



## **United States Steel Corporation Compensation & Organization Committee Charter**

### **I. Purpose**

The Compensation & Organization Committee (the "Committee") has been organized for the purposes of carrying out such responsibilities and performing such duties as may be assigned to the Committee from time to time by the Board of Directors and outlined in this Charter, including, but not limited to, those relating to:

- A. Discharging the responsibilities of the Board of Directors respecting the compensation of the Corporation's executives;
- B. Producing an annual report on executive compensation for inclusion in the Corporation's proxy statement, in accordance with applicable rules and regulations; and
- C. Reviewing and discussing the Corporation's employee benefit plans.

### **II. Membership**

The Committee shall be comprised solely of directors who are independent and qualified under standards established by the New York Stock Exchange and who, in the opinion of the Board, are free of any relationship that would interfere with their exercise of independent judgment as members of the Committee.

The Committee shall consist of at least three members, each of whom shall be appointed by the Board of Directors. The Board shall select, as Committee members, directors whose experience and expertise will enable them to make substantial contributions to the Committee's endeavors. A Committee member may be removed, with or without cause, at any time by the Board of Directors.

### **III. Duties and Responsibilities**

The Committee shall:

1. make recommendations to the Board and to the boards of subsidiaries on all matters of policy and procedures relating to executive compensation, including incentive-compensation plans and equity-based plans,
2. review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation,
3. with the Board, annually review the Corporation's executive management succession plans and regularly review policies and procedures for the selection and performance review of the CEO, as well as the policies regarding succession in the event of an emergency or the retirement of the CEO,
4. evaluate the Chief Executive Officer's performance in light of the approved goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the Chief Executive Officer's compensation level based on such evaluation, giving consideration with respect to the long-term incentive component of such compensation to the Corporation's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the Chief



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Executive Officer in past years, and the CEO's leadership, integrity and effectiveness,

5. approve the salaries of the other officers of the Corporation,
6. administer plans and programs under which short-term incentives are awarded and approve such awards for officers,
7. administer the plans and programs under which long-term incentives are granted and approve grants of options, stock appreciation rights, restricted stock and other incentives under those plans and programs,
8. timely certify as to the meeting of applicable performance levels under the foregoing plans and programs,
9. produce the committee report on executive compensation referenced above for inclusion in the proxy statement,
10. make recommendations to the Board with respect to equity-based plans,
11. oversee employee benefit plans as they pertain to officers,
12. make recommendations to the Board concerning policy matters relating to employee benefits, while retaining exclusive authority over executive compensation & benefits,
13. approve the retention and termination of any consulting firm retained to assist in the evaluation of director, Chief Executive Officer or Senior Executive Compensation, and approve the consulting firm's fees and other retention terms (the Committee also may, in appropriate circumstances and at Corporation expense, hire independent advisors, including counsel),
14. conduct an annual self-evaluation of the Committee's performance,
15. at its first meeting of each calendar year, review this charter, and
16. perform such other duties and responsibilities as may be assigned to the Committee by the Board or designated in plans approved by the shareholders. The Committee shall have the authority to delegate matters to subcommittees.

#### **IV. Meetings and Reports**

The Committee shall meet at least three times annually. The Committee will report to the Board on all matters relevant to the Committee's discharge of its responsibilities, and will make such recommendations to the Board as the Committee deems appropriate.

Last reviewed and approved by the Board of Directors on January 31, 2006.

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