing and executed and delivered by the Party against whom such waiver is claimed. No waiver of any breach or failure to comply with any of the terms of this Release shall be deemed to be a further or continuing waiver of such breach or failure to comply or a waiver of any other or subsequent breach or failure to comply. Except as otherwise expressly provided herein, no failure on the part of any Releasee to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Releasee preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.



19. This Release shall inure to the benefit of and will be binding upon each Releasee and Releasor and, in the case of any individuals, their heirs, administrators, executors and beneficiaries. The rights and obligations of the Releasors and Releasees under this Release are not assignable in whole or in part without the prior written consent of all other Parties hereto.
20. This Release is intended solely for the benefit of the Releasees, and except as otherwise expressly provided herein, is not intended to (and shall not) confer any benefit upon, or create any rights in favour of, any person other than the Releasees and, in the case of any individuals, their heirs, administrators, executors and beneficiaries.
21. The Parties to this Release agree to hold the benefit of the Release as trustee for their respective Representatives, as applicable.
22. This Release may be executed in any number of separate counterparts and delivered by facsimile or other method of electronic transmission, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute one and the same instrument.

*(Signature page to follow)*

**IN WITNESS WHEREOF** the parties hereto have executed this Release as of ►, 2017.

**UNITED STATES STEEL CORPORATION**

Per: \_\_\_\_\_  
Name: Colleen M. Darragh  
Title: VP & Controller

I have the authority to bind the Corporation.

**U.S. STEEL CANADA INC.**

Per: \_\_\_\_\_  
Name: William E. Aziz  
Title: CRO

I have the authority to bind the Corporation.

**U.S. STEEL TUBULAR PRODUCTS CANADA GP  
INC.**

Per: \_\_\_\_\_  
Name:  
Title:

I have the authority to bind the Corporation.

**U.S. STEEL TUBULAR PRODUCTS CANADA  
LIMITED PARTNERSHIP, by its general partner  
U.S. STEEL TUBULAR PRODUCTS CANADA GP  
INC.**

Per: \_\_\_\_\_  
Name:  
Title:

I have the authority to bind the Partnership.

**THE STELCO PLATE COMPANY LTD.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have the authority to bind the Corporation.

**THE STEEL COMPANY OF CANADA, LIMITED**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have the authority to bind the Corporation.

**4347226 CANADA INC.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have the authority to bind the Corporation.

**HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF ONTARIO, AS REPRESENTED  
BY THE MINISTER OF FINANCE on its behalf  
and on behalf of all of its ministries, agencies,  
commissions and other entities and funds including  
the Superintendent of Financial Services**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have the authority to bind the Crown.

**HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF ONTARIO AS REPRESENTED  
BY THE MINISTER OF THE ENVIRONMENT  
AND CLIMATE CHANGE**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have the authority to bind the Crown.

**UNITED STATES STEEL AND CARNEGIE  
PENSION FUND**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have the authority to bind the Corporation.

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

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have the authority to bind the Union.

**UNITED STEEL, PAPER AND FORESTRY,  
RUBBER, MANUFACTURING, ALLIED  
INDUSTRIAL AND SERVICE WORKERS  
NATIONAL UNION**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have the authority to bind the Union.

**UNITED STEEL, PAPER AND FORESTRY,  
RUBBER, MANUFACTURING, ALLIED  
INDUSTRIAL AND SERVICE WORKERS**

**LOCAL 8782**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the Union.

**UNITED STEEL, PAPER AND FORESTRY,  
RUBBER, MANUFACTURING, ALLIED  
INDUSTRIAL AND SERVICE WORKERS  
LOCAL 8782(b)**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the Union.

**UNITED STEEL, PAPER AND FORESTRY,  
RUBBER, MANUFACTURING, ALLIED  
INDUSTRIAL AND SERVICE WORKERS  
LOCAL 1005**

Per: \_\_\_\_\_  
Name:  
Title:

I have the authority to bind the Union.

**NON-USW GROUP, as represented by Koskie  
Minsky LLP**

Per: \_\_\_\_\_  
Name:  
Title:

I have the authority to bind this Group.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**ROBERT J. MILBOURNE**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**SHARON P. MILBOURNE**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**RENALD TURGEON**

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Witness

---

**GERALD EHRMAN**

---

Witness

---

**THE ESTATE OF ANN PASE**

---

Name:

---

Administrator of the Estate of Ann Pase

---

Witness

---

**THE ESTATE OF RICHARD E.  
NEWSTED**

---

Name:

---

Administrator of the Estate of Richard E.  
Newsted

---

Witness

---

**CHARLES H. CREMENS**

---

Witness

---

**MICHAEL A. MCQUADE**

---

Witness

---

**THOMAS H. FERNS**

**Schedule "A"**

**Excluded Contracts**



**Schedule "B"**

**Amounts owing by the USS Group to Stelco for good and services delivered prior to the Effective Time**

**Schedule "C"**

**USW/Stelco Agreements**

## EXHIBIT B

### AMENDED AND RESTATED ESTIMATED GENERAL UNSECURED CREDITOR CLAIMS POOL AND ILLUSTRATIVE RECOVERY TO THE GENERAL UNSECURED CREDITORS (“GUC”) UNDER THE AMENDED PLAN

#### Estimated General Unsecured Creditor Claims Pool and Illustrative Recovery to the General Unsecured Creditors (“GUC”) Under CCAA Plan

Estimated claim value (in \$ 000's)  
 (converted using September 16, 2014 (The Filing Date) foreign exchange rates US \$1 = CA \$1.099)  
 as at April 17, 2017

#### Adjustments to GUC Pool

The following table provides an estimate of adjustments to the distribution pool of the GUC Class (the “GUC Pool”) from what was presented in the original Information Circular:

Original estimated GUC Pool <sup>(1)</sup>  
 Add: Increase to GUC Pool related to PBGF Claim <sup>(2)</sup>  
 Less: Decrease to the GUC Pool as a result of the Non-USW Employee Claim Settlement <sup>(3)</sup>  
 Revised GUC Pool

Est. Distribution Pool
\$ 17,000
900
(2,500)
<b>\$ 15,400</b>

#### Estimated General Unsecured Creditor Claims

##### Estimate of the GUC Claims Pool per Exhibit E of the Information Circular:

<b>Filed GUC Claims <sup>(4)</sup></b>	
Province Note	A
Other General Claims Process Claims	B
<b>Estimated Non-USW Employee <sup>(5)</sup></b>	
Certain Non-USW Employee Claims	C
<b>Estimated Other Claims filed</b>	
Est. potential other claims	D
<b>Estimated Total Claims <sup>(6) (7)</sup></b>	<b>E = A + B + C + D</b>
<b>Estimated claims for distributions <sup>(8)</sup></b>	<b>F = B + C + D</b>

Number	Est. Claim Value
1	\$ 150,695
635	110,500
233	25,394
37	11,700
<b>906</b>	<b>298,289</b>
<b>905</b>	<b>\$ 147,594</b>
1	8,704
(233)	(25,394)
<b>673</b>	<b>\$ 130,904</b>
7	74
<b>680</b>	<b>\$ 130,978</b>

##### Est. adjustments to GUC Claims as a result of the motion dated April 18, 2017

Add: PBGF claim <sup>(2)</sup>	G
Less: Claims removed from GUC Claims as a result of the Non-USW Employee Claim Settlement <sup>(3)</sup>	H
<b>Revised estimated of GUC Claims receiving a distribution from the GUC Pool</b>	<b>I = F + G + H</b>

##### Additional Late filed Claims

Late claims filed after March 1, 2017 <sup>(9)</sup>	J
<b>Potential revised est. of GUC Claims receiving a distribution from the GUC Pool</b>	<b>K = I + J</b>

#### Revised Illustrative Distribution to GUC Creditors

Revised estimated GUC Claims to receive a distribution from GUC Pool  
 Less: Estimated creditors who will submit an Election Notice <sup>(10) (11)</sup>  
 Add: Potential additional Late filed Claims  
 Remaining GUC distribution pool

Number	Est. Claim Value	Est. Distribution Pool <sup>(6)</sup>	Estimated Recovery %
	"M"	"N"	"O = N / M"
673	\$ 130,904	\$ 15,400	
(530)	(12,500)	(3,000)	
7	74	-	
<b>150</b>	<b>\$ 118,478</b>	<b>\$ 12,400</b>	<b>10.5%</b>

**Illustrative Distribution to GUC Class**

The following chart provides a comparison of the estimated distribution recovery percentage for the GUC Class as a set out in the original Information Circular and as now estimated based on the Amended CCAA Plan (if the Non-USW Settlement Agreement and the filing of the Amended CCAA Plan are approved by the Court) which illustrates that the percentage recovery for the GUC Class is not anticipated to significantly change.

	<u>Original Information Circular</u>				<u>Revised Information Circular</u>			
	<u>Number</u>	<u>Est. Claim Value</u>	<u>Est. Distribution Pool</u>	<u>Estimated Recovery %</u>	<u>Number</u>	<u>Est. Claim Value</u>	<u>Est. Distribution Pool</u>	<u>Estimated Recovery %</u>
	"M"	"N"	"O = N / M"		"M"	"N"	"O = N / M"	
Estimated claims for distribution	869	\$ 147,200	\$ 17,000		673	\$ 130,904	\$ 15,400	
Estimated creditors who will submit an Election Notice	(530)	(12,500)	(3,000)		(530)	(12,500)	(3,000)	
Add: Potential additional Late filed Claims	-	-	-		7	74	-	
<b>Remaining GUC distribution pool</b>	<b>339</b>	<b>\$ 134,700</b>	<b>\$ 14,000</b>	<b>10.4%</b>	<b>150</b>	<b>\$ 118,478</b>	<b>\$ 12,400</b>	<b>10.5%</b>

Note 1: The value of the original General Unsecured Creditor Pool was \$17 million.

Note 2: The Pension Benefits Guarantee Fund ("PBGF") in respect of its claim for unpaid PBGF assessments will be included as a General Unsecured Creditor entitled to a distribution from the General Unsecured Creditor Pool. The General Unsecured Creditor Pool will be increased by an additional \$900,000.

Note 3: As a result of a Non-USW Representative Settlement Agreement, certain Supplemental Pension and Employee Claimants will not be entitled to receive any distributions from the General Unsecured Creditors Pool under the Plan and will instead receive a pro rata share of a \$9 million fund (the "Settlement Amount") upon implementation of the Plan.

Note 4: Claim number and estimated claim value includes claims filed pursuant to the Claims Procedure Order including accepted and disputed or unresolved claims but excludes claims disallowed in their entirety and not disputed by the claimant, claims filed by USS, lien claims, employee and retiree claims and contingent claims or "placeholder" claims with no amount specified in the proof of claim. No provision has been made with respect to any adjustment to the claim pool as a result of Notices of Revision or Disallowances issued by the Monitor since the filing of the original Information Circular.

Note 5: Potential claim values for certain Non-USW Employee Claims that were (prior to the Non-USW Settlement Agreement) entitled to distributions from GUC Pool under the Plan are estimates based on USSC's books and records and the total number of claimants has been updated to reflect the number of notifications provided to individuals pursuant to the Supplementary Claims Process.

Note 6: Includes two contingent claims filed by the USW and the Province of Ontario, each with a proof of claim value "To be Determined". Therefore the proof of claim value for each of these claims is subject to change in the event that it is required to be determined.

Note 7: Total claim values include unresolved claims (including scheduled claims pursuant to the Supplement Claims Process) at various stages of resolution (unresolved and disputed claims) and are therefore subject to change.

Note 8: Under the CCAA Plan, the Province is waiving any entitlement to distributions from the GUC Pool in respect of the Province Note. Accordingly, the Province Note is not included in the estimated GUC Claims for distribution.

Note 9: Seven proofs of claim in respect of unsecured trade claims were filed after March 1, 2017, the date provided for under the Supplemental Claims Process Order in which claims filed after the original claims Bar Date would be deemed to be included as part of the Claims Process Order but prior to April 17, 2017 date provided for under the Amended Plan Order being sought by USSC. If the Order sought by USSC with respect to the Amended Plan is granted in the form requested, late claims filed on or before April 17, 2017 will be deemed to have been filed by the Claims Bar Date under the Claims Process Order and determined in accordance therewith.

Note 10: All GUC creditors with claims of less than \$7,500 entitled to distributions from the GUC Pool are automatically deemed to vote in favour of the Plan unless they file a proxy or ballot voting against the Plan. This illustrative recovery distribution analysis does not take into account any potential impact of Non-USW Employee claimants who may longer not elect to be a Convenience Class creditor as a result of the Non-USW Employee Settlement Agreement.

Note 11: The analysis also assumes creditors with a GUC claim value less than \$75,000 will file an Election Notice and elect to receive \$7,500 from the GUC Pool.

**The above Illustrative Recovery Estimate for General Unsecured Creditors ("GUCs") entitled to distributions from the GUC Pool is based upon claims filed against U.S. Steel Canada Inc. ("USSC") as at April 11, 2017 and estimated Non-USW Employee GUC claims as indicated in the notes above, taking into account the treatment of such claims under the CCAA Plan. Reference should be made to the assumptions in the notes above and the assumptions and conditions set out in the CCAA Plan and the Information Circular. Actual recoveries for GUCs under the CCAA Plan may be higher or lower than the above estimated recovery depending upon the final dollar value of GUC claims entitled to distributions from the GUC Pool and the other assumptions noted above.**