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Delaware
(State or Other Jurisdiction
of Incorporation)

1-16811
(Commission
File Number)

25-1897152
(I.R.S. Employer
Identification No.)

(412) 433-1121

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registra

Send to

On April 30, 2020 (the "Effective Date"), United States Steel Corporation (the "Corporation"), entered into an Option Agreement (the "Option Agreement") with Stelco Inc.,

□

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

□

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2. Option Payment. The Option is granted in consideration of Stelco's payment of the amounts set forth below (each, a "_____") to USS by wire transfer of immediately available United States funds on or before the dates set forth below (each, a "_____"):

- (a) \$20,000,000 on the Effective Date;
- (b) \$20,000,000 on July 1, 2020;
- (c) \$20,000,000 on September 1, 2020;
- (d) \$20,000,000 on November 1, 2020; and
- (e) \$20,000,000 on the Final Payment Date.

_____, that upon the consummation of the event set forth in Annex 1 (the "_____") prior to the Final Payment Date, then the Payment Date of _____ shall be immediately accelerated and become due and payable within two Business Days after the Acceleration Event and such date of payment shall become the "Final Payment Date" for all purposes in this Agreement; _____, that if any Payment Date falls on a day that is not a Business Day, the Partial Payment due on such Payment Date shall be due on the immediately preceding Business Day. Stelco shall keep USS reasonably apprised of the due amount.

(b) . Commencing immediately following the delivery of the Exercise Notice (the date of delivery thereof being the “

4. Representations and Warranties.

or 4-19 FF

(a) USS Representations. USS hereby represents and warrants in favor of Stelco, as of the Effective Date and as of the Exercise Date, as follows:

(i) of



(ii) . This Agreement has been duly executed and delivered by Stelco and, assuming that this Agreement has been duly authorized, executed and delivered by USS, constitutes a legal, valid and binding obligation of Stelco, enforceable against Stelco in accordance with its terms (subject, as to enforcement (regardless of whether enforceability is considered in a proceeding in equity or at law)) to the General Enforceability Exceptions.

(iii) . No Consent of, or Filing with, any Governmental Authority is required to be obtained or made, as applicable, by or with respect to Stelco in connection with (A) the execution and delivery of this Agreement, (B) the receipt or exercise of the Option, (C) upon exercise of the Option, the consummation of the transactions contemplated under this Agreement and (D) the compliance by Stelco with the terms and conditions of this Agreement.

(iv) . The execution and delivery of this Agreement and the receipt or exercise of the Option by Stelco and, upon exercise of the Option, the consummation of the transactions contemplated under this Agreement, will not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a benefit under, or give rise to any obligation of any Person to make any payment under, or give rise to the increased, additional, accelerated or guaranteed rights or entitlements of any Person under any provision of (A) the certificate of incorporation or by-laws of Stelco or (B) any Contract to which Stelco is a party or by which any of its properties or assets are bound or (C) Law applicable to the operations or the assets of Stelco, except, in the case of the foregoing, for any such conflict, violation, default, termination, cancellation, acceleration, loss or other occurrence which would not reasonably be expected to prevent or materially impede or delay the consummation of the transaction.

(b) USS shall not be in material default, subject to its rights to cure, under the Pellet Agreement.

10. Termination.

(a) This Agreement and the Option will terminate automatically and without prior notice or any further action by any Party upon the earliest to occur of the following:

(i) (A) the failure of Stelco to timely deliver an Exercise Notice in accordance with Section 3(a) prior to the Option Termination, (B) Stelco's failure to mak

(c) Stelco may terminate this Agreement at any time prior to the earlier of the Exercise Date or the Option Termination by written notice to USS:

(i) if Stelco is in breach of any of the representations, warranties, covenants or agreements in this Agreement and (A) such breach would cause any condition set forth in



(d) If Stelco fails to deliver the ExE E E

11. Change of Control. This Agreement and the Option will continue in full force and effect following a Change of Control of either Party (subject to the right of USS and Stelco to terminate this Agreement pursuant to Section 10(b)(vi) or 10(c)(iii), respectively, in the case of a Change of Control to a Prohibited Transferee); _____, _____, that in the case of a Change of Control of Stelco to a Limited Transferee (including any such Change of Control in connection with a plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy, in any case, under any provisions of bankruptcy Law), the Parties acknowledge and agree that, upon exercise of the Option following such Change of Control, the Parties shall work in good faith to address any concerns raised by USS as a result of such Change of Control and if the Parties are unable to address such concerns within 45 days thereafter, the Parties will revise the form of LLC Agreement to remove (a) any requirement therein (whether in Article V thereof or otherwise) to obtain unanimous approval of the Board (as defined in the LLC Agreement) for actions to be taken by the to-be-formed Company (as defined in the LLC Agreement) or (b) the right of Stelco or its Affiliates to appoint the Stelco Nominee (as defined in the LLC Agreement); _____, _____, _____, ~~that~~ in the event the Person Controlling Stelco following such Change s Che

to Stelco:

Stelco Inc.
386 Wilcox Avenue
Hamilton, Ontario
L8N 3T1
Attention: Paul A. Simon, General Counsel
Phone: +1 (905) 577-4434
Email: paul.simon@stelco.com

with a copy to (which shall not constitute notice to Stelco):

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300, TD Bank Tower Box 48
Toronto ON M5K 1Ew4 P

21. Governing Law. In all respects, this Agreement and any dispute shall be governed by, and construed and enforced in accordance with, the Laws of the State of Delaware, without giving effect to any choice of law rules that would cause the application of Laws of any jurisdiction other than those of the State of Delaware.

22. Jurisdiction and Venue. The Parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the United States District Court for the Southern District of New York for the purpose of any Claim, suit or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any Claim, suit or other proceeding arising out of or based upon this Agreement except in the United States District Court for the Southern District of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such Claim, suit or other proceeding, any Claim that it is not subject personally to the jurisdiction of the above-named court, that its property is exempt or immune from attachment or execution, that the Claim, suit or other proceeding is brought in an inconvenient forum, that the venue of the Claim, suit or other proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

23. WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES AND COVENANTS THAT NEITHER IT NOR ANY OF ITS AFFILIATES SHALL ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, ACTION, CLAIM, CAUSE OF ACTION, SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (B) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY AND (C) SUCH WAIVER CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH SUCH PARTY IS RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. EITHER PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 23 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

24. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

25. No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

[]

IN WITNESS WHEREOF, the Parties have executed this Option Agreement on the date first written above.

By: /s/ Richard Fruehauf
Name: Richard Fruehauf
Title: Senior Vice President - Strategic Planning and Chief Strategy &
Development Officer

Exhibit A

Definitions

“_____” has the meaning set forth in Section 2.

“_____” means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with, such Person.

“_____” has the meaning set forth in the Preamble.

“_____” means each day other than a Saturday, Sunday or other day on which commercial banks in New York, New York, or Toronto, Canada are authorized or required by Law to close.

“_____” has the meaning set forth in Exhibit E.

“_____” shall mean, with respect to either Party: (a) any transaction or series of transactions, that would result in, directly or indirectly (i) the acquisition of Control of that Party by an unaffiliated third Person that did not Control such Party prior to such transaction(s) or (ii) any unaffiliated third Person owning or holding all or substantially all of the assets of such Party determined on a fair market value basis of the assets of such Party; or (b) a merger, consolidation, recapitalization or sale of equity interests of such Party by such Party or the holders of its equity interests to any unaffiliated third Person or similar transaction or series of transactions, in each case that results in such unaffiliated third Person Controlling such Party (or the surviving or resulting entity of such merger or consolidation or, if such Person or surviving or resulting entity is a direct or indirect wholly owned Subsidiary of an ultimate parent entity, such ultimate parent entity) that did not Control such Party prior to such merger, consolidation, recapitalization, sale or similar transaction.

“_____” means all causes of action, claims, charges, complaints, demands, rights and privileges against third parties, whether liquidated or unliquidated, fixed or contingent, choate or inchoate, matured, unmatured, disputed, undisputed, civil, criminal, administrative, investigative, informal or other, at law or in equity.

“_____” has the meaning set forth in Section 4(b)(vii)(A).

“_____” has the meaning set forth in Section 12.

“_____” means an authorization, consent, approval, permit or license issued by, or waiver from, any Governmental Authority or other Person.

“_____” means each agreement, option, lease, license, cross-license, sale, commitment and other instrument of any kind, whether written or oral, that is legally binding or purports to be legally binding.

“_____” (including, with correlative meanings, the terms “_____,” “_____” or “_____”), as used with respect to any Person at a given time:

(a) holding, whether directly or indirectly, as owner or other beneficiary (other than solely as the beneficiary of an unrealized security interest), securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint 50% or more of the individuals who are responsible for supervision or management of that Person, or (b) the exercise of _____ control of that Person, including the power to direct or cause the direction of the management or policies of a Person, or the exercise of negative control through the right to approve or reject decisions on material items, whether direct or indirect and whether through the ownership of securities or ownership interest by Contract, trust or otherwise.

_____” means a registration or filing with, or notice to, any Governmental Authority or other Person.

“_____” means December 31, 2020.

“_____” has the meaning set forth in Section 5.

“_____” has the meaning set forth in Section 5.

“_____” has the meaning set forth in the Recitals.

“_____” has the meaning set forth in Section 1.

“_____” has the meaning set forth in the Recitals.

“_____” has the meaning set forth in Section 1.

“_____” has the meaning set forth in Section 1.

“_____” has the meaning set forth in Section 2.

“_____” or “_____” has the meaning set forth in the Preamble.

“_____” has the meaning set forth in the Recitals.

“_____” has the meaning set forth in Section 2.

“_____” has the meaning set forth in the Recitals.

(i) if the Mine Valuation is \$2,400,000,000 or greater, the Termination Fee will be an amount equal to the fair market value of the Option immediately prior to the time USS delivers notice of termination pursuant to Section 10(b)(iii), as determined by an independent third party evaluator of national recognition appointed jointly by the Parties (each acting reasonably); , that in no event will the Termination Fee exceed \$120,000,000, regardless of such determination; or

(ii) if the Mine Valuation is less than \$2,400,000,000, the Termination Fee will be an amount equal to the product of \$100,000,000 multiplied by a fraction, the numerator of which is the Mine Valuation and the denominator of which is \$2,400,000,000.

“ ___ ” has the meaning set forth in the Preamble.

Exhibit B

Form of Exercise Notice

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Exhibit C

Form of Due Diligence Notice

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Exhibit D

Form of Master Agreement

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Exhibit E

List of Prohibited Transferees

1. Any Person:

(a) that is currently the subject or the target of any sanctions administered or enforced by the U.S. government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the Canadian Government (including, without limitation, Global Affairs Canada and the Royal Canadian Mounted Police), the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority (collectively, “_____”);

(b)

Exhibit F

List of Limited Transferees

1. Any Person that is a successor to Stelco as a party to this Agreement in connection with any
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Annex 1

Acceleration Event

Annex 2

Base Price Per Net Ton
