

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re : **Chapter 11 Case Nos.**
:
BETHLEHEM STEEL CORPORATION, : **01-15288 (BRL) through**
et al. : **01-15302, 01-15308**
: **through 01-15315 (BRL)**
: **Debtors.** : **(Jointly Administered)**
:
-----X

**INTERIM ORDER PURSUANT TO SECTIONS 327(a)
AND 328(a) OF THE BANKRUPTCY CODE AUTHORIZING
THE DEBTORS TO (i) EMPLOY CREDIT SUISSE FIRST BOSTON
CORPORATION AS ADDITIONAL FINANCIAL ADVISOR,
NUNC PRO TUNC TO JULY 15, 2002 AND (ii) AMEND THE
TERMS OF THE EMPLOYMENT OF GREENHILL & CO., LLC AS
FINANCIAL ADVISOR, NUNC PRO TUNC TO OCTOBER 12, 2001**

Upon the motion of Bethlehem Steel Corporation and its affiliated debtors (collectively, “Bethlehem” or the “Debtors”), dated September 6, 2002 (the “Motion”), for authority pursuant to sections 327(a) and 328(a) of title 11, United States Code (the “Bankruptcy Code”), to (i) employ Credit Suisse First Boston Corporation (“CSFB”) as an additional financial advisor, *nunc pro tunc* to July 15, 2002, in accordance with the terms of the Engagement Letter dated as of July 15, 2002, substantially in the form annexed hereto as Exhibit “A” (the “CSFB Engagement Letter”), and (ii) amend the terms of engagement of Greenhill & Co., LLC (“Greenhill”) as the previously approved financial advisor for Bethlehem, *nunc pro tunc* to October 12, 2001, as set forth in the amended engagement letter annexed to the Motion as Exhibit “B” (the “Amended Greenhill Engagement Letter”); and upon the Declaration of Dhruv Narain, a managing director of CSFB (the “Narain Declaration”), a copy of which is annexed to the Motion as Exhibit “C”; and it appearing that CSFB represents or holds no interest adverse to Bethlehem or the Debtors’ estates as to the matters upon which it is to be engaged and is disinterested under section 101(14) of the

Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that the employment of CSFB and the amended terms of employment of Greenhill are appropriate and in the best interests of Bethlehem and the administration of the chapter 11 cases; and it appearing that due notice of the Motion has been given and that no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that Bethlehem is authorized pursuant to sections 327(a) and 328(a) of the Bankruptcy Code to employ CSFB as financial advisor upon the terms and conditions set forth in the CSFB Engagement Letter and this Order, *nunc pro tunc*, to July 15, 2002; and it is further

ORDERED that, subject to the Court's determination of any timely objection to the Motion pursuant to this Order, the compensation payable to CSFB pursuant to the terms of the CSFB Engagement Letter, and the indemnification provisions contained therein, are approved and shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code; and it is further

ORDERED that the Office of the United States Trustee retains all rights to object to any applications for compensation (including expense reimbursement) filed by CSFB, on any basis it deems appropriate including, but not limited to, the reasonableness standard provided for in section 330 of the Bankruptcy Code; and it is further

ORDERED that, subject to the Court's determination of any timely objection to the Motion pursuant to this Order, the indemnification provisions of the CSFB Engagement Letter are approved, subject to the following:

(a) all requests of CSFB for payment of indemnity, contribution, or otherwise pursuant to the indemnification provisions of the CSFB Engagement Letter shall

be made by means of an application (interim or final, as the case may be) and shall be subject to review by the Court to ensure that such payment conforms to the terms of the CSFB Engagement Letter and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is requested; *provided, however*, that in no event shall CSFB be indemnified or receive contribution if it is determined that it acted in bad faith, engaged in self-dealing, or breached its fiduciary duty, if any, or committed gross negligence or willful misconduct; and

(b) in no event shall CSFB be indemnified or receive contribution or other payment under the indemnification provisions of the CSFB Engagement Letter if Bethlehem or the statutory creditors' committee asserts a claim for, and the Court determines by final order that, such claim arose out of CSFB's own bad faith, self-dealing, breach of fiduciary duty, if any, gross negligence, or willful misconduct;

(c) in the event CSFB seeks reimbursement from Bethlehem for attorneys' fees pursuant to the CSFB Engagement Letter, the invoices and supporting time records from such attorneys shall be included in CSFB's applications for compensation, and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of this Court without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code; and

(d) to the extent this Order is inconsistent with the CSFB Engagement Letter, the terms of this Order shall govern; and it is further

ORDERED that the amended terms of the Debtors' employment of Greenhill described in the Motion and set forth in the Amended Greenhill Engagement Letter, are approved *nunc pro tunc* to October 12, 2001; and it is further

ORDERED that this Court shall retain exclusive jurisdiction to construe and enforce the terms of the Motion, the CSFB Engagement Letter, the Amended Greenhill Engagement Letter, and this Order; and it is further

ORDERED that the Debtors shall serve a copy of the notice of the Motion annexed hereto as Exhibit "B" upon all creditors of their estates for the purpose of providing such creditors an opportunity to object to the indemnification provisions contained in the CSFB Retention Letter and/or the provisions of this Order authorizing CSFB's retention pursuant to section 328 of the Bankruptcy Code; and it is further

ORDERED that objections, if any, to the relief requested in the Motion shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and Local Rules and Orders of the Bankruptcy Court, shall set forth the name of the objecting party, the nature and amount of claims or interests held or asserted against the Debtors' estates or properties, the basis for the objection, and the specific grounds therefor; and it is further

ORDERED that if timely objections are received, there shall be a hearing held on October 24, 2002 at 10:00 a.m. (the "Final Hearing") to consider such objections and such objections shall be filed with the Court, One Bowling Green, New York, New York 10004-1408, by no later than October 18, 2002 at 4:00 p.m. and served on the Office of the United States Trustee, 300 Whitehall Street, 21st Floor, New York, New York 10004, Attention: Carolyn Schwartz, Esq., and Weil, Gotshal & Manges LLP, Attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153, Attention: George A. Davis, Esq. so as to be actually received by such filing deadline; and it is further

ORDERED if no objections are timely filed, served, and received in accordance with this Order, the Court may enter a final order approving the relief requested in the Application without further notice or hearing; and it is further

ORDERED that the requirement under Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York for the filing of a separate memorandum of law is waived and dispensed with.

Dated: New York, New York
October 7, 2002

/s/Burton R. Lifland
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Bethlehem Steel Corporation
1170 Eighth Ave.
Bethlehem, PA 18016

Attention: Robert S. Miller
Chairman and CEO

This letter agreement (the "Agreement") will confirm the understanding between Bethlehem Steel Corporation and its subsidiaries (collectively, the "Company") and Credit Suisse First Boston Corporation and its affiliates, successors and assign, as appropriate ("CSFB"), pursuant to which the Company has retained CSFB to render financial advisory services to the senior management of the Company (in their capacity as such, "Senior Management"), on the terms and subject to the conditions set forth herein, in connection with the prosecution of the Company's reorganization cases and other matters set forth herein. This Agreement shall become effective only when an order pursuant to Sections 327 and 328(a) of the Bankruptcy Code satisfactory in form and in substance to CSFB has been issued by the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") approving all aspects of this Agreement pursuant to the application for such order to be submitted promptly after the execution of this Agreement by the Company. CSFB acknowledges that the Company has previously engaged Greenhill & Company LLC ("Greenhill") as its exclusive financial advisor and that as a result of the Company's recent determination to pursue a "stand alone" plan of reorganization, the Company and Greenhill have agreed that additional financial advisory services are required by the Senior Management in respect of, inter alia, the major issues relating to the Company's obligations under its existing Collective Bargaining Agreement with United Steel Workers of America ("USWA"), as well as its OPEB costs and the need to reorganize its operations to generate net income and attract capital. In that context, this engagement is to complement the continuing financial advisory services to be performed by Greenhill as the principal advisor to the Company's Board of Directors in the pursuit of a comprehensive reorganization under the Bankruptcy Code.

1. Certain Definitions. For the purposes of this Agreement, all defined references shall have the meanings as set forth herein (including the schedules hereto).
2. Retention. CSFB agrees to act as the principal financial advisor to the Senior Management of the Company, in connection with the prosecution of the Company's reorganization cases, until the close of business, on the Termination Date.

In that regard, CSFB will provide the Senior Management with the following services, as requested and appropriate:

- (a) primary advice with respect to the resolution of the Company's needs to restructure its operating costs and, in particular, the attainment of a new Collective Bargaining Agreement with the USWA or other resolution of labor issues relating to staffing, OPEB, outsourcing, wages, etc. to assist the Company in achieving a Restructuring Transaction including the terms and timing of such transaction, *provided, however*, that the Company shall retain its own legal counsel and accountants for legal and tax advice;
 - (b) assistance in preparing Offer Documents to the extent that such documents relate to the terms of a Restructuring Transaction;
 - (c) assistance in formulating a plan or plans of reorganization, and/or analyzing any plan or plans of reorganization proposed, including assistance in the plan negotiation and plan confirmation process, preparation and presentation of expert testimony relating to financial matters, if required; and
 - (d) assistance in evaluating and negotiating any M&A Transaction (as defined below).
3. Further Agreements. At any time during the term of this agreement and prior to the expiration of one year after the termination hereof, CSFB will have the right to act as a lead advisor (on terms no less favorable than the terms offered to Greenhill) in connection with any merger transaction, joint venture, sale or other combination involving the Company or its affiliates, lead managing underwriter, exclusive placement agent or lead arranger for the Company in connection with any sale of its securities or incurrence of bank or similar financing. As compensation for any of the foregoing services not covered by paragraphs 2 and 4 hereof, CSFB will be paid customary fees to be mutually agreed upon at the appropriate time. The terms of any such additional engagements will be set forth in separate letter agreements containing terms and conditions to be mutually agreed upon, including without limitation appropriate indemnification provisions.

Notwithstanding any other provision contained herein, this Agreement does not constitute any agreement, express or implied, on the part of CSFB or any commitment by CSFB to underwrite, purchase, place, or cause the placement of any securities or indebtedness. Any such commitment by CSFB shall be at CSFB's option and would, in each case, be subject to, among other things, the satisfactory completion by CSFB of an appropriate due diligence investigation of the Company and the execution and delivery by CSFB and the issuer of the securities of a customary agreement acceptable to CSFB and its counsel.

4. Compensation. As compensation for services rendered and to be rendered hereunder by CSFB, the Company agrees, subject to the provisions of paragraph 5 below, to pay CSFB (or cause CSFB to be paid) non-refundable fees as follows:
- (a) CSFB shall be entitled to receive a monthly non-refundable cash fee of \$150,000 per month (the "Monthly Fee"), with the first installment payable upon the one month anniversary of execution of this Agreement and subsequent

installments payable on each subsequent monthly anniversary of the date hereof;

- (b) in connection with any Restructuring Transaction, a fee equal to \$6,000,000, payable upon consummation thereof (the "Completion Fee"); provided however, that to the extent not credited under paragraph 4(c) hereof, the Company will credit any of the fees paid under paragraph 4(a) hereof after the thirteenth month from the execution of this Agreement (i.e. after receipt of twelve monthly payments under paragraph 4(a) hereof) against the aggregate amount of fees that become payable pursuant to this paragraph 4(b);
- (c) in connection with any M&A Transaction, a fee ("M&A Fee") equal to the greater of (i) \$2,000,000 and (ii) an amount based on a percentage, as set forth below, of the Aggregate Consideration (as defined below) in connection with any M&A Transaction, payable upon each closing in connection with such M&A Transaction; subject to the limitations and conditions specified in paragraphs 4(a) and 4(b) above; provided, however, that, to the extent not credited under paragraph 4(b) hereof, the Company will credit any of the fees paid under paragraph 4(a) hereof after the thirteenth month from the execution of this Agreement (i.e. after receipt of twelve monthly payments under paragraph 4(a) hereof) against the aggregate amount of fees that become payable pursuant to this paragraph 4(c); provided further, however, the aggregate amount of fees payable under paragraphs (b) and (c) of this paragraph 4 shall not exceed \$6,000,000;

Aggregate Consideration	M&A Fee Percentage
Less than or equal to \$100,000,000	2.00%
\$200,000,000	1.50%
\$500,000,000	1.00%
\$750,000,000	0.80%

The amount described in clause (ii) of paragraph (c) above shall be calculated by multiplying the applicable Aggregate Consideration by the M&A Fee Percentage provided above. For a M&A Transaction in which the Aggregate Consideration is between two values shown in the above table, the applicable M&A Fee Percentage shall be determined by interpolation from the two nearest fee percentages.

For purposes of this agreement, the term “M&A Transaction” shall be defined to include, without limitation, (i) any investment in or acquisition of all or a substantial portion of the capital stock or assets of any third party by the Company or its affiliates, regardless of the form any such investment or acquisition takes or (ii) any sale of all or a substantial portion of the capital stock or assets of the Company or any of its affiliates or any merger, joint venture or other business or strategic combination. Also, the term “Aggregate Consideration” shall mean the total fair market value (at the time of closing) of all consideration (including cash, securities, property, all debt and other obligations directly or indirectly assumed, retired or defeased in connection with the M&A Transaction and any other form of consideration) paid or payable, or otherwise to be distributed, directly or indirectly, to the selling entity or its stockholders in connection with the M&A Transaction; and

- (d) in addition to the compensation to be paid to CSFB as provided above, and without regard to whether any Restructuring Transaction is consummated, the Company shall pay to, or on behalf of CSFB, promptly as billed, all reasonable out-of-pocket expenses (including all reasonable fees and expenses of CSFB's counsel) incurred by CSFB in connection with its services to be rendered hereunder.

CSFB's compensation set forth in this Paragraph 4, and payments made pursuant to clause (d) above and the indemnity provisions in this agreement (including Schedule I hereto), shall be entitled to priority as expenses of administration under Sections 503 (b) (1) (A) and 507 (a) (1) of the Bankruptcy Code. The Company acknowledges that the fees set forth in this paragraph constitute reasonable terms and conditions of employment as such terms are used in Section 328(a) of the Bankruptcy Code.

5. Termination or Resignation. Subject to Section 9 hereof, CSFB's engagement hereunder may be terminated at any time, with or without cause, by either CSFB or the Company upon thirty days' prior written notice thereof to the other party; provided, however, that in the event of any termination of CSFB's engagement hereunder by the Company or if CSFB resigns due to a disagreement over the terms

of any Restructuring Transaction or M&A Transaction and the Company within twelve months from the date of resignation proceeds with a Restructuring Transaction or M&A Transaction on terms (or, with respect to a M&A Transaction, with a party) proposed by CSFB, CSFB will continue to be entitled to the full amount of any applicable Completion Fee and M&A Fee provided for herein in the event that at any time prior to the expiration of 12 months after any such termination the Company or any affiliate of the Company proceeds with any Restructuring Transaction or M&A Transaction; and provided, further that no termination of CSFB's engagement hereunder shall affect the Company's obligations to pay the accrued Monthly Fee and other fees and expenses to the extent provided for herein and accrued or incurred prior to termination.

6. Indemnity. As CSFB will be acting on behalf of the Company, the Company agrees to indemnify the Indemnified Persons as set forth in Schedule I hereto, which is incorporated herein and made a part hereof.
7. Further Covenants of the Company. The Company agrees as follows:
 - (a) Except as required by judicial process, no advice rendered by CSFB, whether formal or informal, may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to without our prior consent (not to be unreasonably withheld). In addition, CSFB may not be otherwise referred to without its prior written consent (not to be unreasonably withheld).
 - (b) In connection with CSFB's activities hereunder, the Company agrees to furnish CSFB with all information concerning the Company that the CSFB reasonably deems appropriate and agrees to provide CSFB with reasonable access to its accountants, counsel, consultants and other appropriate agents and representatives. The Company acknowledges that CSFB may rely upon the completeness and accuracy of information and data furnished to it by the Company's officers, directors, employees, agents and representatives without an independent verification of such information and data or an appraisal of the Company's assets; and
 - (c) The Company acknowledges and agrees that CSFB has been retained solely to provide the advice or services set forth in this Agreement. CSFB shall act as an independent contractor, and any duties of CSFB arising out of its engagement hereunder shall be owed solely to the Senior Management of the Company.
8. Confidentiality. Except to the extent authorized by the Company or required by any Federal or state law, rule or regulation or any decision or order of any court or regulatory authority, CSFB agrees that it will refrain from disclosing to any person, other than to holders of the Company's securities, any official committee appointed in the Company's bankruptcy reorganization case, the Company's unions and their affiliates, representatives and agents, and any agents, attorneys, accountants, employees, officers, and directors of CSFB who need to know the information in connection with CSFB's engagement hereunder, any confidential information which has not become public (other than through disclosure in violation of this Section 10),

about the Company received by CSFB from the Company or its agents, attorneys or accountants in connection with the services rendered hereunder.

9. Survival of Certain Provisions. The compensation and expense reimbursement provisions contained in Section 4, the obligation to offer CSFB certain roles as provided in Section 3, the termination provisions contained in Section 5, this Section 9, and the indemnity and contribution agreements contained in Section 6 and Schedule I of this Agreement shall remain operative and in full force and effect regardless of (a) any investigation made by or on behalf of CSFB or by or on behalf of any affiliate of CSFB, any Indemnified Person, or any person controlling any of them, (b) consummation of any Restructuring Transaction or Asset Disposition, or (c) any termination or expiration of this Agreement, and shall be binding upon, and shall inure to the benefit of, any successors, assigns, heirs and personal representatives of the Company, CSFB, the Indemnified Persons and any such person.
10. Notices. Notice given pursuant to any of the provisions of this Agreement shall be in writing and shall be mailed or delivered to the Company at 1170 Eighth Avenue, Bethlehem, PA 18016, Attention: Mr. Robert S. Miller and to CSFB at 11 Madison Ave, New York, NY 10010, Attention: Mr. Peter Matt.
11. Construction. This Agreement incorporates the entire understanding of the parties and supersedes all previous agreements and shall be governed by, and construed in accordance with, the laws of the State of New York as applied to contracts made and performed in such State, without regard to principles of conflict of laws.
12. Severability. Any determination that any provision of this Agreement may be, or is, unenforceable shall not affect the enforceability of the remainder of this Agreement.
13. Headings. The section headings in this Agreement have been inserted as a matter of convenience for reference and are not an effective part of this Agreement.
14. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
15. Third Party Beneficiaries. This Agreement has been and is made solely for the benefit of the Company, CSFB and the other Indemnified Persons referred to in Section 5 hereof and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.
16. Succession. This Agreement shall be binding upon and inure to the benefit of the Company, CSFB, the Indemnified Persons and their respective successors, assigns, heirs and personal representatives.

17. Advertisements. CSFB shall have the right to place advertisements in financial and other newspapers and journals at its own expense describing their services to the Company hereunder; provided, that (i) CSFB shall have submitted a copy of any such proposed advertisement to the Company for its prior approval, which approval shall not be unreasonably withheld or delayed and (ii) the publication of such advertisement shall comply with applicable law.
18. Cooperation. CSFB shall use reasonable efforts to cooperate with Greenhill in furtherance of the Company's reorganization efforts and assist Senior Management in presenting to the Company's Board of Directors, the Statutory Creditors' Committee, the Committee of Secured Creditors and other parties in interest as may be directed by Senior Management.
19. Court Appearances. CSFB shall, if reasonably requested assist and, if necessary, testify in any proceedings involving matters as to which CSFB is being engaged.
20. Acknowledgements. CSFB is a full service securities firm engaged in securities trading and brokerage activities as well as investment banking and financial advisory services. In the ordinary course of our trading and brokerage activities, CSFB or its affiliates may hold positions, for its own account or the accounts of customers, in equity, debt or other securities of the Company or any other company that may be involved in the matters contemplated by this agreement.
21. Bankruptcy Court Approval. This Agreement and the rights and obligations hereunder shall have no force or effect unless and until approved by the Bankruptcy Court.

If the foregoing terms correctly set forth our agreement, please confirm this by signing and returning to CSFB the duplicate copy of this letter. Thereupon this letter, as signed in counterpart, shall constitute our agreement on the subject matter herein.

CREDIT SUISSE FIRST BOSTON CORPORATION

By: _____
Richard H. Bott
Vice Chairman

Confirmed and Agreed to:
BETHLEHEM STEEL CORPORATION

By: _____
Robert S. Miller
Chairman and Chief Executive Officer

SCHEDULE I

This Schedule I is a part of and is incorporated into that certain letter agreement (together, the "Agreement"), dated July 15, 2002 by and between Bethlehem Steel Corporation (the "Company") and Credit Suisse First Boston Corporation ("CSFB").

The Company agrees to indemnify and hold harmless CSFB, its affiliates and its parent and its affiliates, and the respective directors, officers, agents and employees of CSFB, its affiliates and its parent and its affiliates (CSFB and each such entity or person, an "Indemnified Person") from and against any losses, claims, damages, judgments, assessments, costs and other liabilities (collectively "Liabilities"), and will reimburse each Indemnified Person for all fees and expenses (including the reasonable fees and expenses of counsel) (collectively, "Expenses") as they are incurred in investigating, preparing, pursuing or defending any claim, action, proceeding or investigation, whether or not in connection with pending or threatened litigation and whether or not any Indemnified Person is a party (collectively, "Actions"), (i) caused by, or arising out of or in connection with, any untrue statement or alleged untrue statement of a material fact contained in the offer documents referred to in the agreement (including any amendments thereof and supplements thereto) ("Offer Documents") or by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (other than untrue statements or alleged untrue statements in, or omissions or alleged omissions from, information relating to an Indemnified Person furnished in writing by or on behalf of such Indemnified Person expressly for use in the Offer Documents) or (ii) otherwise arising out of or in connection with advice or services rendered or to be rendered by any Indemnified Person pursuant to this Agreement, the transactions contemplated hereby or any Indemnified Person's actions or inactions in connection with any such advice, services or transactions; provided that, in the case of clause (ii) only, the Company will not be responsible for any Liabilities or Expenses of any Indemnified Person that are determined by a judgment of a court of competent jurisdiction which is no longer subject to appeal or further review to have resulted solely from such Indemnified Person's gross negligence or willful misconduct in connection with any of the advice, actions, inactions or services referred to above. The Company also agrees to reimburse each Indemnified Person for all Expenses as they are incurred in connection with enforcing such Indemnified Person's rights under this Agreement (including, without limitation, its rights under this Schedule I).

Upon receipt by an Indemnified Person of actual notice of an Action against such Indemnified Person with respect to which indemnity may be sought under this agreement, such Indemnified Person shall promptly notify the Company in writing; provided that failure so to notify the Company shall not relieve the Company from any liability which the Company may have on account of this indemnity or otherwise, except to the extent the Company shall have been materially prejudiced by such failure. The Company shall, if requested by CSFB, assume the defense of any such Action including the employment of counsel reasonably satisfactory to CSFB. Any Indemnified Person shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person, unless: (i) the Company has failed promptly to assume the defense and employ counsel or (ii) the named parties to any such Action (including any impleaded parties) include such Indemnified

Person and the Company, and such Indemnified Person shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or in addition to those available to the Company; provided that the Company shall not in such event be responsible hereunder for the fees and expenses of more than one firm of separate counsel in connection with any Action in the same jurisdiction, in addition to any local counsel. The Company shall not be liable for any settlement of any Action effected without its written consent (which shall not be unreasonably withheld). In addition, the Company will not, without prior written consent of CSFB, settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened Action in respect of which indemnification or contribution may be sought hereunder (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Person from all Liabilities arising out of such Action.

In the event that the foregoing indemnity is unavailable to an Indemnified Person other than in accordance with this Agreement, the Company shall contribute to the Liabilities and Expenses paid or payable by such Indemnified Person in such proportion as is appropriate to reflect (i) the relative benefits to the Company and its shareholders, on the one hand, and to CSFB, on the other hand, of the matters contemplated by this Agreement or (ii) if the allocation provided by the immediately preceding clause is not permitted by the applicable law, not only such relative benefits but also the relative fault of the Company, on the one hand, and CSFB, on the other hand, in connection with the matters as to which such Liabilities or Expenses relate, as well as any other relevant equitable considerations; provided that in no event shall the Company contribute less than the amount necessary to ensure that all Indemnified Persons, in the aggregate, are not liable for any Liabilities and Expenses in excess of the amount of fees actually received by CSFB pursuant to this Agreement. For purposes of this paragraph, the relative benefits to the Company and its shareholders, on the one hand, and to CSFB, on the other hand, of the matters contemplated by this Agreement shall be deemed to be in the same proportion as (a) the total value paid or contemplated to be paid or received or contemplated to be received by the Company or the Company's shareholders, as the case may be, in the transaction or transactions that are within the scope of this Agreement, whether or not any such transaction is consummated, bears to (b) the fees paid to CSFB under this Agreement.

The Company also agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with advice or services rendered or to be rendered by any Indemnified Person pursuant to this agreement, the transactions contemplated hereby or any Indemnified Person's actions or inactions in connection with any such advice, services or transactions except for Liabilities (and related Expenses) of the Company that are determined by a judgment of a court of competent jurisdiction which is no longer subject to appeal or further review to have resulted solely from such Indemnified Person's gross negligence or willful misconduct in connection with any such advice, actions, inactions or services.

The reimbursement, indemnity and contribution obligations of the Company set forth herein shall apply to any modification of this Agreement and shall remain in full force and effect regardless of any termination of, or the completion of any Indemnified Person's services under or in connection with, this Agreement.

SCHEDULE II

- (a) the term "Restructuring Transactions" shall mean any recapitalization or restructuring (including, without limitation, through any refinancing, sale, merger, repurchase, exchange, conversion, cancellation, forgiveness, retirement and/or a material modification or amendment of the terms, conditions or covenants thereof) of substantially all or a significant portion of the Company's equity and/or debt securities and/or other indebtedness, obligations or liabilities (including, without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities, collective bargaining agreements, OPEB, pension and other contract or tort obligations), including pursuant to an exchange transaction, a Plan or a solicitation of consents, waivers, acceptances or authorizations or an acquisition related transaction.
- (b) the term "Termination Date" means the earlier of (i) the date, if any, that the Company terminates CSFB's services under this Agreement pursuant to Section 5, and (ii) the date, if any, that CSFB resigns pursuant to Section 5;
- (c) the term "Offer Documents" means each document that is filed with the bankruptcy court or that is otherwise made publicly available or that is sent or given to the holders of securities or creditors in connection with any Restructuring Transaction (which may include, but is not limited to, the following: (i) disclosure statement, plan of reorganization, offering circular(s), sales memoranda, private placement memoranda or other selling material, explanatory statement(s) filed with the SEC under the Securities Act of 1933, as amended, (ii) each registration statement, preliminary and final prospectus required to be filed with the SEC, (iii) each document required to be filed with the SEC pursuant to the provisions of the Securities Exchange Act of 1934, as amended, pertaining to any Restructuring Transaction, and (iv) each appendix, attachment, amendment or supplement to any of the foregoing and all related documents, including but not limited to, each related letter of transmittal and each related letter to holders of Old Securities).

EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
In re	:	Chapter 11 Case Nos.
	:	
BETHLEHEM STEEL CORPORATION,	:	01-15288 through
et al.	:	01-15302 (BRL), and
	:	01-15308 through
	:	01-15315 (BRL)
Debtors.	:	(Jointly Administered)
	:	
-----	X	

NOTICE OF MOTION TO RETAIN ADDITIONAL FINANCIAL ADVISORS

PLEASE TAKE NOTICE that a hearing on the motion, dated September 6, 2002 (the “Motion”), of Bethlehem Steel Corporation and its affiliated debtors (collectively, “Bethlehem” or the “Debtors”), for authority pursuant to sections 327(a) and 328(a) of title 11, United States Code (the “Bankruptcy Code”), to (i) employ Credit Suisse First Boston Corporation (“CSFB”) as additional financial advisor, *nunc pro tunc* to July 15, 2002 and (ii) amend the terms of the employment of Greenhill & Co., LLC (“Greenhill”) as financial advisor, *nunc pro tunc* to October 12, 2001, was held before Honorable Burton R. Lifland, United States Bankruptcy Judge, on September 24, 2002 (the “Hearing”) at which time the Bankruptcy Court granted the Motion subject to the right of parties in interest to object to the indemnification provisions and compensation review standard applicable to the Debtors’ employment of CSFB. Parties in interest may obtain a copy of the Motion by writing to the Debtors’ attorneys at the address set forth below.

PLEASE TAKE FURTHER NOTICE that the Motion contains indemnification provisions which may bar certain actions against CSFB by the creditors of the Debtors.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), Wordperfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers), and shall be served in accordance with General Order M-182, upon (i) Weil, Gotshal & Manges LLP, Attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153 (Attn: George A. Davis, Esq.), and (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st floor, New York, New York 10004 (Attn: Carolyn Schwartz, Esq.), so as to be received no later than October 18, 2002 at 4:00 p.m. (EST).

PLEASE TAKE FURTHER NOTICE that if you do not object to the Motion by the objection deadline above, your rights to subsequently object to the compensation of CSFB will be affected and subject to the heightened standards enumerated in section 328 of the Bankruptcy Code.

Dated: New York, New York
October 1, 2002

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