

TRANSITION FUND LETTER

On October 9, 2015, U.S. Steel Canada Inc. (“USSC”) obtained a court order directing it to suspend payment of certain health benefits (“OPEBs”) for USSC retirees and their eligible spouses and beneficiaries (“**OPEB Beneficiaries**”) until further order of the court as part of a cash conservation and business preservation plan. As a result, the USSC OPEB plan was suspended as of that date. Life insurance coverage was not suspended.

The Province of Ontario is providing \$3 million for a transition fund (the “**Transition Fund**”) to assist OPEB Beneficiaries in addressing critical health needs and to help them transition to available programs such as the Trillium Drug Program or to permit them time to obtain individual health insurance. The Transition Fund and benefits will be administered by Green Shield Canada and its affiliates (“**Green Shield**”). The Transition Fund is not a continuation or restoration of the USSC OPEB plan, which remains suspended at this time. USSC is not involved in the administration or funding of the Transition Fund.

When Does The Transition Fund Start? The Transition Fund will be operational January 1, 2016 and will cover eligible claims arising after October 9, 2015. If you have an urgent and immediate need for a health care benefit before January 1, 2016, please contact your USW representative or, if you were a non-USW employee, Koskie Minsky LLP or the Stel Salaried Pensioners Organization (websites are listed below). These critical needs may be eligible for coverage in accordance with the criteria applicable to the Transition Fund.

When Will It End? March 31, 2016 or when the Transition Fund runs out, whichever is sooner.

What Will The Transition Fund Be Used For? The Transition Fund will be used in 2 ways: a) **Prescription Benefit**: up to \$2.5 million to be used to pay for a maximum 30 day supply of certain prescription medications; and b) – **Dental and Other Benefits**: up to \$500,000 to be used for certain dental and other benefits. Please refer to Appendix A of the Transition Fund Memorandum (available at the websites noted below) for details as to what is covered under the Prescription Benefit and the Dental and Other Benefits or contact Koskie Minsky LLP or the USW.

Who is Eligible to Apply to the Transition Fund? To be eligible you must: a) be a retiree of USSC or his/her eligible spouse or beneficiary who was eligible for OPEBs under the USSC OPEBs plan as of October 9, 2015; b) have a valid Ontario health card; c) be applying for a benefit that is not covered by an alternative source of coverage (e.g. spousal insurance coverage); and d) undertake to reimburse the Transition Fund in the event you receive funding for a benefit from both the Transition Fund and another source.

How Do I Apply for The Prescription Benefit? As of January 1, 2016, you will be able to submit claims for prescription medications to Green Shield following the same process used under the suspended USSC OPEB plan. Green Shield will review the claim and, if it is for a prescription drug that would have been covered under the USSC OPEB plan and there is no alternative source of coverage to pay for the drug (i.e. spousal insurance), Green Shield will issue payment for a maximum 30 day supply of the drug. Coverage is subject to availability of funds in the Transition Fund and subject to the claimant meeting all other eligibility and coverage criteria.

How Do I Apply For A Dental or Other Benefit? To be eligible for payment of a Dental or Other Benefit: a) the benefit must be medically necessary; b) you must not be able to pay for the emergency benefit or, paying for it would cause you economic hardship; c) the benefit must be one which was available under the USSC OPEBs plan; d) there must be no alternative source of coverage (e.g. spousal insurance coverage) that will pay for it; and e) if there is a provincial plan or you are the member of an insurance plan that might pay for it, you must have applied to the plan or be in the process of applying to the plan.

If these criteria are met, you can submit a Dental and Other Benefit Application Form (attaching a Green Shield Claim Form) to the Monitor in the USSC CCAA proceeding, Ernst & Young. If the Monitor is satisfied that you meet the eligibility criteria based on the information you have provided in the Application Form, your request will be forwarded to Green Shield to determine if your request is eligible for payment. If you are eligible and the benefit you have applied for is covered, Green Shield will issue payment for the benefit, provided there are sufficient funds available in the Transition Fund at the time.

Please note: the Dental and Other Benefits are intended to assist OPEB Beneficiaries who have critical health needs and who are not able to pay for them. The Dental and Other Benefits will not pay for routine, preventative or supplementary health care such as routine or preventative dental, routine hearing care, routine vision care, paramedical services like massage therapy, orthotics or physiotherapy, semi-private hospital, travel insurance, or psychological counseling.

How Will My Personal Information Be Used? If you apply for funding from the Transition Fund, Green Shield will access personal information from the USSC OPEBs plan to adjudicate your request. An application for funding includes you or your pharmacist submitting a prescription for payment. Personal information will also be used by the Monitor and by Green Shield to ascertain eligibility for funding from the Transition Fund. By submitting a prescription or other application for payment to the Transition Fund, you will be consenting to the use of your personal information in these ways.

What If I Want to Purchase an Individual Insurance Plan from Green Shield? Green Shield may permit you to enroll in any Green Shield product without requiring a medical assessment for up to 60 days after the Prescription Benefit portion of the Transition fund ends. Please note that if you would like to purchase individual insurance with a different carrier than Green Shield, you may have other deadlines to apply, some of which may have already passed.

Where can I find more information? The Transition Fund Memorandum, the Application Form and Green Shield Claim Form are available on the following websites: Ernst & Young www.ey.com/ca/usw ; Local 1005 www.uswa1005.ca; Local 8782 www.uswa8782.com; Koskie Minsky LLP www.kmlaw.ca/usscrepcounsel/; Stel Salaried Pensioners Organization - www.stel-salaried-pensioners.org.

If you do not have access to the internet, please call Koskie Minsky at their toll-free phone number at 1-866-777-6341 or call you USW Local as follows:

Local 1005:

Tony McLaughlin (905)547-1417 ext. 4 mclaughlin@uswa1005.ca	Ron Wells (905)547-1417 ext. 3 ron.wells@uswa1005.ca
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Local 8782:

Terry Barnard 519-587-2000 ext. 225 wsib@uswa8782.com	Mark Talbot 519-587-2000 ext. 301 vp@uswa8782.com
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