

SCHEDULE "B"

GUARANTEE

This GUARANTEE granted _____, 2007,

BY United States Steel Corporation ("USS")

IN FAVOUR OF The Superintendent of Financial Services (Ontario) (the "Superintendent") and Her Majesty the Queen in right of the Province of Ontario as Represented by the Minister of Finance (the "Province" and, collectively with the Superintendent, the "Beneficiaries")

WHEREAS, pursuant to that certain Pension Agreement dated March 31, 2006 (the "Pension Agreement") by and among Stelco Inc. ("Stelco"), certain subsidiaries of Stelco and the Beneficiaries, Stelco undertook certain obligations of performance and payment;

AND WHEREAS a subsidiary of USS has acquired the shares of Stelco pursuant to a plan of arrangement and, in connection therewith, certain amendments are being made to the Pension Agreement and to the loan agreement between Stelco Inc. and the Province dated March 31, 2006 and USS has agreed to guarantee payment and performance of certain obligations of Stelco under the Pension Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, USS agrees as follows:

1. Interpretation

"Obligations" shall mean all obligations of performance and payment undertaken by Stelco pursuant to Sections 3.2, 3.4 and 3.5 and Article 7 of the Pension Agreement.

2. Guarantee

USS hereby unconditionally and irrevocably guarantees the full and prompt payment of the Obligations. USS further guarantees that the Obligations will be performed fully, promptly, and strictly in accordance with their terms. This guarantee is given on the following basis:

- (a) Each and every default in any payment or performance of any of the Obligations shall give rise to a separate claim and cause of action hereunder, and separate claims or suits may be made and brought, as the case may be, hereunder as each such default occurs.

- (b) USS's guarantee is to be a continuing, absolute and unconditional guarantee of payment and performance as aforesaid and shall remain in full force and effect until each and all of the Obligations shall have been fully and satisfactorily paid or discharged in accordance with their terms and provisions, and USS shall have fully and satisfactorily discharged all of its obligations hereunder.
- (c) The liability of USS hereunder shall remain in full force and effect irrespective of:
- (i) the legality, validity, regularity or enforceability of the Pension Agreement, or of any assignment, amendment, modification, or termination of the Pension Agreement, and shall in no way be affected or impaired by (and no notice to USS shall be required in respect of) any compromise, waiver, settlement, release, renewal, extension, indulgence, amendment, addition, deletion, change in, modification of, or release of any security for, any of the obligations and liabilities of Stelco under or pursuant to the Obligations;
 - (ii) any failure, neglect or omission on the part of the Superintendent or the Province or any other person to give USS notice of the occurrence of any default by Stelco under the Obligations;
 - (iii) any amalgamation, merger or consolidation of Stelco or any sale, lease or transfer of any of the assets of Stelco or any change in the ownership of any shares of the capital stock of Stelco;
 - (iv) any release, compromise, waiver, settlement, indulgence or modifications with respect to any obligor other than Stelco under the Pension Agreement or the obligations of any obligor other than Stelco under the Pension Agreement; and
 - (v) any other occurrence or circumstance whatsoever, whether similar or dissimilar to the foregoing, and any other circumstance that might otherwise constitute a legal or equitable defense or discharge of the liabilities of USS hereunder.
- (d) The obligations and liability of USS hereunder shall not be impaired, diminished, abated or otherwise affected (i) by any set-off, defense or counterclaim that Stelco or USS may have or claim to have, at any time or from time to time, or (ii) by the commencement by or against Stelco or USS of any proceedings under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extension or other similar laws.
- (e) This guarantee is in addition to and not in substitution for any other guarantee or security by whomsoever given.

- (f) It is the intent and purpose hereof that USS shall not be entitled to claim and hereby waives any and all defenses available to guarantors, sureties and other secondary parties at law or in equity. Without limiting the generality of the foregoing, USS hereby waives notice of acceptance of this agreement and of the non-performance by Stelco, diligence, presentment, protest, dishonour, demand for payment on Stelco and notice of non-payment or failure to perform on the part of Stelco and all other notices whatsoever. The guarantee hereunder is a guarantee of payment, performance and compliance. In order to hold USS liable hereunder, there shall be no obligation on the part of the Superintendent or the Province at any time to demand or resort for payment or performance to Stelco, its properties or assets or to any security, property or other rights or remedies whatsoever, nor shall there be any requirement that Stelco be joined as a party to any proceeding for the enforcement of any provision of USS's guarantee herein, and the Beneficiaries shall have the right to enforce USS's guarantee herein irrespective of whether or not legal proceedings or other enforcement efforts against Stelco are pending. Without limiting the foregoing, it is understood that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, Stelco shall default under the Obligations, and that, notwithstanding recovery hereunder for or in respect of any such default, USS's guarantee shall remain in force and effect and shall apply to each and every subsequent default. So long as Stelco shall not have fully paid, performed, or discharged all of the Obligations, any claim which USS shall have against Stelco by reason of any payment pursuant to the provisions hereof shall not be asserted or enforced or collected as against (or to the detriment of) Stelco (including without limitation, any liquidator, trustee in bankruptcy, assignee for the benefit of creditors or receiver of property or assets of Stelco, as the case may be).
- (g) Neither the Province nor the Superintendent shall be bound to exhaust its recourse against Stelco, others or any securities or other guarantees it may at any time hold before being entitled to payment from USS hereunder and USS renounces all benefit of discussion and division.

3. Written Waiver

No act or omission of any kind or at any time on the part of the Superintendent, the Province or Stelco in respect of any matter whatsoever including, without limitation, any omission in performance of the Obligations, shall in any way affect or impair the guarantee hereunder, save for an express written waiver or variation of its terms, which shall be effective only with respect to the party granting the same and its successors and assigns.

4. **Continuing Guarantee**

The guarantee hereunder shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or ~~must otherwise be returned from the Stelco Main Pension Plans (as defined in the Pension Agreement)~~, upon the insolvency, bankruptcy or reorganization of Stelco, or otherwise, all as though such payment had not been made.

5. **Acknowledgment**

USS acknowledges that it has reviewed the Pension Agreement in its entirety and that no provision of the Pension Agreement not specifically mentioned herein shall derogate from or diminish the obligations and liability of USS hereunder.

6. **Successors and Assigns**

This guarantee is binding upon USS, its successors and permitted assigns; provided, however, that USS shall not assign its rights or obligations hereunder without the prior written consent of the Beneficiaries. The benefit hereof extends to the Beneficiaries and their successors and assigns.

7. **Costs of Enforcement**

USS agrees to pay to the Beneficiaries any and all costs and expenses, including legal fees on a full indemnity basis, paid or incurred by either or both of them in connection with enforcing their rights hereunder.

8. **Governing Law**

This guarantee will be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. USS hereby irrevocably consents and submits to the exclusive jurisdiction of the Ontario Superior Court of Justice and waives any objection based on venue or *forum non conveniens* with respect to any action commenced in connection with this guarantee.

USS hereby appoints Douglas Rienzo as agent to receive on its behalf service of copies of any notice to be delivered or any process that might be served under this guarantee or in an action or proceeding or entering of judgment. The Beneficiaries or either of them may make service on USS by sending or delivering a copy of any document to USS in care of its agent at the address and in the manner provided for the giving of notices in Section 9 below.

9. Notice

All notices, requests, demands or other communications required or permitted to be given by one party to another under this guarantee shall be given in writing and delivered by personal delivery or delivery by recognized national courier, sent by facsimile transmission or delivered by registered mail addressed as follows:

(a) If to USS: United States Steel Corporation
600 Grant Street
Pittsburgh, PA 15219-2800

Attention: James D. Garraux
General Counsel &
Sr. Vice President

Facsimile Number: 412-433-1145

(b) If to the Superintendent: Deputy Superintendent, Pensions
Financial Services Commission of Ontario
5160 Yonge Street
4th Floor, Box 85
Toronto, Ontario
M2N 6L9

Facsimile Number: 416-226-7787

(c) If to the Province: Minister of Finance
Ministry of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario
M7A 1Y7

Facsimile Number: 416-325-0374

-and-

Deputy Minister of Finance
Ministry of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario
M7A 1Y7

Facsimile Number: 416-325-1595

or at such other address or facsimile number at which the addressee may from time to time notify the addressor. Any notice delivered by personal delivery or by courier to the party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address. If such day is not a Business Day (as defined in the Pension Agreement), or if the notice is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the next Business Day. Any notice sent by registered mail shall be deemed to have been given and received on the third Business Day following the date of its mailing. Any notice transmitted by facsimile shall be deemed to have been given and received on the day in which transmission is confirmed. If such day is not a Business Day or if the facsimile transmission is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the first Business Day after its transmission.

IN WITNESS WHEREOF USS has duly executed this guarantee on the date first written above.

UNITED STATES STEEL CORPORATION

Per: _____
Name:
Title:

Per: _____
Name:
Title: