

UNITED STEELWORKERS RIGHTS EXPLAINED

The Basic Labor Agreement with the USW provides rights in the event of a U.S. Steel sale

Plain Reading of the USW Basic Labor Agreement:

- **Successorship Rights**
 - Requires the buyer to come to terms with the USW on a labor agreement **before** a transaction is concluded
 - Gives the USW de-facto **veto power** on a potential sale of the whole company or USW-represented assets
- **Right to Bid**
 - The USW can assign its rights under this agreement to another entity
 - The **USW has designated Cliffs** as the assignee
- **30-year history of the USW using this same language to direct transactional outcomes for the betterment of U.S. union-represented workers**
- **In practice, an M&A transaction could not be consummated without the support of the USW**

