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United States Steel Corporation

# Notice of Annual Meeting of Stockholders and Proxy Statement

## 2008

**Tuesday, April 29, 2008**  
**10:00 a.m. Eastern Time**

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

*Please vote promptly either by:*

--> telephone,

--> the Internet, or

--> marking, signing and returning your proxy or voting instruction card.

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

**John P. Surma**  
Chairman of the  
Board of Directors  
and Chief Executive Officer

March 14, 2008

Dear Fellow U. S. Steel Stockholder,

We will hold the annual meeting of stockholders of United States Steel Corporation on the 33rd floor of the U. S. Steel Tower, 600 Grant Street, Pittsburgh, Pennsylvania 15219, on Tuesday, April 29, 2008, at 10:00 a.m. Eastern Time.

We will elect directors and an independent registered public accounting firm at the meeting. The Board of Directors has nominated four Class I directors for election this year. You can read about them, and about the other directors who will continue in office, on pages 17-22 of our proxy statement.

We hope you will vote either by telephone, over the Internet or by marking, signing and returning your proxy or voting instruction card as soon as possible, whether or not you plan to attend the meeting.

Sincerely,

A handwritten signature in black ink that reads "John P. Surma". The signature is written in a cursive style and is positioned above a horizontal line that spans the width of the page.



## Notice of Annual Meeting of Stockholders

on April 29, 2008

We will hold our 2008 annual meeting of stockholders on the 33rd floor of the U. S. Steel Tower, 600 Grant Street, Pittsburgh, Pennsylvania 15219 on Tuesday, April 29, 2008, at 10:00 a.m. Eastern Time, in order to:

- elect four Class I directors,
  - ~~elect an independent registered public accounting firm~~
-



If you hold your shares in "street name", please refer to the information forwarded by your bank, broker or other holder of record for procedures on revoking or changing your voting instructions.

**How many outstanding shares are there?**

At the close of business on February 29, 2008, which is the record date for the meeting, there were 117,784,100 shares of U. S. Steel common stock outstanding. Each share is entitled to one vote.

**How big a vote do the proposals need in order to be adopted?**

Directors are elected by a plurality of the votes of the shares present in person at the meeting or represented by proxy and entitled to vote; that is, those receiving the most votes are elected, even if they receive less than a majority of the votes present. The independent registered public accounting firm is elected by a majority of the votes of the shares present in person at the meeting or represented by proxy and entitled to vote. Abstentions are counted as votes present and entitled to vote and have the same effect as votes against a proposal. Broker non-votes are not counted as either votes for or votes against a proposal. Both abstentions and broker non-votes are counted in determining that a quorum is present for the election.

**What are broker non-votes?**

The New York Stock Exchange permits brokers to vote their customers' shares on routine matters when the brokers have not received voting instructions from their customers. The election of directors and the election of independent registered public accounting firms are examples of routine matters on which brokers may vote in this way. Brokers may not vote shares held in



**What is the deadline for a shareholder to submit an item of business or other proposal for consideration at the 2009 annual meeting?**

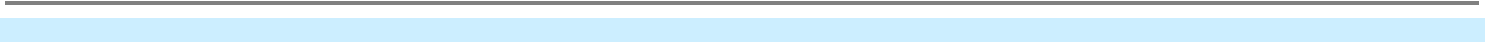
Our by-laws describe the procedures that must be followed in order for a stockholder of record to present an item of business at an annual meeting of stockholders. Shareholder proposals or other items of business for the 2009 annual meeting that are not intended to be included in the proxy statement must be received from stockholders of record on or after December 29, 2008 and no later than January 28, 2009 and must be accompanied by certain information about the stockholders making the proposals, in accordance with our by-laws.

**What is the deadline to nominate an individual for election as a director at the 2009 annual meeting?**

Our by-laws describe the procedures that must be used in order for someone nominated by a stockholder of record to be eligible for election as a director. To nominate an individual for election as a director at the 2009 annual meeting, notice must be received by the Secretary on or after December 29, 2008 and no later than January 28, 2009. The notice must contain certain information about the nominee, including his or her age, address, occupation and share ownership, as well as the name, address and share ownership of the stockholder giving the notice.







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- adopting and amending employee benefit plans and designating participants therein; and
- approving the retention and termination of any independent consulting firm to assist in the evaluation of CEO or executive compensation, and approving the consulting firm's fees and other retention terms, and evaluating the consulting firm's performance and independence.

The charter requires the Committee to perform an annual self-evaluation and to review its charter during its first meeting of each calendar year.

The charter requires that the Committee be comprised of at least three directors, each of whom is independent.

The Committee's processes for determining the amounts of compensation to pay its executives are provided below. Additional detail on the Committee's processes can be found in the " " section.

- The Committee meets at least three times a year (six times in 2007). Committee agendas are established in consultation among management, the Committee chair and the Committee's independent consultant. The Committee typically meets in executive session for at least a portion of each regular meeting. Generally, the CEO and the Vice President—Human Resources attend Committee meetings but are not present for the executive sessions.
- The Committee has retained Towers Perrin as its independent consultant to assist the Committee in evaluating executive compensation programs and in setting executive officers' compensation. The use of an independent consultant provides additional assurance that the Corporation's executive compensation programs are reasonable and consistent with the Corporation's objectives. The consultant reports directly to the Committee and does not perform services for management without the express approval of the Committee. The consultant regularly participates in Committee meetings, including executive sessions, and advises the Committee with respect to compensation trends and best practices, plan design, and the reasonableness of individual compensation awards.
- With respect to the CEO's compensation, the Committee makes its determinations based upon its evaluation of the CEO's performance and with input from its consultant. Each year, the Committee reviews the CEO's goals and objectives, and the evaluation of the CEO's performance with respect to the prior year's approved CEO goals and objectives, with the Board of Directors. The CEO does not participate in the presentations to, or discussions with, the Committee in connection with the setting of his compensation.
- With the oversight of the CEO and the Vice President—Human Resources, the Corporation's compensation group formulates recommendations on matters of compensation philosophy, plan design, and the specific compensation recommendations for other executive officers. The CEO gives the Committee a performance assessment and compensation recommendation for each of the other executives. These recommendations are then considered by the Committee with the assistance of its compensation consultant.

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#### Corporate Governance & Public Policy Committee

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

- identifying and evaluating nominees for director and selecting, or recommending that the Board select, the director nominees for the next annual meeting of shareholders;



## Compensation of Directors

Our by-laws provide that each non-employee director shall be paid allowances and attendance fees as the Board may from time to time determine. Directors who are employees of U. S. Steel receive no compensation for their service on the Board.

The objective of U. S. Steel's director compensation programs is to enable the Corporation to attract and retain as directors individuals of su

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Under our Non-Employee Director Stock Program, upon joining our Board, each non-employee director is eligible to getctramoooipto , uunde eutyppn j ock e r er oo rprigã each nir

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## Communications from Security Holders and Interested Parties

Security holders and interested parties may send communications through the Secretary of the Corporation to (1) the Board, (2) the Committee chairmen, (3) the president

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Patricia A. Tracey

Director since 2007



**Continuing Class II Directors**

Terms Expire 2009





**Seth E. Schofield** Director since 2001 Age 68  
Retired Chairman and Chief Executive Officer, USAir Group

Mr. Schofield graduated from the Harvard Business School Program for Management Development in 1975. He served in various corporate staff positions after joining in 1975. From 1990 to 1995, he served as Chairman and CEO of USAir Group. Mr. Schofield graduated in 1975 from the Harvard Business School Program for Management Development in 1975. He served in various corporate staff positions after joining in 1975. From 1990 to 1995, he served as Chairman and CEO of USAir Group. Mr. Schofield graduated in 1975 from the Harvard Business School Program for Management Development in 1975. He served in various corporate staff positions after joining in 1975. From 1990 to 1995, he served as Chairman and CEO of USAir Group.

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**Charles R. Lee** **Director since 2001** **Age 68**  
**Retired Chairman, Verizon Communications (telecommunications)**

Mr. Lee received a Bachelor's degree in metallurgical engineering from Cornell University and an MBA with distinction from the Harvard Graduate School of Business Administration.

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## Audit Committee Report

Our committee has reviewed and discussed U. S. Steel's audited financial statements for the year ended December 31, 2007 with U. S. Steel's management. We have discussed with the independent registered public accounting firm, PricewaterhouseCoopers LLP (PwC), the matters required to be discussed by Statements on Auditing Standards No. 61, as amended by Statements No. 89 and No. 90 (Communication with Audit Committees). We also discussed with U. S. Steel's management management's assessment of the effectiveness of U. S. Steel's internal control over financial reporting as of December 31, 2007 and PwC's opinion on the effectiveness of U. S. Steel's internal control over financial reporting as of December 31, 2007. We have received the written disclosures and the letter from PwC required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and we have discussed with PwC its independence. Based on the review and discussions referred to above, we recommended to the Board that the audited financial statements for U. S. Steel be included in U. S. Steel's Annual Report on Form 10-K for the year ended December 31, 2007 for filing with the Securities and Exchange Commission.

Jeffrey M. Lipton, Chairman  
John G. Drosdick  
Richard A. Gephardt

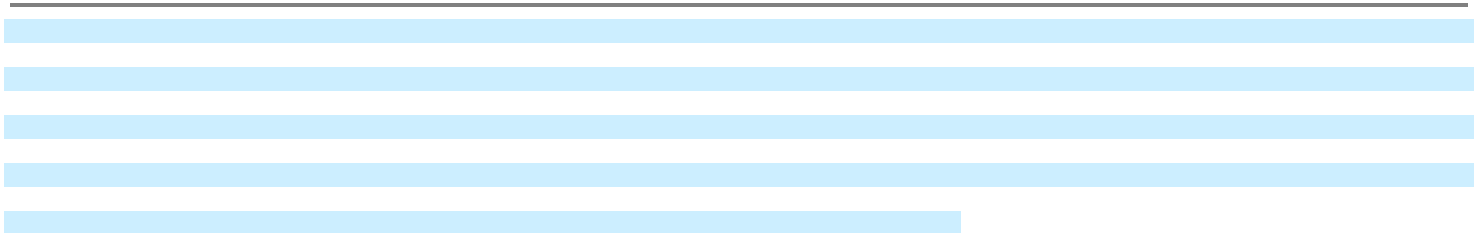
Charles R. Lee  
Glenda G. McNeal

## Security Ownership of Certain Beneficial Owners

The following table furnishes information concerning all persons known to U. S. Steel to beneficially own five percent or more of the voting stock of U. S. Steel:

Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
U. S. Steel Common Stock	Wellington Management Company, LLP 75 State Street Boston, Massachusetts 02109	9,781,741(1)	8.28(1)
U. S. Steel Common Stock	Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Offshore Manager, L.L.C., HMC Investors, L.L.C., Harbert Management Corporation, Philip Falcone, Raymond J. Harbert and Michael D. Luce (collectively "Harbert," filing as a group) One Riverchase Parkway South Birmingham, Alabama 35244	8,250,000(2)	7.00(2)
U. S. Steel Common Stock	Capital World Investors, a division of Capital Research and Management Company 333 South Hope Street Los Angeles, California 90071	6,930,000(3)	5.90(3)

- (1) Based on Schedule 13G dated February 14, 2008 which indicates that Wellington Management Company, LLP had sole voting power over no shares, shared voting power over 8,987,961 shares, sole dispositive power over no shares and shared dispositive power over 9,781,741 shares.
- (2) Based on Schedule 13G/A dated February 14, 2008, which indicates that Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Offshore Manager, L.L.C., HMC Investors, L.L.C., Harbert Management Corporation, Philip Falcone, Raymond J. Harbert and Michael D. Luce each had sole voting power over no shares, shared voting power over 8,250,000 shares, sole dispositive power over no shares and shared dispositive power over 8,250,000 shares.
- (3) Based on Schedule 13G dated February 11, 2008 which indicates that Capital World Investors had sole voting power over 700,000 shares, shared voting power over no shares, sole dispositive power over 6,930,000 shares and shared dispositive power over no shares.



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## Benchmarking

Determinations of levels for salary, short-term incentives and long-term incentives begin with a benchmarking process for each executive position against a group of approximately thirty peer companies recommended by the independent consultant and chosen by the Committee, usually in January of the award year (for a list of the 2007 peer companies, see the discussion under

). Peer companies are chosen from publicly traded industrial companies of similar size with the goal that the average of the group's annual revenues approximate our annual revenues. While the peer group is relatively stable from year to year, changes do occur when there is a change in a peer company's circumstances or when a company that better matches U. S. Steel's size and/or business is identified. The peer companies chosen each January for benchmarking are also used for purposes of comparing total shareholder return in connection with the performance awards granted each May (see "

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In addition to the market data, the Committee considers other factors prior to authorizing increases or decreases to any compensation component. These considerations include factors such as individual performance, the executive's experience at the position, the importance U. S. Steel assigns to that position and prior-year compensation adjustments. An assessment of these factors could result in actual compensation being positioned above or below the desired 50<sup>th</sup> percentile.

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evaluations are shared with the Committee for its use in determining executive compensation. These individual performance evaluations are subjective and, to the extent they are used in connection with determinations of long-term and short-term incentive compensation, they are used primarily for purposes of exercising negative discretion (downward discretion to reduce a calculated award otherwise payable). At times, individual performance for the prior year may impact the Committee's decisions in connection with salary awards and long-term incentive grants for the current year. The 2007 and 2006 individual performance measures are listed in the following table:

Performance Category	Individual Performance Measures
Strategic Planning	Specific Strategic Objectives
Results and Operations	Safety Results vs. Business Plan Management of Operations Internal, and Reporting Process, Controls
Leadership	Human Resource Planning Vision/Values Diversity
Communications	Shareholder Relations External Relations Board Relations

#### Tally Sheets and Compensation Assessments

The Committee evaluates the cumulative effect of executive compensation decisions via the periodic review of tally sheets that are updated throughout the year to reflect the impact of the Committee's compensation decisions. In addition to current compensation information, the tally sheets provide the Committee with information regarding the equity ownership, compensation mix, wealth accumulation and future retirement benefits of each named executive officer. Also, the tally sheets quantify the benefits the Corporation would be required to provide to each named executive officer under various termination scenarios.

The Committee's consultant prepares competitive assessments by position for each element of compensation at the time the Committee makes its compensation decisions. Additionally, the consultant annually prepares and reviews with the Committee a competitive assessment of the aggregate compensation for the prior year by position. This review is done against the prior year in order to be able to compare the peer group of companies' public disclosures and Towers Perrin's survey data with the Corporation's information. In 2007, the Committee determined that the compensation paid to the five named executive officers in 2007 had u0 e dee

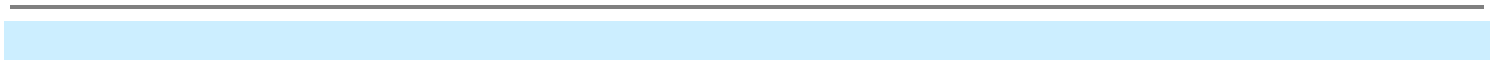
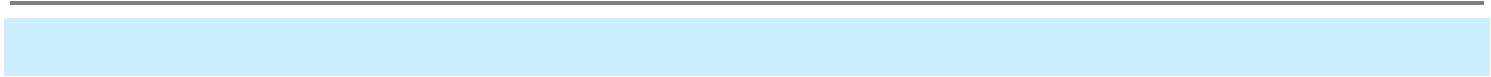
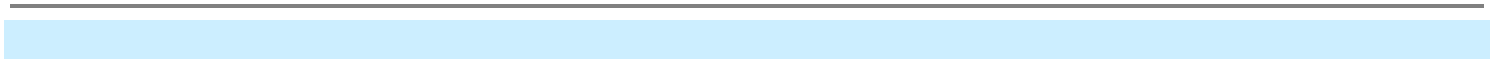


compensation and would consider reducing future awards were a similar event to occur. Also, we do not have a policy of increasing or reducing awards based upon the amounts realized from prior compensation awards. The Committee believes that the intended value of an award at grant date reflects both the upside and the downside potential

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based analyses provide scrutiny and an optimal balance to our goal-setting process and provide the Committee with adequate information on which to base its decisions.

The Committee determines the target award for each performance period using a benchmark analysis of comparative positions at the peer group of companies (see above). The target award is expressed as a percentage based on a calculation of the percent of salary each such comparative position was paid in the form of short-term incentive compensation. This percentage is applied to each executive's base salary to give the Committee the market-level short-term incentive compensation for that executive. In developing the target award, the Committee typically inc



(3) The column titled "Corporate Performance" presents the payout rate determined by the Corporation's performance against a number of performance measures (see the following table for the calculation of the 2007

Performance Measure	2007 Target Performance*	2007 Actual Performance	Target Payout Rate*	Actual Payout Rate
ROCE	<9.5% 9.5% 19.0% 28.5%	21.2%	0% 40% 80% 161%	91%
Shipment Tons (millions)	17.2 17.2 21.5 25.8	21.3	0% 10% 20% 40%	91%
Safety		Improvement		5%
Diversity		Improvement		5%
Corporate Performance Payout Rate			134%	

Corporate Performance Payout Rate).

\* Shaded numbers represent Target Performance at a 100 percent payout rate (80 percent for ROCE plus 20 percent for Shipment Tons).

\*\* Actual Payout Rates for ROCE and Shipment Tons are interpolated based on 2007 Actual Performances within the 2007 Target Performance ranges.

(4) The "Calculated Award" is the award that would be payable, absent the exercise of downward discretion by the Committee, given the Corporation's actual performance. The Calculated Award is equal to the Corporate Performance Payout Rate times the Individual Target Award.

Prior to the payment of the awards, the Committee certified in writing that the pre-established, applicable performance levels (see "2007 Actual Performance" in footnote (3), above) required under the 2005 Annual Incentive Compensation Plan were accomplished based on 2007 performance (for a more detailed discussion of the company performance measures and targets, see \_\_\_\_\_).

The use of short-term incentive awards as a portion of an executive's overall compensation fits the Committee's objective of linking pay to performance because it puts a portion of the executive's compensation at risk and subjects that portion to the achievement of the Corporation's short-term performance goals.

#### Long-Term Incentive Awards and Stock Ownership

The objectives of the Corporation's long-term incentive program are:

- to align a portion of an executive's compensation to growth in shareholder value,
- to provide each executive a means of accumulating shares, thereby fostering the ownership culture the Corporation desires, and
- to serve as a retention device for our executives.

The long-term incentive component represents the largest portion of the overall value of the compensation program for our executive officers (see "\_\_\_\_\_"). Our equity incentives are "at risk," meaning they are designed to increase or decrease in value based on the movement of our stock price.

Under the executive long-term incentive program, the Committee decided that the value of each executive's market-based long-term incentive opportunity should be distributed evenly among three equity incentive vehicles (service-vesting stock options, service-vesting restricted stock, and performance awards) in order to provide

a balanced program. The Committee believes these three long-term incentive vehicles best accomplish its objectives, as indicated in the following table:

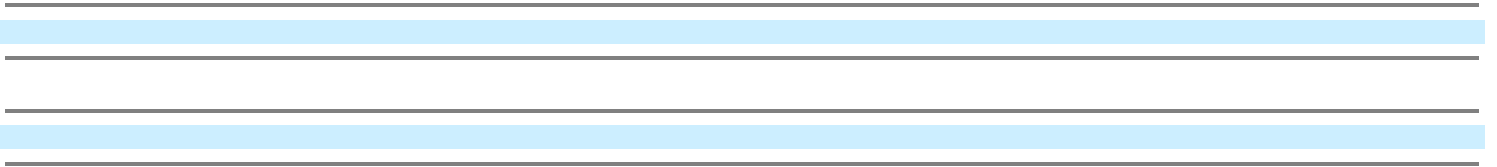
Plan Objectives	Stock Options	Restricted Stock	Performance Awards
Performance-based	X		X
Promote a long-term perspective to complement the short-term perspective of the short-term incentive program,	X	X	X
Promote an ownership culture by facilitating the accumulation and retention of shares,	X	X	X
Serve as an executive retention device for the Corporation,		X	
Consider the historically cyclical nature of our industry and provide some stability to our overall compensation program,		X	X
Cash efficient for the Corporation by emphasizing the use of stock, and	X	X	X
Tax efficient for the Corporation.	X		X

With the assistance of its independent compensation consultant, the Committee examines the long-term incentive practices of our peer group of companies to determine the 50<sup>th</sup> percentile long-term incentive opportunity for each executive position (see above). The independent consultant converts the value of the market long-term incentive opportunity into recommended award grants to each executive using a stock/option award valuation model. When developing his recommendations to the Committee, our CEO may at times apply discretion to suggest increases or decreases to the consultant's recommended grants based upon an evaluation of an executive's individual performance over the prior year. In recognition of the Corporation's strong 2006 performance, the Committee substantially approved the CEO's recommendations resulting in an aggregate increase in 2007 long-term incentive awards to named executive officers other than the CEO of \$518,000 on a grant date fair value basis. The Committee increased the grant date fair market value of the CEO's 2007 long-term incentive award by \$500,000 over the peer group market median value recognizing the Corporation's and its employees' performance in 2006. The Committee also approved the CEO's recommendation to increase the performance goals for 2007 based on the Corporation's and its employees' performance in 2006.

April 26, 2005. The date of grant is the date that the Committee approves the grant, which is customarily at its May 126, 2005.005.005.00



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A performance range and target are developed for each of the two main performance measures (ROCE and Shipment Tons) and a target award is established to correspond with the target performance. An executive's calculated award is increased or decreased from the target award based on actual performance above or below the target performance for each of the performance measures. The width of the performance range considers the cyclical nature of our industry and business. Subject to the Committee's downward discretion, a calculated award is earned for each performance measure once the "threshold" performance target has been achieved for that measure. Actual performance below threshold performance results in no payout for that particular measure. Actual performance must equal or exceed the "maximum" performance target to achieve a maximum award for that measure. Absent the Committee's application of downward discretion, actual performance between the threshold and target, or the target and maximum, results in an interpolated award for that performance measure. In 2007, the performance range for ROCE was 9.5 percent at threshold, 19 percent at target and 28.5 percent at maximum. The performance range for steel shipments was 17.2 million tons at threshold, 21.5 million tons at target and 25.8 million tons at maximum.

The short-term incentive compensation plan uses three additional performance measures, referred to as "citizenship" measures. The Committee believes that a responsible, well-functioning company must maintain certain citizenship standards and the Committee desires to reward behavior that promotes the increased safety of our workforce, the increased diversity of our workforce and the reduction of the Corporation's environmental emissions. These three citizenship measures are used as modifiers, each capable of increasing or decreasing an executive's calculated award by 5 percent of the target award.

Target performances for our citizenship measures are based on the prior year's performance with the safety performance measure requiring a specified improvement to reach the target performance. Meeting a citizenship measure's target performance does not change the executive's calculated award; however, failure to meet a citizenship measure's target performance produces a five percentage point reduction to an executive's calculated award and exceeding such target performance would yield a five percentage point increase to the calculated award.

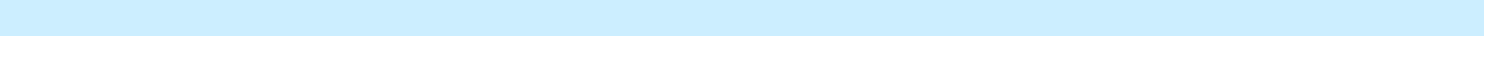
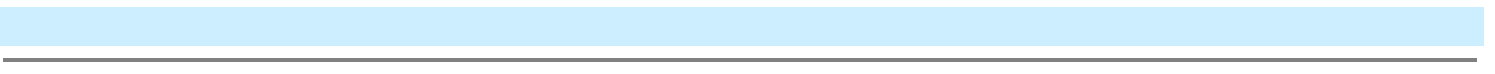
Short-term incentive awards are paid in cash and can range from 0 percent to 200 percent of an executive's target award based upon actual corporate performance under the two main performance measures. If performances for all three citizenship measures exceed the target performance objectives, an additional 15 percentage points can be earned, resulting in a maximum opportunity of 215 percent of an executive's target award. Failure to achieve target performances for all three citizenship measures would result in a maximum deduction, absent negative discretion, of 15 percent from the calculated award for the two main performance measures.

Pursuant to the Program's Administrative Regulations, the performance measures exclude the effects of acquisitions for the performance period in which the acquisition occurs unless such effect was contemplated in setting the targets at the beginning of the period. Accordingly, the effects related to the acquisitions of Lone Star Technologies, Inc. and Stelco Inc. were excluded from the calculation of 2007 performance e phidandudofdets ud

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**Discussion of the  
Grants of Plan-Based  
Awards Table**

Grant Date

~~Out~~ ~~company~~-based awards are considered for grant by the Compensation & Organization Committee ("the Committee") and, if approved, customarily are granted at the Committee's May meeting. (In 2007, the Committee made grants to a small number of employees in connection with new hirings and the Lone Star Technologies, Inc. and Stelco Inc. acquisitions.) Grants are not timed in any way with the release of material non-publicly. i Itth hmuaclef pulered rinnecteds awaactoy nted alepp.)nlease at th



the calculation of Total Shareholder Return effectively restates the return as an annual rate of return; that is, if the Total Shareholder Return for the three-year performance period was 45 percent, this calculation would state the Total Shareholder Return as an annual return rate of approximately 13 percent. The Committee believes a comparison of annual rates of return facilitates the ability to keep the rates of return in perspective.

Award payouts are determined based on the rank of our TSR compared to the TSRs of the companies in our designated peer group. No payouts are made if our TSR ranks below the 25<sup>th</sup> percentile; the payout is 50 percent of target (the threshold award) if our TSR rank is at the 25<sup>th</sup> percentile; the payout is 100 percent of target (the target award) if our TSR rank is at the 50<sup>th</sup> percentile; and the payout is 200 percent of target (the maximum award) if our TSR rank is at or above the 75<sup>th</sup> percentile. Interpolation is used to determine actual awards for performance between the threshold and target and target and maximum award levels.

For the 2007 performance award grants, our peer companies are:

AK Steel Holding Corporation  
Alcan Inc.  
ALCOA Inc.  
Caterpillar Inc.  
Deere & Company  
E. I. du Pont de Nemours and Company  
Eastman Chemical Company  
Eaton Corporation  
Hess Corporation  
Honeywell International, Inc.  
Ingersoll-Rand Company Limited  
International Paper Company  
Johnson Controls, Inc.  
Lear Corporation  
Masco Corporation

MeadWestvaco Corporation  
Navistar International Corporation  
Nucor Corporation  
PACCAR Inc.  
Parker Hannifin Corporation  
PPG Industries, Inc.  
Sunoco, Inc.  
Terex Corporation  
Textron Inc.  
The Goodyear Tire & Rubber Company  
The Timken Company  
Union Pacific Corporation  
Visteon Corporation  
Weyerhaeuser Company  
Whirlpool Corporation

Pursuant to the administrative regulations for the long-term incentive program, the performance award grants require the annual selection and approval by the Committee of a peer group for TSR comparison purposes. In January 2007, the Committee approved the 2007 performance award peer group with the following changes from the 2006 performance award peer group:

- Removal of the following three companies who were either acquired or filed for bankruptcy:

Dana Corporation,  
Georgia Pacific Corporation, and  
Phelps Dodge Corporation

- And the addition of the following three companies to replace those eliminated:

Honeywell International, Inc.,  
Parker-Hannifin Corporation, and  
Terex Corporation.

The Committee may not increase performance awards but retains discretion to reduce any and all award amounts to an amount below the amount that would be payable as a result of performances measured against the target performances.

#### Stock Awards: Number of Shares of Stock

Restricted stock grants were made on May 29, 2007 to all named executive officers. They are time-based awards and vest over a three-year period with 1/3rd of the granted shares vesting on May 29, 2008; an additional 1/3rd of the shares vesting on May 29, 2009; and the remaining 1/3rd of the shares vesting on May 29, 2010; subject to continued employment on the vesting dates (a portion of the shares may vest on

the next vesting date if an executive retires during the vesting period—see  
)

#### All Other Option Awards: Number of Securities

Option grants were made on May 29, 2007 to all named executive officers. They are time-based, with a ten-year term, and vest over a three-year period with 1/3rd of the granted shares vesting on May 29, 2008; an additional 1/3rd of the shares vesting on May 29, 2009; and the remaining 1/3rd of the shares vesting on May 29, 2010; subject to continued employment on the vesting dates (a portion of the shares may vest on the next vesting date if an executive retires during the vesting period—see  
)

#### Exercise Price of Option Awards

The exercise price of option grants is the fair market value (average of the high and low stock prices) on the date of grant. For the May 29, 2007 grant, the \$109.315 exercise price was less than the closing market price of \$110.10.

#### Grant Date Fair Value of Stock and Option Awards

The restricted stock, performance award and option values included in the Grant Date Fair Value column of this table are computed in accordance with FAS 123(R) as described in the Form 10-K for the year ended December 31, 2007, Financial Statement Footnote 13. The restricted stock shares pay quarterly dividends at a non-preferential rate, currently \$0.25 a share, and carry voting privileges; the value of these dividends is reflected in the fair market value of the restricted stock grant.

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Salary column of the Summary Compensation Table and any foreign service premium where applicable







### Nonqualified Deferred Compensation

Under the Supplemental Savings Program, executives accrue benefits in the form of phantom shares of U. S. Steel common stock equal to the portion of the company matching contributions to the Steel Savings Plan that cannot be provided due to the statutory limits on covered compensation (\$225,000 in 2007) and combined company and individual annual contributions (\$45,000 in 2007). Company matching contributions to the Steel Savings Plan are equal to 100 percent of the amount of the executive's contributions to the Steel Savings Plan (except for catch-up contributions) up to 5 or 6 percent of their eligible base salary (depending upon their length of service). Earnings in 2007 include the increase in the value during 2007 of the phantom U. S. Steel common stock (and Marathon Oil Corporation phantom stock received prior to 2002).

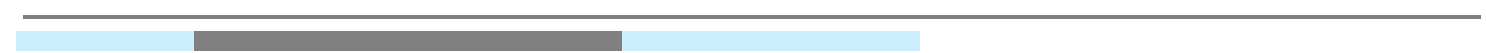
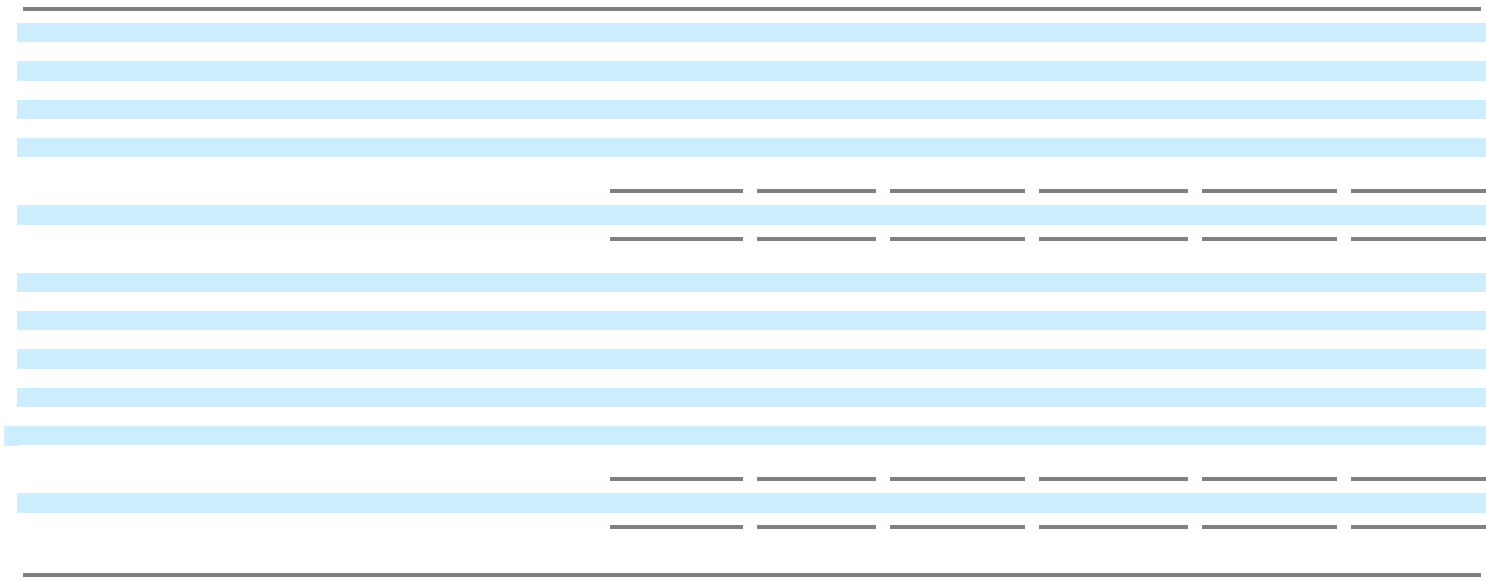
An executive receives a lump sum distribution of the benefits payable under this program upon his or her (a) termination of employment with five or more years of continuous service, (b) termination of employment, prior to attaining five years of continuous service, with the consent of the Corporation, or (c) pre-retirement death. Shown in the table below are the accruals under this plan for 2007.

Executive	2007 Company Contributions (1)	2007 Aggregate Earnings (2)	2007 Year-End Aggregate Balance
J. P. Surma	\$54,667	\$279,059	\$742,545
J. H. Goodish	\$26,101	\$110,936	\$297,359
G. R. Haggerty	\$19,001		

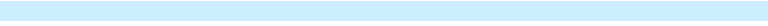
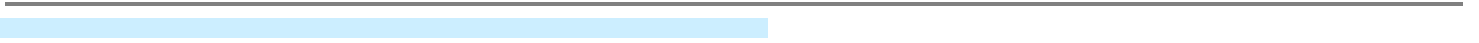


- Supplemental retirement benefit;
  - Active medical;
  - Outplacement services,
  - Excise tax gross up;
  - Supplemental Savings Benefit—equal to the unvested portion of the Corporation's contributions to the executive under the tax-qualified and non tax-qualified savings plans; and,
  - Legal fees—reimbursement for monthly legal fees incurred as a result of termination of employment and incurred in contesting or disted
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Following a voluntary termination with the Committee's consent ~~or~~ pursuant to a retirement plan, a disability or death an executive would be entitled to receive a short-term incentive award if (a) the relevant performance goals are achieved, (b) the executive is employed for at least six months during the performance period, and (c) the Committee does not exercise its discretion to reduce or eliminate the award.

If an executive's employment terminates voluntarily without the Committee's consent or involuntarily, regardless of whether the termination is for cause or not for cause, no short-term incentive award is payable.

While the cash severance payment, discussed above, includes a multiple of the target short-term incentive, no payments are made pursuant to the short-term incentive program in the event of a change in control

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Following a voluntary termination with the Committee's consent or a retirement pursuant to a retirement plan ( ), a disability ( ), or death ( ), the prorated value of the performance awards will vest based on the number of complete months worked during the relevant performance period (each is approximately three years), provided in each case that the relevant performance goals are achieved, and subject to the Committee's discretion to reduce or eliminate the award.

If an executive's employment terminates voluntarily without the Committee's consent or involuntarily ( ) (regardless of whether the termination is for cause or not for cause), all remaining unvested performance awards are forfeited.

Performance awards vest immediately upon a change in control ( ), without regard to continued employment, at the higher of 100 percent of target and actual performance over the abbreviated performance period. Unvested performance awards will not be forfeited if (i) employment is terminated during a potential change in control period by the Corporation for other than cause or disability or by the executive for good reason and (ii) a 409A Change in Control occurs within twenty-four months following the commencement of the potential change in control period.

Unvested performance restricted stock was granted in 2005 under the 2002 Stock Plan. The performance period for performance measurement purposes was the year 2005 and, in May of 2006, the Committee determined that the performance criteria had been satisfied and that the stock would vest at the rate of 100 percent, subject to the continued employment of the executive on the second and third anniversaries of the grant date. One half of the shares vested on May 24, 2007, and, assuming the executives remain employed, the remaining half will vest on May 24, 2008. The Stock Plan Officer or the Committee may cause the immediate forfeiture of unvested shares, or could vest all of the unvested shares, after a grantee leaves or retires . The Committee will make these decisions on a case-by-case basis. For purposes of this analysis, we have assumed that, if the executive leaves with consent , the Committee will vest, similar to the vesting provisions used under the 2005 Stock Incentive Plan, a pro rata portion of the part of the grant that was next scheduled to vest.

If an executive's employment terminates voluntarily without the Stock Plan Officer's or the Committee's consent or involuntarily (regardless of whether the termination is for cause or not for cause), all remaining unvested performance restricted stock are forfeited.

Performance restricted stock vests immediately upon a change in control , without regard to the executive's employment status. The definition of la changes empsi trol h

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If an executive is placed on involuntary layoff status as of December 31, 2007 , the executive will be eligible to remain on layoff for a period of up to two years. Having satisfied certain age and service requirements, each of the executives will be eligible to commence a Rule-of-70/80 early retirement option on December 31, 2008, after being on layoff for one year (unless they are given a reasonable offer of employment with the Corporation). The present value amounts shown for an involuntary termination not for cause ( ) reflect enhanced benefits attributable to the additional age and continuous service accrued while on layoff, the lower early-commencement charges, and a temporary \$400 monthly pension benefit that is payable until the executive becomes eligible for a public pension.

If the employment of an executive is terminated due to a disability that qualifies as a permanent incapacity on December 31, 2007 , the executive will be eligible to commence a Permanent Incapacity early retirement option on May 31, 2008, which is five months after the qualifying disability. The present value amounts shown reflect enhanced benefits attributable to the additional age and continuous service accrued during the five-month period, the lower early-commencement charges, and a temporary \$400 monthly pension benefit that is payable until the executive becomes eligible for a public pension or, if earlier, governmental disability benefits.

If the employment of an executive is terminated due to death , death benefits become payable to the survivor—typically his or her spouse—or, if there is no spouse, to the executive's estate. The present value amounts shown are equal to the higher of (i) the actuarial equivalent of the executive's pension benefit (excluding the survivor and surviving spouse's benefits) that would have been payable if the executive had retired on the date of death, or (ii) the value of the survivor and surviving spouse's benefits as defined in the Steel Pension Plan.

Benefits from the Non Tax-Qualified Pension Plan are payable on behalf of the executives under each of the termination of employment scenarios other than a voluntary termination without consent or an involuntary termination for cause ( ). Refer to the section for a description of the Non Tax-Qualified Pension Plan. The present value amounts shown for the various termination scenarios vary based upon the total amount payable under the Steel Pension Plan before the application of the statutory limitations established by the Internal Revenue Code.

Benefits from the Supplemental Pension Program are payable on behalf of the executives (except for Mr. Surma) under each of the termination of employment scenarios other than a voluntary termination without consent or an involuntary termination for cause ( ), since the executives have at least 15 years of continuous service as of December 31, 2007. Refer to the section for a description of the Supplemental Pension Program. See the paragraph below, for a description of the letter agreement benefits payable to Mr. Surma that are related to the Supplemental Pension Program.

The present value amounts shown for an involuntary termination not for cause and a disability reflect enhanced benefits attributable to the additional age and continuous service accrued while on layoff status and during the five-month period following the disability event, respectively.

If the employment of an executive is terminated due to death , death benefits become payable to the surviving spouse or, if there is no spouse, to the executive's estate. The present value amounts shown are equal to the actuarial equivalent of the executive's pension benefit (excluding the surviving spouse's benefits) that would have been payable with Corporation consent if the executive had retired on the date of death.

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supplements (" ") as of the date of termination of employment, plus the following enhancements:

- Service—an additional three years are added to the executive's service for purposes of calculating the monthly normal retirement benefit payable at normal retirement age,
  - Final Average Pay—is based on the higher of (a) the executive's final average pay used in calculating Actual Pension Benefit or (b) final average pay using the executive's base salary in effect immediately prior to the Applicable Event (see definition under , above) and, to the extent short-term incentive payment is considered in the calculation of pension benefits, the higher of (i) an executive's current target short-term incentive payment, or if higher, the executive's target short-term incentive payment immediately prior to the Applicable Event and (ii) the average of the executive's short-term incentive payments for the prior three years, or if higher, the three years prior to the Applicable Event,
  - Early CAC
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### Section 16(a) Beneficial Ownership Reporting Compliance

No UK, Subject to the Act for SEC Reporting for Person Subject to Section 16(a) of the Securities Exchange Act of 1934 (including 2007 amendments) for the period from 10/15/2024 to 10/15/2024. Section 16 o

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