
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 205

Item 1.01. Entry into a Material Definitive Agreement

On December 15, 2005, U. S. Steel Košice, s.r.o. (“USSK”), a company organized under the laws of the Slovak Republic and a wholly-owned subsidiary of United States Steel Corporation (“USS”), entered into a facility agreement (the “Credit Agreement”) with ING Bank N.V., CITIBANK, N.A. Bahrain, and Slovenská Sporeiteľňa, a.s. as arrangers. The Credit Agreement provides for a EUR195,000,000 one-year revolving unsecured credit facility. USSK is also party to a USD40,000,000 revolving credit facility dated December 17, 2001 with the same banks that expires on December 17, 2006.

Borrowings under the facility are based on a spread over EURIBOR or LIBOR. The Credit Agreement contains conventional representations and warranties, affirmative covenants, negative covenants and events of default.

The obligations of USSK pursuant to the Credit Agreement can be accelerated and declared immediately due and payable upon the occurrence of an event of default. The Credit Agreement defines events of default to include the following: (1) USSK’s failure to pay sums when due under the terms of the Credit Agreement and related documents (collectively, the “Finance Documents”), (2) breach of USSK’s obligations under the Finance Documents, (3) the making by USSK of a misrepresentation under the Finance Documents, (4) the bankruptcy or insolvency of USSK, (5) the cessation of USSK’s business, (6) the revocation of a necessary authorization required for: (a) USSK to perform its obligations under the Finance Documents, (b) USSK to perform its business or (c) the validity or enforceability of the Finance Documents, (7) expropriation of all or a substantial portion of the assets of USSK.

Item 9.01. Financial Statements and Exhibits**(c) Exhibits**

- 10.1 EUR195,000,000 Facility Agreement dated 15 December 2005 for U. S. Steel Košice, s.r.o. arranged by ING Bank N.V., CITIBANK, N.A. Bahrain, and Slovenská Sporeiteľ' a, a.s. with ING Bank N.V. as the facility agent.

SIGNATURE

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.

UNITED STATES STEEL CORPORATION

By /s/ Gretchen R. Haggerty

Gretchen R. Haggerty
Executive Vice President & Chief Financial Officer

Dated: December 20, 2005

Allen & Overy Bratislava, s.r.o.

FACILITY AGREEMENT

€195,000,000

CREDIT FACILITY

FOR

U. S. Steel Košice, s.r.o.

ARRANGED BY

ING BANK N.V., pobočka zahraničných bánk

CITIBANK, N.A. Bahrain

Slovenská sporiteľňa, a.s.

WITH ING BANK N.V. AS FACILITY AGENT

15 DECEMBER 2005

THIS AGREEMENT is dated 15 December 2005 **BETWEEN:**

Default means an Event of Default or an event or circumstance which, with the giving of notice, lapse of time or fulfilment of any other applicable condition (or any combination of the foregoing) set out in Clause 18 (Events of Default), would constitute an Event of Default.

Dollars and **USD** mean the lawful currency for the time being of the United States of America.

ERISA means the United States Employee Retirement Income Security Act of 1974, to which the following definitions apply:

- **Code** means the United States Internal Revenue Code of 1986.

- **ERISA Affiliate** means any person treated as a single employer with the Company for the purpose of section 414 of the Code.

- **Plan** means an employee benefit plan as defined in section 3(3) of ERISA:

(a) maintained by the Company or any ERISA Affiliate; or

(b) to which the Company or any ERISA Affiliate is required to make any payment or contribution.

- **Reportable Event** means:

(a) an event specified as such in section 4043 of ERISA or any related regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation; or

(b) a failure to meet the minimum funding standard under section 412 of the Code or section 302 of ERISA, whether or not there has been any waiver of notice or waiver of the minimum funding standard under section 412 of the Code.

EURIBOR means for any Loan or overdue amount in euro:

(a) the applicable Screen Rate; or

(b) if no Screen Rate is available for the Term of that Loan or overdue amount, the arithmetic mean (rounded upward to four decimal places) of the rates as supplied to the Facility Agent at its request quoted by the Reference Banks to leading banks in the relevant interbank market,

as of 11.00 a.m. (Central European time (CET)) on the Rate Fixing Day for the offering of deposits in euro for a period comparable to its Term.

euro means the single currency of the Participating Member States.

Event of Default means an event specified as such in Clause 18 of this Agreement.

Existing Facility refers to the facility with the Company as borrower, dated 17 December 2001 as amended.

Facility means the credit facility made available under this Agreement.

Facility Office means the office(s) notified by a Lender to the Facility Agent:

(a) on or before the date it becomes a Lender; or

(b) by not less than five Business Days' notice,
as the office(s) through which it will perform its obligations under this Agreement.

Fee Letter means any letter entered into by reference to this Agreement between one or more Administrative Parties and the Company setting out the amount of certain fees referred to in this Agreement.

Final Maturity Date means the first anniversary of the date of this Agreement.

Finance Document means:

- (a) this Agreement;
- (b) a Fee Letter;
- (c) a Transfer Certificate; or
- (d) any other document designated as such by the Facility Agent and the Company.

Finance Party means a Lender or an Administrative Party.

Financial Indebtedness means, without duplication, Indebtedness (whether being principal, premium, interest or other amounts) for or in respect of:

- (a) money borrowed;
- (b) liabilities under or in respect of any acceptance or acceptance credit;
- (c) any notes, bonds, debentures, debenture stock, loan stock or other debt securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;
- (d) any interest rate and/or currency swap, forward foreign exchange transaction, financial or commodity futures transaction, commodity swap or other derivative transaction;
- (e) liabilities pursuant to any lease which are capitalised in accordance with USGAAP; or
- (f) liabilities under any guarantee, indemnity or other assurance against financial loss given in resp)

(b) any other applicable regulatory or central bank requirementsa

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- (h) Security Interests arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired by Company in the ordinary course of its business;
 - (i) any Security Interest approved by the Facility Agent with the approval of the Majority Lenders; and
 - (j) any renewal of or substitution for any Security Interest permitted under any preceding paragraph.

Pro Rata Share means on a particular date:

- (a) the proportion which a Lender's share of the Loans (if any) bears to all the Loans;
- (b) if there is no Loan outstanding on that date, the proportion which its Commitment bears to the Total Commitments on that date; or
- (c) if the Total Commitments have been cancelled, the proportion which its Commitment bore to the Total Commitments immediately before being cancelled.

Rate Fixing Day means:

- (a) the second Business Day before the first day of a Term for a Loan denominated in any other currency (other than euro); or
- (b) the second TARGET Day before the first day of a Term for a Loan denominated in euro,

or such other day as the Facility Agent, in consultation with the Company, determines is generally treated as the rate fixing day by market practice in the relevant interbank market.

Reference Banks I 2

Screen Rate means:

- (a) for LIBOR, the British Bankers Association Interest Settlement Rate; and
- (b) for EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union,

for the relevant currency and Term displayed on the appropriate page of the Telerate screen. If the relevant page is replaced or the service ceases to be available, the Facility Agent (after consultation with the Company and the Majority Lenders) may specify another page or service displaying the appropriate rate.

Security Interest means any mortgage, pledge, lien, charge (including a floating charge), assignment (whether conditional or otherwise), hypothecation or security interest or any other agreement or arrangement having the effect of conferring security, or any other arrangement having a similar economic effect including (without limitation) total transfer, 'flawed asset', sale and repurchase, buyback or conditional transfer arrangements.

Slovak Accounting Standards means the generally accepted accounting principles and practices in the Republic, in effect from time to time.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of share capital, contract or otherwise.

TARGET Day means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest related thereto).

Term means each period determined under this Agreement by reference to which interest on a Loan or an overdue amount is calculated.

Total Assets means the amount that is the aggregate of the Total Fixed Assets (less intangibles, other than externally produced and purchased software) and the amount shown as the total of the current assets of the Group in the Latest Accounts.

Total Fixed Assets means the amount shown as the total of the Fixed Assets of the Group in the Latest Accounts.

Total Commitments means the aggregate of the Commitments of all the Lenders.

Transfer Certificate means a certificate in the form of Schedule 3 (Form of Transfer Certificate) with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company in writing.

USGAAP means the generally accepted accounting principles and practices in the United States of America in effect from time to time.

Utilisation Date means blted



3. PURPOSE

3.1 Loans

Each Loan must be used by the Company for general business purposes.

3.2 No obligation to monitor

No Finance Party is bound to monitor or verify the utilisation of the Facility.

4. CONDITIONS PRECEDENT

4.1 Conditions precedent documents

A Request may not be given by the Company until the Facility Agent has notified the Company and the Lenders that it has received all of the documents and evidence set out in Schedule 4 (Conditions precedent documents) in form and substance satisfactory to the Facility Agent. The Facility Agent must give this notification as soon as reasonably practicable.

4.2 ~~Conditions precedent documents~~

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- (c) Each Request is irrevocable unless otherwise agreed by the Facility Agent upon the approval of the Majority Lenders.

5.2 Completion of Requests

A Request will not be regarded as having been duly completed unless:

- (a) the Utilisation Date is a Business Day falling within the Availability Period; and
- (b) the proposed currency, amount and Term comply with this Agreement.

Only one Loan may be requested in a Request.

5.3 Amount of Loan

- (a) Except as provided below



(b) a Lender is or will be deemed to be 9

- (ii) determine the appropriate Rate Fixing Day for that Term.
- (c) Notwithstanding paragraph (b) above, if the overdue amount is a principal amount of a Loan and becomes due and payable prior to the last day of its current Term, then:
 - (i) the first Term for that overdue amount will be the unexpired portion of that Term; and
 - (ii) the rate of interest on the overdue amount for that first Term will be 1 per cent. per annum above the rate then payable on that Loan.After the expiry of the first Term for that overdue amount, the rate on the overdue amount will be calculated in accordance with paragraph (b) above.
- (d) Interest (if unpaid) on an overdue amount will be compounded with that overdue amount at the end of each of its Terms but will remain immediately due and payable.

9.4 Notification of rates of interest

The Facility Agent must promptly notify each relevant Party of the determination of a rate of interest under this Agreement.

10. TERMS

10.1 Selection

- (a) Each Loan has one Term only.
- (b) The Company must select the Term for a Loan in the relevant Request.
- (c) Subject to the following provisions of this Clause, each Term for a Loan will be one, two, three or six months or ~~th~~^h or ~~ard~~^{ar} thereof.



12.3 Reimbursement of tax credit

- (a) If:
- (i) the Company pays any additional amount (a **Tax Payment**) under Clause 12.1 (Gross-up) for the account of a Lender; and
 - (ii) the Lender effectively obtains, or could have effectively obtained by taking reasonable action (in which case the Lender shall be treated as actually having obtained), a refund of Tax, or credit against Tax, by reason of that Tax Payment (a **Tax Credit**),

then the Lender shall reimburse to the Company such amount as the Lender shall reasonably determine to be the proportion of the Tax Credit as will leave the Lender (after that reimbursement) in no better or worse position than it would have been in if the Tax Payment had not been required. Notwithstanding sub-clause (ii) above, a Lender may choose not to make or to limit the amount or alter the timing of any Tax Credit if to do otherwise would result in a material adverse effect to the Lender or on its relationship with the relevant Tax authority. Upon reasonable request from the Company, the Lender shall provide the Company with a certification concerning whether or not a Tax Credit was obtained or was attempted to be obtained by the Lender as well as reasonable detail concerning the amount of the Tax Credit. No Finance Party is obliged to disclose any information regarding its Tax affairs or computations to any other person.

12.4 Exception to the gross-up

The Company is not required to pay an additional amount for the account of a Lender under Clause 12.1 (Gross-up):

- (i) to the extent that the obligation to pay the additional amount would not have arisen but for the failure by that Lender to provide (within a reasonable period after being requested to do so by the Company or the Facility Agent and at the cost of the Company) any form, certificate or other documentation:
 - (A) the provision of which would have relieved (in whole or in part) the Company from the relevant withholding obligation; and
 - ~~(B)~~ which it is fully within the power of the Lender to provide;
- (ii) if that Lender has not complied with its obligations under Clause 12.5(a) (Tax confirmation) for a period of 90 days from the date that Lender became aware that it could not give the confirmation referred to in Clause 12.5(a) (Tax confirmation); or
- (iii) the confirmation provided by that Lender under Clause 12.5(a) (Tax confirmation) is incorrect when made.

12.5 Tax confirmation

- (a) Each Lender (other than a Lender with its Facility Office situated in the Republic) confirms to the Company that on the date of this Agreement (or if it only subsequently becomes a Party to this Agreement, on that date) under the terms of a double taxation treaty between the jurisdiction in which that Lender is resident and the Republic payments due to it under the Finance Documents may be made without deduction or withholding on account of any Tax imposed or levied by the Republic (or any political entity)

(b) If a Lender becomes aware that it could not, on any particular day, give the confirmation referred to in paragraph (a) above, it shall promptly but in any event within 90 days, notify such to the Company (through the Facility Agent).

12.6 Stamp taxes

The Company must pay and indemnify each Finance Party against any stamp duty, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any Finance Document, except for any such Tax payable in connection with the entry into of a Transfer Certificate.

12.7 Value added taxes

- (a) Any amount (including costs, fees and expenses) payable under a Finance Document by the Company is exclusive of any value added tax or similar tax that might be chargeable in connection with that amount. If any such value added tax or similar tax is chargeable, the Company must pay (in addition to and at the same time as it pays that amount) an amount equal to the amount of that value added tax or similar tax.
- (b) The obligation of the Company under paragraph (a) above will be reduced to the extent that the Finance Party is entitled to repayment or a credit in respect of the relevant value added tax or similar tax.

13. INCREASED COSTS

13.1 Increased Costs

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13.3 Claims

A Finance Party intending to make a claim for an IncreaKcr ~





16.15 Financial statements

Its audited consolidated financial statements most recently delivered to the Facility Agent (which, at the date of this Agreement, are the Financial Statements dated 31 December 2004):

- (a) have been prepared in accordance with accounting principles and practices generally accepted in its jurisdiction of incorporation, consistently applied; and
- (b) fairly represent its consolidated financial condition as at the date to which they were drawn up, except, in each case, as disclosed to the contrary in those financial statements.

16.16 Slovak Banking Act

- (a) It represents that it is not a person having any special relationship (*osobný vzťah*) as defined in the Slovak Act No. 483/2001 Coll., as amended, to any Lender.
- (b) When making any payment under or in connection with any Finance Document, it will use solely the funds owned by it.
- (c) It is entering into each Finance Document as a principal and not as agent and, in its own name on its own account.

16.17 ERISA

Each Plan of the Company and of each ERISA Affiliate of the Company complies in all material respects with all applicable requirements of law and regulation. No Reportable Event has occurred with respect to any Plan, and no steps have been taken to terminate any Plan. Neither the Borrower nor any of its ERISA Affiliates has had a complete or partial withdrawal from any Multiemployer Plan or initiated any steps to do so.

16.18 Margin Regulations

Neither the Company nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

16.19 Times for making representations and warranties

- (a) The representations and warranties set out in this Clause are made by the Company on the date of this Agreement.
- (b) Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty is deemed to be repeated by the Company on the date of each Request and the first day of each Term except that the representations and warranties in Clause 16.5(a)(iii) and (b) (Non-conflict), 16.8(a) (Litigation) and 16.17 (ERISA) shall not be repeated by the Company.
- (c) When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

17.3 Information - miscellaneous

- (a) The Company shall furnish to the Facility Agent from time to time with reasonable promptness, such further information regarding the business and financial condition of the Company as the Facility Agent may reasonably request.
- (b) The Company shall promptly notify the Facility Agent of any material business or financial event, including without limitation, any litigation, arbitration, administrative or other proceedings being commenced, which would reasonably be expected adversely to affect its ability to perform its obligations under the Finance Documents.
- (c) Subject to paragraph (d) below, The Company must promptly on the request of any Finance Party supply to that Finance Party any documentation or other evidence which is reasonably requested by that Finance Party (whether for itself, on behalf of any Finance Party or any prospective new Lender) to enable a Finance Party or prospective new Lender to carry out and be satisfied with the results of all applicable know your customer requirements.
- (d) ~~The~~ Company is only required to supply any information under paragraph (a) above, if the necessary information is not already available to the relevant Finance Party and the requirement arises as a result of:
 - (i) the introduction of any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any ~~change~~ ^{change} in the status of the Company or any change in the composition of shareholders of the Company ~~after the date of this Agreement~~; or
 - (iii) a ~~proposed~~ ^{Proposed} assignment or transfer by the Lender of any of its rights and/or obligations under this Agreement to a person that is not a Lender before that assignment or transfer.

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- (b) The Company shall not:
- (i) change its name; or
 - (ii) change its financial year end from 31st December.

17.6 Insurance

The Company shall, and shall procure that each Material Subsidiary shall, effect and maintain such insurance over and in respect of its Assets and business covering such risks and in such amounts as United States Steel Corporation maintains from time to time with respect to other similar steel-making facilities owned by United States Steel Corporation, subject to such deductibles and other forms of self-insurance as from time to time are generally applicable to such other steel-making facilities provided such coverage is available to the Company on similar or better terms.

17.7 Notification of Default

The Company shall not

may be disposed of where the disposal is a sale on arm's length commercial terms, provided that the cumulative totals of the percentage figures referred to in each of subparagraphs (i) and (ii) above, until the Final Maturity Date, do not exceed 50 per cent. of all Fixed Assets.

17.11 Mergers

The Company shall not, without the prior consent of the Facility Agent in writing, enter into any merger or other arrangement of a similar nature other than a Permitted Merger.

17.12 Change of business

Except with the prior consent of the Facility Agent in writing, the Company shall not and shall procure that none of its Material Subsidiaries shall, make or threaten to make any substantial change in its business as conducted on the date of this Agreement.

17.13 Environmental compliance

Except to the extent disclosed in writing to the Facility Agent, the Company shall, and shall procure that each Material Subsidiary shall, comply with applicable Environmental Law except where failure to do so would not reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations under the Finance Documents. For this purpose, **Environmental Law** means:

- (a) all environmental authorisations applicable to the Company and each Material Subsidiary; and
- (b) all other applicable environmental laws, rules and regulations concerning the protection of human health or the environment or the transportation of any substance capable of causing harm to man or any other living organism or the environment or public health or welfare, including, without limitation, hazardous, toxic, radioactive or dangerous waste.

17.14 Lending and Borrowing

The Company shall not, and the Company shall procure that no member of the Group shall incur any Financial Indebtedness other than:

- (a) amounts up to €500,000,000 (or its equivalent) in aggregate as external debt (including amounts borrowed under the Finance Documents), and combined internal and external debt up to €600,000,000 (or its equivalent) in aggregate (including amounts borrowed under the Finance Documents);
- (b) Financial Indebtedness upon terms approved by the Facility Agent acting on the instructions of the Majority Lenders;
- (c) currency and commodity hedging used only to mitigate the risks relating to fluctuations in currencies and commodity prices, provided each such hedging arrangement is entered into for a period no longer than 18 months.
- (d) operating lease obligations;
- (e) trade payables and other contractual obligations to suppliers and customers in the ordinary course of trading;

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- (f) debt subordinated to the Loans under subordination agreements acceptable to the Facility Agent;
 - (g) Financial Indebtedness disclosed in writing to the Facility Agent on the date of this Agreement; and
 - (h) ~~any financial liability of the Company or its~~ any financial liability of the Company or its same principal amount.

17.15 ~~No notarial deed~~

The Company shall not and the Company shall procure that no other member of the Group will, create any notarial deed (as referred to in section 41.2 of the Slovak Act No. 233/1995 Coll., as amended) in relation to any Financial Indebtedness.

17.16 Capital Expenditure

The Company shall procure that it, its members, DNP, DNP Group, other than a Material Subsidiary or the Company, shall, without the consent of the

18.8 Expropriation

All or any substantial part of the Assets of the Company shall be seized or expropriated by any authority.

18.9 Unlawfulness

At any time it is unlawful for the Company to perform such of its obligations under the Finance Document as are, in the reasonable opinion of the Facility Agent, material.

18.10 Ownership of the Company

The entire commercial participation of the Company or the entire commercial participation or share capital of a Material Subsidiary (as determined on an annualised basis for the financial year ended 31st December, 2004) after the date of this Agreement ceases to be directly or indirectly beneficially owned by United States Steel Corporation, unless such cessation results from a Permitted Merger.

18.11 Material adverse change

There shall occur any material adverse change in the business, Assets, regulation or financial condition of the Company that would reasonably be expected to have a material adverse effect on the Company's ability to perform its obligations under the Finance Documents.

18.12 Acceleration

If an Event of Default is outstanding, the Facility Agent may, and must if so directed by the Majority Lenders, by notice to the Company:

- (a) cancel the Total Commitments; and/or
- (b) declare that all or part of any amounts outstanding under the Finance Documents are:
 - (i) immediately due and payable; and/or
 - (ii) payable on demand by the Facility Agent acting on the instructions of the Majority Lenders.

Any amount payable on demand by the Facility Agent acting on the instructions of the Majority Lenders shall be payable immediately on demand by the Company.

19.3 No fiduciary duties

Except as specifically provided in a Finance Document, nothing in the Finance Documents makes an Administrative Party a trustee or fiduciary for any other Party or any other person. No Administrative Party need hold in trust any moneys paid to it for a Party or be liable to account for interest on those moneys.

19.4 Individual position of an Administrative Party

- (a) If it is also a Lender, each Administrative Part us⁷



19.10 Information

- (a) The Facility Agent must promptly forward to the person concerned the original or a copy of any document that is delivered to the Facility Agent by a Party for that person.
- (b) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (c) Except as provided above, the Facility Agent has no duty:
 - (i) either initially or on a continuing basis to provide any Lender with any credit or other information concerning the risks arising under or in connection with the Finance Documents (including any information relating to the financial condition or affairs of the Company or its related entities or the nature or extent of recourse against any Party or its assets) whether coming into its possession before, on or after the date of this Agreement; or
 - (ii) unless specifically requested to do so by a Lender in accordance with a Finance Document, to request any certificate or other document from the Company.
- (d) In acting as the Facility Agent, the agency division of the Facility Agent is treated as a separate entity from its other divisions and departments. Any information acquired by the Facility Agent which, in its opinion, is acquired by it otherwise than in its capacity as the Facility Agent may be treated as confidential by the Facility Agent and will not be treated as information possessed by the Facility Agent in its capacity as such.
- (e) The Company irrevocably authorises the Facility Agent to disclose to the other Finance Parties any information which, in its opinion, is received by it in its capacity as the Facility Agent.
- (f) The Facility Agent is not obliged to disclose to any person any confidential information supplied to it by or on behalf of a member of the Group solely for the purpose of evaluating whether any waiver or amendment is required in respect of any term of the Finance Documents.

19.11 Indemnities

- (a) Without limiting the liability of the Company under the Finance Documents, each Lender must indemnify the Facility Agent for that Lender's Pro Rata Share of any loss or liability incurred by the Facility Agent in acting as the Facility Agent, except to the extent that the loss or liability is caused by the Facility Agent's gross negligence or wilful misconduct.
- (b) The Facility Agent may deduct from any amount received by it for a Lender any amount due to the Facility Agent from that Lender under a Finance Document but unpaid and a Lender may deduct from any amount owed to the Facility Agent any amount due to that Lender from the Facility Agent under a Finance Document but unpaid.

19.12 Compliance

- (a) The Facility Agent may refrain from doing anything (including the disclosure of any information) which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation.

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- (b) Without limiting paragraph (a) above, the Facility Agent need not disclose any information relating to the Company or any of its related entities if the disclosure might, in the opinion of the Facility Agent, constitute a breach of any law or regulation or any duty of secrecy or confidentiality or be otherwise actionable at the suit of any person.

19.13 Resignation of the Facility Agent

- (a) The Facility Agent may resign and appoint any of its Affiliates as successor Facility Agent by giving notice to the Lenders and the Company.
- (b) Alternatively, the Facility Agent may resign by giving notice to the Lenders and the Company, in which case the Majority Lenders may appoint a successor Facility Agent.
- (c) If no successor Facility Agent has been appointed under paragraph (b) above within 30 days after notice of resignation was given, the Facility Agent may appoint a successor Facility Agent.
- (d) The person(s) appointing a successor Facility Agent must, if practicable, consult with the Company prior to the appointment. Any successor Facility Agent must have an office in the Republic.
- (e) The resignation of the Facility Agent and the appointment of any successor Facility Agent will both become effective only when the successor Facility Agent notifies all the Parties that it accepts its appointment. On giving the notification, the successor Facility Agent will succeed to the position of the Facility Agent and the term **Facility Agent** will mean the successor Facility Agent.
- (f) The retiring Facility Agent must, at its own cost, make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as the Facility Agent under the Finance Documents.
- (g) Upon its resignation becoming effective, this Clause will continue to benefit the retiring Facility Agent in respect of any action taken or not taken by it in connection with the Finance Documents while it was the Facility Agent, and, subject to paragraph (f) above, it will have no further obligations under any Finance Document.
- (h) The Majority Lenders may, by notice to the Facility Agent, require it to resign under paragraph (b) above.

19.14 Relationship with Lenders

- (a) The Facility Agent may treat each Lender as a Lender, entitled to payments under this Agreement and as acting through its Facility Office(s) until it has received not less than five Business Days' prior notice from that Lender to the contrary.
- (b) The Facility Agent may at any time, and must if requested to do so by the Majority Lenders, convene a meeting of the Lenders.
- (c) The Facility Agent must keep a register of all the Parties and supply any other Party with a copy of the register on request. The register will include each Lender's Facility Office(s) and contact details for the purposes of this Agreement.

19.15 Facility Agent's management time

If the Facility Agent requires, any amount payable to the Facility Agent by any Party under any indemnity or in respect of any costs or expenses incurred by the Facility Agent under the Finance

(ii) acting or relying on any notice that it reasonably believes to be genuine, correct and appropriately authorised.

22.3 Break C

The Facility Agent must execute as soon as reasonably practicable a Transfer Certificate delivered to it and which appears on its face to be in order.

- (b) Each Party (other than the Company, the Existing Lender and the New Lender) irrevocably authorises the Facility Agent to execute any duly completed Transfer Certificate on its behalf.
- (c) On the Transfer Date:
 - (i) the New Lender will assume the rights and obligations of the Existing Lender expressed to be the subject of the novation in the Transfer Certificate in substitution for the Existing Lender; and
 - (ii) the Existing Lender will be released from those obligations and cease to have those rights.

25.5 Limitation of responsibility of Existing Lender

Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

- (a) the financial condition of the Company; or
- (b) the legality, validity or enforceability of the Facility Agreement.

25.6 Costs resulting from change of Lender or Facility Office

If:

- (a) a Lender assigns or transfers any of its rights and obligations under the Finance Documents or changes its Facility Office

(ii) the recovering Lender has paid redistribution in relation to that recovery,

each Finance Party must reimburse the recovering Lender all or the appropriate portion of the redistribution paid to that Finance Party, together with interest for the period while it held the re-distribution. In this event, the subrogation in paragraph (b) above will operate in reverse to the extent of the reimbursement.

28.3 Exceptions

Notwithstanding any other term of this Clause, a recovering Lender need not pay redistribution to the extent that:

- (a) it would not, after the payment, have a valid claim against the Company in the amount of the redistribution; or
- (b) it would be sharing with another Finance Party any amount that the recovering Lender has received or recovered as a result of legal or arbitration proceedings, where:
 - (i) the recovering Lender notified the Facility Agent of those proceedings; and
 - (ii) ~~the recovering Lender had an opportunity to participate in those proceedings but did not do so or did not take separate legal or arbitration proceedings as soon as reasonably practicable after receiving notice of them.~~

(d) consents to the service of process relating to any such proceedings by prepaid posting of a

SCHEDULE 1
ORIGINAL PARTIES
PART 1
ORIGINAL LENDERS

<u>Name of Original</u>	<u>Lender Commitments</u>
Citibank, N.A. Bahrain P.O.Box 548 Manama Kingdom of Bahrain	€ 65,000,000
ING BANK N.V., pobo ka zahrani nej banky Jesenského 4/C 814 99 Bratislava Slovakia	€ 65,000,000
Slovenská sporitel' a, a.s. Suché mýto 4 816 07 Bratislava	€ 65,000,000
Total Commitments	€ 195,000,000

SCHEDULE 2
FORM OF REQUEST

To: **ING BANK N.V.** as Facility Agent
From: []
Date: [], 2005

U. S. Steel Košice, s.r.o.

€195,000,000 Facility Agreement
dated [] December, 2005 (the Agreement)

1. We refer to the Agreement. This is a Request.
2. We wish to borrow a Loan on the following terms:
 - (a) Utilisation Date: [], 200[]
 - (b) Amount/currency: []
 - (c) Term: [].
3. Our [payment/delivery] instructions are: [].
4. We confirm that each condition precedent under the Agreement that must be satisfied on the date of this Request is so satisfied.
5. This Request is irrevocable.

By:
[]

SCHEDULE 3

FORM OF TRANSFER CERTIFICATE

To: **ING BANK N.V.** as Facility Agent

From: [THE EXISTING LENDER] (the **Existing Lender**) and [THE NEW LENDER] (the **New Lender**)

Date: [], 200[]

U. S. Steel 5U i e

SCHEDULE 5

FORM OF LEGAL OPINION OF LEGAL ADVISER TO THE COMPANY

[date]

ING BANK N.V.

[]

Dear Sirs,

U. S. Steel Košice, s.r.o. (the Company) €195,000,000
Facility Agreement dated [] December, 2005 (the Agreement)

I am an Assistant General Counsel of the Company and am authorized to practice law in the Slovak Republic.

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11. **No immunity.**
- (a) The Company is subject to civil and commercial law with respect to its obligations under the Agreement, and its entry into and performance of the Agreement constitutes private and commercial acts;
 - (b) neither the Company nor any of its assets located in the Slovak Republic enjoys any right of immunity from suit, attachment prior to judgement or other legal process in respect of its obligations under the Agreement.
12. **Bankruptcy.** The Company has not been declared bankrupt and no step has been or is being taken by the Company nor am I aware of any other step being taken in respect of the Company, for bankruptcy or any similar proceedings in relation to the Company or any of its Assets.
13. **Application of governing law.** The choice of English law as the governing law of the Agreement would be upheld as a valid choice of law by the courts of the Slovak Republic.
14. **Submission to jurisdiction.** The submission by the Company to the jurisdiction of the English courts and arbitration under Clause 35 of the Agreement is a valid and binding submission to jurisdiction in respect of the Agreement and not subject to revocation.
15. **Enforcement of foreign judgements/arbitration awards.**

A judgement duly obtained in the English courts shall be recognised and enforced in the Slovak Republic unless:

- (a) the matter is one within the exclusive competence of the courts of the Slovak Republic pursuant to its laws, or is one beyond the competence of any judicial proceedings of a foreign authority, as determined by the laws of the Slovak Republic; or
- (b) the decision is not final or enforceable in the state where it has been issued; or
- (c) the decision is not a decision on the merits of the matter; or
- (d) the party against whom such judgement is sought to be enforced has been deprived of an opportunity to participate in the foreign proceedings, especially if the summons or notice of the commencement of the foreign proceedings has not been duly served on the party; this exception does not apply if the party has not filed an appeal against the foreign judgement which has been duly served on it or if the party has waived the applicability of this exception; or
- (e) a final decision in the same matter has previously been reached by a court of the Slovak Republic or by a foreign authority if that foreign authority's decision has been, or would be, enforced in the Slovak Republic; or
- (f) recognition of the foreign judgement would be contrary to public policy (ordre public) of the Slovak Republic.

Subject to compliance with, and on the assumption that none of the grounds for refusal to enforce an arbitral award as set out in, the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards dated 10th June, 1958 (the **Convention**) are applicable, an arbitral award obtained against the Company in arbitration proceedings based on or in connection with the Agreement, in accordance with the relevant clauses thereof, will be enforced in the Slovak Republic in accordance with the provisions of the Convention, provided that a Slovak court has the jurisdiction.

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16. **Foreign currency judgements/arbitration awards.** A judgement duly obtained in the courts of England or an arbitral award in respect of the Agreement given in euros or United States Dollars, and being enforced in the Slovak Republic in euros or United States Dollars respectively, would be implemented in euros or United States Dollars respectively.

The qualifications to which this opinion is subject are as follows:

1. The validity, enforceability and effectiveness of the Agreement against the Company are limited by all bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally.
2. References in this opinion to the term "enforceable" mean that each obligation or document is of a type and form which the Slovak courts would enforce. It is not certain, however, that each obligation or document will be enforced in accordance with its terms in every circumstance, enforcement being subject to *inter alia* the nature of the remedies available in the Slovak courts, the acceptance by such courts of jurisdiction, the power of such courts to stay proceedings, the provisions of other principles of law of general application (such as e.g. the concept of fair business conduct) and all limitations resulting from the laws of bankruptcy, insolvency, liquidation, forced administration, any statutes of limitation and lapse of time or other laws affecting generally the enforcement of creditors' rights.
3. Any subsidies or other funds obtained by the Company from the state budget or from the budget of European Communities or any assets purchased from funds originated from the state budget are immune from attachment and from execution and would not be available to creditors in any enforcement proceedings.
4. Under the Foreign Exchange Act No. 202/1995 Coll., as amended, if a foreign exchange emergency is declared by the Government of the Slovak Republic, payments in foreign currency or abroad generally may be suspended for the duration of such emergency (not to exceed three months at any one time).
5. The effectiveness of terms exculpating a party from a liability or duty otherwise owed is limited by law.
6. Slovak courts may not give effect to any indemnity for legal costs incurred by a litigant in proceedings before Slovak courts.

This opinion expresses Slovak legal concepts in English. Such concepts are not always capable of precise expression in English without the extensive comparative law analysis which would not be appropriate for an opinion of this kind.

This opinion is given exclusively in connection with the Agreement and for no other purpose. It is ~~st~~with the tis





FORM OF LEGAL OPINION OF ALLEN & OVERY – ENGLISH LAW

[Allen & Overy Letterhead]

[date]

ING BANK N.V.

[]

Dear Sirs,

**U. S. Steel Košice, s.r.o. (the Company) €195,000,000
Facility Agreement dated [] December, 2005 (the Agreement)**

We have acted as English legal advisers to ING Bank N.V. as Facility Agent in connection with the Agreement between the Company, the Arrangers, the Facility Agent and the Financial Institutions listed in the Agreement.

Terms defined in the Agreement and not defined otherwise herein shall have the same meanings when used herein as therein.

We have examined an executed copy of the Agreement and the opinion of Allen & Overy Bratislava, s.r.o. referred to in Schedule 4 (Conditions Precedent Documents) to the Agreement.

We have not examined any other document entered into by or affecting the Company or any corporate or other records of the Company and have not made any other inquiries concerning it.

In giving this opinion we have assumed:

(a)

Based on the foregoing and subject to the assumptions set out above and the qualifications set out below, we are of the opinion that, so far as the laws of England & Wales are concerned at the date of this opinion:

1. **Legal validity:** The Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company, except that the enforceability of such obligations may be limited by (i) bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights; ~~um~~

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- (c) Any provision in the Agreement for interest to be paid on overdue amounts at a rate in excess of the pre-default rate may amount to a penalty under English law and may therefore not be recoverable.
 - (d) Under certain circumstances, a court or arbitral tribunal in England may not treat as conclusive those certificates, judgements, determinations, records and opinions which the Agreement states are to be so treated (for example without limitation, if a certificate, judgement, determination, record or opinion could be shown to have been in manifest error or to have an unreasonable or arbitrary basis or not to have been made in good faith).
 - (e) The effectiveness of terms exculpating a party from a liability or duty otherwise owed is limited by law.
 - (f) A court or arbitral tribunal in England will not necessarily give full effect to an indemnity for the costs of litigation or enforcement incurred by an unsuccessful litigant.
 - (g) The Agreement may under English law be amended orally by the parties thereto notwithstanding provisions therein to the contrary.
 - (h) Failure or delay in exercising any right may constitute a waiver of that right in spite of provisions to the contrary in the Agreement, for example, in circumstances where such failure amounts to an implied representation that the right has been waived and it is reasonable in the circumstances for the Company to rely on this representation.
 - (i) Any obligations requiring an indemnity in respect of stamp duties may be void in respect of stamp duty payable in the United Kingdom.
 - (j) A court or arbitrator in England may allow set-off or counterclaim in circumstances in which it is fair and equitable to do so.
 - (k) [Where legal proceedings are brought in respect of a matter which the Parties have agreed to arbitrate under Clause 35.5, the English courts may grant a stay of those legal proceedings unless satisfied that the arbitration agreement is null and void, inoperative or incapable of being performed.]
 - (l) The enforceability of the Agreement will be subject to the limitations set out in our Slovak law legal opinion of even date.

This opinion is given exclusively in connection with the Agreement and for no other purpose. It is strictly limited to the matters set forth herein and no opinion may be inferred or implied beyond that expressly stated herein.

This opinion is given solely to the Original Lenders and may not be given to or relied upon by any other person.

Yours faithfully,

[]

