Date of Report (Date of earliest event reported):
August 26, 2007

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/ Larry G. Schultz
Larry G. Schultz
Vice President & Controller

Dated: August 30, 2007

ARRANGEMENT AGREEMENT

BY AND AMONG

UNITED STATES STEEL CORPORATION,

1344973 ALBERTA ULC

and

STELCO INC.

Dated as of August 26, 2007

(continued)

counsel. The Company shall also provide to Parent's counsel on a timely basis copies of any notice of appearance or other Court documents served on the Company in respect of the application for the Interim Order or the Final Order or any appeal therefrom and of any notice, whether written or oral, received by the Company indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order;

(m) instruct counsel acting for the Company to bring the applications referred to in Section 1.2(b) and Section 1.2(j) in cooperation with counsel to Parent; and

(n) not: (i) file any material with the Court in connection with the Arrangement or serve any such material, and not agree to modify or amend materials so filed or served; or (ii) send to the Director, for endorsement and filing by the Director, the Articles of Arrangement, except, in either case, as contemplated hereby or with Parent's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

1.3 Interim Order. The notice of motion for the application for the Interim Order referred to in Section 1.2(b) shall request that the Interim Order provide:

(a) for confirmation of the record date for the Company Meeting;

(b) for the classes of Persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;

(c) that the requisite approval for the Arrangement Resolution shall be two-thirds of the votes cast on the Arrangement Resolution by those entitled to vote that are present in person or by proxy at the Company Meeting;

(d) that, in all other respects, the terms, restrictions

1.5 Circular. As promptly as practicable after the execution and delivery of this Agreement, the Company, in consultation with Parent, will prepare and complete the Circular together with any other documents required by the CBCA or other Applicable Law in connection with the Arrangement and the Company Meeting. The Company Circular and such other documents, together with any amendments thereto, shall be in form and substance satisfactory to Parent acting reasonably provided that Parent acknowledges that the contents of the Company Circular must ultimately be determined by the Company acting reasonably in all the circumstances. The Company will file the Circular and any other documentation required to be filed under the Interim Order and Applicable Law in all jurisdictions where the Circular is required to be filed by the Company and mail or cause to be mailed the Circular and any other documentation required to be mailed under the Interim Order and Applicable Law to Shareholders, the directors of the Company, the auditors of the Company and any other required Persons on or before September 27, 2007, all in accordance with the terms of the Interim Order and Applicable Law. In a timely and expeditious manner, the Company shall prepare (in consultation with Parent) and file amendments or supplements to the Circular (which amendmeatswoorsupplenteutsyhlybeiquedbrtbaitgaridoydereehtanditsccunsel,actingwithaseasonbly)wschibed by Applicable Law or as otherwise agreed between the Company and Parent with respectaspectas be, actany and maaw as otherwexeereteltis o(3tai accordaent ws sh by Appliceblennect o(3t rd Persder t ws shall jurisdPersons wh o(3taitiils

so furnished by it in writing in connection with those actions or otherwise in connection with the consummation of the Arrangement will contain any Misrepresentation. Each of the parties hereto will ensure that the information relating to it and its Subsidiaries, which is provided in the Circular, will not contain any Misrepresentation.

(d) Each of Parent and the Company shall promptly notify the other of them if, at any time before the Effective Time, it becomes aware that the Circular or an application for the Interim Or

(c) waive compliance with or modify any of the covenants contained herein or waive or modify the performance of any of the obligations of the parties; and

(d) waive compliance with and modify any conditions precedent contained herein,

provided, however, that after receipt of approval of the Arrangement Resolution by the Shareholders, there shall be no amendment that by Applicable Law requires further approval by the Shareholders without further approval of such Shareholders.

1.9 List of Shareholders, Warrantholders and Optionholders. At the reasonable request of Parent from time to time, the Company shall provide Parent with a list (in both written and electronic form) of the registered Shareholders, together with their addresses and respective holdings of Company Shares, with a list of the names and addresses and holdings of all Persons having rights issued by the Company to acquire Company Shares (including Optionholders and registered Warrantholders) and a list of non-objecting beneficial owners of Company Shares or Warrants, together with their addresses and respective holdings of Company Shares or Warrants. The Company shall from time to time require that its registrar and transfer agent furnish Parent with such additional information, including updated or additional lists of Shareholders and lists of holdings and other assistance as Parent may reasonably request.

1.10 Withholding. The Company, Parent, Subco, one or more other Subsidiaries of Parent or the Depositary, as the case may be, shall be entitled to directly or indirectly deduct and withhold from any amount otherwise payable pursuant to this Agreement or the Plan of Arrangement to any Shareholder, Optionholder or Warrantholder such amounts as are entitled or required to be deducted and withheld with respect to the making of such payment under the Tax Act or any other provision of domestic or foreign (whether national, federal, provincial, state, local or otherwise) Applicable Law relating to Taxes. To the extent that amounts are so deducted and withheld and paid to the appropriate Governmental Entity directly or indirectly by the Company, Parent, Subco or one or more Subsidiaries of Parent or the Depositary, as the case may be, such deducted and withheld amounts shall be treated for all purposes of this Agreement and the Plan of Arrangement as having been paid to the Shareholders, Optionholders or Warrantholders, as the case may be, in respect of which such deduction and withholding was made by the Company, Parent, Subco, one or more Subsidiaries of Parent or the Depositary, as the case may be, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity within the time required and in accordance with the Tax Act or any other provision of domestic or foreign (whether national, federal, provincial, state, local or otherwise) Applicable Law relating to Taxes.

1.11 Alternative Transaction Structure. At the request of Parent, the Company shall use commercially reasonable efforts to assist Parent to successfully implement and complete any alternative transaction structure that: (a) does not have negative financial consequences to the Company and its Subsidiaries in any material respect, would provide Shareholders, Optionholders and Warrantholders with cash consideration not less than the

cash consideration per security receivable under Section 1.13 herein and would provide for the acquisition of all of the outstanding Company Shares, Options and Warrants; (b) would reasonably be expected to be completed prior to the Outside Date; and (c) is otherwise on terms and conditions no more onerous in any material respect than the Arrangement and this Agreement. In the event that the transaction structure is so modified, the relevant provisions of this Agreement shall be modified as necessary in order that they shall apply with full force and effect, *mutatis mutandis*, but with the adjustments necessary to reflect the revised transaction structure, and the parties hereto shall execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications and adjustments.

1.12 Closing. The closing of the transactions contemplated hereby (Ď Ţ

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Exceσ Ď ę

(f) Neither the Company Shares nor any other securities of the Company are registered, or required to be registered, pursuant to Section 12 of the United States Securities Exchange Act of 1934, as amended, and the Company is not required to file reports pursuant to Section 12 or 15(d) of such Act or pursuant to any other Applicable Law governing the listing or trading of securities other than the Securities Laws and the requirements of the TSX.

(g) The Company is a "reporting issuer" under the Securities Laws and is not in default of any material requirements under the Securities Laws. No delisting, suspension of trading or cease trading order with respect to the Company Shares is pending or, to the knowledge of the Company, threatened. To the knowledge of the Company, no inquiry, review or investigation (formal or informal) of the Company by any securities regulatory authority under applicable Securities Laws or the TSX is in effect or ongoing or expected to be implemented or undertaken.

(h) The chief executive officer of the Company and the chief financial officer of the Company each has made all certifications required by Multilateral Instrument 52 109 – "*Certification of Disclosure in Issuers' Annual and Interim Filings*", as applicable, with respect to the Company Securities Reports, and the statements contained in such certifications were accurate as of the date they were made.

(i) Neither the Company nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract (including any Contract relating to any transaction or relationship between or among the Company and any of its Subsidiaries, on the one hand, and any unconsolidated affiliate, including any structured finance, special purpose or limited purpose entity or person, on the other hand, or any "off-balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K of the United States Securities and Exchange Commission)), where the result, purpose or effect of such Contract is to avoid disclosure of any transaction involving, or liabilities of, the Company or any of its Subsidiaries in the Company's or any of its Subsidiaries' published financial statements or other Company Securities Reports.

2.8 Financial Statements. Each of the consolidated financial statements (including, in each case, any notes thereto) contained in the Company Securities Reports (the " ") was prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated (except, in the case of unaudited statements, as permitted by the rules and regulations of the OSC) and each presents fairly, in all material respects, the consolidated financial position, results of operations and cash flows of the Company and its consolidated Subsidiaries as at the respective dates thereof and for the respective periods indicated therein, except as otherwise noted therein (subject, in the case of unaudited statements, to normal and recurring year end adjustments which would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries taken as a whole and the absence of notes that would be required in audited statements). The most recent audited balance sheet of the Company contained in the Company Securities Reports as of December 31, 2006 is hereinafter referred to as the " " and the date thereof is hereinafter referred to as the " ".

2.9 **No Un**disclosed Liabilities

2.13 Litigation. There is no material action, suit or proceeding, claim, arbitration, litigation or investigation (each, an “ ”) pending or, to the Company’s knowledge, threatened (i) against or affecting the Company or any of its Subsidiaries, except as set forth in Schedule 2.13 of the Company Dis£ s

(e) Except as set forth in Schedule 2.15(e) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries (i) has ever been a party to any Tax allocation or sharing agreement or Tax indemnification agreement, (ii) has ever been a member of an affiliated, consolidated, condensed or unitary group or (iii) has any liability for or obligation to pay Taxes of any other Person under United States Treasury Regulation section 1.1502 6 (or any similar provision of Tax law), or as t ia)

benefit administration contracts; (ii) all significant, non-confidential legal opinions, and consultants' reports relating to the administration or funding of any Company Benefit Plan or the use of the funds held under such Company Benefit Plans; (iii) all financial and accounting statements and reports for each of the last three years and all reports, statements, valuations, returns and correspondence for each of the last three years which affect premiums, contributions, refunds, deficits or reserves under any Company Benefit Plan; (iv) the three most recent actuarial reports (whether or not such actuarial reports were filed with a Governmental Entity) and any supplemental cost certificates filed with any Governmental Entity; (v) all annual information returns or other returns filed with, and significant correspondence from, any Governmental Entity within the last three years relating to the Company Benefit Plan; and (vi) all Company Benefit Plan amendments or other documents reflecting ad hoc increases, upgrades and improvements to the Company Benefit Plans which have been implemented within the last three years.

(b) Each Company Benefit Plan that is not a Multiemployer Plan has been and is currently administered in compliance in all material respects with its constituent documents and with all reporting, disclosure and other requirements of Applicable Law. Schedule 2.16(b) of the Company Disclosure Letter identifies each Company Benefit Plan that is a defined benefit Pension Plan or Multiemployer Plan.

(c) Except as set forth in Schedule 2.16(c) of the Company Disclosure Letter, with respect to each Company Benefit Plan, there are no actions, suits or claims (other than routine claims for benefits in the ordinary course) pending or, to the Company's knowledge, threatened against any Company Benefit Plan that is not a Multiemployer Plan, the Company, any Subsidiary of the Company, or, to the Company's knowledge, any trustee or agent of any Company Benefit Plan that is not a Multiemployer Plan. Except as set forth in Schedule 2.16(c) of the Company Disclosure Letter, no Company Benefit Plan that is not a Multiemployer Plan is currently under any governmental investigation or audit and, to the knowledge of the Company, no such investigation or audit is contemplated or under consideration.

(d) The Company and its Subsidiaries have made all required contributions under each Company Benefit Plan and with respect to all Company Benefit Plans, other than Multiemployer Plans, that are funded plans, to the Company's knowledge, there has been no material adverse change in the funded status of such plans since the effective date of the most recently filed funding valuations therefor. The sole obligation of the Company and its Subsidiaries to or in respect of any Multiemployer Plan is to make the required contributions to the Multiemployer Plan in the amounts and in the manner set forth in Schedule 2.16(d) of the Company Disclosure Letter.

(e) Except as set forth in Schedule (e)2.16(e) of the Company Disclosure Letter, none of the Company, any Subsidiary of the Company or any Governmental Entity has instituted proceedings to terminate any Company Benefit Plan that is not a Multiemployer Plan or place any Company Benefit Plan that is not a Multiemployer Plan under the administration of any trustee, receiver or Governmental Entity, and no Governmental Entity has informed the Company or any Subsidiary of the Company that it intends to institute any such proceedings.

(n) Schedule 2.16(n) of the Company Disclosure Letter sets forth the number of U.S. citizens and U.S. permanent resident aliens that participate in any Company Benefit Plans.

2.17 Properties.

(a) Except as set forth in Schedule 2.17(a) of the Company Disclosure Letter, with respect to all personal properties and assets that they purport to own, including all properties and assets reflected as owned on the Company Balance Sheet (other than personal property and assets disposed of in the ordinary course of business since the date thereof), the Company or one of its Subsidiaries has good and valid title to all of such properties and assets, free and clear of all Liens other than Permitted Liens.

(b) With respect to personal properties and assets that are leased, the Company or one of its Subsidiaries has a valid leasehold interest in such properties and assets and all such leases are in full force and effect and constitute valid and binding obligations of the other party(ies) thereto, except as such obligations may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to creditors' rights generally, and the availability of injunctive relief and other equitable remedies. Neither the Company nor any of its Subsidiaries nor, to the Company's knowledge, any other party thereto is in violation in any material respect of any of the terms of any such lease.

2.18 Real Property

Real Property and no structures, facilities or other improvements on any parcel adjacent to the Owned Real Property encroach onto any portion of the Owned Real Property, other than encroachments that, individually or in the aggregate, would not reasonably be expected to have a Company Material Adverse Effect.

(iii) The Company has provided or made available to Parent copies of the deeds or other instruments (as registered) by which the Company or one of its Subsidiaries acquired such parcel of Owned Real Property, and copies of all title insurance policies, opinions, abstracts, surveys and appraisals in the possession of the Company or any of its Subsidiaries relating thereto.

(iv) Except as set forth in Schedule 2.18(b)(iv) of the Company Disclosure Letter, there are no outstanding options or rights of first refusal to purchase any such parcel of Owned Real Property.

(c) With respect to Leased Real Property, the Company has made available to Parent a true and complete copy of each real property lease pursuant to which the Company or any Subsidiary of the Company is a party or by which any of them is bound (each, a "

2.19 Intellectual Property.

(a) As used in this Agreement, “ ” means: (i) inventions (whether or not patentable), trade secrets, technical data, database information, customer lists, designs, tools, methods, processes, technology, ideas, know-how, source code, product road maps and other proprietary information and materials; (ii) trademarks and service marks (whether or not registered), trade names, logos, trade dress and other proprietary indicia and all goodwill associated therewith; (iii) documentation, advertising copy, marketing materials, web-

(d) To the knowledge of the Company: (i) there are no infringements by third parties of any Company Intellectual Property that is owned by the Company and/or one or more of its Subsidiaries; (ii) there are no challenges to the validity, enforceability or use of same; and (iii) neither the Company nor its Subsidiaries have used the Company Registered Items in a manner that would result in the invalidity or unenforceability of the Company Registered Items.

(e) To the knowledge of the Company, none of the products or services developed, manufactured, sold, distributed, provided, shipped or licensed by the Company

compensation, or pay equity. To the knowledge of the Company, nothing has occurred which might lead to a material claim under any such Applicable Law. There are no outstanding decisions, Orders or settlements or pending settlements which place any obligation upon the Company or any of its Subsidiaries to do or refrain from doing any act.

(i) No labour organization, union or association has bargaining rights in respect of the Company or any of its Subsidiaries, any Employees or any Persons providing on site services in respect of the Company or any of its Subsidiaries, except as covered by Collective Agreements in force on the date of this Agreement.

(j) None of the Company or any of its Subsidiaries has engaged in any plant closing or employee lay-off activities within the past five years that would violate or in any way subject the Company or any of its Subsidiaries to the group termination or lay-off requirements of any applicable employment standards legislation.

2.21 Environmental.

(a) Except as would not reasonably be expected to have a Company Material Adverse Effect or as disclosed in Schedule 2.21(a) of the Company Disclosure Letter:

(i) Each of the Company and its Subsidiaries has secured, and is in compliance in all material respects with, all Environmental Permits required in connection with its operations and the Real Property. Each Environmental Permit, together with the name of the Governmental Entity issuing such Environmental Permit, is set forth in Schedule 2.21(a)(i) of the Company Disclosure Letter. All such Environmental Permits are valid and in full force and effect, none of such Environmental Permits will be terminated or impaired or become terminable as a result of the consummation of the Arrangement and, to the Company's knowledge, there are no circumstances that exist which would reasonably be expected to result in the revocation, suspension, amendment or material alteration of any Environmental Permit. Each of the Company and its Subsidiaries is in compliance in all material respects with all Environmental Laws. Neither the Company nor any of its Subsidiaries has received written notice alleging that the Company or any of its Subsidiaries is not in such compliance with Environmental Laws.

(ii) There are no past, pending or, to the Company's knowledge, threatened Environmental Actions against or affecting the Company or any of its Subsidiaries, and the Company is not aware of any facts or circumstances which could reasonably be expected to form the basis for any material Environmental Action against the Company or any of its Subsidiaries.

(iii) Neither the Company nor any of its Subsidiaries has entered into or agreed to any material Order, and neither the Company nor any of its Subsidiaries is subject to any outstants(nis K 3u (" e s`•`

2.22 Related Party Transactions. There are no Contracts by the Company or any of its Subsidiaries with, or for the benefit of, any officer, director or Shareholder beneficially owning or exercising control or direction over 10% or more of the Company Shares of the Company or, to the knowledge of the Company, any Affiliate of any of them, except in each case, for (a) Employment Contracts, fringe benefits and other compensation paid to directors, officers and Employees consistent with previously established policies or awards, (b) reimbursements of ordinary and necessary expenses incurred in connection with their employment or service, and (c) amounts paid pursuant to Company Benefit Plans. To the knowledge of the Company, none of such Persons has any material ownership interest in any firm or corporation with which the Company or any of its Subsidiaries has a business relationship, or with any firm or corporation that competes with the Company or any of its Subsidiaries (other than ownership of securities in a publicly traded company representing less than one percent of the outstanding capital stock of such company).

2.23 Certain Business Practices. Neither the Company nor any of its Subsidiaries nor, to the knowledge of the Company, any director, officer, agent or Employee (i) used any funds for unlawful contributions, gifts, entertainment or other expenses relating to political activity or for the business of the Company or any of its Subsidiaries, (ii) made any bribe or kickback, illegal political contribution, unlawful payment from corporate funds which was incorrectly recorded on the books and records of the Company or any of its Subsidiaries, unlawful payment from corporate funds to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns or violated any provision of the United States Foreign Corrupt Practices Act of 1977, or (iii) made any other unlawful payment.

2.24 Insurance.

(a) Schedule 2.24(a) of the Company Disclosure Letter sets forth as of the date of this Agreement an accurate and complete list of each insurance policy, binder of insurance and fidelity bond which covers the Company or any of its Subsidiaries or their respective businesses, properties, assets, directors or Employees (the " ").

(b) Schedule 2.24(b) of the Company Disclosure Letter describes any self-insurance arrangement by or affecting the Company or any of its Subsidiaries, including any reserves thereunder, and describes the loss experience for all claims that were self-insured in the current year and since January 1, 2006.

(c) To the knowledge of the Company, all Policies are enforceable in accordance with their terms. Such Policies are sufficient for compliance with all laws and Material Contracts to which the Company or any of its Subsidiaries is a party or by which it is bound, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to creditors rights generally, and the availability of injunctive relief and other equitable remedies.

not misleading, as supplemented or amended, if applicable, at each of (i) the time such Circular or any amendment or supplement thereto is first mailed to the Shareholders and (ii) at the time the Shareholders vote on the Arrangement.

3.6 Availability of Funds. Parent has sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make prompt payment of the aggregate Consideration pursuant to Article I.

3.7 Brokers or Finders. Except for JP Morgan Securities, whose fees will be paid by Parent, there is no investment banker, broker, finder, financial advisor or other intermediary that has been retained by or is authorized to act on behalf of Parent or Subco who is entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

4.3 Nonsolicitation.

(a) Subject to Section 4.3(b), the Company agrees that it will not, and it will cause its Subsidiaries and its and their respective directors, officers, employees, Affiliates and other agents and representatives (including any investment banking, legal or accounting firm retained by it or any of them and any individual member or employee of the foregoing) (each, an “

terms no less favourable to the Company than those contained in the Confidentiality Agreement and containing additional provisions that expressly permit the Company to comply with the terms of this Section 4.3 (a copy of which confidentiality agreement shall be promptly (and in all events within 24 hours) provided for informational purposes only to Parent); provided, that prior to providing any information or data to any Person or entering into discussions or negotiations with any Person, the Company notifies Parent promptly of any such inquiry, proposal or offer received by, any such information requested from, or any such discussions or negotiations sought to be initiated or continued with, the Company or any of its officers, directors, Employees, advisors and agents indicating, in connection with such notice, the material terms and conditions of the Third Party Proposal, the identity of the Person making such Third Party Proposal and provides a copy of any written Third Party Proposal and (B) all such information (to the extent such information has not been previously provided or otherwise made available to Parent) is provided or made available to Parent, as the case

4.5 Additional Covenants

any of its Subsidiaries (the “ ”) against al

5.2 Additional Covenants.

(a) Except as otherwise provided in this Agreement, neither Parent nor Subco shall take any action or enter into any transaction, which would, or which reasonably may be expected to (i) render any representation or warranty made by Parent in this Agreement inaccurate, (ii) result in a brea

6.2 Public Announcements. The initial press release relating to this Agreement shall be a joint press release the text of which has been agreed to by each of Parent and the Company. Thereafter, neither Parent nor the Company shall issue or cause the publication of any press release or otherwise make any public statements with respect to this Agreement, the Arrangement or the transactions contemplated by this Agreement without the prior consent of the other parties (such consent not to be unreasonably withheld, conditioned or delayed); provided, that a party may, without such consent (but after prior consultation to the extent practicable in the circumstances), issue such press releases and make such public statements that it believes are required by Applicable Law or the rules of the TSX or the New York Stock Exchange. Notwithstanding the foregoing, each of Parent and the Company may make any public statement in response to questions from the press, analysts, investors or those attending industry conferences or financial analyst conference calls, make presentations at such conferences and conference calls and make internal announcements to employees, so long as such statements and announcements are consistent with previous press releases, public disclosures or public statements made jointly by the Company and Parent (or individually, if approved by the other party).

6.3 Notification of Certain Matters. Each of the Company and Parent shall promptly notify the other of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement;

(c) any litigation, investigation, arbitration, proceeding, or other claim commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the Company or any of its Subsidiaries, that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Article II, or that relates to the consummation of the transactions contemplated by this Agreement;

(d) any inaccuracy of any representation or warranty contained in this Agreement at any time during the term hereof that could reasonably be expected to cause the conditions set forth in Article VII not to be satisfied; and

(e) any failure of such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder.

6.4 Further Assurances. Upon the terms and subject to the conditions hereof each of the parties hereto shall cooperate and perform all obligations to be performed by it under this Agreement in order to consummate the transactions contemplated by this Agreement and shall execute such documents and other instruments and take such further actions as may be reasonably required to carry out the provisions hereof and consummate the Arrangement and the transactions contemplated by this Agreement.

6.5 Debt Cooperation. To the extent reasonably requested by Parent, the Company shall cooperate with Parent in any efforts to retire, redeem or purchase on or immediately prior to the Closing Date any of the Company's outstanding debt or in any other action with respect to such debt reasonably requested by Parent, including any offer to purchase all of the outstanding aggregate principal amount of the Company's Secured Floating Rate Notes due 2016 (the " "); provided that, in the case of the Notes, in no event will the Company be required to accept for payment Notes prior to the Effective Time and, in all cases, Parent agrees to reimburse the Company and its Subsidiaries and hold them harmless from and against any liabilities, losses, costs and expenses incurred in connection with this Section 6.5.

ARTICLE VII

CONDITIONS TO THE ARRANGEMENT

7.1 Conditions to the Obligations of Each Party. The obligations of Parent, Subco and the Company to consummate the Arrangement are subject to the satisfaction (or, to the extent permissible, waiver) on or prior to the Closing Date of the following conditions:

(a) The Arrangement Resolution shall have been approved and adopted at the Company Meeting in accordance with the Interim Order.

(b) The Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement and will not have been set aside.

(c) The waiting period applicable to the Arrangement under the HSR Act shall have expired or been terminated and any applicable waiting periods or approvals under the Other Antitrust Laws, which counsel for the parties agree are necessary or required, shall have expired, been terminated or obtained, as the case may be.

(d) Competition Act Approval shall have been obtained.

(e) Investment Canada Act Approval shall have been obtained.

(f) No Applicable Law or Order shall prohibit the consummation of the Arrangement.

7.2 Conditions to the Obligations of Parent and Subco. The obligations of Parent and Subco to consummate the Arrangement are subject to the satisfaction (or waiver by Parent in its sole discretion) of the following further conditions:

(a) The representations and warranties of the Company set forth in this Agreement (without regard to materiality or Company Material Adverse Effect qualifiers contained therein), shall be true and correct at and as of the date of this Agreement and the Closing Date as if made at and as of such date (except to the extent that such representations and warranties refer specifically to an earlier date, in which case such

or to such other address or to the attention of such Person or Persons as the recipient party has specified by prior written notice to the sending party (or in the case of counsel, to such other readily ascertainable business address as such counsel may hereafter maintain). If more than one method for sending notice as set forth above is used, the earliest notice date established as set forth above shall control.

9.2 Survival. None of the representations and warranties in this Agreement or in any certificate or instrument delivered pursuant to this Agreement shall survive the Effective Time. This Section 9.2 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

9.3 Amendments and Waivers.

(a) Subject to the provisions of the Interim Order and Applicable Law, any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) To the maximum extent permitted by Applicable Law, (i) no waiver that may be given by a party shall be applicable except in the specific instance for which it was given and (ii) no notice to or demand on one party shall be deemed to be a waiver of any obli

to the foregoing, all of the terms and provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, heirs, personal representatives, successors and assigns. Any purported assignment not permitted under this Section 9.5 shall be null and void.

9.6 Company Disclosure Letter. The parties hereto agree that any reference in a particular Schedule or subsection of the Company Disclosure Letter shall only be deemed to be an exception to (or, as applicable, a disclosure for purposes of) (i) the representations and warranties of the Company that are contained in the corresponding Section or subsection of this Agreement, and (ii) the representations and warranties of the Company that are contained in any other Section or subsection of this Agreement, but only to the extent the relevance of that reference as an exception to (or a disclosure for purposes of) such representations and warranties is reasonably apparent from such disclosure.

9.7 Governing Law. This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

9.8 Consent to Jurisdiction. Each party submits to the exclusive jurisdiction of any Ontario courts sitting in Toronto in any action, application, reference or other proceeding arising out of or related to this Agreement and agrees that all claims in respect of any such actions, application, reference or other proceeding shall be heard and determined in such Ontario courts. Each of the parties irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action, application or proceeding. Each party consents to any action, application, reference or other proceeding arising out of or related to this Agreement being tried in Toronto and, in particular, being placed on the Commercial List of the Ontario Superior Court of Justice. EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

9.9 Counterparts. This Agreement may be executed in any number of counterparts, and any party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other parties hereto. The parties agree that the delivery of this Agreement may be effected by means of an exchange of facsimile signatures with original copies to follow by mail or courier service.

9.10 Entire Agreement. This Agreement and the documents, instruments and other agreements specifically referred to herein or delivered pursuant hereto set forth the entire understanding of the parties hereto with respect to the Arrangement. All Exhibits and Schedules referred to herein are intended to be and hereby are specifically made a part of this Agreement. Any and all previous agreements and understandings between or

among the parties regarding the subject matter hereof, whether written or oral, are superseded by this Agreement, other than the Confidentiality Agreement which shall continue in full force and effect in accordance with its terms. Without limiting the generality of the foregoing, the Company, Parent and Subco make no representation or warranty other than as specified in this Agreement.

9.11 Captions. All captions contained in this Agreement are for conwiwis pta

“ ” means, with respect to any Person, any domestic, foreign, national, federal, provincial, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, policy or other similar requirement enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“ ” means the arrangement [illegible] pursuant to section 192 of the CBCA on the terms and conditions set [illegible]

“ ” means collective agreements (including expired collective agreements which have not been renewed) and related documents including benefit agreements, letters of understanding, letters of intent and other written communications (including arbitration awards) by which the Company or any of its Subsidiaries is bound or which impose any obligations upon the Company or any of its Subsidiaries or set out the understanding of the parties or an interpretation with respect to the meaning of any provisions of such collective agreements.

“ ” means the Commissioner of Competition appointed under the Canadian Competition Act.

“ ” means any employee benefit plan, program, policy, agreement or material arrangement sponsored, maintained or contributed to by the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries is a party or is bound, or in which the employees of the Company or any of its Subsidiaries participate, or under which the Company or any of its Subsidiaries has, or will have, any liability or contingent liability, including any deferred compensation or retirement plan or arrangement, defined contribution retirement plan or arrangement, defined benefit retirement plan or arrangement, Multiemployer Plan, medical, dental, sickness, health, disability, death benefit or other employee welfare benefit plan or program, or stock purchase, stock option, severance pay, employment, change-in-control, vacation pay, company awards, salary continuation, sick leave, excess benefit, bonus or other incentive compensation, life insurance, or other employee benefit plan, contract, program, policy or other material arrangement, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, registered or unregistered.

“ ” means any state of facts, development, event, circumstance, condition, occurrence or effect that, individually or taken collectively with all other events, circumstances, conditions, occurrences or effects, is materially adverse to (a) the business, assets, financial condition or results of operations of the Company and its Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations hereunder and consummate the transactions contemplated hereby; provided, however, for purposes of clause (a) above, in no event shall any of the following be deemed to constitute, nor shall any of the following be taken into account in determining whether there has been or will be a Company Material Adverse Effect: (i) any changes affecting the industry in which the Company and its Subsidiaries operate or sell principal product lines, including changes relating to the price of raw materials or changes relating to selling prices or market demand, that do not have a disproportionate impact on the Company and its Subsidiaries, taken as a whole, (ii) any changes in the economy or the financial or capital markets, including changes in interest or exchange rates that do not have a disproportionate impact on the Company and its Subsidiaries, taken as a whole, (iii) changes in law or in generally accepted accounting principles or in accounting standards, or changes in general legal, regulatory or political conditions that do not have a disproportionate impact on the Company and its Subsidiaries, taken as a whole, and (iv) acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism that do not have a disproportionate impact on the Company and its Subsidiaries, taken as a whole, (v) the execution, announcement or performance of the Agreement or consummation of the transactions contemplated hereby, (vi) any change in

the market price or trading volume of any securities of the Company, provided that the exception in this clause (vi) shall not prevent or otherwise affect a determination that any fact, development, event, circumstance, condition, occurrence or effect underlying such failure has resulted in, or contributed to, a Company Material Adverse Effect, (vii) any actions taken upon the written request of Parent, (viii) any failure to complete the sale of Wabush Mines and (ix) any failure to meet any internal or external projections, provided that the exception in this clause (ix) shall not prevent or otherwise affect a determination that any fact, development, event, circumstance, condition, occurrence or effect underlying such failure has resulted in, or contributed to, a Company Material Adverse Effect.

" " means the special meeting of the Shareholders (including any adjournments or postponements thereof) to be held to consider, among other things, the Arrangement Resolution.

" " means the Commissioner shall have: (a) issued an advance ruling certificate under section 102 of the Canadian Competition Act; or (b) advised Parent in writing that the Commissioner has determined not to file an application for an Order under Part VIII of the Canadian Competition Act and any terms and conditions attached to such advice shall be acceptable to Parent.

" " means any agreement, contract, license, lease, commitment, arrangement or understanding, written or oral, including any sales order and purchase order.

" " means the Ontario Superior Court of Justice (Commercial List).

" " has the meaning given in the Plan of Arrangement.

" " means the Director appointed pursuant to the CBCA.

" " means the rights of dissent in favour of registered Shareholders in respect of the Arrangement as described in the Interim Order and the Plan of Arrangement.

" " means the date upon which the Arrangement becomes effective as established by the date shown on the Certificate of Arrangement issued by the Director pursuant to the CBCA.

" " means the time at which Articles of Arrangement are filed with the Director on the Effective Date.

" " means individuals employed by the Company or any of its Subsidiaries on a full-time, part-time or temporary basis, including those employees on layoff, disability leave, parental leave or other absence.

" " means Contracts, other than Company Benefit Plans, whether oral or written, relating to an Employee, including any communication or practice relating to an Employee which imposes any obligation on the Company or any of its Subsidiaries.

“ ” means the natural environment as defined in any Environmental Laws, and includes air, water, soil, groundwater, all fish, wildlife, biota and all other natural resources.

“ ” means any claim, proceeding or other Action brought or threatened under any Environmental Law asserting that the Company or any of its Subsidiaries] w

“ ” means all wastes of any nature, hazardous materials, hazardous substances, toxic substances, pollutants, dangerous goods or contaminants as defined, judicially, interpreted or identified under Environmental Laws.

“ ” means any of the following: (a) any indebtedness for borrowed money, (b) any obligations evidenced by bonds, debentures, notes or other similar instruments, (c) any obligations to pay the deferred purchase price of property or services, except trade accounts payable and other current liabilities arising in the ordinary course of business, (d) any obligations as lessee under capitalized leases, (e) any indebtedness created or arising under any conditional sale or other title retention agreement with respect to acquired property, (f) any obligations, contingent or otherwise, under acceptance credit, letters of credit or similar facilities, and (g) any guaranty of any of the foregoing.

“ ” means the interim order of the Court made pursuant to the application therefor contemplated by Section 1.3 of this Agreement.

“ ” means the *Investment Canada Act* (Canada).

“ ” means the approval or deemed approval of the Minister responsible for the Investment Canada Act.

“ ” of the Company or any similar phrase means, with respect to any fact or matter, the actual knowledge of the individuals set forth in Schedule 10.1 to the Company Disclosure Letter.

“ ” means, with respect to any property or asset, any mortgage, lien, pledge, hypothec, charge, security interest, encumbrance, claim, infringement, interference, right of first refusal, preemptive right, community property right or other adverse claim of any kind in respect of such property or asset. For purposes of this Agreement, a Person shall be deemed to own subject to a Lien, any property or asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property or asset.

“ ” has the meaning ascribed thereto in the Securities Act.

“ ” means a Company Benefit Plan to which the Company or any of its Subsidiaries is required to contribute and: (i) which is not maintained or administered by the Company or any of its Subsidiaries; or (ii) to which Persons other than the Company and its Subsidiaries or their of

Company Financial Advisor	2.26
Company Financial Statements	2.8
Company Intellectual Property	2.19(b)
Company Registered Items	2.19(c)
Company Securities	2.5(c)
Company Securities Reports	2.7(a)
Company Shareholder Approval	2.2(a)
Company Shares	Preface
Company Subsidiary Securities	2.6(b)
Confidentiality Agreement	4.2
Copyrights	2.19(a)
GAAP	2.7(e)
HSR Act	2.3
Indemnified Parties	5.1(a)
Intellectual Property	2.19(a)
Intellectual Property Rights	2.19(a)
Lease	2.18(c)
Leased Real Property	2.18(a)
Marks	2.19(a)
Material Contract	2.14(a)
Notes	6.5
Notice Period	4.3(c)(iii)
Options	2.5(a)
OSC	2.7(a)
Other Antitrust Laws	2.3
Outside Date	8.1(a)(ii)(A)
Owned Real Property	2.18(a)
Parent	Preface
Patents	2.19(a)
Policies	2.24(a)
Principal Joint Venture Interests	2.6(c)
Products	2.25(a)
Real Property	2.18(a)
Regulatory Conditions	8.1(a)(ii)(A)

(h) All accounting terms used and not defined herein shall have the respective meanings given to them under GAAP.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By: /s/ Rodney B. Mott
Name: Rodney B. Mott
Title: President and Chief Executive Officer

“ ” shall have the meaning ascribed thereto in Section 3.1(a);

“ ” means a registered Shareholder who has properly and validly dissented in respect of the Arrangement Resolution in strict compliance with the Dissent Rights, who has not withdrawn or been deemed to have withdrawn such dissent and who is ultimately determined to be entitled to be paid the fair value of its Company Shares, but only in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such registered Shareholder;

“

held (or previously held) by a Dissenting Shareholde

(iii) the Company shall deliver or arrange to be delivered with the Depositary the cash required for the payment of the aggregate Option Consideration (the " ") for the Options, which are acquired by the Company for cash pursuant to Section 2.2(e), for the benefit of and in trust for the Optionholders in a special account with the Depositary to be paid to or to the order of the respective former holders of such Options without interest.

The Aggregate Share Consideration, the Aggregate Warrant Consideration and the Aggregate Option Consideration shall be cash, denominated in Canadian dollars in same day funds payable. Such money shall not be used for any purpose except as provided in this Plan of Arrangement. Upon delivery of the Aggregate Share Consideration, the Aggregate Warrant Consideration and the Aggregate Option Consideration, Subco shall be fully and completely discharged from its obligation to pay the Aggregate Share Consideration to the former Shareholders and the Company shall be fully and completely discharged from its obligation to pay the Aggregate Warrant Consideration to former Warrantholders and the Aggregate Option Consideration to former Optionholders, and, in each case, the rights of such holders shall be limited to receiving, without interest, from the Depositary their proportionate part the Aggregate Consideration

If the Company declares, sets aside or pays any dividend on, or makes any other actual, constructive or deemed distribution in respect of any of the Company Shares, or otherwise makes any payments to the Shareholders in their capacity as such, during the period commencing on the date of the Arrangement Agreement and ending on the Effective Date, Subco may reduce the amount of the Share Consideration by any amount it determines in its sole discretion, provided that such discount shall not exceed the amount of such dividend, distribution or payment received per Company Share. No dividend or other distribution declared or made after the Effective Time with respect to the Company Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Company Shares.

Any transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens.

Company Shares shall have participated and shall be deemed to have participated in the Arrangement, as at the time stipulated in Section 2.2(h), on the same basis as a non-Dissenting Shareholder and shall receive cash consideration in respect of their respective Company Shares on the basis set forth in Article 2.

(c) In addition to any other restrictions under Section 190 of the CBCA, none of the following shall be entitled to exercise Dissent Rights: (i) Optionholders; (ii) Warrantholders; and (iii) Shareholders who vote in favour of the Arrangement Resolution.

(d) In no case shall the Company, Subco, the Depositary, the registrar and transfer agent in respect of the Company Shares or any other P re

lost, stolen or destroyed certificate, the Person to whom cash is to be paid shall, at the sole discretion of Subco, give a bond satisfactory to Subco in such sum as Subco may direct or otherwise indemnify the Depositary and Subco in a manner satisfactory to each of them against any claim that may be made against the Depositary or Subco with respect to the certificate alleged to have been lost, stolen or destroyed.

From and after the Effective Time (i) this Plan of Arrangement shall take precedence and priority over any and all Company Shares, Warrants and Options issued prior to the Effective Time, (ii) the rights and obligations of the registered holders of Company Shares, Warrants and Options, and the Company, Parent, Subco, the Depositary and any trustee or transfer agent therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, (iii) the D atd the Comp ee

1. The arrangement (the “ ”) under section 192 of the *Canada Business Corporations Act* (the “ ”) involving Stelco Inc. (the “

August 26, 2007 (the " ")

l (the " ")

In consideration of United States Steel Corporation (" ") and 1344973 Alberta ULC (" " and collectively, the " ") entering into an arrangement agreement dated the date hereof (the " ") with Stelco Inc. (" ") and agreeing to participate in the plan of arrangement, attached as Exhibit A to the Arrangement Agreement pursuant to which the Acquirors will acquire all the outstanding shares of Target for $38.50 per share in cash (the " "), this support agreement (the " ") sets out the terms on which the Shareholder undertakes to support the Transaction and to take certain actions and do certain things in respect of the Transaction. For greater certainty, references hereto to the Transaction refer to the Arrangement and the plan of arrangement attached as Exhibit A to the Arrangement Agreement as of the date hereof, as each may be amended in accordance with the Arrangement Agreement, other than Section 1.1 of the Arrangement Agreement which may not be so amended.

Capitalized terms used in this Agreement and not otherwise defined shall have the meanings set forth in the Arrangement Agreement. A copy of the Arrangement Agreement is attached as Schedule A to this Agreement.

1.

The Shareholder hereby represents and warrants to the Acquirors (and acknowledges that the Acquirors are relying upon such representations and warranties) that:

(a) Schedule B hereto sets forth:

(i) The Company Shares, Warrants and Options held of record or beneficially owned by the Shareholder on the date hereof (the " ");

(ii) The Company Shares, Warrants and Options as to which the Shareholder has voting or dispositive power on the date hereof (the " " and, together with the Owned Securities, the " "); and

(iii) The names and addresses of the record and the direct beneficial owners or investment funds which are beneficial owners, if applicable, (" ") of the Securities on the date hereof.

(b) Any Company Shares, Options or Warrants as to which legal or beneficial ownership or the right to vote or the right of disposition is acquired by the Shareholder after the date hereof shall be considered to be "Securities" hereunder and shall be subject in all respects to this Agreement;

(c)

(

and agrees that the obligations of the Shareholder hereunder shall continue in full force and effect in the event that the Board or the Special Committee

Upon such determination that any term or other provis

(p) The Shareholder recognizes and acknowledges that this Agreement is an integral part of the Transaction, that Parent would not enter the Arrangement Agreement unless this Agreement was executed, and accordingly acknowledges and agrees that a breach by the Shareholder of any covenants or other commitments contained in this Agreement will cause the Acquirors to sustain injury for which they would not have an adequate remedy at law for monetary damages. Therefore, the parties agree that in the event of any such breach, the Acquirors shall be entitled to the remedy of specific performance of such covenants or commitments and preliminary and per an

This Agreement has been agreed and accepted on the SA Effective Date.

By: _____
Name: James D. Garraux
Title: General Counsel & Senior Vice President

By: _____
Name: James D. Garraux
Title: Vice President

I

By: _____

Name:

Title:

August 26, 2007

$900,000,000 Senior Credit Facilities
Commitment Letter

United States Steel Corporation
600 Grant Street
Pittsburgh, PA 15219
Attention: Gretchen Haggerty
Executive Vice President
& Chief Financial Officer

Ladies and Gentlemen:

You (the "") have advised us that you or your wholly-owned subsidiary propose to acquire (the "") a company you have identified to us (the ""), and in that connection you have requested that: (a) J.P. Morgan Securities Inc. ("") and Scotia Capital, the investment banking division of The Bank of Nova Scotia ("" and, together with JPMorgan, the "") structure, arrange and syndicate two senior credit facilities in an aggregate amount of $900,000,000 (each a "" and collectively, the ""), (b) JPMorgan Chase Bank, N.A. ("") and Scotia Capital (together with JPMorgan Chase, the "" and the Lead Lenders, together with the Joint Arrangers, the "") commit to provide the full amount of the Facilities, (c) JPMorgan Chase serve as administrative agent for the Facilities, and (d) Scotia Capital serve as syndication agent for the Facilities.

JPMorgan and Scotia Capital are pleased to advise you that they are willing to act as exclusive joint lead arrangers and joint bookrunners for the Facilities.

Furthermore, each Lead Lender is pleased to advise you of its several commitment to provide one half of the full amount of the Facilities, upon the terms and subject to the conditions set forth or referred to in this commitment letter (the "") and in the Summary of Terms and Conditions attached hereto as Exhibit A (the "").

It is agreed that JPMorgan Chase will act as the sole and exclusive Administrative Agent, and that JPMorgan and Scotia Capital will act as exclusive Joint Arrangers and Bookrunners for the Facilities. It is further agreed that Scotia Capital will act as the sole and exclusive Syndication Agent. You agree that no other agents, co-agents, arrangers or bookrunners will be appointed, no other titles will be awarded and no compensation will be paid in connection with the Facilities (other than, in each case, as expressly contemplated by the Term Sheet) unless you and we shall so agree.

We intend to syndicate the Facilities to a group of financial institutions (together with the Lead Lenders, the "") identified by us in consultation with you. The

“ ”) and (c) the other conditions set forth or referred to in the Term Sheet. Any matters that are not covered by the provisions hereof and of the Term Sheet are subject to the approval and agreement of the Lead Lender Parties and the Company.

You agree (a) to indemnify and hold harmless the Lead Lender Parties, their respective affiliates and their respective officers, directors, employees, advisors, and agents (eachĎeļofil agents

In order to enable the Joint Arrangers to bring relevant expertise to bear on its engagement under this Commitment Letter from among its global affiliates, you agree that the Joint Arrangers may perform the services contemplated hereby in conjunction with theiaL ݤ ľ

United States Steel Corporation (the "Borrower").

J.P. Morgan Securities Inc. ("JPMorgan") and The Bank of Nova Scotia ("Scotia Capital", and together with JPMorgan in such capacity, the "Joint Arrangers")

JPMorgan Chase Bank, National Association ("JPMCB" and, in such capacity, the "Administrative Agent").

Scotia Capital (in such capacity, the "Syndication Agent").

A syndicate of banks, financial institutions and other entities, including JPMCB and Scotia Capital, arranged by the Joint Arrangers (collectively, the "Lenders").

One-year term loan facility (the "One Year Term Facility") in the amount of $400,000,000 (the loans thereunder, the "One Year Term Loans").

The One Year Term Facility shall be available for drawing in a single drawdown not later than December 31, 2007.

(a) The conditions precedent set forth on Annex II hereto.

(b) There not occurring or becoming known to the Administrative Agent any material adverse change with respect to the Borrower and its subsidiaries taken as a whole.

The proceeds of the One Year Term Loans shall be used to finance the cost of the acquisition (the "Acquisition") contemplated by the draft arrangement agreement (the "Arrangement Agreement") submitted to the Joint Arrangers concurrently with the delivery of the commitment letter relating to these Terms and Conditions.

Borrower has otherwise received official notice or which to the knowledge of the Borrower is threatened against the Borrower, wherein there is a reasonable possibility of an unfavorable decision, ruling or finding that would reasonably be expected to result in a material adverse change.

The Borrower is not an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act.

Compliance with ERISA except where non-compliance would not reasonably be expected to result in a material adverse change.

Adequacy of Disclosure.

Shall include only the following in the form set forth in the June 2007 Loan Agreement:

Furnishing of information, including (without limitation), quarterly and annual financial statements, officer’s certificates regarding covenant compliance.

Furnishing notice of the occurrence of a Default or Event of Default together with a description of the action the Borrower shall employ to remedy the same.

Furnishing notice of any material adverse change (including, without limitation, circumstances arising in litigation,

Maintenance of property; insurance coverage in such amounts and cover

trademarks and trade names material to the conduct of its business; *provided* that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution that is otherwise permitted.

The Borrower and its Subsidiaries will maintain proper books and records and grant the Lenders the right to inspect their property and books and records at reasonable times and upon reasonable notice.

Minimum interest coverage (EBITDA/Interest) of 2:1. Maximum leverage (Debt/EBITDA) of 3.25:1.

Shall include only the following in the form set forth in the June 2007 Loan Agreement (except as expressly varied below):

Neither the Borrower nor any Subsidiary will create or suffer to exist any lien on any of its assets except (i) existing liens, (ii) certain purchase money liens, (iii) liens existing on assets at the time of the acquisition of such assets, (iv) liens in connection with consignment arrangements, (v) liens arising in connection with permitted receivables financings, (vi) liens on assets of foreign subsidiaries, (vii) certain liens arising in the ordinary course and not in connection with financing transactions, (viii) liens arising in connection with a refinancing, extension, renewal or refunding of any permitted lien, (ix) liens to secure debt owing to the Borrower or a subsidiary of Borrower, (x) liens securing obligations in connection with governmental bonds issued to finance the cost of pollution control facilities, (xi) liens on domestic inventory so long as the Loans are equally and ratably secured thereby[1], and (xii) liens not otherwise permitted on assets other than domestic inventory in an amount not to exceed 10% of Consolidated Net Tangible Assets.

Neither the Borrower nor any of its domestic Subsidiaries will, directly or indirectly, enter into or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition on the ability of the Borrower or any

[1] The definitive clause will be drafted in a manner that will permit the Borrower to comply with the covenant set forth in Section 6.01(b) of the June 2007 Loan Agreement.

of its domestic Subsidiaries to create or permit to exist any lien on any of its inininini

Pursuant to terms identical to those in the June 2007 Loan Agreement, the Lenders shall also be permitted to sell participations in their Loans. Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to those matters with respect to which the affirmative vote of the Lender from which it purchased its participation would be required as described under "Voting" above. Pledges of Loans in accordance with applicable law shall be permitted without restriction.

The Credit Documentation shall contain provisions identical to those in the June 2007 Loan Agreement (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for "breakage costs" incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex I) on a day other than the last day of an interest period with respect thereto.

The Borrower shall pay (a) all reasonable out-of-pocket expenses of the Administrative Agent and the Joint Arrangers associated with the syndication of the Facilities and the preparation, execution, delivery and administration of the Credit Documentation and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) and (b) all out-of-pocket expenses of the Administrative Agent and the Lenders (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Credit Documentation.

Pursuant to terms identical to those in the June 2007 Loan Agreement, the Administrative Agent, the Joint Arrangers and the Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof.

State of New York.

Davis Polk & Wardwell.

The Borrower may elect that the Loans comprising each borrowing bear interest at a rate per annum equal to:

the ABR; or

the Adjusted LIBO Rate plus the Applicable Margin.

As used herein:

"ABR" means the higher of (i) the rate of interest publicly announced by JPMCB as its prime rate in effect (the "Prime Rate") and (ii) the federal funds effective rate from time to time plus 0.5%.

"Adjusted LIBO Rate" means the LIBO Rate, as adjusted for statutory reserve requirements for eurocurrency liabilities.

"Applicable Margin" means a percentage determined in accordance with the pricing grid attached hereto as Annex I-A.

Facility, such amount shall bear interest at 2% above the rate otherwise applicable thereto. Overdue interest, fees and other amounts shall bear interest at 2% above the rate applicable to ABR Loans.

All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest rate payable on which is then based on the Prime Rate) for actual days elapsed.

Baa1/BBB+	35.0
Baa2/BBB	50.0
Baa3/BBB-	62.5