

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 1-8944



**CLEVELAND-CLIFFS INC.**

*(Exact Name of Registrant as Specified in Its Charter)*

Ohio <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	34-1464672 <i>(I.R.S. Employer Identification No.)</i>
200 Public Square, Cleveland, Ohio <i>(Address of Principal Executive Offices)</i>	44114-2315 <i>(Zip Code)</i>

Registrant's Telephone Number, Including Area Code: (216) 694-5700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, par value \$0.125 per share	CLF	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of shares outstanding of the registrant's common shares, par value \$0.125 per share, was 499,402,288 as of April 26, 2021.

**TABLE OF CONTENTS**

	<b><u>Page Number</u></b>
<b>DEFINITIONS</b>	<b><u>1</u></b>
<b>PART I - FINANCIAL INFORMATION</b>	
Item 1. Financial Statements	
Statements of Unaudited Condensed Consolidated Financial Position as of March 31, 2021 and December 31, 2020	<u>3</u>
Statements of Unaudited Condensed Consolidated Operations for the Three Months Ended March 31, 2021 and 2020	<u>4</u>
Statements of Unaudited Condensed Consolidated Comprehensive Income (Loss) for the Three Months Ended March 31, 2021 and 2020	<u>5</u>
Statements of Unaudited Condensed Consolidated Cash Flows for the Three Months Ended March 31, 2021 and 2020	<u>6</u>
Statements of Unaudited Condensed Consolidated Changes in Equity for the Three Months Ended March 31, 2021 and 2020	<u>7</u>
Notes to Unaudited Condensed Consolidated Financial Statements	<u>8</u>
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>34</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>50</u>
Item 4. Controls and Procedures	<u>51</u>
<b>PART II - OTHER INFORMATION</b>	
Item 1. Legal Proceedings	<u>52</u>
Item 1A. Risk Factors	<u>52</u>
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	<u>52</u>
Item 4. Mine Safety Disclosures	<u>52</u>
Item 5. Other Information	<u>53</u>
Item 6. Exhibits	<u>53</u>
<b>Signatures</b>	<b><u>54</u></b>

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**DEFINITIONS**

The following abbreviations or acronyms are used in the text. References in this report to the "Company," "we," "us," "our" and "Cliffs" are to Cleveland-Cliffs Inc. and subsidiaries, collectively, unless stated otherwise or the context indicates otherwise.

<b>Abbreviation or acronym</b>	<b>Term</b>
4.625% 2029 Senior Notes	4.625% Senior Guaranteed Notes due 2029 issued by Cleveland-Cliffs Inc. on February 17, 2021 in an aggregate principal amount of \$500 million
4.875% 2031 Senior Notes	4.875% Senior Guaranteed Notes due 2031 issued by Cleveland-Cliffs Inc. on February 17, 2021 in an aggregate principal amount of \$500 million
ABL Facility	Asset-Based Revolving Credit Agreement, dated as of March 13, 2020, among Cleveland-Cliffs Inc., the lenders party thereto from time to time and Bank of America, N.A., as administrative agent, as amended as of March 27, 2020, and December 9, 2020, and as may be further amended from time to time
Acquisitions	The AK Steel Merger and AM USA Transaction, together
Adjusted EBITDA	EBITDA, excluding certain items such as EBITDA of noncontrolling interests, extinguishment of debt, severance, acquisition-related costs, amortization of inventory step-up and impacts of discontinued operations
AK Steel	AK Steel Holding Corporation (n/k/a Cleveland-Cliffs Steel Holding Corporation) and its consolidated subsidiaries, including AK Steel Corporation (n/k/a Cleveland-Cliffs Steel Corporation), its direct, wholly owned subsidiary, collectively, unless stated otherwise or the context indicates otherwise
AK Steel Merger	The merger of Merger Sub with and into AK Steel, with AK Steel surviving the merger as a wholly owned subsidiary of Cleveland-Cliffs Inc., subject to the terms and conditions set forth in the AK Steel Merger Agreement, consummated on March 13, 2020
AK Steel Merger Agreement	Agreement and Plan of Merger, dated as of December 2, 2019, among Cleveland-Cliffs Inc., AK Steel and Merger Sub
AM USA Transaction	The acquisition of ArcelorMittal USA, consummated on December 9, 2020
AM USA Transaction Agreement	Transaction Agreement, dated as of September 28, 2020, by and between Cleveland-Cliffs Inc. and ArcelorMittal
AOCI	Accumulated Other Comprehensive Income (Loss)
ArcelorMittal	ArcelorMittal S.A., a company organized under the laws of Luxembourg and the former ultimate parent company of ArcelorMittal USA
ArcelorMittal USA	Substantially all of the operations of the former ArcelorMittal USA LLC, its subsidiaries and certain affiliates, and Kote and Tek, collectively
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Board	The Board of Directors of Cleveland-Cliffs Inc.
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980
COVID-19	A novel strain of coronavirus that the World Health Organization declared a global pandemic in March 2020
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
EAF	Electric arc furnace
EBITDA	Earnings before interest, taxes, depreciation and amortization
EDC	Export Development Canada
EPA	U.S. Environmental Protection Agency
EPS	Earnings per share
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Fe	Iron
GAAP	Accounting principles generally accepted in the United States
GHG	Greenhouse gas
HBI	Hot briquetted iron
Hibbing	Iron ore mining property owned by Hibbing Taconite Company, an unincorporated joint venture between subsidiaries of Cliffs and U.S. Steel
HRC	Hot-rolled coil steel
IRB	Industrial Revenue Bond
Kote and Tek	I/N Kote L.P. (n/k/a Cleveland-Cliffs Kote L.P.) and I/N Tek L.P. (n/k/a Cleveland-Cliffs Tek L.P.), former joint ventures between subsidiaries of the former ArcelorMittal USA LLC and Nippon Steel Corporation
Long ton	2,240 pounds
Merger Sub	Pepper Merger Sub Inc., a direct, wholly owned subsidiary of Cliffs prior to the AK Steel Merger
Metric ton	2,205 pounds
MSHA	U.S. Mine Safety and Health Administration
Net ton	2,000 pounds
NPDES	National Pollutant Discharge Elimination System, authorized by the Clean Water Act
OPEB	Other postretirement benefits
Platts 62% price	Platts IODEX 62% Fe Fines CFR North China
RCRA	Resource Conservation and Recovery Act

<b>Abbreviation or acronym</b>	<b>Term</b>
RI/FS	Remedial Investigation/Feasibility Study
SAAR	Seasonally Adjusted Annualized Rate
SEC	U.S. Securities and Exchange Commission
Section 232	Section 232 of the Trade Expansion Act of 1962, as amended
Securities Act	Securities Act of 1933, as amended
SunCoke Middletown	Middletown Coke Company, LLC, a subsidiary of SunCoke Energy, Inc.
Topic 805	ASC Topic 805, Business Combinations
Topic 815	ASC Topic 815, Derivatives and Hedging
Tubular Components	Cleveland-Cliffs Tubular Components LLC (f/k/a AK Tube LLC), an indirect, wholly owned subsidiary of AK Steel
U.S.	United States of America
U.S. Steel	U.S. Steel Corporation and its subsidiaries, collectively, unless stated otherwise or the context indicates otherwise
USMCA	United States-Mexico-Canada Agreement
USW	United Steelworkers
VIE	Variable interest entity

**PART I**

**Item 1. Financial Statements**

**Statements of Unaudited Condensed Consolidated Financial Position**

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)	
	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 110	\$ 112
Accounts receivable, net	1,659	1,169
Inventories	3,932	3,828
Other current assets	160	189
Total current assets	<u>5,861</u>	<u>5,298</u>
<b>Non-current assets:</b>		
Property, plant and equipment, net	9,014	8,743
Goodwill	994	1,406
Deferred income taxes	562	537
Other non-current assets	784	787
<b>TOTAL ASSETS</b>	<u><u>\$ 17,215</u></u>	<u><u>\$ 16,771</u></u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,743	\$ 1,575
Accrued employment costs	465	460
Pension and OPEB liabilities, current	151	151
Other current liabilities	574	743
Total current liabilities	<u>2,933</u>	<u>2,929</u>
<b>Non-current liabilities:</b>		
Long-term debt	5,734	5,390
Pension and OPEB liabilities, non-current	3,916	4,113
Other non-current liabilities	1,175	1,260
<b>TOTAL LIABILITIES</b>	<u>13,758</u>	<u>13,692</u>
Commitments and contingencies (See Note 18)		
Series B Participating Redeemable Preferred Stock - no par value		
Authorized, Issued and Outstanding - 583,273 shares	738	738
<b>Equity:</b>		
Common shares - par value \$ 0.125 per share		
Authorized - 600,000,000 shares (2020 - 600,000,000 shares);		
Issued - 506,832,537 shares (2020 - 506,832,537 shares);		
Outstanding - 499,214,434 shares (2020 - 477,517,372 shares)	63	63
Capital in excess of par value of shares	5,487	5,431
Retained deficit	(2,948)	(2,989)
Cost of 7,618,103 common shares in treasury (2020 - 29,315,165 shares)	(93)	(354)
Accumulated other comprehensive loss	(120)	(133)
Total Cliffs shareholders' equity	<u>2,389</u>	<u>2,018</u>
Noncontrolling interest	330	323
<b>TOTAL EQUITY</b>	<u>2,719</u>	<u>2,341</u>
<b>TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK AND EQUITY</b>	<u><u>\$ 17,215</u></u>	<u><u>\$ 16,771</u></u>

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**Statements of Unaudited Condensed Consolidated Operations**

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions, Except Per Share Amounts)	
	Three Months Ended March 31,	
	2021	2020
Revenues	\$ 4,049	\$ 359
Operating costs:		
Cost of goods sold	(3,761)	(356)
Selling, general and administrative expenses	(95)	(28)
Acquisition-related costs	(13)	(42)
Miscellaneous – net	(3)	(12)
Total operating costs	(3,872)	(438)
<b>Operating income (loss)</b>	<b>177</b>	<b>(79)</b>
Other income (expense):		
Interest expense, net	(92)	(31)
Gain (loss) on extinguishment of debt	(66)	3
Net periodic benefit credits other than service cost component	47	6
Total other expense	(111)	(22)
<b>Income (loss) from continuing operations before income taxes</b>	<b>66</b>	<b>(101)</b>
Income tax benefit (expense)	(9)	51
<b>Income (loss) from continuing operations</b>	<b>57</b>	<b>(50)</b>
Income from discontinued operations, net of tax	—	1
<b>Net income (loss)</b>	<b>57</b>	<b>(49)</b>
Income attributable to noncontrolling interest	(16)	(3)
<b>Net income (loss) attributable to Cliffs shareholders</b>	<b>\$ 41</b>	<b>\$ (52)</b>
<b>Earnings (loss) per common share attributable to Cliffs shareholders - basic</b>		
Continuing operations	\$ 0.08	\$ (0.18)
Discontinued operations	—	—
	<u>\$ 0.08</u>	<u>\$ (0.18)</u>
<b>Earnings (loss) per common share attributable to Cliffs shareholders - diluted</b>		
Continuing operations	\$ 0.07	\$ (0.18)
Discontinued operations	—	—
	<u>\$ 0.07</u>	<u>\$ (0.18)</u>

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**Statements of Unaudited Condensed Consolidated Comprehensive Income (Loss)**

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Net income (loss)	\$ 57	\$ (49)
Other comprehensive income (loss):		
Changes in pension and OPEB, net of tax	7	6
Changes in foreign currency translation	(1)	(1)
Changes in derivative financial instruments, net of tax	7	(3)
Total other comprehensive income	13	2
<b>Comprehensive income (loss)</b>	<b>70</b>	<b>(47)</b>
Comprehensive income attributable to noncontrolling interests	(16)	(3)
<b>Comprehensive income (loss) attributable to Cliffs shareholders</b>	<b>\$ 54</b>	<b>\$ (50)</b>

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**Statements of Unaudited Condensed Consolidated Cash Flows**

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 57	\$ (49)
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation, depletion and amortization	217	35
Amortization of inventory step-up	81	23
Changes in deferred revenue	(3)	(48)
Deferred income taxes	10	(48)
Loss (gain) on extinguishment of debt	66	(3)
Other	(2)	51
Changes in operating assets and liabilities, net of business combination:		
Receivables and other assets	(480)	254
Inventories	(172)	(267)
Pension and OPEB payments and contributions	(175)	(13)
Payables, accrued expenses and other liabilities	22	(99)
Net cash used by operating activities	(379)	(164)
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(136)	(138)
Acquisition of AK Steel, net of cash acquired	—	(869)
Other investing activities	1	—
Net cash used by investing activities	(135)	(1,007)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares	322	—
Proceeds from issuance of debt	1,000	716
Debt issuance costs	(16)	(44)
Repayments of debt	(902)	(430)
Borrowings under credit facilities	1,158	800
Repayments under credit facilities	(1,010)	—
Other financing activities	(40)	(37)
Net cash provided by financing activities	512	1,005
Net decrease in cash and cash equivalents	(2)	(166)
Cash and cash equivalents at beginning of period	112	353
Cash and cash equivalents at end of period	\$ 110	\$ 187

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*



**Statements of Unaudited Condensed Consolidated Changes in Equity**

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)							
	Number of Common Shares Outstanding	Par Value of Common Shares Issued	Capital in Excess of Par Value of Shares	Retained Deficit	Common Shares in Treasury	AOCI	Non-controlling Interests	Total
December 31, 2020	478	\$ 63	\$ 5,431	\$ (2,989)	\$ (354)	\$ (133)	\$ 323	\$ 2,341
Comprehensive income	—	—	—	41	—	13	16	70
Issuance of common stock	20	—	78	—	244	—	—	322
Stock and other incentive plans	1	—	(22)	—	17	—	—	(5)
Acquisition of ArcelorMittal USA - Measurement period adjustments	—	—	—	—	—	—	(1)	(1)
Net distributions to noncontrolling interests	—	—	—	—	—	—	(8)	(8)
March 31, 2021	499	\$ 63	\$ 5,487	\$ (2,948)	\$ (93)	\$ (120)	\$ 330	\$ 2,719

	(In Millions)							
	Number of Common Shares Outstanding	Par Value of Common Shares Issued	Capital in Excess of Par Value of Shares	Retained Deficit	Common Shares in Treasury	AOCI	Non-controlling Interests	Total
December 31, 2019	271	\$ 37	\$ 3,873	\$ (2,842)	\$ (391)	\$ (319)	\$ —	\$ 358
Comprehensive income (loss)	—	—	—	(52)	—	2	3	(47)
Stock and other incentive plans	1	—	(24)	—	26	—	—	2
Acquisition of AK Steel	127	16	602	—	—	—	330	948
Common stock dividends (\$0.06 per share)	—	—	—	(24)	—	—	—	(24)
Net distributions to noncontrolling interests	—	—	—	—	—	—	(6)	(6)
March 31, 2020	399	\$ 53	\$ 4,451	\$ (2,918)	\$ (365)	\$ (317)	\$ 327	\$ 1,231

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

## Notes to Unaudited Condensed Consolidated Financial Statements

Cleveland-Cliffs Inc. and Subsidiaries

### NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

#### Business, Consolidation and Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with SEC rules and regulations and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary to present fairly the financial position, results of operations, comprehensive income (loss), cash flows and changes in equity for the periods presented. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management bases its estimates on various assumptions and historical experience, which are believed to be reasonable; however, due to the inherent nature of estimates, actual results may differ significantly due to changed conditions or assumptions. The results of operations for the three months ended March 31, 2021 are not necessarily indicative of results to be expected for the year ending December 31, 2021 or any other future period. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2020.

#### ***Business Operations***

We are vertically integrated from the mining of iron ore and coal; to production of metalics and coke; through iron making, steelmaking, rolling and finishing; and to downstream tubular components, stamping and tooling. We have the unique advantage as a steel producer of being fully or partially self-sufficient with our production of raw materials for steel manufacturing, which includes iron ore pellets, HBI and coking coal.

We are organized into four operating segments based on differentiated products, Steelmaking, Tubular, Tooling and Stamping, and European Operations. We primarily operate through one reportable segment – the Steelmaking segment.

#### ***Basis of Consolidation***

The unaudited condensed consolidated financial statements consolidate our accounts and the accounts of our wholly owned subsidiaries, all subsidiaries in which we have a controlling interest and VIEs for which we are the primary beneficiary. All intercompany transactions and balances are eliminated upon consolidation.

#### ***Investments in Affiliates***

We have investments in several businesses accounted for using the equity method of accounting. We review an investment for impairment when circumstances indicate that a loss in value below its carrying amount is other than temporary.

As of March 31, 2021 and December 31, 2020, our investment in affiliates of \$ 116 million and \$105 million, respectively, was classified in *Other non-current assets*.

#### **Significant Accounting Policies**

A detailed description of our significant accounting policies can be found in the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC. There have been no material changes in our significant accounting policies and estimates from those disclosed therein.

## Recent Accounting Pronouncements

### Issued and Not Effective

In August 2020, the FASB issued *ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*. This update requires certain convertible instruments to be accounted for as a single liability measured at its amortized cost. Additionally, the update requires the use of the "if-converted" method, removing the treasury stock method, when calculating diluted shares. The two methods of adoption are the full and modified retrospective approaches. We expect to utilize the modified retrospective approach. Using this approach, the guidance shall be applied to transactions outstanding as of the beginning of the fiscal year in which the amendment is adopted. The final rule is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. We expect the adoption of this update to decrease our diluted EPS unless the additional shares under the if-converted method are anti-dilutive. We expect to adopt the update at the required adoption date of January 1, 2022.

## NOTE 2 - SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION

### Allowance for Credit Losses

The following is a roll forward of our allowance for credit losses associated with *Accounts receivable, net*:

	(In Millions)	
	2021	2020
Allowance for credit losses as of January 1	\$ (5)	\$ —
Increase in allowance	(1)	(1)
Allowance for credit losses as of March 31	\$ (6)	\$ (1)

### Inventories

The following table presents the detail of our *Inventories* in the Statements of Unaudited Condensed Consolidated Financial Position:

	(In Millions)	
	March 31, 2021	December 31, 2020
Product inventories		
Finished and semi-finished goods	\$ 2,296	\$ 2,125
Raw materials	1,372	1,431
Total product inventories	3,668	3,556
Manufacturing supplies and critical spares	264	272
Inventories	\$ 3,932	\$ 3,828

### Cash Flow Information

A reconciliation of capital additions to cash paid for capital expenditures is as follows:

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Capital additions	\$ 162	\$ 158
Less:		
Non-cash accruals	23	(10)
Right-of-use assets - finance leases	3	30
Cash paid for capital expenditures including deposits	\$ 136	\$ 138

Cash payments (receipts) for income taxes and interest are as follows:

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Taxes paid on income	\$ 3	\$ —
Income tax refunds	(14)	(60)
Interest paid on debt obligations net of capitalized interest <sup>1</sup>	75	30

<sup>1</sup> Capitalized interest was \$1 million and \$10 million for the three months ended March 31, 2021 and 2020, respectively.

### NOTE 3 - ACQUISITIONS

In 2020, we acquired two major steelmakers, AK Steel and ArcelorMittal USA, vertically integrating our legacy iron ore business with steel production. Our fully-integrated portfolio includes custom-made pellets and HBI; flat-rolled carbon steel, stainless, electrical, plate, tinplate and long steel products; and carbon and stainless steel tubing, hot and cold stamping and tooling. The AK Steel Merger combined Cliffs, a producer of iron ore pellets, with AK Steel, a producer of flat-rolled carbon, stainless and electrical steel products, to create a vertically integrated producer of value-added iron ore and steel products. The AM USA Transaction transformed us into a fully-integrated steel enterprise with the size and scale to expand product offerings and improve through-the cycle margins.

We now have a presence across the entire steel manufacturing process, from mining to pelletizing to the development and production of finished high value steel products. The combination is expected to create significant opportunities to generate additional value from market trends across the entire steel value chain and enable more consistent, predictable performance through normal market cycles.

#### Acquisition of ArcelorMittal USA

##### Overview

On December 9, 2020, pursuant to the terms of the AM USA Transaction Agreement, we purchased ArcelorMittal USA from ArcelorMittal. In connection with the closing of the AM USA Transaction, as contemplated by the terms of the AM USA Transaction Agreement, ArcelorMittal's former joint venture partner in Kote and Tek exercised its put right pursuant to the terms of the Kote and Tek joint venture agreements. As a result, we purchased all of such joint venture partner's interests in Kote and Tek. Following the closing of the AM USA Transaction, we own 100% of the interests in Kote and Tek.

We incurred acquisition-related costs excluding severance costs of \$ 2 million for the three months ended March 31, 2021, which were recorded in *Acquisition-related costs* on the Statements of Unaudited Condensed Consolidated Operations.

The AM USA Transaction was accounted for under the acquisition method of accounting for business combinations.

The fair value of the total purchase consideration was determined as follows:

	(In Millions)	
Fair value of Cliffs common shares issued	\$	990
Fair value of Series B Participating Redeemable Preferred Stock issued		738
Fair value of settlement of a pre-existing relationship		237
Cash consideration (subject to customary working capital adjustments)		635
Total purchase consideration	\$	<u>2,600</u>

The fair value of Cliffs common shares issued is calculated as follows:

Number of Cliffs common shares issued	78,186,671
Closing price of Cliffs common share as of December 9, 2020	\$ 12.66
Fair value of Cliffs common shares issued (in millions)	<u>\$ 990</u>

The fair value of Cliffs Series B Participating Redeemable Preferred Stock issued is calculated as follows:

Number of Cliffs Series B Participating Redeemable Preferred Stock issued	583,273
Redemption price per share as of December 9, 2020	\$ 1,266
Fair value of Cliffs Series B Participating Redeemable Preferred Stock issued (in millions)	<u>\$ 738</u>

The fair value of the estimated cash consideration is comprised of the following:

	<b>(In Millions)</b>
Cash consideration pursuant to the AM USA Transaction Agreement	\$ 505
Cash consideration for purchase of the remaining JV partner's interest of Kote and Tek	182
Estimated total cash consideration receivable	(52)
Total estimated cash consideration	<u>\$ 635</u>

The cash portion of the purchase price is subject to customary working capital adjustments.

The fair value of the settlement of a pre-existing relationship is comprised of the following:

	<b>(In Millions)</b>
Accounts receivable	\$ 97
Freestanding derivative asset from customer supply agreement	140
Total fair value of settlement of a pre-existing relationship	<u>\$ 237</u>

#### **Valuation Assumption and Preliminary Purchase Price Allocation**

We estimated fair values at December 9, 2020 for the preliminary allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed in connection with the AM USA Transaction. During the measurement period, we will continue to obtain information to assist in finalizing the fair value of assets acquired and liabilities assumed, which may differ materially from these preliminary estimates. If we determine any measurement period adjustments are material, we will apply those adjustments, including any related impacts to net income, in the reporting period in which the adjustments are determined. We are in the process of conducting a valuation of the assets acquired and liabilities assumed related to the AM USA Transaction, most notably, inventories, personal and real property, mineral reserves, leases, investments, deferred taxes, asset retirement obligations and the final allocation will be made when completed, including the result of any identified goodwill. Accordingly, the provisional measurements noted below are preliminary and subject to modification in the future.

The preliminary purchase price allocation to assets acquired and liabilities assumed in the AM USA Transaction was:

	(In Millions)		
	Initial Allocation of Consideration	Measurement Period Adjustments	Updated Allocation
Cash and cash equivalents	\$ 35	\$ —	\$ 35
Accounts receivable, net	349	—	349
Inventories	2,115	14	2,129
Other current assets	34	(5)	29
Property, plant and equipment	4,017	366	4,383
Other non-current assets	158	8	166
Accounts payable	(758)	2	(756)
Accrued employment costs	(271)	(3)	(274)
Pension and OPEB liabilities, current	(109)	—	(109)
Other current liabilities	(398)	(2)	(400)
Pension and OPEB liabilities, non-current	(3,195)	—	(3,195)
Other non-current liabilities	(598)	35	(563)
Noncontrolling interest	(13)	1	(12)
Net identifiable assets acquired	1,366	416	1,782
Goodwill	1,230	(412)	818
Total net assets acquired	<u>\$ 2,596</u>	<u>\$ 4</u>	<u>\$ 2,600</u>

During the period subsequent to the AM USA Transaction, we made certain measurement period adjustments to the acquired assets and liabilities assumed due to clarification of information utilized to determine fair value during the measurement period.

The goodwill resulting from the acquisition of ArcelorMittal USA primarily represents the growth opportunities in the automotive, construction, appliances, infrastructure and machinery and equipment markets, as well as any synergistic benefits to be realized from the AM USA Transaction, and was assigned to our flat steel operations within our Steelmaking segment. Goodwill from the AM USA Transaction is expected to be deductible for U.S. federal income tax purposes.

#### Acquisition of AK Steel

##### Overview

On March 13, 2020, pursuant to the AK Steel Merger Agreement, we completed the acquisition of AK Steel, in which we were the acquirer. As a result of the AK Steel Merger, each share of AK Steel common stock issued and outstanding immediately prior to the effective time of the AK Steel Merger (other than excluded shares) was converted into the right to receive 0.400 Cliffs common shares and, if applicable, cash in lieu of any fractional Cliffs common shares.

The AK Steel Merger was accounted for under the acquisition method of accounting for business combinations. The acquisition date fair value of the consideration transferred totaled \$1,535 million. The following tables summarize the consideration paid for AK Steel and the estimated fair values of the assets acquired and liabilities assumed at the acquisition date.

The fair value of the total purchase consideration was determined as follows:

	<b>(In Millions)</b>
Fair value of AK Steel debt	\$ 914
Fair value of Cliffs common shares issued for AK Steel outstanding common stock <sup>1</sup>	618
Other <sup>1</sup>	3
Total purchase consideration	<b>\$ 1,535</b>

<sup>1</sup>Included as non-cash investing activities in Statements of Unaudited Condensed Consolidated Cash Flows for the three months ended March 31, 2020.

The fair value of Cliffs common shares issued for outstanding shares of AK Steel common stock and with respect to Cliffs common shares underlying converted AK Steel equity awards that vested upon completion of the AK Steel Merger is calculated as follows:

	<b>(In Millions, Except Per Share Amounts)</b>
Number of shares of AK Steel common stock issued and outstanding	317
Exchange ratio	0.400
Number of Cliffs common shares issued to AK Steel stockholders	127
Price per share of Cliffs common shares	\$ 4.87
Fair value of Cliffs common shares issued for AK Steel outstanding common stock	<b>\$ 618</b>

The fair value of AK Steel's debt included in the consideration is calculated as follows:

	<b>(In Millions)</b>
Credit Facility	\$ 590
7.50% Senior Secured Notes due July 2023	324
Fair value of debt included in consideration	<b>\$ 914</b>

### Valuation Assumption and Purchase Price Allocation

The allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed in connection with the AK Steel Merger is based on estimated fair values at March 13, 2020, and was finalized during the quarter ended March 31, 2021. The following is a summary of the purchase price allocation to assets acquired and liabilities assumed in the AK Steel Merger:

	(In Millions)		
	Initial Allocation of Consideration	Measurement Period Adjustments	Final Allocation of Consideration as of March 31, 2021
Cash and cash equivalents	\$ 38	\$ 1	\$ 39
Accounts receivable, net	666	(2)	664
Inventories	1,563	(243)	1,320
Other current assets	68	(16)	52
Property, plant and equipment	2,184	90	2,274
Deferred income taxes	—	69	69
Other non-current assets	475	(4)	471
Accounts payable	(636)	(8)	(644)
Accrued employment costs	(94)	1	(93)
Pension and OPEB liabilities, current	(75)	(3)	(78)
Other current liabilities	(236)	9	(227)
Long-term debt	(1,179)	—	(1,179)
Pension and OPEB liabilities, non-current	(873)	2	(871)
Other non-current liabilities	(507)	72	(435)
Noncontrolling interest	—	(1)	(1)
Net identifiable assets acquired	1,394	(33)	1,361
Goodwill	141	33	174
Total net assets acquired	\$ 1,535	\$ —	\$ 1,535

During the period subsequent to the AK Steel Merger, we made certain measurement period adjustments to the acquired assets and liabilities assumed due to clarification of information utilized to determine fair value during the measurement period.

The goodwill resulting from the acquisition of AK Steel was assigned to our downstream Tubular and Tooling and Stamping operating segments. Goodwill is calculated as the excess of the purchase price over the net identifiable assets recognized and primarily represents the growth opportunities in light weighting solutions to automotive customers, as well as any synergistic benefits to be realized. Goodwill from the AK Steel Merger is not expected to be deductible for income tax purposes.

The purchase price allocated to identifiable intangible assets and liabilities acquired was:

	(In Millions)	Weighted Average Life (In Years)
Intangible assets:		
Customer relationships	\$ 77	18
Developed technology	60	17
Trade names and trademarks	11	10
Total identifiable intangible assets	\$ 148	17
Intangible liabilities:		
Above-market supply contracts	\$ (71)	12



The above-market supply contracts relate to the long-term coke and energy supply agreements with SunCoke Energy, which includes SunCoke Middletown, a consolidated VIE. Refer to NOTE 16 - VARIABLE INTEREST ENTITIES for further information.

### Pro Forma Results

The following table provides unaudited pro forma financial information, prepared in accordance with Topic 805, for the three months ended March 31, 2020, as if AK Steel had been acquired as of January 1, 2019:

	(In Millions)	
	Three Months Ended March 31,	
	2020	
Revenues	\$	1,526
Net loss attributable to Cliffs shareholders		(17)

The unaudited pro forma financial information has been calculated after applying our accounting policies and adjusting the historical results with pro forma adjustments, net of tax, that assume the AK Steel Merger occurred on January 1, 2019. Significant pro forma adjustments include the following:

1. The elimination of intercompany revenues between Cliffs and AK Steel of \$ 68 million for the three months ended March 31, 2020.
2. The 2020 pro forma net income was adjusted to exclude \$ 23 million of non-recurring inventory acquisition accounting adjustments incurred during the three months ended March 31, 2020.
3. The elimination of nonrecurring transaction costs incurred by Cliffs and AK Steel in connection with the AK Steel Merger of \$ 27 million for the three months ended March 31, 2020.
4. Total other pro forma adjustments included income of \$ 13 million for the three months ended March 31, 2020, primarily due to reduced interest and amortization expense, offset partially by additional depreciation expense.
5. The income tax impact of pro forma transaction adjustments that affect Net loss attributable to Cliffs shareholders at a statutory rate of 24.3% resulted in an income tax expense of \$12 million for the three months ended March 31, 2020.

The unaudited pro forma financial information does not reflect the potential realization of synergies or cost savings, nor does it reflect other costs relating to the integration of AK Steel. This unaudited pro forma financial information should not be considered indicative of the results that would have actually occurred if the AK Steel Merger had been consummated on January 1, 2019, nor are they indicative of future results.

### NOTE 4 - REVENUES

We generate our revenue through product sales, in which shipping terms generally indicate when we have fulfilled our performance obligations and transferred control of products to our customer. Our revenue transactions consist of a single performance obligation to transfer promised goods. Our contracts with customers usually define the mechanism for determining the sales price, which is generally fixed upon transfer of control, but the contracts generally do not impose a specific quantity on either party. Quantities to be delivered to the customer are generally determined at a point near the date of delivery through purchase orders or other written instructions we receive from the customer. Spot market sales are made through purchase orders or other written instructions. We consider our performance obligation to be complete and recognize revenue when control transfers in accordance with shipping terms.

Revenue is measured as the amount of consideration we expect to receive in exchange for transferring product. We reduce the amount of revenue recognized for estimated returns and other customer credits, such as discounts and volume rebates, based on the expected value to be realized. Payment terms are consistent with terms standard to the markets we serve. Sales taxes collected from customers are excluded from revenues.

Prior to the AM USA Transaction, we had a supply agreement with ArcelorMittal USA, which included supplemental revenue or refunds based on the HRC price in the year the iron ore was consumed in ArcelorMittal USA's blast furnaces. As control transferred prior to consumption, the supplemental revenue was recorded in

accordance with Topic 815. All sales occurring subsequent to the AM USA Transaction are intercompany and eliminated in consolidation. For the three months ended March 31, 2020, we had a derivative loss of \$26 million included within *Revenues* related to Topic 815 for the supplemental revenue portion of the supply agreement.

The following table represents our *Revenues* by market:

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
<b>Steelmaking:</b>		
Automotive	\$ 1,287	\$ 102
Infrastructure and manufacturing	954	39
Distributors and converters	1,248	52
Steel producers	430	144
<b>Total Steelmaking</b>	<b>3,919</b>	<b>337</b>
<b>Other Businesses:</b>		
Automotive	105	16
Infrastructure and manufacturing	10	4
Distributors and converters	15	2
<b>Total Other Businesses</b>	<b>130</b>	<b>22</b>
<b>Total revenues</b>	<b>\$ 4,049</b>	<b>\$ 359</b>

The following table represents our *Revenues* by product line:

	(Dollars In Millions, Sales Volumes in Thousands)			
	Three Months Ended March 31,			
	2021		2020	
	Revenue	Volume <sup>1</sup>	Revenue	Volume <sup>1</sup>
<b>Steelmaking:</b>				
Hot-rolled steel	\$ 895	1,182	\$ 19	31
Cold-rolled steel	632	748	28	40
Coated steel	1,308	1,369	90	99
Stainless and electrical steel	363	167	56	27
Plate steel	244	275	—	—
Other steel products	289	403	—	—
Iron products	70	600	142	1,351
Other	118	N/A	2	N/A
<b>Total steelmaking</b>	<b>3,919</b>		<b>337</b>	
<b>Other Businesses:</b>				
Other	130	N/A	22	N/A
<b>Total revenues</b>	<b>\$ 4,049</b>		<b>\$ 359</b>	

<sup>1</sup> All steel product volumes are stated in net tons. Iron product volumes are stated in long tons.

**NOTE 5 - SEGMENT REPORTING**

We are vertically integrated from the mining of iron ore and coal; to production of metalics and coke; through iron making, steelmaking, rolling, finishing; and to downstream tubing, stamping and tooling. We are organized into four operating segments based on our differentiated products - Steelmaking, Tubular, Tooling and Stamping, and European Operations. Our previous Mining and Pelletizing segment is included within the Steelmaking operating segment as iron ore pellets are a primary raw material for our steel products. We have one reportable segment - Steelmaking. The operating segment results of our Tubular, Tooling and Stamping, and European Operations that do not constitute reportable segments are combined and disclosed in the Other Businesses category. Our Steelmaking segment is the largest flat-rolled steel producer supported by being the largest iron ore pellet producer in North America, primarily serving the automotive, infrastructure and manufacturing, and distributors and converters markets. Our Other Businesses primarily include the operating segments that provide customer solutions with carbon and stainless steel tubing products, advanced-engineered solutions, tool design and build, hot- and cold-stamped steel components, and complex assemblies. All intersegment transactions were eliminated in consolidation.

We evaluate performance on an operating segment basis, as well as a consolidated basis, based on Adjusted EBITDA, which is a non-GAAP measure. This measure is used by management, investors, lenders and other external users of our financial statements to assess our operating performance and to compare operating performance to other companies in the steel industry. In addition, management believes Adjusted EBITDA is a useful measure to assess the earnings power of the business without the impact of capital structure and can be used to assess our ability to service debt and fund future capital expenditures in the business.

Our results by segment are as follows:

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
<b>Revenues:</b>		
Steelmaking	\$ 3,919	\$ 337
Other Businesses	130	22
Total revenues	<u>\$ 4,049</u>	<u>\$ 359</u>
<b>Adjusted EBITDA:</b>		
Steelmaking	\$ 537	\$ 44
Other Businesses	11	2
Corporate and eliminations	(35)	(23)
Total Adjusted EBITDA	<u>\$ 513</u>	<u>\$ 23</u>

The following table provides a reconciliation of our consolidated *Net income (loss)* to total Adjusted EBITDA:

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Net income (loss)	\$ 57	\$ (49)
Less:		
Interest expense, net	(92)	(31)
Income tax benefit (expense)	(9)	51
Depreciation, depletion and amortization	(217)	(35)
	375	(34)
Less:		
EBITDA of noncontrolling interests <sup>1</sup>	22	4
Gain (loss) on extinguishment of debt	(66)	3
Severance costs	(11)	(19)
Acquisition-related costs excluding severance costs	(2)	(23)
Amortization of inventory step-up	(81)	(23)
Impact of discontinued operations	—	1
Total Adjusted EBITDA	\$ 513	\$ 23

<sup>1</sup>EBITDA of noncontrolling interests includes \$16 million and \$3 million for income and \$6 million and \$1 million for depreciation, depletion and amortization for the three months ended March 31, 2021 and 2020, respectively.

The following summarizes our assets by segment:

	(In Millions)	
	March 31, 2021	December 31, 2020
Assets:		
Steelmaking	\$ 16,271	\$ 15,849
Other Businesses	295	239
Total segment assets	16,566	16,088
Corporate	649	683
Total assets	\$ 17,215	\$ 16,771

The following table summarizes our capital additions by segment:

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Capital additions <sup>1</sup> :		
Steelmaking	\$ 133	\$ 154
Other Businesses	11	3
Corporate	18	1
Total capital additions	\$ 162	\$ 158

<sup>1</sup> Refer to NOTE 2 - SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION for additional information.

**NOTE 6 - PROPERTY, PLANT AND EQUIPMENT**

The following table indicates the carrying value of each of the major classes of our depreciable assets:

	(In Millions)	
	March 31, 2021	December 31, 2020
Land, land improvements and mineral rights	\$ 1,241	\$ 1,213
Buildings	1,004	703
Equipment	7,877	6,786
Other	173	151
Construction in progress	407	1,364
Total property, plant and equipment <sup>1</sup>	10,702	10,217
Allowance for depreciation and depletion	(1,688)	(1,474)
Property, plant and equipment, net	\$ 9,014	\$ 8,743

<sup>1</sup>Includes right-of-use assets related to finance leases of \$365 million and \$361 million as of March 31, 2021 and December 31, 2020, respectively.

We recorded depreciation and depletion expense of \$ 215 million and \$36 million for the three months ended March 31, 2021 and 2020, respectively .

**NOTE 7 - GOODWILL AND INTANGIBLE ASSETS AND LIABILITIES****Goodwill**

The following is a summary of *Goodwill* by segment:

	(In Millions)	
	March 31, 2021	December 31, 2020
Steelmaking	\$ 820	\$ 1,232
Other Businesses	174	174
Total goodwill	\$ 994	\$ 1,406

The decrease of \$412 million in the balance of *Goodwill* in our Steelmaking segment as of March 31, 2021, compared to December 31, 2020, is due to the change in estimated identified goodwill as a result of measurement period adjustments to the preliminary purchase price allocation for the acquisition of ArcelorMittal USA. Refer to NOTE 3 - ACQUISITIONS for further details.

## Intangible Assets and Liabilities

The following is a summary of our intangible assets and liabilities:

	(In Millions)					
	March 31, 2021			December 31, 2020		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Intangible assets <sup>1</sup> :						
Customer relationships	\$ 77	\$ (5)	\$ 72	\$ 77	\$ (3)	\$ 74
Developed technology	60	(4)	56	60	(3)	57
Trade names and trademarks	11	(1)	10	11	(1)	10
Mining permits	72	(25)	47	72	(25)	47
Total intangible assets	<u>\$ 220</u>	<u>\$ (35)</u>	<u>\$ 185</u>	<u>\$ 220</u>	<u>\$ (32)</u>	<u>\$ 188</u>
Intangible liabilities <sup>2</sup> :						
Above-market supply contracts	<u>\$ (71)</u>	<u>\$ 8</u>	<u>\$ (63)</u>	<u>\$ (71)</u>	<u>\$ 7</u>	<u>\$ (64)</u>

<sup>1</sup> Intangible assets are classified as *Other non-current assets*. Amortization related to mining permits is recognized in *Cost of goods sold*. Amortization of all other intangible assets is recognized in *Selling, general and administrative expenses*.

<sup>2</sup> Intangible liabilities are classified as *Other non-current liabilities*. Amortization of all intangible liabilities is recognized in *Cost of goods sold*.

Amortization expense related to intangible assets was \$ 3 million and \$ 1 million for the three months ended March 31, 2021 and 2020, respectively. Estimated future amortization expense is \$ 7 million for the remainder of 2021 and \$ 10 million annually for the years 2022 through 2026.

Income from amortization related to the intangible liabilities was \$ 1 million and \$ 2 million for the three months ended March 31, 2021 and 2020, respectively. Estimated future income from amortization is \$ 6 million for the remainder of 2021 and \$ 5 million annually for the years 2022 through 2026.

**NOTE 8 - DEBT AND CREDIT FACILITIES**

The following represents a summary of our long-term debt:

(In Millions)						
March 31, 2021						
Debt Instrument	Issuer <sup>1</sup>	Annual Effective Interest Rate	Total Principal Amount	Unamortized Debt Issuance Costs	Unamortized Premiums (Discounts)	Total Debt
Senior Secured Notes:						
9.875% 2025 Senior Secured Notes	Cliffs	10.57%	\$ 633	\$ (5)	\$ (16)	\$ 612
6.75% 2026 Senior Secured Notes	Cliffs	6.99%	845	(19)	(8)	818
Senior Unsecured Notes:						
1.50% 2025 Convertible Senior Notes	Cliffs	6.26%	296	(3)	(47)	246
5.75% 2025 Senior Notes	Cliffs	6.01%	396	(2)	(4)	390
7.00% 2027 Senior Notes	Cliffs	9.24%	73	—	(7)	66
7.00% 2027 AK Senior Notes	AK Steel	9.24%	56	—	(6)	50
5.875% 2027 Senior Notes	Cliffs	6.49%	556	(4)	(17)	535
4.625% 2029 Senior Notes	Cliffs	4.63%	500	(9)	—	491
4.875% 2031 Senior Notes	Cliffs	4.88%	500	(9)	—	491
6.25% 2040 Senior Notes	Cliffs	6.34%	263	(2)	(3)	258
IRBs due 2024 to 2028	AK Steel	Various	92	—	2	94
EDC Revolving Facilities <sup>3</sup>	*	Various	80	—	—	53
ABL Facility <sup>3</sup>	Cliffs <sup>2</sup>	2.14%	3,500	—	—	1,630
Total long-term debt						<u>\$ 5,734</u>

\* Our subsidiaries, Fleetwood Metal Industries Inc. and The Electromac Group Inc., are the borrowers under the EDC Revolving Facilities.

<sup>1</sup> Unless otherwise noted, references in this column and throughout this NOTE 8 - DEBT AND CREDIT FACILITIES to "Cliffs" are to Cleveland-Cliffs Inc., and references to "AK Steel" are to AK Steel Corporation (n/k/a Cleveland-Cliffs Steel Corporation).

<sup>2</sup> Refers to Cleveland-Cliffs Inc. as borrower under our ABL Facility.

<sup>3</sup> The total principal amounts for the indicated credit facilities are stated at their respective maximum borrowing capacities.

(In Millions)

December 31, 2020						
Debt Instrument	Issuer <sup>1</sup>	Annual Effective Interest Rate	Total Principal Amount	Unamortized Debt Issuance Costs	Unamortized Premiums (Discounts)	Total Debt
<b>Senior Secured Notes:</b>						
4.875% 2024 Senior Notes	Cliffs	5.00%	\$ 395	\$ (3)	\$ (1)	\$ 391
9.875% 2025 Senior Secured Notes	Cliffs	10.57%	955	(8)	(25)	922
6.75% 2026 Senior Secured Notes	Cliffs	6.99%	845	(20)	(9)	816
<b>Senior Unsecured Notes:</b>						
7.625% 2021 AK Senior Notes	AK Steel	7.33%	34	—	—	34
7.50% 2023 AK Senior Notes	AK Steel	6.17%	13	—	—	13
6.375% 2025 Senior Notes	Cliffs	8.11%	64	—	(4)	60
6.375% 2025 AK Senior Notes	AK Steel	8.11%	29	—	(2)	27
1.50% 2025 Convertible Senior Notes	Cliffs	6.26%	296	(4)	(49)	243
5.75% 2025 Senior Notes	Cliffs	6.01%	396	(3)	(4)	389
7.00% 2027 Senior Notes	Cliffs	9.24%	73	—	(8)	65
7.00% 2027 AK Senior Notes	AK Steel	9.24%	56	—	(6)	50
5.875% 2027 Senior Notes	Cliffs	6.49%	556	(4)	(18)	534
6.25% 2040 Senior Notes	Cliffs	6.34%	263	(2)	(3)	258
IRBs due 2024 to 2028	AK Steel	Various	92	—	2	94
EDC Revolving Facility <sup>3</sup>	*	3.25%	40	—	—	18
ABL Facility <sup>3</sup>	Cliffs <sup>2</sup>	2.15%	3,500	—	—	1,510
<b>Total debt</b>						<b>5,424</b>
Less: current debt						34
<b>Total long-term debt</b>						<b>\$ 5,390</b>

\* Our subsidiaries, Fleetwood Metal Industries Inc. and The Electromac Group Inc., are the borrowers under the EDC Revolving Facility.

<sup>1</sup> Unless otherwise noted, references in this column and throughout this NOTE 8 - DEBT AND CREDIT FACILITIES to "Cliffs" are to Cleveland-Cliffs Inc., and references to "AK Steel" are to AK Steel Corporation (n/k/a Cleveland-Cliffs Steel Corporation).

<sup>2</sup> Refers to Cleveland-Cliffs Inc. as borrower under our ABL Facility.

<sup>3</sup> The total principal amounts for the indicated credit facilities are stated at their respective maximum borrowing capacities.

#### **4.625% 2029 Senior Notes**

On February 17, 2021, we entered into an indenture among Cliffs, the guarantors party thereto and U.S. Bank National Association, as trustee, relating to the issuance by Cliffs of \$500 million aggregate principal amount of 4.625% 2029 Senior Notes issued at par value.

The 4.625% 2029 Senior Notes were issued in private placement transactions exempt from the registration requirements of the Securities Act. The 4.625% 2029 Senior Notes bear interest at a rate of 4.625% per annum, payable semi-annually in arrears on March 1 and September 1 of each year, commencing on September 1, 2021. The 4.625% 2029 Senior Notes will mature on March 1, 2029.

The 4.625% 2029 Senior Notes are unsecured senior obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The 4.625% 2029 Senior Notes are guaranteed on a senior unsecured basis by our material direct and indirect wholly-owned domestic subsidiaries and, therefore, are structurally senior to any of our existing and future indebtedness that is not guaranteed by such guarantors and are structurally subordinated to all existing and future indebtedness and other liabilities of our subsidiaries that do not guarantee the 4.625% 2029 Senior Notes.



The 4.625% 2029 Senior Notes may be redeemed, in whole or in part, on not less than 10 nor more than 60 days' prior notice sent to the holders of the notes. The following is a summary of redemption prices for our 4.625% 2029 Senior Notes:

<b>Redemption Period</b>	<b>Redemption Price<sup>1</sup></b>	<b>Restricted Amount</b>
Prior to March 1, 2024 - using the proceeds of equity issuance	104.625 %	Up to 35% of original aggregate principal
Prior to March 1, 2024 <sup>2</sup>	100.000	
Beginning March 1, 2024	102.313	
Beginning March 1, 2025	101.156	
Beginning on March 1, 2026 and thereafter	100.000	

<sup>1</sup> Plus accrued and unpaid interest, if any, up to, but excluding, the redemption date.

<sup>2</sup> Plus a "make-whole" premium.

In addition, if a change in control triggering event, as defined in the indenture, occurs with respect to the 4.625% 2029 Senior Notes, we will be required to offer to repurchase the notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase.

The terms of the 4.625% 2029 Senior Notes contain certain customary covenants; however, there are no financial covenants.

#### **4.875% 2031 Senior Notes**

On February 17, 2021, we entered into an indenture among Cliffs, the guarantors party thereto and U.S. Bank National Association, as trustee, relating to the issuance by Cliffs of \$500 million aggregate principal amount of 4.875% 2031 Senior Notes issued at par value.

The 4.875% 2031 Senior Notes were issued in private placement transactions exempt from the registration requirements of the Securities Act. The 4.875% 2031 Senior Notes bear interest at a rate of 4.875% per annum, payable semi-annually in arrears on March 1 and September 1 of each year, commencing on September 1, 2021. The 4.875% 2031 Senior Notes will mature on March 1, 2031.

The 4.875% 2031 Senior Notes are unsecured senior obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The 4.875% 2031 Senior Notes are guaranteed on a senior unsecured basis by our material direct and indirect wholly-owned domestic subsidiaries and, therefore, are structurally senior to any of our existing and future indebtedness that is not guaranteed by such guarantors and are structurally subordinated to all existing and future indebtedness and other liabilities of our subsidiaries that do not guarantee the 4.875% 2031 Senior Notes.

The 4.875% 2031 Senior Notes may be redeemed, in whole or in part, on not less than 10 nor more than 60 days' prior notice sent to the holders of the notes. The following is a summary of redemption prices for our 4.875% 2031 Senior Notes:

Redemption Period	Redemption Price <sup>1</sup>	Restricted Amount
Prior to March 1, 2026 - using the proceeds of equity issuance	104.875 %	Up to 35% of original aggregate principal
Prior to March 1, 2026 <sup>2</sup>	100.000	
Beginning March 1, 2026	102.438	
Beginning March 1, 2027	101.625	
Beginning March 1, 2028	100.813	
Beginning on March 1, 2029 and thereafter	100.000	

<sup>1</sup> Plus accrued and unpaid interest, if any, up to, but excluding, the redemption date.

<sup>2</sup> Plus a "make-whole" premium.

In addition, if a change in control triggering event, as defined in the indenture, occurs with respect to the 4.875% 2031 Senior Notes, we will be required to offer to repurchase the notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase.

The terms of the 4.875% 2031 Senior Notes contain certain customary covenants; however, there are no financial covenants.

#### Debt Extinguishments - 2021

On March 11, 2021, we purchased an aggregate principal amount of \$ 322 million of the 9.875% 2025 Senior Secured Notes using the net proceeds from the February 11, 2021 issuance of 20 million common shares and cash on hand. On March 12, 2021, we fully redeemed the 4.875% 2024 Senior Secured Notes, 7.625% 2021 AK Senior Notes, 7.50% 2023 AK Senior Notes, 6.375% 2025 Senior Notes and 6.375% 2025 AK Senior Notes, which totaled an aggregate principal amount of \$535 million.

The following is a summary of the debt extinguished and the respective impact on extinguishment:

Debt Instrument	(In Millions)	
	Three Months Ended March 31, 2021	
	Debt Extinguished	(Loss) on Extinguishment
9.875% 2025 Senior Secured Notes	\$ 322	\$ (42)
4.875% 2024 Senior Secured Notes	395	(14)
7.625% 2021 AK Senior Notes	34	—
7.50% 2023 AK Senior Notes	13	—
6.375% 2025 Senior Notes	64	(7)
6.375% 2025 AK Senior Notes	29	(3)
	<b>\$ 857</b>	<b>\$ (66)</b>

#### Debt Extinguishments - 2020

On March 13, 2020, in connection with the AK Steel Merger, we purchased \$ 364 million aggregate principal amount of 7.625% 2021 AK Senior Notes and \$311 million aggregate principal amount of 7.50% 2023 AK Senior Notes upon early settlement of tender offers made by Cliffs. The net proceeds from the offering of 6.75% 2026 Senior Secured Notes, along with a portion of the ABL Facility borrowings, were used to fund such purchases. As the 7.625% 2021 AK Senior Notes and 7.50% 2023 AK Senior Notes were recorded at fair value just prior to being purchased, there was no gain or loss on extinguishment. Additionally, in connection with the final settlement of the tender offers, we purchased \$9 million aggregate principal amount of the 7.625% 2021 AK Senior Notes and \$56 million aggregate principal amount of the 7.50% 2023 AK Senior Notes with cash on hand.

The following is a summary of the debt extinguished and the respective impact on extinguishment:

Debt Instrument	(In Millions)	
	Debt Extinguished	Gain on Extinguishment
7.625% 2021 AK Senior Notes	\$ 373	\$ —
7.50% 2023 AK Senior Notes	367	3
	<u>\$ 740</u>	<u>\$ 3</u>

#### ABL Facility

As of March 31, 2021, we were in compliance with the ABL Facility liquidity requirements and, therefore, the springing financial covenant requiring a minimum fixed charge coverage ratio of 1.0 to 1.0 was not applicable.

The following represents a summary of our borrowing capacity under the ABL Facility:

	(In Millions)	
	March 31, 2021	
Available borrowing base on ABL Facility <sup>1</sup>	\$	3,500
Borrowings		(1,630)
Letter of credit obligations <sup>2</sup>		(272)
Borrowing capacity available	<u>\$</u>	<u>1,598</u>

<sup>1</sup>As of March 31, 2021, the ABL Facility has a maximum borrowing base of \$3.5 billion. The available borrowing base is determined by applying customary advance rates to eligible accounts receivable, inventory and certain mobile equipment.

<sup>2</sup>We issued standby letters of credit with certain financial institutions in order to support business obligations including, but not limited to, workers' compensation, employee severance, insurance, operating agreements, IRBs and environmental obligations.

#### Debt Maturities

The following represents a summary of our maturities of debt instruments based on the principal amounts outstanding at March 31, 2021:

	(In Millions)	
	Maturities of Debt	
2021 (remaining period of year)	\$	—
2022		—
2023		53
2024		62
2025		2,955
Thereafter		2,823
Total maturities of debt	<u>\$</u>	<u>5,893</u>

**NOTE 9 - FAIR VALUE MEASUREMENTS**

The carrying values of certain financial instruments (e.g., *Accounts receivable, net*, *Accounts payable* and *Other current liabilities*) approximate fair value and, therefore, have been excluded from the table below. A summary of the carrying value and fair value of other financial instruments were as follows:

	Classification	(In Millions)			
		March 31, 2021		December 31, 2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Senior Notes	Level 1	\$ 3,957	\$ 4,674	\$ 3,802	\$ 4,446
IRBs due 2024 to 2028	Level 1	94	94	94	91
EDC Revolving Facilities - outstanding balance	Level 2	53	53	18	18
ABL Facility - outstanding balance	Level 2	1,630	1,630	1,510	1,510
Total long-term debt		\$ 5,734	\$ 6,451	\$ 5,424	\$ 6,065

The fair value of long-term debt was determined using quoted market prices.

**NOTE 10 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS**

We offer defined benefit pension plans, defined contribution pension plans and OPEB plans to a significant portion of our employees and retirees. Benefits are also provided through multiemployer plans for certain union members.

The following are the components of defined benefit pension and OPEB costs (credits):

*Defined Benefit Pension Costs (Credits)*

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Service cost	\$ 14	\$ 5
Interest cost	26	8
Expected return on plan assets	(90)	(18)
Amortization:		
Net actuarial loss	8	7
Net periodic benefit cost (credit)	\$ (42)	\$ 2

*OPEB Costs (Credits)*

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Service cost	\$ 13	\$ 1
Interest cost	18	2
Expected return on plan assets	(10)	(5)
Amortization:		
Prior service credits	—	(1)
Net actuarial loss	1	1
Net periodic benefit cost (credit)	\$ 22	\$ (2)

Based on funding requirements, we made defined benefit pension contributions of \$ 146 million and \$4 million for the three months ended March 31, 2021 and 2020, respectively. As a result of the CARES Act enacted on March 27, 2020, we deferred \$118 million of 2020 pension contributions, which were paid on January 4, 2021. Based on funding requirements, no contributions for our voluntary employee benefit association trust plans were required or made for the three months ended March 31, 2021 and 2020.

#### NOTE 11 - INCOME TAXES

Our 2021 estimated annual effective tax rate before discrete items as of March 31, 2021 is 19%. The estimated annual effective tax rate differs from the U.S. statutory rate of 21% primarily due to the deduction for percentage depletion in excess of cost depletion. The 2020 estimated annual effective tax rate before discrete items as of March 31, 2020 was 47%. The decrease in the estimated annual effective tax rate before discrete items is driven by the change in the mix of income.

#### NOTE 12 - ASSET RETIREMENT OBLIGATIONS

The following is a summary of our asset retirement obligations:

	(In Millions)	
	March 31, 2021	December 31, 2020
Asset retirement obligations <sup>1</sup>	\$ 310	\$ 342
Less: current portion	12	7
Long-term asset retirement obligations	<u>\$ 298</u>	<u>\$ 335</u>

<sup>1</sup> Includes \$158 million and \$190 million related to our active operations as of March 31, 2021 and December 31, 2020, respectively.

The accrued closure obligation provides for contractual and legal obligations related to our indefinitely idled and closed operations and for the eventual closure of our active operations. The closure date for each of our active mine sites was determined based on the exhaustion date of the remaining mineral reserves and the amortization of the related asset and accretion of the liability is recognized over the estimated mine lives. The closure date and expected timing of the capital requirements to meet our obligations for our indefinitely idled or closed mines is determined based on the unique circumstances of each property. For indefinitely idled or closed mines, the accretion of the liability is recognized over the anticipated timing of remediation. As the majority of our asset retirement obligations at our steelmaking operations have indeterminate settlement dates, asset retirement obligations have been recorded at present values using estimated ranges of the economic lives of the underlying assets.

The following is a roll forward of our asset retirement obligation liability:

	(In Millions)	
	2021	2020
Asset retirement obligation as of January 1	\$ 342	\$ 165
Increase (decrease) from Acquisitions	(34)	14
Accretion expense	3	2
Remediation payments	(1)	—
Asset retirement obligation as of March 31	<u>\$ 310</u>	<u>\$ 181</u>

The decrease from Acquisitions for the three months ended March 31, 2021, relates to measurement period adjustments as a result of the preliminary purchase price allocation of the AM USA Transaction.

**NOTE 13 - CAPITAL STOCK**

**Underwritten Public Offering**

On February 11, 2021, we sold 20 million of our common shares and 40 million common shares were sold by an affiliate of ArcelorMittal, in an underwritten public offering. In each case, shares were sold at a price per share of \$16.12. Prior to this sale, ArcelorMittal held approximately 78 million common shares, which were issued as a part of the consideration in connection with the AM USA Transaction. We did not receive any proceeds from the sale of the 40 million common shares sold on behalf of ArcelorMittal. We used the net proceeds from the offering, plus cash on hand, to redeem \$322 million aggregate principal amount of our outstanding 9.875% 2025 Senior Secured Notes.

**Acquisition of AK Steel**

As more fully described in NOTE 3 - ACQUISITIONS, we acquired AK Steel on March 13, 2020. At the effective time of the AK Steel Merger, each share of AK Steel common stock issued and outstanding prior to the effective time of the AK Steel Merger was converted into, and became exchangeable for, 0.400 Cliffs common shares, par value \$ 0.125 per share. We issued a total of 127 million common shares in connection with the AK Steel Merger at a fair value of \$618 million. Following the closing of the AK Steel Merger, AK Steel's common stock was de-listed from the New York Stock Exchange.

**Acquisition of ArcelorMittal USA**

As more fully described in NOTE 3 - ACQUISITIONS, we acquired ArcelorMittal USA on December 9, 2020. Pursuant to the terms of the AM USA Transaction Agreement, we issued 78,186,671 common shares and 583,273 shares of a new series of our Serial Preferred Stock, Class B, without par value, designated as the "Series B Participating Redeemable Preferred Stock," in each case to an indirect, wholly owned subsidiary of ArcelorMittal as part of the consideration paid by us in connection with the closing of the AM USA Transaction.

**Preferred Stock**

We have 3,000,000 shares of Serial Preferred Stock, Class A, without par value, of which, none are issued or outstanding. We also have 4,000,000 shares of Serial Preferred Stock, Class B, without par value, authorized, of which, 583,273 shares are issued and outstanding as described above.

**Dividends**

The below table summarizes our dividend activity during 2020:

Declaration Date	Record Date	Payment Date	Dividend Declared per Common Share
2/18/2020	4/3/2020	4/15/2020	\$ 0.06
12/2/2019	1/3/2020	1/15/2020	0.06

Subsequent to the dividend paid on April 15, 2020, our Board suspended future dividends.

**NOTE 14 - ACCUMULATED OTHER COMPREHENSIVE LOSS**

The following tables reflect the changes in *Accumulated other comprehensive loss* related to Cliffs shareholders' equity:

	(In Millions)			
	Postretirement Benefit Liability, net of tax	Foreign Currency Translation	Derivative Financial Instruments, net of tax	Accumulated Other Comprehensive Loss
December 31, 2020	\$ (135)	\$ 3	\$ (1)	\$ (133)
Other comprehensive income (loss) before reclassifications	—	(1)	8	7
Net (gain) loss reclassified from accumulated other comprehensive loss	7	—	(1)	6
March 31, 2021	\$ (128)	\$ 2	\$ 6	\$ (120)

	(In Millions)			
	Postretirement Benefit Liability, net of tax	Foreign Currency Translation	Derivative Financial Instruments, net of tax	Accumulated Other Comprehensive Loss
December 31, 2019	\$ (316)	\$ —	\$ (3)	\$ (319)
Other comprehensive loss before reclassifications	—	(1)	(5)	(6)
Net loss reclassified from accumulated other comprehensive loss	6	—	2	8
March 31, 2020	<u>\$ (310)</u>	<u>\$ (1)</u>	<u>\$ (6)</u>	<u>\$ (317)</u>

The following table reflects the details about *Accumulated other comprehensive loss* components reclassified from Cliffs shareholders' equity:

Details about Accumulated Other Comprehensive Loss Components	(In Millions)		Affected Line Item in the Statement of Unaudited Condensed Consolidated Operations
	Amount of (Gain)/Loss Reclassified into Income, Net of Tax		
	Three Months Ended March 31,		
	2021	2020	
<b>Amortization of pension and OPEB liability:</b>			
Net actuarial loss	\$ 9	\$ 7	<i>Other non-operating income</i>
Income tax benefit	(2)	(1)	<i>Income tax benefit (expense)</i>
Net of taxes	<u>\$ 7</u>	<u>\$ 6</u>	
<b>Changes in derivative financial instruments:</b>			
Commodity contracts	\$ (1)	\$ 3	<i>Cost of goods sold</i>
Income tax benefit	—	(1)	<i>Income tax benefit (expense)</i>
Net of taxes	<u>\$ (1)</u>	<u>\$ 2</u>	
Total reclassifications for the period, net of tax	<u>\$ 6</u>	<u>\$ 8</u>	

**NOTE 15 - RELATED PARTIES**

We have certain co-owned joint ventures with companies from the steel and mining industries, including integrated steel companies, their subsidiaries and other downstream users of steel and iron ore products.

Hibbing is a co-owned joint venture in which we own 85.3% and U.S. Steel owns 14.7% as of March 31, 2021. As a result of the AM USA Transaction, we acquired an additional 62.3% ownership stake in the Hibbing mine and became the majority owner and mine manager. Prior to the AM USA Transaction, ArcelorMittal was a related party due to its ownership interest in Hibbing. As such, for the three months ended March 31, 2020, certain long-term contracts with ArcelorMittal resulted in *Revenues* from related parties. As of March 31, 2020, we owned 23% of Hibbing.

*Revenues* from related parties were as follows:

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Revenue from related parties	\$ 77	\$ 11
Revenues	\$ 4,049	\$ 359
Related party revenues as a percent of Revenues	2 %	3 %
Purchases from related parties	\$ 27	\$ 3

The following table presents the classification of related party assets and liabilities in the Statements of Unaudited Condensed Consolidated Financial Position:

Balance Sheet Location of Assets (Liabilities)	(In Millions)	
	March 31, 2021	December 31, 2020
Accounts receivable, net	\$ 30	\$ 2
Accounts payable	(9)	(6)

**NOTE 16 - VARIABLE INTEREST ENTITIES**

***SunCoke Middletown***

We purchase all the coke and electrical power generated from SunCoke Middletown's plant under long-term supply agreements and have committed to purchase all the expected production from the facility through 2032. We consolidate SunCoke Middletown as a VIE because we are the primary beneficiary despite having no ownership interest in SunCoke Middletown. SunCoke Middletown had income before income taxes of \$17 million and \$4 million for the three months ended March 31, 2021 and 2020, respectively, that was included in our consolidated income before income taxes.

The assets of the consolidated VIE can only be used to settle the obligations of the consolidated VIE and not obligations of the Company. The creditors of SunCoke Middletown do not have recourse to the assets or general credit of the Company to satisfy liabilities of the VIE. The Statements of Unaudited Condensed Consolidated Financial Position includes the following amounts for SunCoke Middletown:

	(In Millions)	
	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 4	\$ 5
Inventories	22	21
Property, plant and equipment, net	304	308
Accounts payable	(12)	(15)
Other assets (liabilities), net	1	(10)
Noncontrolling interests	(319)	(309)



**NOTE 17 - EARNINGS PER SHARE**

The following table summarizes the computation of basic and diluted earnings per share:

	(In Millions, Except Per Share Amounts)	
	Three Months Ended March 31,	
	2021	2020
Income (loss) from continuing operations	\$ 57	\$ (50)
Income from continuing operations attributable to noncontrolling interest	(16)	(3)
Net income (loss) from continuing operations attributable to Cliffs shareholders	41	(53)
Income from discontinued operations, net of tax	—	1
Net income (loss) attributable to Cliffs shareholders	<u>\$ 41</u>	<u>\$ (52)</u>
Weighted average number of shares:		
Basic	490	298
Redeemable preferred shares	58	—
Convertible senior notes	19	—
Employee stock plans	4	—
Diluted	<u>571</u>	<u>298</u>
Earnings (loss) per common share attributable to Cliffs shareholders - basic <sup>1</sup> :		
Continuing operations	\$ 0.08	\$ (0.18)
Discontinued operations	—	—
	<u>\$ 0.08</u>	<u>\$ (0.18)</u>
Earnings (loss) per common share attributable to Cliffs shareholders - diluted:		
Continuing operations	\$ 0.07	\$ (0.18)
Discontinued operations	—	—
	<u>\$ 0.07</u>	<u>\$ (0.18)</u>

<sup>1</sup> For the three months ended March 31, 2021, basic earnings per share is calculated by dividing Net income (loss) attributable to Cliffs shareholders, less \$ million of earnings attributed to Series B Participating Redeemable Preferred Stock, by the weighted average number of basic common shares outstanding during the period presented.

For the three months ended March 31, 2020, we had 2 million shares related to employee stock plans that were excluded from the diluted EPS calculation as they were anti-dilutive. There was no dilution during the three months ended March 31, 2020 related to the common share equivalents for the convertible senior notes as our common shares average price did not rise above the conversion price.

**NOTE 18 - COMMITMENTS AND CONTINGENCIES**
**Purchase Commitments**

We purchase portions of the principal raw materials required for our steel manufacturing operations under annual and multi-year agreements, some of which have minimum quantity requirements. We also use large volumes of natural gas, electricity and industrial gases in our steel manufacturing operations. We negotiate most of our purchases of chrome, industrial gases and a portion of our electricity under multi-year agreements. Our purchases of coke are made under annual or multi-year agreements with periodic price adjustments. We typically purchase coal under annual fixed-price agreements. We also purchase certain transportation services under multi-year contracts with minimum quantity requirements.

**Contingencies**

We are currently the subject of, or party to, various claims and legal proceedings incidental to our current and historical operations. These claims and legal proceedings are subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include monetary damages, additional funding requirements or an injunction. If an unfavorable ruling were to occur, there exists the possibility of a material adverse effect on the financial position and results of operations for the period in which the ruling occurs or future periods. However, based on currently available information we do not believe that any pending claims or legal proceedings will result in a material adverse effect in relation to our consolidated financial statements.

*Environmental Contingencies*

Although we believe our operating practices have been consistent with prevailing industry standards, hazardous materials may have been released at operating sites or third-party sites in the past, including operating sites that we no longer own. If we reasonably can, we estimate potential remediation expenditures for those sites where future remediation efforts are probable based on identified conditions, regulatory requirements or contractual obligations arising from the sale of a business or facility. For sites involving government required investigations, we typically make an estimate of potential remediation expenditures only after the investigation is complete and when we better understand the nature and scope of the remediation. In general, the material factors in these estimates include the costs associated with investigations, delineations, risk assessments, remedial work, governmental response and oversight, site monitoring, and preparation of reports to the appropriate environmental agencies.

The following is a summary of our environmental obligations:

	(In Millions)	
	March 31, 2021	December 31, 2020
Environmental obligations	\$ 134	\$ 135
Less: current portion	20	18
Long-term environmental obligations	<u>\$ 114</u>	<u>\$ 117</u>

We cannot predict the ultimate costs for each site with certainty because of the evolving nature of the investigation and remediation process. Rather, to estimate the probable costs, we must make certain assumptions. The most significant of these assumptions is for the nature and scope of the work that will be necessary to investigate and remediate a particular site and the cost of that work. Other significant assumptions include the cleanup technology that will be used, whether and to what extent any other parties will participate in paying the investigation and remediation costs, reimbursement of past response costs and future oversight costs by governmental agencies, and the reaction of the governing environmental agencies to the proposed work plans. Costs for future investigation and remediation are not discounted to their present value, unless the amount and timing of the cash disbursements are readily known. To the extent that we have been able to reasonably estimate future liabilities, we do not believe that there is a reasonable possibility that we will incur a loss or losses that exceed the amounts we accrued for the environmental matters discussed below that would, either individually or in the aggregate, have a material adverse effect on our consolidated financial condition, results of operations or cash flows. However, since we recognize amounts in the consolidated financial statements in accordance with GAAP that exclude potential losses that are not probable or that may not be currently estimable, the ultimate costs of these environmental matters may be higher than the liabilities we currently have recorded in our consolidated financial statements.

Pursuant to RCRA, which governs the treatment, handling and disposal of hazardous waste, the EPA and authorized state environmental agencies may conduct inspections of RCRA-regulated facilities to identify areas where there have been releases of hazardous waste or hazardous constituents into the environment and may order the facilities to take corrective action to remediate such releases. Likewise, the EPA or the states may require closure or post-closure care of residual, industrial and hazardous waste management units, including, but not limited to, landfills and deep injection wells. Environmental regulators have the authority to inspect all of our facilities. While we cannot predict the future actions of these regulators, it is possible that they may identify conditions in future inspections of these facilities that they believe require corrective action.

Pursuant to CERCLA, the EPA and state environmental authorities have conducted site investigations at some of our facilities and other third-party facilities, portions of which previously may have been used for disposal of materials that are currently regulated. The results of these investigations are still pending, and we could be directed to spend funds for remedial activities at the former disposal areas. Because of the uncertain status of these

investigations, however, we cannot reasonably predict whether or when such spending might be required or its magnitude.

On April 29, 2002, AK Steel entered a mutually agreed-upon administrative order with the consent of the EPA pursuant to Section 122 of CERCLA to perform a RI/FS of the Hamilton plant site located in New Miami, Ohio. The plant ceased operations in 1990 and all of its former structures have been demolished. AK Steel submitted the investigation portion of the RI/FS and completed supplemental studies. Until the RI/FS is complete, we cannot reasonably estimate the additional costs, if any, we may incur for potentially required remediation of the site or when we may incur them.

*EPA Administrative Order In Re: Ashland Coke*

On September 26, 2012, the EPA issued an order under Section 3013 of RCRA requiring a plan to be developed for investigation of four areas at the Ashland Works coke plant. The Ashland Works coke plant ceased operations in 2011 and all of its former structures have been demolished and removed. In 1981, AK Steel acquired the plant from Honeywell International Corporation (as successor to Allied Corporation), who had managed the coking operations there for approximately 60 years. In connection with the sale of the coke plant, Honeywell agreed to indemnify AK Steel against certain claims and obligations that could arise from the investigation, and we intend to pursue such indemnification from Honeywell, if necessary. We cannot reasonably estimate how long it will take to complete the site investigation. On March 10, 2016, the EPA invited AK Steel to participate in settlement discussions regarding an enforcement action. Settlement discussions between the parties are ongoing, though whether the parties will reach agreement and any such agreement's terms are uncertain. Until the site investigation is complete, we cannot reasonably estimate the costs, if any, we may incur for potential additional required remediation of the site or when we may incur them.

*Burns Harbor Water Issues*

In August 2019, ArcelorMittal Burns Harbor LLC (n/k/a Cleveland-Cliffs Burns Harbor LLC) suffered a loss of the blast furnace cooling water recycle system, which led to the discharge of cyanide and ammonia in excess of the Burns Harbor plant's NPDES permit limits. Since that time, the facility has taken numerous steps to prevent recurrence and maintain compliance with its NPDES permit. Since the August 2019 event, we have been engaged in settlement discussions with the U.S. Department of Justice, the EPA and the State of Indiana to resolve any alleged violations of environmental laws or regulations. Also, ArcelorMittal Burns Harbor LLC was served with a subpoena on December 5, 2019, from the United States District Court for the Northern District of Indiana relating to the August 2019 event and has responded to the subpoena requests. In addition, the plaintiffs in *Environmental Law & Policy Center et al. v. ArcelorMittal Burns Harbor LLC et al.* (U.S. District Court, N.D. Indiana Case No. 19-cv-473), which was filed on December 20, 2019, have alleged violations resulting from the August 2019 event and other Clean Water Act claims. Although we cannot accurately estimate the amount of civil penalty, the cost of any injunctive relief requirements, or the costs to resolve third-party claims, including potential natural resource damages claims, they are likely to exceed the reporting threshold in total.

In addition to the foregoing matters, we are or may be involved in proceedings with various regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. We believe that the ultimate disposition of any such proceedings will not have, individually or in the aggregate, a material adverse effect on our consolidated financial condition, results of operations or cash flows.

*Tax Matters*

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We also recognize tax benefits to the extent that it is more likely than not that our positions will be sustained when challenged by the taxing authorities. To the extent we prevail in matters for which liabilities have been established, or are required to pay amounts in excess of our liabilities, our effective tax rate in a given period could be materially affected. An unfavorable tax settlement would require use of our cash and result in an increase in our effective tax rate in the year of resolution. A favorable tax settlement would be recognized as a reduction in our effective tax rate in the year of resolution. Refer to NOTE 11 - INCOME TAXES for further information.

### *Other Contingencies*

In addition to the matters discussed above, there are various pending and potential claims against us and our subsidiaries involving product liability, commercial, employee benefits and other matters arising in the ordinary course of business. Because of the considerable uncertainties that exist for any claim, it is difficult to reliably or accurately estimate what the amount of a loss would be if a claimant prevails. If material assumptions or factual understandings we rely on to evaluate exposure for these contingencies prove to be inaccurate or otherwise change, we may be required to record a liability for an adverse outcome. If, however, we have reasonably evaluated potential future liabilities for all of these contingencies, including those described more specifically above, it is our opinion, unless we otherwise noted, that the ultimate liability from these contingencies, individually or in the aggregate, should not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

### **NOTE 19 - SUBSEQUENT EVENTS**

We have evaluated subsequent events through the date of financial statement issuance.

### **Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations***

Management's Discussion and Analysis of Financial Condition and Results of Operations is designed to provide a reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity and other factors that may affect our future results. We believe it is important to read our Management's Discussion and Analysis of Financial Condition and Results of Operations in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2020, as well as other publicly available information.

#### **Overview**

Cleveland-Cliffs is the largest flat-rolled steel producer in North America. Founded in 1847 as a mine operator, we are also the largest producer of iron ore pellets in North America. In 2020, we acquired two major steelmakers, AK Steel and ArcelorMittal USA, vertically integrating our legacy iron ore business with quality-focused steel production and emphasis on the automotive end market. Our fully integrated portfolio includes custom-made pellets and HBI; flat-rolled carbon steel, stainless, electrical, plate, tinplate and long steel products; and carbon and stainless steel tubing, hot and cold stamping and tooling. Headquartered in Cleveland, Ohio, we employ approximately 25,000 people across our mining, steel and downstream manufacturing operations in the United States and Canada.

#### **Economic Overview**

The fundamentals for our business have rebounded strongly since the COVID-19 pandemic disruption that occurred during 2020. The price for domestic HRC, the most significant index in driving our revenues and profitability, currently is at an all-time high, as a direct result of favorable supply-demand dynamics following the pandemic. The HRC index averaged \$1,201 per net ton for the first quarter of 2021, 105% higher than the same period last year.

The dramatic increase in the HRC price is a result of both supply and demand factors. Healthy consumer balance sheets have driven strong demand for light vehicles and consumer goods, such as HVAC products and appliances. In addition, demand from machinery and equipment producers has remained robust. On the supply side, spot steel availability remains very limited as steel production in the U.S. has not recovered from the facility shutdowns that occurred during the early pandemic period. Import penetration has grown slightly but remains lower than its prior five-year average due to healthy demand globally as well as trade restrictions such as the Section 232 tariffs.

Along with these supply-demand factors, pricing for HRC has also risen due to the rise in price of steelmaking input costs both domestically and globally, most notably for iron units. The price of busheling scrap, a necessary input for flat-rolled steel production in EAFs in the U.S., averaged \$535 per long ton during the first quarter of 2021, a 70% increase from the prior-year period. We expect the price of busheling scrap to remain elevated due to decreasing prime scrap generation from original equipment manufacturers and the growth of EAF capacity in the U.S., along with a push for expanded EAF production in China. As we are fully-integrated and have primarily a blast furnace footprint, the rising prices for busheling scrap in the U.S. bolster our competitive advantage, as we source the majority of our iron feedstock from our stable-cost mining and pelletizing operations in Minnesota and Michigan. The rising price of busheling scrap should also benefit the profitability of our HBI sold externally, and provide greater cost savings potential for HBI used internally.

The price of iron ore has also risen dramatically over the past year, which along with strong demand, has been an important factor in rising steel prices globally. The Platts 62% Price averaged \$167 per metric ton in the first quarter of 2021, an 88% increase compared to the same period in 2020. While playing a role in increased prices of steel, we also directly benefit from higher iron ore prices for the portion of iron ore pellets we sell to third parties.

The largest market for our steel products is the automotive industry in North America, which makes light vehicle production a key driver of demand. In the first quarter of 2021, North American light vehicle production was approximately 3.6 million units, a 5% reduction from the prior year's comparable period. The reduction is primarily due to the global semiconductor shortage. In addition to the semiconductor shortage, production in North America has also experienced weather-related and other supply chain disruptions, including a petrochemical shortage. In light of these production outages, we have been able to redirect certain volumes intended for this end market to the spot market, where demand is strong and pricing is at an all-time high.

During the first quarter of 2021, light vehicle sales in the U.S. saw a SAAR of approximately 16.7 million units with 3.7 million passenger cars and 13.0 million light trucks sold. The first quarter average represents an 11% increase over the first quarter of 2020. However, the most recent sales data from March reflected an increase in sales to a SAAR of 17.9 million units, the highest sales rate in 41 months, leaving dealer inventories at multi-year lows.

### **Competitive Strengths**

As the largest flat-rolled steel producer in North America, we benefit from having the size and scale necessary in a competitive, capital intensive business. Our sizeable operating footprint provides us with the operational leverage, flexibility and cost performance to achieve competitive margins throughout the business cycle. We also have a unique vertically integrated profile, which begins at the mining stage and goes all the way through the manufacturing of steel products, including stamping, tooling and tubing. This positioning gives us both lower and more predictable costs throughout the supply chain and more control over both our manufacturing inputs and our end product destination.

Our legacy business of producing iron ore pellets, our primary steelmaking raw material input, is another competitive advantage. Mini-mills (producers using EAFs) now comprise about 70% of steel production in the U.S. Their primary iron input is scrap metal, which has unpredictable and often volatile pricing. By controlling our iron ore pellet supply, our primary steelmaking raw material feedstock can be secured at a stable and predictable cost, and not subject to factors outside of our control.

We are also the largest supplier of automotive-grade steel in the U.S. Compared to other steel end markets, automotive steel is generally higher quality and more operationally and technologically intensive to produce. As such, it often generates higher through-the-cycle margins, making it a desirable end market for the steel industry. With our continued technological innovation, as well as leading delivery performance, we expect to remain the leader in supplying this industry.

We offer the most comprehensive flat-rolled steel product selection in the industry, along with several complementary products and services. A sampling of this offering includes advanced high-strength steel, hot-dipped galvanized, aluminized, galvalume, electrogalvanized, galvanneal, HRC, cold-rolled coil, plate, tinplate, grain oriented electrical steel, non-oriented electrical steel, stainless steels, tool & die, stamped components, rail and slabs. Across the quality spectrum and the supply chain, our customers can frequently find the solutions they need from our product selection.

We are the first and the only producer of HBI in the Great Lakes region. Construction of our Toledo, Ohio, direct reduction plant was completed in the fourth quarter of 2020. From this modern plant, we produce a high-quality scrap and pig iron alternative. Ore-based metallics that compete with our HBI generally have to be imported from locations like Russia, Ukraine and Brazil. With increasing tightness in the scrap market and our own internal needs for scrap and metallics, we expect our Toledo direct reduction plant to support healthy Steelmaking margins for us going forward.

### **Strategy**

#### ***Optimizing Our Fully-Integrated Steelmaking Footprint***

We have transformed into a fully-integrated steel enterprise with the size and scale to achieve improved through-the-cycle margins and are the largest flat-rolled steel producer in North America.

Now that the AM USA Transaction is completed, our focus is on the integration of these facilities within our footprint. These assets build upon our existing high-end steelmaking and raw material capabilities, and also open up new markets to us. The combination provides us the additional scale and technical capabilities necessary in a

competitive and increasingly quality-focused marketplace. We have ample opportunities to implement improvements in logistics, procurement, utilization and quality.

We expect the AM USA Transaction to improve our production capabilities, flexibility, and cost performance. We have targeted approximately \$150 million of potential cost synergies through asset optimization, economies of scale, and duplicative overhead savings. The transaction also provided us additional access to non-automotive industries with pricing correlated to the U.S. HRC index, which currently is at an all-time high.

#### ***Maximizing Our Commercial Strengths***

With the Acquisitions completed, we now have enhanced our offering to a full suite of flat steel products encompassing all steps of the steel manufacturing process. We have increased our industry-leading market share in the automotive sector, where our portfolio of high-end products will deliver a broad range of differentiated solutions for this highly sought after customer base.

We believe we have the broadest flat steel product offering in North America, and can meet customer needs from a variety of end markets and quality specifications. We have several finishing and downstream facilities with advanced technological capabilities.

We are also proponents of the “value over volume” approach in terms of steel supply. We take our leadership role in the industry very seriously and intend to manage our steel output in a responsible manner.

#### ***Expanding to New Markets***

Our Toledo direct reduction plant allows us to offer another unique, high-quality product to discerning raw material buyers. EAF steelmakers primarily use scrap for their iron feedstock, and our HBI offers a sophisticated alternative with less impurities, allowing other steelmakers to increase the quality of their respective end-steel products and reduce reliance on imported metallics.

The completed Acquisitions provide other potential outlets for HBI, as it can also be used in our integrated steel operations to increase productivity and help to reduce carbon footprint, allowing for more cost efficient and environmentally friendly steelmaking.

We are also seeking to expand our customer base with the rapidly growing and desirable electric vehicle market. At this time, we believe the North American automotive industry is approaching a monumental inflection point, with the adoption of electrical motors in passenger vehicles. As this market grows, it will require more advanced steel applications to meet the needs of electric vehicle producers and consumers. With our unique technical capabilities, we believe we are positioned better than any other North American steelmaker to supply the steel and parts necessary to fill these needs.

#### ***Improving Financial Flexibility***

Given the cyclicity of our business, it is important to us to be in the financial position to easily withstand any negative demand or pricing pressure we may encounter. As such, our top priority for the allocation of our free cash flow is to improve our balance sheet via the reduction of long-term debt. During the COVID-19 pandemic, we were able to issue secured debt to provide insurance capital through the uncertain industry conditions that the pandemic caused. Now that business conditions have improved and we expect to generate healthy free cash flow during 2021, we have the ability to lower our long-term debt balance.

We anticipate that the current strong market environment will provide us ample opportunities to reduce our debt with our own free cash flow generation. We will also continue to review the composition of our debt, as we are interested in both extending our average maturity profile and increasing our ratio of unsecured debt to secured debt, which we demonstrated by executing a series of favorable debt and equity capital markets transactions during February 2021. These actions will better prepare us to navigate more easily through potentially volatile industry conditions in the future.

#### ***Enhance our Environmental Sustainability***

As we transform, our commitment to operating our business in a more environmentally responsible manner remains constant. One of the most important issues impacting our industry, our stakeholders and our planet is climate change. As a result, we are continuing Cliffs’ proactive approach by committing to reduce GHG emissions 25% from 2017 levels by 2030. This goal represents combined Scope 1 (direct) and Scope 2 (indirect) GHG emission reductions across all of our operations.

Prior to setting this goal with our newly acquired steel assets, we exceeded our previous 26% GHG reduction target at our legacy facilities six years ahead of our 2025 goal. In 2019, we reduced our combined Scope 1 and Scope 2 GHG emissions by 42% on a mass basis from 2005 baseline levels. Our goal is to further reduce those emissions in coming years.

Additionally, many of our steel assets have improved plant and energy efficiency through participation in programs like the U.S. Department of Energy's Better Plants program and the EPA's Energy Star program. With our longstanding focus on plant and energy efficiency, we aim to build on our previous successes across our newly integrated enterprise.

Our GHG reduction commitment is based on executing the following five strategic priorities:

- Developing domestically sourced, high quality iron ore feedstock and utilizing natural gas in the production of HBI;
- Implementing energy efficiency and clean energy projects;
- Investing in the development of carbon capture technology;
- Enhancing our GHG emissions transparency and sustainability focus; and
- Supporting public policies that facilitate GHG reduction in the domestic steel industry.

## **Recent Developments**

### *Labor Agreements*

On April 12, 2021, we reached a tentative agreement with the USW for a new 53-month labor contract for our Mansfield Works employees that is effective as of April 1, 2021. The new contract will cover approximately 300 USW-represented workers.

### *Financing Transactions*

On February 11, 2021, we sold 20 million of our common shares and 40 million common shares were sold by an affiliate of ArcelorMittal, in an underwritten public offering. In each case, shares were sold at a price per share of \$16.12. Prior to this sale, ArcelorMittal held approximately 78 million common shares, which were issued as a part of the consideration in connection with the AM USA Transaction. We did not receive any proceeds from the sale of the 40 million common shares sold on behalf of ArcelorMittal. We used the net proceeds from the offering, plus cash on hand, to redeem \$322 million aggregate principal amount of our outstanding 9.875% 2025 Senior Secured Notes.

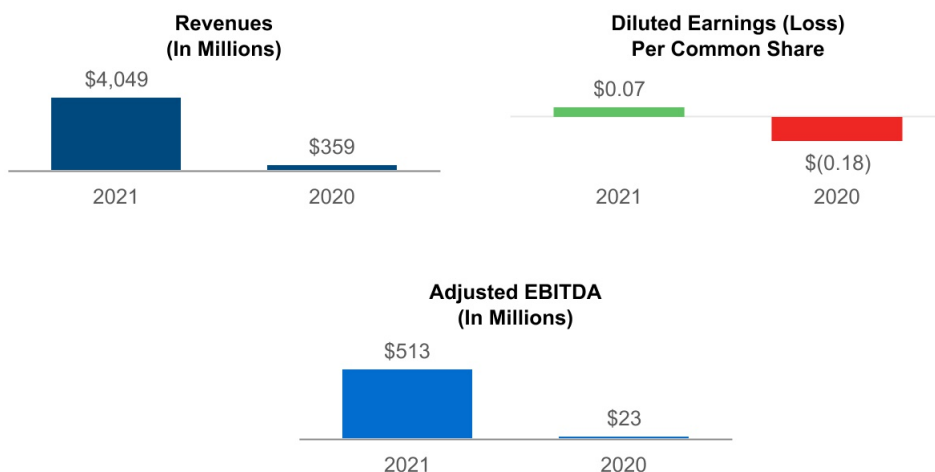
On February 17, 2021, we issued \$500 million aggregate principal amount of 4.625% 2029 Senior Notes and \$500 million aggregate principal amount of 4.875% 2031 Senior Notes in an offering that was exempt from the registration requirements of the Securities Act. We used the net proceeds from the notes offering to redeem all of the outstanding 4.875% 2024 Senior Secured Notes and 6.375% 2025 Senior Notes issued by Cleveland-Cliffs Inc. and all of the outstanding 7.625% 2021 AK Senior Notes, 7.50% 2023 AK Senior Notes and 6.375% 2025 AK Senior Notes issued by AK Steel Corporation (n/k/a Cleveland-Cliffs Steel Corporation), and pay fees and expenses in connection with such redemptions, and reduce borrowings under our ABL Facility.

Refer to NOTE 8 - DEBT AND CREDIT FACILITIES for further detail.

**Results of Operations**

**Overview**

For the three months ended March 31, 2021, we had *Net income* of \$57 million, compared to a *Net loss* of \$49 million for the prior-year period. Our *Revenues*, diluted EPS and Adjusted EBITDA for the three months ended March 31, 2021 and 2020 were as follows:



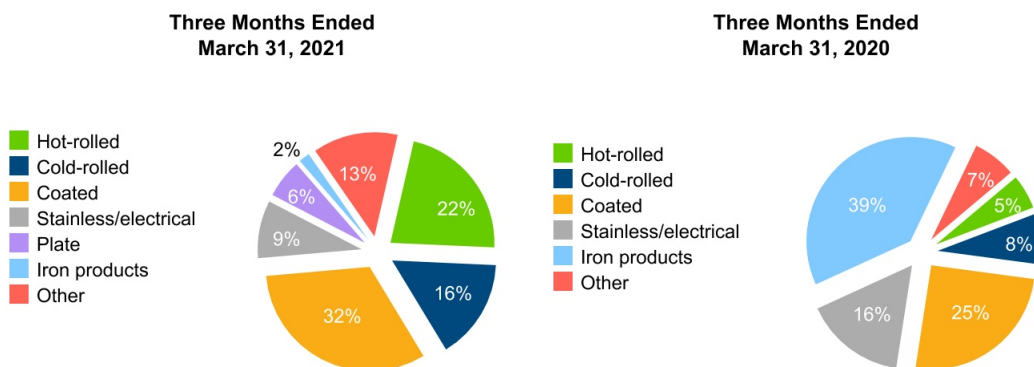
See "— Results of Operations — Adjusted EBITDA" below for a reconciliation of our *Net income (loss)* to Adjusted EBITDA.

**Revenues**

During the three months ended March 31, 2021, our consolidated *Revenues* were \$4.0 billion, an increase of \$3.7 billion, compared to the prior-year period. The increase was primarily due to the addition of 3.9 million net tons of steel shipments from our Steelmaking segment as a result of the Acquisitions.

**Revenues by Product Line**

The following represents our *Revenues* by product line:





## Revenues by Market

The following table represents our consolidated *Revenues* and percentage of revenues to each of the markets we supply:

	(In Millions)			
	Three Months Ended March 31,			
	2021		2020	
	Revenue	%	Revenue	%
Automotive	\$ 1,392	34 %	\$ 118	33 %
Infrastructure and Manufacturing	964	24 %	43	12 %
Distributors and Converters	1,263	31 %	54	15 %
Steel Producers	430	11 %	144	40 %
Total revenues	<u>\$ 4,049</u>		<u>\$ 359</u>	

## Operating Costs

### Cost of goods sold

*Cost of goods sold* increased by \$3.4 billion for the three months ended March 31, 2021, as compared to the prior-year period, primarily due to the addition of 3.9 million net tons of steel shipments resulting from the Acquisitions.

### Selling, general and administrative expenses

As a result of the Acquisitions, our *Selling, general and administrative expenses* increased by \$67 million during the three months ended March 31, 2021, as compared to the prior-year period.

### Acquisition-related costs

The *Acquisition-related costs* of \$13 million for the three months ended March 31, 2021, includes severance of \$11 million and other various third-party expenses related to the Acquisitions of \$2 million. The *Acquisition-related costs* of \$42 million for the three months ended March 31, 2020, includes severance of \$19 million and \$23 million of other various third-party expenses related to the AK Steel Merger. Refer to NOTE 3 - ACQUISITIONS for further information on the Acquisitions.

### Miscellaneous – net

*Miscellaneous – net* decreased by \$9 million for the three months ended March 31, 2021, as compared to the prior-year period, which was primarily due to expenses incurred at our Toledo direct reduction plant recorded in *Miscellaneous – net* prior to start of production in December 2020.

## Other Income (Expense)

### Interest expense, net

*Interest expense, net* increased by \$61 million for the three months ended March 31, 2021, as compared to the prior-year period, primarily due to the incremental debt that we incurred in connection with the AK Steel Merger, along with borrowings on the ABL Facility, and a decrease in capitalized interest during the current year due to the completion of the Toledo direct reduction plant.

### Gain (loss) on extinguishment of debt

The loss on extinguishment of debt of \$66 million for the three months ended March 31, 2021, primarily relates to the repurchase of \$322 million in aggregate principal amount of 9.875% 2025 Senior Secured Notes using the net proceeds from the issuance of 20 million common shares. Additionally, we repurchased \$535 million in aggregate principal amount of our outstanding senior notes of various series using the net proceeds from the issuance of the 4.625% 2029 Senior Notes and 4.875% 2031 Senior Notes, along with cash on hand. Refer to NOTE 8 - DEBT AND CREDIT FACILITIES for further details.

*Net periodic benefit credits other than service cost component*

The increase of \$41 million in *Net periodic benefit credits other than service cost component* primarily relates to an increase in the expected return on pension and voluntary employee benefit association trust assets acquired as a result of the Acquisitions. Refer to NOTE 10 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further details.

**Income Taxes**

Our effective tax rate is impacted by permanent items, primarily depletion. It also is affected by discrete items that may occur in any given period, but are not consistent from period to period. The following represents a summary of our tax provision and corresponding effective rates:

	(In Millions)			
	Three Months Ended			
	March 31,			
	2021		2020	
Income tax benefit (expense)	\$	(9)	\$	51
Effective tax rate		14 %		51 %

The difference in the effective rate and income tax expense from the comparable prior-year period primarily relates to the mix of income as well as discrete items recorded in each period.

Our 2021 estimated annual effective tax rate before discrete items is 19%. This estimated annual effective tax rate differs from the U.S. statutory rate of 21%, primarily due to the deduction for percentage depletion in excess of cost depletion. The 2020 estimated annual effective tax rate before discrete items at March 31, 2020 was 47%. The decrease in the estimated annual effective tax rate before discrete items is driven by the change in the mix of income.

**Adjusted EBITDA**

We evaluate performance based on Adjusted EBITDA, which is a non-GAAP measure. This measure is used by management, investors, lenders and other external users of our financial statements to assess our operating performance and to compare operating performance to other companies in the steel industry, although it is not necessarily comparable to similarly titled measures used by other companies. In addition, management believes Adjusted EBITDA is a useful measure to assess the earnings power of the business without the impact of capital structure and can be used to assess our ability to service debt and fund future capital expenditures in the business.

The following table provides a reconciliation of our *Net income (loss)* to Adjusted EBITDA:

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Net income (loss)	\$ 57	\$ (49)
Less:		
Interest expense, net	(92)	(31)
Income tax benefit (expense)	(9)	51
Depreciation, depletion and amortization	(217)	(35)
Total EBITDA	<u>\$ 375</u>	<u>\$ (34)</u>
Less:		
EBITDA of noncontrolling interests <sup>1</sup>	\$ 22	\$ 4
Gain (loss) on extinguishment of debt	(66)	3
Severance costs	(11)	(19)
Acquisition-related costs excluding severance costs	(2)	(23)
Amortization of inventory step-up	(81)	(23)
Impact of discontinued operations	—	1
Total Adjusted EBITDA	<u>\$ 513</u>	<u>\$ 23</u>

<sup>1</sup>EBITDA of noncontrolling interests includes \$16 million and \$3 million for income and \$6 million and \$1 million for depreciation, depletion and amortization for the three months ended March 31, 2021 and 2020, respectively.

The following table provides a summary of our Adjusted EBITDA by segment:

	(In Millions)	
	Three Months Ended March 31,	
	2021	2020
Adjusted EBITDA:		
Steelmaking	\$ 537	\$ 44
Other Businesses	11	2
Corporate and eliminations	(35)	(23)
Total Adjusted EBITDA	<u>\$ 513</u>	<u>\$ 23</u>

Adjusted EBITDA from our Steelmaking segment increased by \$493 million for the three months ended March 31, 2021, compared to the prior-year period. The results were favorably impacted by the operating results related to the acquired steelmaking operations.

Adjusted EBITDA from Corporate and eliminations primarily relates to *Selling, general and administrative expenses* at our Corporate headquarters.

### **Steelmaking**

The following is a summary of our Steelmaking segment results included in our consolidated financial statements for the three months ended March 31, 2021 and 2020. The results for the three months ended March 31, 2021, include full period results for all Steelmaking operations. The results for the three months ended March 31, 2020, include AK Steel operations subsequent to March 13, 2020, and our results from operations previously reported as part of our Mining and Pelletizing segment.

The following is a summary of our Steelmaking segment operating results:

	Three Months Ended March 31,	
	2021	2020
<b>Operating Results - In Millions</b>		
Revenues	\$ 3,919	\$ 337
Cost of goods sold	\$ (3,644)	\$ (335)
<b>Selling Price - Per Ton</b>		
Average net selling price per net ton of steel products	\$ 900	\$ 980

The average net selling price per ton for the three months ended March 31, 2021, reflects changes in mix associated with the first full quarter of ownership of ArcelorMittal USA, reducing the overall contribution of higher-priced coated, stainless and electrical steel products.

The following table represents our Steelmaking segment *Revenues* by product line:

	(Dollars In Millions, Sales Volumes In Thousands)			
	Three Months Ended March 31,			
	2021		2020	
	Revenue	Volume <sup>1</sup>	Revenue	Volume <sup>1</sup>
Hot-rolled steel	\$ 895	1,182	\$ 19	31
Cold-rolled steel	632	748	28	40
Coated steel	1,308	1,369	90	99
Stainless and electrical steel	363	167	56	27
Plate Steel	244	275	—	—
Other steel products	289	403	—	—
Iron products	70	600	142	1,351
Other	118	N/A	2	N/A
<b>Total</b>	<b>\$ 3,919</b>		<b>\$ 337</b>	

<sup>1</sup> All steel product volumes are stated in net tons. Iron product volumes are stated in long tons.

#### *Operating Results*

Steelmaking revenues for the three months ended March 31, 2021, increased by \$3,582 million compared to the prior-year period due to the addition of sales following the Acquisitions. The three months ended March 31, 2021 included results of the operations acquired in the Acquisitions for a full quarter, compared to the three months ended March 31, 2020, which included the operating results from AK Steel during the period of March 13, 2020 through March 31, 2020. Results for the three months ended March 31, 2021 were impacted positively by the increase in the price for domestic HRC, which is the most significant index in driving our revenues and profitability. The HRC index averaged \$1,201 per net ton for the first quarter of 2021, 105% higher than the same period last year and currently at an all-time high as a direct result of favorable supply-demand dynamics following the pandemic.

Cost of goods sold for the three months ended March 31, 2021, increased by \$3,309 million compared to the prior-year period predominantly due to additional sales resulting from the Acquisitions.

As a result, Adjusted EBITDA was \$537 million for the three months ended March 31, 2021, compared to \$44 million for the prior-year period. Refer to "— Results of Operations" above for additional information.

#### *Production*

During the first three months of 2021, we produced 4.8 million net tons of raw steel, 6.9 million long tons of iron ore products and 0.7 million net tons of coke. Our Columbus and Monessen facilities acquired through the AM USA Transaction are temporarily idled due to impacts of the COVID-19 pandemic. We anticipate restarting our Columbus facility during the second quarter of 2021. During the first three months of 2020, we produced 0.3 million net tons of raw steel and 4.8 million long tons of iron ore pellets.

## Liquidity, Cash Flows and Capital Resources

Our primary sources of liquidity are *Cash and cash equivalents* and cash generated from our operations, availability under the ABL Facility and other financing activities. Our capital allocation decision-making process is focused on preserving healthy liquidity levels while maintaining the strength of our balance sheet and creating financial flexibility to manage through the inherent cyclical demand for our products and volatility in commodity prices. We are focused on maximizing the cash generation of our operations, reducing debt, and aligning capital investments with our strategic priorities and the requirements of our business plan, including regulatory and permission-to-operate related projects.

Following the onset of the COVID-19 pandemic in the U.S. in 2020, our primary focus was to maintain adequate levels of liquidity to manage through a potentially prolonged economic downturn. Now that business conditions have improved and we expect to generate healthy free cash flow during remaining nine months of 2021, we believe we will have the ability to lower our long-term debt balance. We also look at the composition of our debt, as we are interested in both extending our maturity profile and increasing our ratio of unsecured debt to secured debt. These actions will better prepare us to navigate more easily through potentially volatile industry conditions in the future. In furtherance of these goals, we consummated certain financing transactions in February 2021.

On February 11, 2021, we sold 20 million common shares at a price per share of \$16.12. We used the net proceeds from the offering, plus cash on hand, to redeem \$322 million aggregate principal amount of our outstanding 9.875% 2025 Senior Secured Notes. Prior to such use, the net proceeds were used to temporarily reduce the outstanding borrowings under our ABL Facility.

On February 17, 2021, we issued \$500 million aggregate principal amount of 4.625% 2029 Senior Notes and \$500 million aggregate principal amount of 4.875% 2031 Senior Notes in an offering that was exempt from the registration requirements of the Securities Act. We used the net proceeds from the notes offerings to redeem all of the outstanding 4.875% 2024 Senior Secured Notes and 6.375% 2025 Senior Notes issued by Cleveland-Cliffs Inc. and all of the outstanding 7.625% 2021 AK Senior Notes, 7.50% 2023 AK Senior Notes and 6.375% 2025 AK Senior Notes issued by AK Steel Corporation (n/k/a Cleveland-Cliffs Steel Corporation), and pay fees and expenses in connection with such redemptions, and reduce borrowings under our ABL Facility.

The application of the net proceeds to us from the February 2021 financing transactions shifted our debt horizon by providing a four-year window in which none of our long-term senior notes are due clearing the way for us to fully focus on operational integration.

Based on our outlook for the next 12 months, which is subject to continued changing demand from customers and volatility in domestic steel prices, we expect to have ample liquidity through cash generated from operations and availability under our ABL Facility sufficient to meet the needs of our operations and service our debt obligations.

The following discussion summarizes the significant items impacting our cash flows during the three months ended March 31, 2021 and 2020 as well as expected impacts to our future cash flows over the next 12 months. Refer to the Statements of Unaudited Condensed Consolidated Cash Flows for additional information.

### **Operating Activities**

Net cash used by operating activities was \$379 million and \$164 million for the three months ended March 31, 2021 and 2020, respectively. The increase in cash used by operating activities during the first three months of 2021, compared to 2020, was driven by the increasing receivables due to rising prices, unwind of the ArcelorMittal USA factoring agreement and the 2020 pension contributions that were deferred under the CARES Act to January 2021.

Our U.S. *Cash and cash equivalents* balance at March 31, 2021 was \$91 million, or 86% of our consolidated *Cash and cash equivalents* balance, excluding cash related to our consolidated VIE of \$4 million.

### **Investing Activities**

Net cash used by investing activities was \$135 million and \$1,007 million for the three months ended March 31, 2021 and 2020, respectively. We had capital expenditures, including capitalized interest, of \$136 million and \$138 million for the three months ended March 31, 2021 and 2020, respectively. We had cash outflows, including deposits and capitalized interest, for the development of the Toledo direct reduction plant of \$28 million and \$112 million for the three months ended March 31, 2021 and 2020, respectively. Additionally, we spent approximately \$108 million and \$26 million on sustaining capital expenditures during the three months ended March 31, 2021 and 2020, respectively. Sustaining capital spend includes infrastructure, mobile equipment, fixed equipment, product quality, environment, health and safety.

During the first three months of 2020, we had net cash outflows of \$869 million for the acquisition of AK Steel, net of cash acquired, which included \$590 million used to repay the former AK Steel Corporation revolving credit facility and \$324 million used to purchase outstanding 7.50% 2023 AK Senior Notes.

We anticipate total cash used for capital expenditures during the next 12 months to be between \$650 and \$700 million.

### **Financing Activities**

Net cash provided by financing activities was \$512 million and \$1,005 million for the three months ended March 31, 2021 and 2020, respectively. Cash inflows from financing activities for the three months ended March 31, 2021, included the issuance of \$500 million aggregate principal amount of 4.625% 2029 Senior Notes, issuance of \$500 million aggregate principal amount of 4.875% 2031 Senior Notes, issuance of 20 million common shares for net proceeds of \$322 million and net borrowings of \$148 million under credit facilities. We used the net proceeds from the issuance of the 20 million common shares, and cash on hand, to repurchase \$322 million in aggregate principal amount of 9.875% 2025 Senior Secured Notes. We used the net proceeds from the issuances of the 4.625% 2029 Senior Notes and 4.875% 2031 Senior Notes to redeem all of the outstanding 4.875% 2024 Senior Secured Notes and 6.375% 2025 Senior Notes issued by Cleveland-Cliffs Inc. and all of the outstanding 7.625% 2021 AK Senior Notes, 7.50% 2023 AK Senior Notes and 6.375% 2025 AK Senior Notes issued by AK Steel Corporation (n/k/a Cleveland-Cliffs Steel Corporation), and pay fees and expenses in connection with such redemptions, and reduce borrowings under our ABL Facility.

Net cash provided by financing activities for the three months ended March 31, 2020, primarily related to the issuance of \$725 million aggregate principal amount of 6.75% 2026 Senior Secured Notes and borrowings of \$800 million under the ABL Facility. The net proceeds from the issuance of the 6.75% 2026 Senior Secured Notes, along with cash on hand, were used to purchase \$373 million aggregate principal amount of 7.625% 2021 AK Senior Notes and \$367 million aggregate principal amount of 7.50% 2023 AK Senior Notes and to pay for the \$44 million of debt issuance costs.

We anticipate future uses of cash and cash provided by financing activities during the next 12 months to include opportunistic debt transactions as part of our liability management strategy, in addition to, providing supplemental financing to meet cash requirements for business improvement opportunities.

### **Capital Resources**

The following represents a summary of key liquidity measures:

	<u>(In Millions)</u>
	<u>March 31,</u>
	<u>2021</u>
<i>Cash and cash equivalents</i>	<u>\$ 110</u>
Less: Cash and cash equivalents from VIE's	<u>(4)</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 106</u></b>
Available borrowing base on ABL Facility <sup>1</sup>	<b>\$ 3,500</b>
Borrowings	<b>(1,630)</b>
Letter of credit obligations	<b>(272)</b>
<b>Borrowing capacity available</b>	<b><u>\$ 1,598</u></b>

<sup>1</sup> As of March 31, 2021, the ABL Facility had a maximum borrowing base of \$3.5 billion. The available borrowing base is determined by applying customary advance rates to eligible accounts receivable, inventory and certain mobile equipment.

Our primary sources of funding are cash and cash equivalents, which totaled \$106 million as of March 31, 2021, cash generated by our business, availability under the ABL Facility and other financing activities. The combination of cash and availability under the ABL Facility gives us \$1.7 billion in liquidity entering the second quarter of 2021, which is expected to be adequate to fund operations, letter of credit obligations, sustaining and expansion capital expenditures and other cash commitments for at least the next 12 months.

As of March 31, 2021, we were in compliance with the ABL Facility liquidity requirements and, therefore, the springing financial covenant requiring a minimum fixed charge coverage ratio of 1.0 to 1.0 was not applicable.

### *Off-Balance Sheet Arrangements*

In the normal course of business, we are a party to certain arrangements that are not reflected on our Statements of Unaudited Condensed Consolidated Financial Position. These arrangements include minimum "take or pay" purchase commitments, such as minimum electric power demand charges, minimum coal, diesel and natural gas purchase commitments, minimum railroad transportation commitments and minimum port facility usage commitments, and financial instruments with off-balance sheet risk, such as bank letters of credit and bank guarantees.

### **Information about our Guarantors and the Issuer of our Guaranteed Securities**

The accompanying summarized financial information has been prepared and presented pursuant to SEC Regulation S-X, Rule 3-10, "Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered," and Rule 13-01 "Financial Disclosures about Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralized a Registrant's Securities." Certain of our subsidiaries (the "Guarantor subsidiaries") have fully and unconditionally, and jointly and severally, guaranteed the obligations under (a) the 5.75% 2025 Senior Notes, the 5.875% 2027 Senior Notes, the 7.00% 2027 Senior Notes, the 4.625% 2029 Senior Notes and the 4.875% 2031 Senior Notes issued by Cleveland-Cliffs Inc. on a senior unsecured basis and (b) the 6.75% 2026 Senior Secured Notes and the 9.875% 2025 Senior Secured Notes on a senior secured basis. See NOTE 8 - DEBT AND CREDIT FACILITIES for further information.

The following presents the summarized financial information on a combined basis for Cleveland-Cliffs Inc. (parent company and issuer of the guaranteed obligations) and the Guarantor subsidiaries, collectively referred to as the obligated group. Transactions between the obligated group have been eliminated. Information for the non-Guarantor subsidiaries was excluded from the combined summarized financial information of the obligated group.

Each Guarantor subsidiary is consolidated by Cleveland-Cliffs Inc. as of March 31, 2021. Refer to [Exhibit 22](#), incorporated herein by reference, for the detailed list of entities included within the obligated group as of March 31, 2021.

The guarantee of a Guarantor subsidiary with respect to Cliffs' 5.75% 2025 Senior Notes, the 6.75% 2026 Senior Secured Notes, the 5.875% 2027 Senior Notes, the 7.00% 2027 Senior Notes, the 9.875% 2025 Senior Secured Notes, the 4.625% 2029 Senior Notes and the 4.875% 2031 Senior Notes will be automatically and unconditionally released and discharged, and such Guarantor subsidiary's obligations under the guarantee and the related indentures (the "Indentures") will be automatically and unconditionally released and discharged, upon the occurrence of any of the following, along with the delivery to the trustee of an officer's certificate and an opinion of counsel, each stating that all conditions precedent provided for in the applicable Indenture relating to the release and discharge of such Guarantor subsidiary's guarantee have been complied with:

- (a) any sale, exchange, transfer or disposition of such Guarantor subsidiary (by merger, consolidation, or the sale of) or the capital stock of such Guarantor subsidiary after which the applicable Guarantor subsidiary is no longer a subsidiary of the Company or the sale of all or substantially all of such Guarantor subsidiary's assets (other than by lease), whether or not such Guarantor subsidiary is the surviving entity in such transaction, to a person which is not the Company or a subsidiary of the Company; provided that (i) such sale, exchange, transfer or disposition is made in compliance with the applicable Indenture, including the covenants regarding consolidation, merger and sale of assets and, as applicable, dispositions of assets that constitute notes collateral, and (ii) all the obligations of such Guarantor subsidiary under all debt of the Company or its subsidiaries terminate upon consummation of such transaction;
- (b) designation of any Guarantor subsidiary as an "excluded subsidiary" (as defined in the Indentures); or
- (c) defeasance or satisfaction and discharge of the Indentures.

Each entity in the summarized combined financial information follows the same accounting policies as described in the consolidated financial statements. The accompanying summarized combined financial information does not reflect investments of the obligated group in non-Guarantor subsidiaries. The financial information of the obligated group is presented on a combined basis; intercompany balances and transactions within the obligated group have been eliminated. The obligated group's amounts due from, amounts due to, and transactions with, non-Guarantor subsidiaries and related parties have been presented in separate line items.

**Summarized Combined Financial Information of the Issuer and Guarantor Subsidiaries:**

The following table is summarized combined financial information from the Statements of Unaudited Condensed Consolidated Financial Position of the obligated group:

	(In Millions)	
	March 31, 2021	December 31, 2020
Current assets	\$ 5,491	\$ 4,903
Non-current assets	10,160	10,535
Current liabilities	(2,810)	(2,767)
Non-current liabilities	(10,508)	(10,563)

The following table is summarized combined financial information from the Statements of Unaudited Condensed Consolidated Operations of the obligated group:

	(In Millions)	
	Three Months Ended	
	March 31, 2021	
Revenues	\$ 3,979	
Cost of goods sold		(3,724)
Income from continuing operations		32
Net income		33
Net income attributable to Cliffs shareholders		34

As of March 31, 2021 and December 31, 2020, the obligated group had the following balances with non-Guarantor subsidiaries and other related parties:

	(In Millions)	
	March 31, 2021	December 31, 2020
<b>Balances with non-Guarantor subsidiaries:</b>		
Accounts receivable, net	\$ 29	\$ 69
Accounts payable	(25)	(17)
<b>Balances with other related parties:</b>		
Accounts receivable, net	\$ 30	\$ 2
Accounts payable	(9)	(6)

Additionally, for the three months ended March 31, 2021, the obligated group had *Revenues* of \$77 million and *Cost of goods sold* of \$59 million, in each case with other related parties.

**Market Risks**

We are subject to a variety of risks, including those caused by changes in commodity prices and interest rates. We have established policies and procedures to manage such risks; however, certain risks are beyond our control.



### Pricing Risks

In the ordinary course of business, we are exposed to market risk and price fluctuations related to the sale of our products, which are impacted primarily by market prices for HRC, and the purchase of energy and raw materials used in our operations, which are impacted by market prices for electricity, natural gas, ferrous and stainless steel scrap, chrome, coal, coke, nickel and zinc. Our strategy to address market risk has generally been to obtain competitive prices for our products and services and allow operating results to reflect market price movements dictated by supply and demand; however, we make forward physical purchases and enter into hedge contracts to manage exposure to price risk related to the purchases of certain raw materials and energy used in the production process.

Our financial results can vary for our operations as a result of fluctuations in market prices. We attempt to mitigate these risks by aligning fixed and variable components in our customer pricing contracts, supplier purchasing agreements and derivative financial instruments.

Some customer contracts have fixed-pricing terms, which increase our exposure to fluctuations in raw material and energy costs. To reduce our exposure, we enter into annual, fixed-price agreements for certain raw materials. Some of our existing multi-year raw material supply agreements have required minimum purchase quantities. Under adverse economic conditions, those minimums may exceed our needs. Absent exceptions for force majeure and other circumstances affecting the legal enforceability of the agreements, these minimum purchase requirements may compel us to purchase quantities of raw materials that could significantly exceed our anticipated needs or pay damages to the supplier for shortfalls. In these circumstances, we would attempt to negotiate agreements for new purchase quantities. There is a risk, however, that we would not be successful in reducing purchase quantities, either through negotiation or litigation. If that occurred, we would likely be required to purchase more of a particular raw material in a particular year than we need, negatively affecting our results of operations and cash flows.

Certain of our customer contracts include variable-pricing mechanisms that adjust selling prices in response to changes in the costs of certain raw materials and energy, while other of our customer contracts exclude such mechanisms. We may enter multi-year purchase agreements for certain raw materials with similar variable-price mechanisms, allowing us to achieve natural hedges between the customer contracts and supplier purchase agreements. Therefore, in some cases, price fluctuations for energy (particularly natural gas and electricity), raw materials (such as scrap, chrome, zinc and nickel) or other commodities may be, in part, passed on to customers rather than absorbed solely by us. There is a risk, however, that the variable-price mechanisms in the sales contracts may not necessarily change in tandem with the variable-price mechanisms in our purchase agreements, negatively affecting our results of operations and cash flows.

Our strategy to address volatile natural gas rates and electricity rates includes improving efficiency in energy usage, identifying alternative providers and utilizing the lowest cost alternative fuels. If we are unable to align fixed and variable components between customer contracts and supplier purchase agreements, we use cash-settled commodity price swaps and options to hedge the market risk associated with the purchase of certain of our raw materials and energy requirements. Additionally, we routinely use these derivative instruments to hedge a portion of our natural gas, electricity and zinc requirements. Our hedging strategy is designed to protect us from excessive pricing volatility. However, since we do not typically hedge 100% of our exposure, abnormal price increases in any of these commodity markets might still negatively affect operating costs. The following table summarizes the impact of a 10% and 25% change in market price from the March 31, 2021 estimated price on our derivative instruments, thereby impacting our pre-tax income by the same amount.

Commodity Derivative	(In Millions)			
	Positive or Negative Effect on Pre-tax Income			
	10% Increase or Decrease		25% Increase or Decrease	
Natural gas	\$	22	\$	54
Electricity		1		3
Zinc		1		1

### **Valuation of Goodwill and Other Long-Lived Assets**

We assign goodwill arising from acquired companies to the reporting units that are expected to benefit from the synergies of the acquisition. Goodwill is tested on a qualitative basis for impairment at the reporting unit level on an annual basis (October 1) and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition or sale or disposition of a significant portion of a reporting unit. As necessary, should our qualitative test indicate that it is more likely than not that the fair value of a reporting unit is less than its carry amount, we perform a quantitative test to determine the amount of impairment, if any, to the carrying value of the reporting unit and its associated goodwill.

Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units and if a quantitative assessment is deemed necessary in determination of the fair value of each reporting unit. The fair value of each reporting unit is estimated using a discounted cash flow methodology, which considers forecasted cash flows discounted at an estimated weighted average cost of capital. Assessing the recoverability of our goodwill requires significant assumptions regarding the estimated future cash flows and other factors to determine the fair value of a reporting unit, including, among other things, estimates related to forecasts of future revenues, expected Adjusted EBITDA, expected capital expenditures and working capital requirements, which are based upon our long-range plan estimates. The assumptions used to calculate the fair value of a reporting unit may change from year to year based on operating results, market conditions and other factors. Changes in these assumptions could materially affect the determination of fair value for each reporting unit.

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances that would indicate that the carrying value of the assets may not be recoverable. Such indicators may include: a significant decline in expected future cash flows; a sustained, significant decline in market pricing; a significant adverse change in legal or environmental factors or in the business climate; changes in estimates of our recoverable reserves; and unanticipated competition. Any adverse change in these factors could have a significant impact on the recoverability of our long-lived assets and could have a material impact on our consolidated statements of operations and statement of financial position.

A comparison of each asset group's carrying value to the estimated undiscounted net future cash flows expected to result from the use of the assets, including cost of disposition, is used to determine if an asset is recoverable. Projected future cash flows reflect management's best estimate of economic and market conditions over the projected period, including growth rates in revenues and costs, and estimates of future expected changes in operating margins and capital expenditures. If the carrying value of the asset group is higher than its undiscounted net future cash flows, the asset group is measured at fair value and the difference is recorded as a reduction to the long-lived assets. We estimate fair value using a market approach, an income approach or a cost approach. For the three months ended March 31, 2021, we concluded that an event triggering the need for an impairment assessment did not occur.

### **Interest Rate Risk**

Interest payable on our senior notes is at fixed rates. Interest payable under our ABL Facility is at a variable rate based upon the applicable base rate plus the applicable base rate margin depending on the excess availability. As of March 31, 2021, we had \$1,630 million outstanding under the ABL Facility. An increase in prevailing interest rates would increase interest expense and interest paid for any outstanding borrowings from the ABL Facility. For example, a 100 basis point change to interest rates under the ABL Facility at the current borrowing level would result in a change of \$17 million to interest expense on an annual basis.

### **Supply Concentration Risks**

Many of our operations and mines rely on one source each of electric power and natural gas. A significant interruption or change in service or rates from our energy suppliers could materially impact our production costs, margins and profitability.

## Forward-Looking Statements

This report contains statements that constitute "forward-looking statements" within the meaning of the federal securities laws. As a general matter, forward-looking statements relate to anticipated trends and expectations rather than historical matters. Forward-looking statements are subject to uncertainties and factors relating to our operations and business environment that are difficult to predict and may be beyond our control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These statements speak only as of the date of this report, and we undertake no ongoing obligation, other than that imposed by law, to update these statements. Uncertainties and risk factors that could affect our future performance and cause results to differ from the forward-looking statements in this report include, but are not limited to:

- disruptions to our operations relating to the COVID-19 pandemic, including the heightened risk that a significant portion of our workforce or on-site contractors may suffer illness or otherwise be unable to perform their ordinary work functions;
- continued volatility of steel and iron ore market prices, which directly and indirectly impact the prices of the products that we sell to our customers;
- uncertainties associated with the highly competitive and cyclical steel industry and our reliance on the demand for steel from the automotive industry, which has been experiencing a trend toward light weighting that could result in lower steel volumes being consumed;
- potential weaknesses and uncertainties in global economic conditions, excess global steelmaking capacity, oversupply of iron ore, prevalence of steel imports and reduced market demand, including as a result of the COVID-19 pandemic;
- severe financial hardship, bankruptcy, temporary or permanent shutdowns or operational challenges, due to the COVID-19 pandemic or otherwise, of one or more of our major customers, including customers in the automotive market, key suppliers or contractors, which, among other adverse effects, could lead to reduced demand for our products, increased difficulty collecting receivables, and customers and/or suppliers asserting force majeure or other reasons for not performing their contractual obligations to us;
- risks related to U.S. government actions with respect to Section 232, the USMCA and/or other trade agreements, tariffs, treaties or policies, as well as the uncertainty of obtaining and maintaining effective antidumping and countervailing duty orders to counteract the harmful effects of unfairly traded imports;
- impacts of existing and increasing governmental regulation, including climate change and other environmental regulation that may be proposed under the Biden Administration, and related costs and liabilities, including failure to receive or maintain required operating and environmental permits, approvals, modifications or other authorizations of, or from, any governmental or regulatory authority and costs related to implementing improvements to ensure compliance with regulatory changes, including potential financial assurance requirements;
- potential impacts to the environment or exposure to hazardous substances resulting from our operations;
- our ability to maintain adequate liquidity, our level of indebtedness and the availability of capital could limit cash flow necessary to fund working capital, planned capital expenditures, acquisitions, and other general corporate purposes or ongoing needs of our business;
- adverse changes in credit ratings, interest rates, foreign currency rates and tax laws;
- limitations on our ability to realize some or all of our deferred tax assets, including our NOLs;
- our ability to realize the anticipated synergies and benefits of the Acquisitions and to successfully integrate the businesses of AK Steel and ArcelorMittal USA into our existing businesses, including uncertainties associated with maintaining relationships with customers, vendors and employees;
- additional debt we assumed, incurred or issued in connection with the Acquisitions, as well as additional debt we incurred in connection with enhancing our liquidity during the COVID-19 pandemic, may negatively impact our credit profile and limit our financial flexibility;
- known and unknown liabilities we assumed in connection with the Acquisitions, including significant environmental, pension and OPEB obligations;

- the ability of our customers, joint venture partners and third-party service providers to meet their obligations to us on a timely basis or at all;
- supply chain disruptions or changes in the cost or quality of energy sources or critical raw materials and supplies, including iron ore, industrial gases, graphite electrodes, scrap, chrome, zinc, coke and coal;
- liabilities and costs arising in connection with any business decisions to temporarily idle or permanently close a mine or production facility, which could adversely impact the carrying value of associated assets and give rise to impairment charges or closure and reclamation obligations, as well as uncertainties associated with restarting any previously idled mine or production facility;
- problems or disruptions associated with transporting products to our customers, moving products internally among our facilities or suppliers transporting raw materials to us;
- uncertainties associated with natural or human-caused disasters, adverse weather conditions, unanticipated geological conditions, critical equipment failures, infectious disease outbreaks, tailings dam failures and other unexpected events;
- our level of self-insurance and our ability to obtain sufficient third-party insurance to adequately cover potential adverse events and business risks;
- disruptions in, or failures of, our information technology systems, including those related to cybersecurity;
- our ability to successfully identify and consummate any strategic investments or development projects, cost-effectively achieve planned production rates or levels, and diversify our product mix and add new customers;
- our actual economic iron ore and coal reserves or reductions in current mineral estimates, including whether we are able to replace depleted reserves with additional mineral bodies to support the long-term viability of our operations;
- the outcome of any contractual disputes with our customers, joint venture partners, lessors, or significant energy, raw material or service providers, or any other litigation or arbitration;
- our ability to maintain our social license to operate with our stakeholders, including by fostering a strong reputation and consistent operational and safety track record;
- our ability to maintain satisfactory labor relations with unions and employees;
- availability of workers to fill critical operational positions and potential labor shortages caused by the COVID-19 pandemic, as well as our ability to attract, hire, develop and retain key personnel, including within the acquired AK Steel and ArcelorMittal USA businesses;
- unanticipated or higher costs associated with pension and OPEB obligations resulting from changes in the value of plan assets or contribution increases required for unfunded obligations; and
- potential significant deficiencies or material weaknesses in our internal control over financial reporting.

For additional factors affecting our business, refer to *Part II – Item 1A. Risk Factors* of this Quarterly Report on Form 10-Q. You are urged to carefully consider these risk factors.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Information regarding our market risk is presented under the caption "Market Risks," which is included in our Annual Report on Form 10-K for the year ended December 31, 2020, and *Part I – Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations* of this Quarterly Report on Form 10-Q.

**Item 4.      *Controls and Procedures***

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our President and Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based solely on the definition of "disclosure controls and procedures" in Rule 13a-15(e) promulgated under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our President and Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

**PART II - OTHER INFORMATION**

**Item 1. Legal Proceedings**

SEC regulations require us to disclose certain information about administrative or judicial proceedings involving the environment and to which a governmental authority is a party if we reasonably believe that such proceedings may result in monetary sanctions above a stated threshold. Pursuant to SEC regulations, we use a threshold of \$1 million for purposes of determining whether disclosure of any such proceedings is required. We believe that this threshold is reasonably designed to result in disclosure of any such proceedings that are material to our business or financial condition.

We have described the material pending legal proceedings, including administrative or judicial proceedings involving the environment, to which we are a party in our Annual Report on Form 10-K for the year ended December 31, 2020, and in NOTE 18 - COMMITMENTS AND CONTINGENCIES to the consolidated financial statements in *Part I – Item 1. Financial Statements* of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

**Item 1A. Risk Factors**

Our Annual Report on Form 10-K for the year ended December 31, 2020, includes a detailed discussion of our risk factors.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

The following table presents information with respect to repurchases by the Company of our common shares during the periods indicated:

**ISSUER PURCHASES OF EQUITY SECURITIES**

Period	Total Number of Shares (or Units) Purchased <sup>1</sup>	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 - 31, 2021	731,095	\$ 18.51	—	\$ —
February 1 - 28, 2021	5,521	16.83	—	—
March 1 - 31, 2021	1,891	8.68	—	—
<b>Total</b>	<b>738,507</b>	<b>\$ 18.47</b>	<b>—</b>	<b>\$ —</b>

<sup>1</sup> All shares were delivered to us to satisfy tax withholding obligations due upon the vesting or payment of stock awards.

**Item 4. Mine Safety Disclosures**

We are committed to protecting the occupational health and well-being of each of our employees. Safety is one of our core values and we strive to ensure that safe production is the first priority for all employees. Our internal objective is to achieve zero injuries and incidents across the Company by focusing on proactively identifying needed prevention activities, establishing standards and evaluating performance to mitigate any potential loss to people, equipment, production and the environment. We have implemented intensive employee training that is geared toward maintaining a high level of awareness and knowledge of safety and health issues in the work environment through the development and coordination of requisite information, skills and attitudes. We believe that through these policies, we have developed an effective safety management system.

Under the Dodd-Frank Act, each operator of a coal or other mine is required to include certain mine safety results within its periodic reports filed with the SEC. As required by the reporting requirements included in §1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K, the required mine safety results regarding certain mining safety and health matters for each of our mine locations that are covered under the scope of the Dodd-Frank Act are included in Exhibit 95 of *Part II – Item 6. Exhibits* of this Quarterly Report on Form 10-Q.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

All documents referenced below have been filed pursuant to the Securities Exchange Act of 1934 by Cleveland-Cliffs Inc., file number 1-09844, unless otherwise indicated.

<b>Exhibit Number</b>	<b>Exhibit</b>
<a href="#">4.1</a>	Indenture, dated as of February 17, 2021, by and among Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee, including Forms of 4.625% Senior Guaranteed Notes due 2029 and 4.875% Senior Guaranteed Notes due 2031 (filed herewith).
<a href="#">22</a>	Schedule of the obligated group, including the parent and issuer and the subsidiary guarantors that have guaranteed the obligations under the 5.75% 2025 Senior Notes, the 6.75% 2026 Senior Secured Notes, the 5.875% 2027 Senior Notes, the 7.00% 2027 Senior Notes, the 9.875% 2025 Senior Secured Notes, the 4.625% 2029 Senior Notes and the 4.875% 2031 Senior Notes issued by Cleveland-Cliffs Inc.
<a href="#">31.1</a>	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves as of April 28, 2021 (filed herewith).
<a href="#">31.2</a>	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Keith A. Koci as of April 28, 2021 (filed herewith).
<a href="#">32.1</a>	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves, Chairman, President and Chief Executive Officer of Cleveland-Cliffs Inc., as of April 28, 2021 (filed herewith).
<a href="#">32.2</a>	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Keith A. Koci, Executive Vice President, Chief Financial Officer of Cleveland-Cliffs Inc., as of April 28, 2021 (filed herewith).
<a href="#">95</a>	Mine Safety Disclosures (filed herewith).
101	The following financial information from Cleveland-Cliffs Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Statements of Unaudited Condensed Consolidated Financial Position, (ii) the Statements of Unaudited Condensed Consolidated Operations, (iii) the Statements of Unaudited Condensed Consolidated Comprehensive Income (Loss), (iv) the Statements of Unaudited Condensed Consolidated Cash Flows, (v) the Statements of Unaudited Condensed Consolidated Changes in Equity, and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL and contained in Exhibit 101.

**SIGNATURES**

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, thereunto duly authorized.

CLEVELAND-CLIFFS INC.

By: /s/ Kimberly A. Floriani

Name: Kimberly A. Floriani

Title: Vice President, Corporate Controller & Chief Accounting Officer

Date: April 28, 2021



**CLEVELAND-CLIFFS INC.,  
THE GUARANTORS PARTIES HERETO**

**AND**

**U.S. BANK NATIONAL ASSOCIATION,  
AS TRUSTEE**

**4.625% Senior Guaranteed Notes due 2029**

**4.875% Senior Guaranteed Notes due 2031**

**INDENTURE**

**Dated as of February 17, 2021**

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## TABLE OF CONTENTS

		<u>Page</u>
ARTICLE 1 DEFINITIONS		
1.01.	Section <i>Definitions</i>	<a href="#">1</a>
1.02.	Section <i>Other Definitions</i>	<a href="#">13</a>
1.03.	Section <i>Trust Indenture Act</i>	<a href="#">14</a>
1.04.	Section <i>Rules of Construction</i>	<a href="#">15</a>
ARTICLE 2 THE NOTES		
2.01.	Section <i>Form, Dating and Terms</i>	<a href="#">15</a>
2.02.	Section <i>Execution and Authentication</i>	<a href="#">21</a>
2.03.	Section <i>Registrar and Paying Agent</i>	<a href="#">22</a>
2.04.	Section <i>Paying Agent to Hold Money in Trust</i>	<a href="#">22</a>
2.05.	Section <i>Holder Lists</i>	<a href="#">23</a>
2.06.	Section <i>Transfer and Exchange</i>	<a href="#">23</a>
2.07.	Section <i>[Intentionally Omitted]</i>	<a href="#">25</a>
2.08.	Section <i>[Intentionally Omitted]</i>	<a href="#">25</a>
2.09.	Section <i>Form of Certificate to be Delivered in Connection with Transfers Pursuant to Regulation S</i>	<a href="#">25</a>
2.10.	Section <i>Mutilated, Destroyed, Lost or Stolen Notes</i>	<a href="#">25</a>
2.11.	Section <i>Outstanding Notes</i>	<a href="#">26</a>
2.12.	Section <i>Temporary Notes</i>	<a href="#">27</a>
2.13.	Section <i>Cancellation</i>	<a href="#">27</a>
2.14.	Section <i>Payment of Interest; Defaulted Interest</i>	<a href="#">27</a>
2.15.	Section <i>Computation of Interest</i>	<a href="#">28</a>
2.16.	Section <i>CUSIP, Common Code and ISIN Numbers</i>	<a href="#">28</a>
ARTICLE 3 COVENANTS		
3.01.	Section <i>Payment of Notes</i>	<a href="#">28</a>
3.02.	Section <i>[Intentionally Omitted]</i>	<a href="#">28</a>
3.03.	Section <i>Restrictions on Liens</i>	<a href="#">28</a>
3.04.	Section <i>Restrictions on Sale and Leaseback Transactions</i>	<a href="#">29</a>
3.05.	Section <i>[Intentionally Omitted]</i>	<a href="#">29</a>
3.06.	Section <i>Change of Control Triggering Event</i>	<a href="#">29</a>
3.07.	Section <i>Reports to Holders</i>	<a href="#">31</a>
3.08.	Section <i>Additional Guarantees</i>	<a href="#">31</a>
3.09.	Section <i>[Intentionally Omitted]</i>	<a href="#">31</a>
3.10.	Section <i>Corporate Existence</i>	<a href="#">31</a>
3.11.	Section <i>Compliance Certificate</i>	<a href="#">32</a>
3.12.	Section <i>Further Instruments and Acts</i>	<a href="#">32</a>
3.13.	Section <i>Stay, Extension and Usury Laws</i>	<a href="#">32</a>
3.14.	Section <i>Certain Calculations</i>	<a href="#">32</a>
ARTICLE 4 SUCCESSOR COMPANY		
4.01.	Section <i>Consolidation, Merger or Sale of Assets</i>	<a href="#">33</a>

ARTICLE 5 REDEMPTION AND PREPAYMENT

5.01.	Section	<i>Notices to Trustee</i>	<a href="#">33</a>
5.02.	Section	<i>Selection of Notes to Be Redeemed or Purchased</i>	<a href="#">34</a>

## TABLE OF CONTENTS

(continued)

5.03.	Section	<i>Notice of Redemption</i>	<a href="#">34</a>
5.04.	Section	<i>Effect of Notice of Redemption</i>	<a href="#">35</a>
5.05.	Section	<i>Deposit of Redemption or Purchase Price</i>	<a href="#">35</a>
5.06.	Section	<i>Notes Redeemed or Purchased in Part</i>	<a href="#">36</a>
5.07.	Section	<i>Optional Redemption</i>	<a href="#">36</a>
5.08.	Section	<i>Mandatory Redemption</i>	<a href="#">37</a>
ARTICLE 6 DEFAULTS AND REMEDIES			
6.01.	Section	<i>Events of Default</i>	<a href="#">37</a>
6.02.	Section	<i>Acceleration</i>	<a href="#">38</a>
6.03.	Section	<i>Other Remedies</i>	<a href="#">38</a>
6.04.	Section	<i>Waiver of Past Defaults</i>	<a href="#">39</a>
6.05.	Section	<i>Control by Majority</i>	<a href="#">39</a>
6.06.	Section	<i>Limitation on Suits</i>	<a href="#">39</a>
6.07.	Section	<i>Rights of Holders to Receive Payment</i>	<a href="#">39</a>
6.08.	Section	<i>Collection Suit by Trustee</i>	<a href="#">39</a>
6.09.	Section	<i>Trustee May File Proofs of Claim</i>	<a href="#">40</a>
6.10.	Section	<i>Priorities</i>	<a href="#">40</a>
6.11.	Section	<i>Undertaking for Costs</i>	<a href="#">40</a>
ARTICLE 7 TRUSTEE			
7.01.	Section	<i>Duties of Trustee</i>	<a href="#">40</a>
7.02.	Section	<i>Rights of Trustee</i>	<a href="#">42</a>
7.03.	Section	<i>Individual Rights of Trustee</i>	<a href="#">44</a>
7.04.	Section	<i>Trustee's Disclaimer</i>	<a href="#">44</a>
7.05.	Section	<i>Notice of Defaults</i>	<a href="#">44</a>
7.06.	Section	<i>Reports by Trustee to Holders</i>	<a href="#">44</a>
7.07.	Section	<i>Compensation and Indemnity</i>	<a href="#">44</a>
7.08.	Section	<i>Replacement of Trustee</i>	<a href="#">45</a>
7.09.	Section	<i>Successor Trustee by Merger</i>	<a href="#">46</a>
7.10.	Section	<i>Eligibility; Disqualification</i>	<a href="#">46</a>
7.11.	Section	<i>[Intentionally Omitted]</i>	<a href="#">46</a>
7.12.	Section	<i>Preferential Collection of Claims Against the Company</i>	<a href="#">46</a>
7.13.	Section	<i>Trustee in Other Capacities</i>	<a href="#">46</a>
7.14.	Section	<i>USA Patriot Act</i>	<a href="#">46</a>
7.15.	Section	<i>Calculations in Respect of the Notes</i>	<a href="#">46</a>
7.16.	Section	<i>Brokerage Confirmations</i>	<a href="#">47</a>
ARTICLE 8 LEGAL DEFEASANCE AND COVENANT DEFEASANCE			
8.01.	Section	<i>Option to Effect Legal Defeasance or Covenant Defeasance: Defeasance</i>	<a href="#">47</a>
8.02.	Section	<i>Legal Defeasance and Discharge</i>	<a href="#">47</a>
8.03.	Section	<i>Covenant Defeasance</i>	<a href="#">47</a>
8.04.	Section	<i>Conditions to Legal or Covenant Defeasance</i>	<a href="#">48</a>

8.05.	Section	<i>Deposited Money and U.S. Government Obligations to be Held in Trust: Other Miscellaneous Provisions</i>	<a href="#">48</a>
8.06.	Section	<i>Repayment to the Company</i>	<a href="#">49</a>
8.07.	Section	<i>Reinstatement</i>	<a href="#">49</a>

## TABLE OF CONTENTS

(continued)

### ARTICLE 9 AMENDMENTS

9.01.	Section	<i>Without Consent of Holders</i>	<a href="#">49</a>
9.02.	Section	<i>With Consent of Holders</i>	<a href="#">50</a>
9.03.	Section	<i>[Intentionally Omitted]</i>	<a href="#">51</a>
9.04.	Section	<i>Revocation and Effect of Consents and Waivers</i>	<a href="#">51</a>
9.05.	Section	<i>Notation on or Exchange of Notes</i>	<a href="#">51</a>
9.06.	Section	<i>Trustee to Sign Amendments</i>	<a href="#">52</a>

### ARTICLE 10 GUARANTEE

10.01.	Section	<i>Guarantee</i>	<a href="#">52</a>
10.02.	Section	<i>Limitation on Liability; Termination; Release and Discharge</i>	<a href="#">53</a>
10.03.	Section	<i>Right of Contribution</i>	<a href="#">54</a>
10.04.	Section	<i>No Subrogation</i>	<a href="#">54</a>
10.05.	Section	<i>Execution and Delivery of a Guarantee</i>	<a href="#">54</a>

### ARTICLE 11 [INTENTIONALLY OMITTED]

### ARTICLE 12 SATISFACTION AND DISCHARGE

12.01.	Section	<i>Satisfaction and Discharge</i>	<a href="#">55</a>
12.02.	Section	<i>Application of Trust Money</i>	<a href="#">55</a>

### ARTICLE 13 MISCELLANEOUS

13.01.	Section	<i>Reserved</i>	<a href="#">56</a>
13.02.	Section	<i>Notices</i>	<a href="#">56</a>
13.03.	Section	<i>Communication by Holders With Other Holders</i>	<a href="#">57</a>
13.04.	Section	<i>Certificate and Opinion as to Conditions Precedent</i>	<a href="#">57</a>
13.05.	Section	<i>Statements Required in Certificate or Opinion</i>	<a href="#">57</a>
13.06.	Section	<i>[Intentionally Omitted]</i>	<a href="#">57</a>
13.07.	Section	<i>Rules by Trustee, Paying Agent and Registrar</i>	<a href="#">57</a>
13.08.	Section	<i>Business Days</i>	<a href="#">58</a>
13.09.	Section	<i>GOVERNING LAW</i>	<a href="#">58</a>
13.10.	Section	<i>No Recourse Against Others</i>	<a href="#">58</a>
13.11.	Section	<i>Successors</i>	<a href="#">58</a>
13.12.	Section	<i>Multiple Originals</i>	<a href="#">58</a>
13.13.	Section	<i>Table of Contents; Headings</i>	<a href="#">58</a>
13.14.	Section	<i>WAIVERS OF JURY TRIAL</i>	<a href="#">58</a>
13.15.	Section	<i>[Intentionally Omitted]</i>	<a href="#">58</a>
13.16.	Section	<i>Force Majeure</i>	<a href="#">58</a>
13.17.	Section	<i>Severability</i>	<a href="#">58</a>



**TABLE OF CONTENTS**

(continued)

EXHIBIT A	Form of Initial Note for the 4.625% Senior Guaranteed Notes due 2029
EXHIBIT B	Form of Initial Note for the 4.875% Senior Guaranteed Notes due 2031
EXHIBIT C	Form of Indenture Supplement to Add Guarantors
EXHIBIT D	Form of Certificate to be Delivered in Connection with Transfers Pursuant to Regulation S



## CROSS-REFERENCE TABLE

TIA Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.08, 7.10
(b)(1)	7.10
(c)	N.A.
311(a)	7.12
(b)	7.12
(c)	N.A.
312(a)	N.A.
(b)	13.03
(c)	13.03
313(a)	7.06
(b)	7.06
(c)	7.06
(d)	7.06
314(a)	N.A.
(c)(1)	N.A.
(c)(2)	N.A.
(c)(3)	N.A.
(e)	N.A.
315(a)	N.A.
(b)	N.A.
(c)	N.A.
(d)	N.A.
(e)	N.A.
316(a)(last sentence)	N.A.
(a)(1)(A)	N.A.
(a)(1)(B)	N.A.
(a)(2)	N.A.
(b)	N.A.
(c)	N.A.
317(a)(1)	N.A.
(a)(2)	N.A.
(b)	N.A.

N.A. means Not Applicable

Note: The Cross-Reference Table shall not, for any purpose, be deemed to be part of this Indenture.

INDENTURE, dated as of February 17, 2021, among CLEVELAND-CLIFFS INC., an Ohio corporation (the “**Company**”), THE GUARANTORS (as defined herein) party hereto and U.S. BANK NATIONAL ASSOCIATION, as trustee (the “**Trustee**”).

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of (a)(i) the Company’s 4.625% Senior Guaranteed Notes due 2029 issued on the date hereof and the guarantees thereof by the Guarantors party hereto (the “**2029 Initial Notes**”) and (ii) if and when issued, an unlimited principal amount of additional notes having identical terms and conditions as the 2029 Initial Notes other than issue date, issue price and the first interest payment date (the “**2029 Additional Notes**” and together with the 2029 Initial Notes, the “**2029 Notes**”) and (b)(i) the Company’s 4.875% Senior Guaranteed Notes due 2031 issued on the date hereof and the guarantees thereof by the Guarantors party hereto (the “**2031 Initial Notes**”) and (ii) if and when issued, an unlimited principal amount of additional notes having identical terms and conditions as the 2031 Initial Notes other than issue date, issue price and the first interest payment date (the “**2031 Additional Notes**” and together with the 2031 Initial Notes, the “**2031 Notes**”). The 2029 Initial Notes and the 2031 Initial Notes are collectively herein referred to as the “**Initial Notes**.” The 2029 Additional Notes and the 2031 Additional Notes are collectively herein referred to as the “**Additional Notes**.” The 2029 Notes and the 2031 Notes are collectively herein referred to as the “**Notes**.”

## ARTICLE 1 DEFINITIONS

### Section 1.01. *Definitions.*

“**2029 Definitive Notes**” means certificated 2029 Notes registered in the name of the Holder thereof and issued in accordance with Section 2.01, substantially in the form of Exhibit A hereto, except that such 2029 Notes shall not bear the Global Note Legend and shall not have the “Schedule of Increases or Decreases in Global Security” attached thereto.

“**2029 Restricted Notes**” means 2029 Initial Notes and 2029 Additional Notes bearing the restrictive legend described in Section 2.01(d).

“**2031 Definitive Notes**” means certificated 2031 Notes registered in the name of the Holder thereof and issued in accordance with Section 2.01, substantially in the form of Exhibit B hereto, except that such 2031 Notes shall not bear the Global Note Legend and shall not have the “Schedule of Increases or Decreases in Global Security” attached thereto.

“**2031 Restricted Notes**” means 2031 Initial Notes and 2031 Additional Notes bearing the restrictive legend described in Section 2.01(d).

“**ABL Agent**” means Bank of America, N.A., acting in its capacity as collateral agent under the ABL Facility, or any successor thereto in such capacity.

“**ABL Credit Facility**” means (i) the asset-based revolving credit facility, dated as of March 13, 2020, as amended, among the Company, the Subsidiaries of the Company that borrow or guarantee obligations under such agreement from time to time, as “Credit Parties,” the lenders party thereto from time to time and Bank of America, N.A., as administrative agent (or its successor in such capacity), and (ii) any such agreement that amends, amends and restates or replaces the existing ABL Credit Facility, in each such case, together with the related notes, letters of credit, guarantees and security documents, and, in such case, as the same may be amended, restated, amended and restated, supplemented or modified from time to time and any renewal, increase, extension, refunding, restructuring, replacement or refinancing thereof (whether with the original administrative agent and lenders or another administrative agent, collateral agent or agents or one or more other lenders or additional borrowers or guarantors and whether provided under the existing ABL Credit Facility or one or more other credit or other agreements or indentures).

“**ABL Credit Facility Obligations**” means all ABL Obligations under the ABL Credit Facility.

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**"ABL Obligations"** means (i) Debt outstanding under the ABL Credit Facility, and all other Obligations (not constituting Debt) of the Company or any Guarantor under the ABL Credit Facility and (ii) Bank Product Obligations owed to an agent, arranger or lender or other secured party under such Debt Facility (even if the respective agent, arranger or lender or other secured party subsequently ceases to be an agent arranger or lender or other secured party under the ABL Credit Facility for any reason) or any of their respective affiliates, assigns or successors.

**"Additional Notes"** has the meaning set forth in the second introductory paragraph of this Indenture.

**"Adjusted Treasury Rate"** means, with respect to any Redemption Date for the Notes of either series, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after March 1, 2024, in the case of the 2029 Notes, or March 1, 2026, in the case of the 2031 Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date, in each case calculated on the third Business Day immediately preceding the Redemption Date, plus 0.50%.

**"Affiliate"** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with") with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

**"Applicable Premium"** means with respect to a series of Notes at any Redemption Date the excess of (if any) (A) the present value at such Redemption Date of (1) the redemption price of such Note on March 1, 2024, in the case of the 2029 Notes, or March 1, 2026, in the case of the 2031 Notes (such redemption prices being described in Section 5.07(d)), plus (2) all required remaining scheduled interest payments due on such series of Notes through March 1, 2024, in the case of the 2029 Notes, or March 1, 2026, in the case of the 2031 Notes, excluding in each case accrued and unpaid interest to, but excluding, the Redemption Date, computed by the Company using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such Redemption Date.

**"Attributable Debt"** means the present value (discounted at the rate of interest implicit in the terms of the lease) of the obligation of a lessee for net rental payments during the remaining term of any lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

**"Bank Product"** means any one or more of the following financial products or accommodations extended to the Company or its Subsidiaries by a holder of ABL Credit Facility Obligations or an Affiliate of such Person or such product or accommodation that was designated as a Bank Product pursuant to the terms of the ABL Credit Facility: (a) credit cards (including commercial cards (including so-called "purchase cards", "procurement cards" or "p-cards")), (b) credit card processing services, (c) debit cards, (d) stored value cards, (e) cash management services, (f) supply chain financing or (g) transactions under Hedge Agreements.

**"Bank Product Agreements"** means those agreements entered into from time to time by the Company or its Subsidiaries in connection with the obtaining of any of the Bank Products.

**"Bank Product Obligations"** means (a) all obligations, liabilities, reimbursement obligations, fees, or expenses owing by the Company and its Subsidiaries to any holder of ABL Credit Facility Obligations or any of their respective Affiliates pursuant to or evidenced by a Bank Product Agreement and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, (b) all Hedging Obligations and (c) all amounts that ABL Agent or any holder of ABL Credit Facility Obligations is obligated to pay as a result of ABL Agent or such holder of the ABL Credit Facility Obligations

purchasing participations from, or executing guarantees or indemnities or reimbursement obligations with respect to the Bank Products to the Company or any of its Subsidiaries.

**"Bankruptcy Code"** means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

**"Board of Directors"** means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

**"Board Resolution"** means a copy of a resolution certified by the Secretary or an Assistant Secretary of a Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

**"Borrowing Base"** means as of any date of determination, the sum of (a) 85% (or 90% in the case of investment grade accounts) of the face amount of all accounts, payment intangibles and other receivables of the Company and its Subsidiaries, plus (b) the lesser of (i) 80% of the gross book value of all inventory and as-extracted collateral of the Company and its Subsidiaries and (ii) 85% multiplied by the net orderly liquidation value of such inventory and as extracted collateral, plus (c) the lesser of (i) 100% of the gross book value of all Mobile Equipment of the Company and its Subsidiaries and (ii) 85% multiplied by the net orderly liquidation value of such equipment, minus any applicable reserves, in each case determined in accordance with GAAP, plus (d) 5% of the amounts of Eligible Accounts (as defined in the ABL Credit Facility) of the Company and its Subsidiaries, plus (e) 10% of the net orderly liquidation value of Eligible Inventory (as defined in the ABL Credit Facility) of the Company and its Subsidiaries.

**"Business Day"** means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in New York City or the place of payment.

**"Calculation Date"** means the date on which the event for which the calculation of the Consolidated Secured Leverage Ratio shall occur.

**"Capital Stock"** means:

- (1) in the case of a corporation, corporate stock or shares;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) or corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person.

**"CCS"** means Cleveland-Cliffs Steel Holdings Inc., an Ohio corporation.

**"Change of Control"** means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the

Company and its Subsidiaries taken as a whole to any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act) other than to the Company or one of its Subsidiaries;

(2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act, it being agreed that an employee of the Company or any of its Subsidiaries for whom shares are held under an employee stock ownership, employee retirement, employee savings or similar plan and whose shares are voted in accordance with the instructions of such employee shall not be a member of a “group” (as that term is used in Section 13(d)(3) of the Exchange Act) solely because such employee’s shares are held by a trustee under said plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of Voting Stock representing more than 50% of the voting power of the Company’s outstanding Voting Stock or of the Voting Stock of any of the Company’s direct or indirect parent companies;

(3) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the Company’s outstanding Voting Stock or Voting Stock of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Company’s Voting Stock outstanding immediately prior to such transaction constitutes, or is converted into or exchanged for, Voting Stock representing at least a majority of the voting power of the Voting Stock of the surviving Person immediately after giving effect to such transaction; or

(4) the adoption of a plan relating to the Company’s liquidation or dissolution.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control solely because the Company becomes a direct or indirect Wholly-Owned Subsidiary of a holding company if the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Company’s Voting Stock immediately prior to that transaction.

“**Change of Control Offer**” has the meaning assigned to that term in Section 3.06(a).

“**Change of Control Triggering Event**” means, with respect to the Notes, (i) the rating of either series of Notes is lowered by each of the Rating Agencies on any date during the period (the “**Trigger Period**”) commencing on the earlier of (a) the occurrence of a Change of Control and (b) the first public announcement by the Company of any Change of Control (or pending Change of Control), and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change) and (ii) either series of Notes is rated below Investment Grade by each of the Rating Agencies on any day during the Trigger Period; provided that a Change of Control Triggering Event will not be deemed to have occurred in respect of a particular Change of Control if each Rating Agency making the reduction in rating does not publicly announce or confirm or inform the Trustee in writing at the Company’s request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the Change of Control.

Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

“**Commission**” means the Securities and Exchange Commission.

“**Comparable Treasury Issue**” means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes of a particular series from the Redemption Date to March 1, 2024, in the case of the 2029 Notes, or March 1, 2026, in the case of the 2031 Notes, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to March 1, 2024, in the case of the 2029 Notes, or March 1, 2026, in the case of the 2031 Notes.

“**Comparable Treasury Price**” means, with respect to any Redemption Date, if clause (ii) of the definition of Adjusted Treasury Rate is applicable, the average of three, or such lesser number as is obtained by the Company, Reference Treasury Dealer Quotations for such Redemption Date.

**“Consolidated EBITDA”** means, with respect to any Person and its consolidated Subsidiaries in reference to any period, Consolidated Net Income for such period plus, without duplication,

(a) all amounts deducted in arriving at such Consolidated Net Income amount in respect of (i) the sum of all interest charges for such period determined on a consolidated basis in accordance with GAAP, (ii) federal, state and local income taxes as accrued for such period, (iii) depreciation of fixed assets and amortization of intangible assets for such period, (iv) non-cash items decreasing Consolidated Net Income for such period, including, without limitation, non-cash compensation expense, (v) transaction costs, fees and expenses associated with the issuance of Debt or the extension, renewal, refunding, restructuring, refinancing or replacement of Debt (whether or not consummated) (but excluding any such costs amortized through or otherwise included or to be included in interest expense for any period), (vi) transaction costs, fees and expenses associated with any acquisition or disposition whether or not consummated, (vii) Debt extinguishment costs, (viii) losses on discontinued operations, (ix) amounts attributable to minority interests and (x) any additional non-cash losses, expenses and charges, minus, without duplication,

(b) the sum of (i) cash payments made during such period in respect of items added to the calculation of Consolidated Net Income pursuant to clause (a)(iv) or clause (a)(viii) above during such period or any previous period and (ii) non-cash items increasing Consolidated Net Income for such period.

Notwithstanding the foregoing, the Consolidated EBITDA for CCS and each of its domestic Wholly-Owned Subsidiaries shall be deemed to be zero for any period prior to December 9, 2020.

**“Consolidated Net Income”** means, with respect to any Person and its consolidated Subsidiaries in reference to any period, the net income (or net loss) of such Person and its Subsidiaries for such period computed on a consolidated basis in accordance with GAAP; provided that there shall be excluded, without duplication, from Consolidated Net Income (to the extent otherwise included therein):

(i) the net income (or net loss) of any Person accrued prior to the date it becomes a Subsidiary of, or has merged into or consolidated with, such Person or another Subsidiary of such Person;

(ii) the net income (or net loss) of any Person (other than a Subsidiary) in which such Person or any of its Subsidiaries has an equity interest, except to the extent of the amount of dividends or other distributions actually paid to such Person or its Subsidiaries during such period;

(iii) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to asset sales or dispositions, in each case other than in the ordinary course of business;

(iv) any net after-tax extraordinary gains or losses;

(v) the cumulative effect of a change in accounting principles; and

(vi) any gains or losses due to fluctuations in currency values and the related tax effects calculated in accordance with GAAP.

**“Consolidated Net Tangible Assets”** means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities (excluding any indebtedness for money borrowed having a maturity of less than 12 months from the date of the most recent consolidated balance sheet of the Company but which by its terms is renewable or extendable beyond 12 months from such date at the option of the borrower) and (b) all goodwill, trade names, patents, unamortized debt discount and expense and any other like intangibles, all as set forth on the most recent consolidated balance sheet of the Company and computed in accordance with GAAP.

**“Consolidated Secured Leverage Ratio”** means, with respect to any specified Person on any Calculation Date, the ratio of (a) the sum of the aggregate outstanding amount of Debt of such Person and its Subsidiaries secured by a Lien, determined on a consolidated basis as of the last day of the most recent fiscal quarter for which internal financial statements are available immediately preceding the Calculation Date, in effect on such Calculation Date to (b) the Consolidated EBITDA of such Person and its consolidated Subsidiaries for the most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the Calculation Date.

For purposes of calculating the Consolidated Secured Leverage Ratio:

(1) (A) acquisitions that have been made by the specified Person or any of its Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries acquired by the specified Person or any of its Subsidiaries, and including any related financing transactions and including increases in ownership of Subsidiaries, (B) discontinued operations (as determined in accordance with GAAP) and (C) operations or businesses (and ownership interests therein) disposed of, in each case, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect (as determined in good faith by the chief financial officer of the Company calculated on a basis that is consistent with Regulation S-X under the Securities Act) as if they had occurred on the first day of the four-quarter reference period;

(2) (A) in the event that such Person or any Subsidiary incurs, assumes, guarantees, redeems, repays, retires or extinguishes any Debt (other than Debt incurred or repaid under any revolving credit facility in the ordinary course of business for working capital purposes), subsequent to the end of the most recent fiscal quarter for which internal financial statements are available but on or prior to or simultaneously with the Calculation Date, then the Consolidated Secured Leverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Debt, as if the same had occurred on the last day of such most recent fiscal quarter and (B) the Consolidated Secured Leverage Ratio shall be calculated assuming that any revolving Debt Facility (including the ABL Credit Facility) is fully drawn based on its availability as of the Calculation Date; and

(3) the U.S. dollar-equivalent principal amount of any Debt denominated in a foreign currency will reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations for currency exchange risks with respect to the applicable currency in effect on the date of determination of the U.S. dollar-equivalent principal amount of such Debt.

**"Corporate Trust Office"** means, with respect to the Trustee, the principal office at which at any particular time the corporate trust business of the Trustee shall be administered, which offices at the date of execution of this Indenture are located, in the case of the Trustee, (i) solely for purposes of (A) transfer, surrender, or exchange of the Notes and (B) acting as the Paying Agent or Registrar, at U.S. Bank Corporate Trust Services, Attn: Original Issuance, P.O. Box 64111, St. Paul, MN 55164-0111 (by registered or certified mail) or U.S. Bank Corporate Trust Services, Attn: Original Issuance, 2nd Floor, 60 Livingston Avenue, St. Paul, MN 55107 (by hand or overnight mail) and (ii) for all other purposes, the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of execution of this Indenture is located at U.S. Bank National Association, Attention: Corporate Trust Services/Account Administrator, 1350 Euclid Avenue, Mail Code: CN-OH-RN11, Cleveland, Ohio 44115.

**"Debt"** means indebtedness for money borrowed that in accordance with GAAP would be reflected on the balance sheet of the obligor as a liability as of the date on which Debt is to be determined.

**"Debt Facility"** or **"Debt Facilities"** means, with respect to the Company or any of its Subsidiaries, one or more debt facilities (which may be outstanding at the same time and including, without limitation, the ABL Credit Facility) or commercial paper facilities with banks or other lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit or bankers' acceptances or issuances of debt securities evidenced by notes, debentures, bonds or similar instruments, in each case, as amended, restated, supplemented, modified, renewed, refunded, replaced or refinanced (including by means of sales of debt securities to institutional investors, including convertible or exchangeable debt securities) in whole or in part from time to time (and whether or not with the original trustee, administrative agent, holders and lenders or another trustee, administrative agent or agents or other holders or lenders or additional borrowers or guarantors and whether provided under the ABL Credit Facility or any other credit agreement or other agreement or indenture).

**"Default"** means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

**"Definitive Notes"** means the 2029 Definitive Notes and the 2031 Definitive Notes, collectively.

**"DTC"** means The Depository Trust Company, its nominees and their respective successors and assigns, or such other depository institution hereinafter appointed by the Company.

**"Equity Offering"** means any public or private issuance and sale of the Company's common shares by the Company. Notwithstanding the foregoing, the term "Equity Offering" shall not include:

- (1) any issuance and sale with respect to the Company's common shares registered on Form S-4 or Form S-8; or
- (2) any issuance and sale to any Subsidiary of the Company.

**"Exchange Act"** means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

**"Excluded Subsidiaries"** means (i) any direct or indirect Foreign Subsidiary of the Company, (ii) any non-Foreign Subsidiary if substantially all of its assets consist of the Voting Stock or indebtedness of one or more direct or indirect Foreign Subsidiaries of the Company, (iii) any non-Foreign Subsidiary of a Foreign Subsidiary, (iv) any Subsidiary that is an Immaterial Subsidiary, (v) any non-Wholly-Owned Subsidiary, to the extent, and for so long as, a guarantee by such Subsidiary of the obligations of the Company under any of the Secured Notes Documents would be prohibited by the terms of any organizational document, joint venture agreement or shareholder's agreement applicable to such Subsidiary; provided that such prohibition existed on the Issue Date or, with respect to any Subsidiary formed or acquired after the Issue Date (and, in the case of any Subsidiary acquired after the Issue Date, so long as such prohibition was not incurred in contemplation of such acquisition), on the date such Subsidiary is so formed or acquired, (vi) any parent entity of any non-Wholly-Owned Subsidiary, to the extent, and for so long as, a guarantee by such Subsidiary of the obligations of the Company under any of the Secured Notes Documents would be prohibited by the terms of any organizational document, joint venture agreement or shareholder's agreement applicable to the non-Wholly-Owned Subsidiary to which such Subsidiary is a parent; provided that (A) such prohibition existed on the Issue Date or, with respect to any Subsidiary formed or acquired after the Issue Date (and, in the case of any Subsidiary acquired after the Issue Date, for so long as such prohibition was not incurred in contemplation of such acquisition), on the date such Subsidiary is so formed or acquired and (B) a direct or indirect parent company of such parent entity (1) shall be a Guarantor and (2) shall be a holding company not engaged in any business activities or having any assets or liabilities other than (x) its ownership and acquisition of the Capital Stock of the applicable joint venture (or any other entity holding an ownership interest in such joint venture), together with activities directly related thereto, (y) actions required by law to maintain its existence and (z) activities incidental to its maintenance and continuance and to the foregoing activities; (vii) Cleveland-Cliffs International Holding Company, so long as substantially all of its assets consist of equity interests in, or indebtedness of, one or more Foreign Subsidiaries, (viii) Wabush Iron Co. Limited and (ix) any Subsidiary of a Person described in the foregoing clauses (i), (ii), (iii), (iv), (v), (vi), (vii) or (viii), provided in each case that such Subsidiary has not guaranteed any Obligations of the Company or any co-borrowers or guarantors under (y) any of the Secured Notes Documents, or (z) the ABL Credit Facility (other than any Obligations of a co-borrower or guarantor that is a Foreign Subsidiary).

**"Existing Indebtedness"** means Debt of the Company and, as applicable, any of its Subsidiaries (other than Debt under the ABL Credit Facility and the Secured Notes) in existence on the Issue Date, until such amounts are repaid but including any refinancing thereof.

**"Fair Market Value"** means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party.

**"Fitch"** means Fitch, Inc. and its successors.

**"Foreign Subsidiary"** means any Subsidiary of the Company that was not formed under the laws of the United States or any state of the United States or the District of Columbia.

**"GAAP"** means generally accepted accounting principles in the United States, consistently applied, as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect as of the Issue Date.

**"Global Note Legend"** means the legend set forth in Section 2.01(d)(iii) hereof, which is required to be placed on all Global Notes issued under this Indenture.



**“Guarantee”** means any guarantee of the obligations of the Company under this Indenture and the Notes by any Person in accordance with the provisions of this Indenture.

**“Guarantors”** means any Person that incurs a Guarantee with respect to either series of Notes; provided, however, that upon the release or discharge of such Person from its Guarantee in accordance with this Indenture, such Person shall cease to be a Guarantor.

**“Hedge Agreement”** means a “swap agreement” as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

**“Hedging Obligations”** means any and all obligations or liabilities, whether absolute or contingent, due or to become due, now existing or hereafter arising of the Company or any of its Subsidiaries arising under, owing pursuant to, or existing in respect of Hedge Agreements entered into with one or more of the holders of ABL Credit Facility Obligations or one or more of their Affiliates.

**“Holder”** means a Person in whose name a Note is registered.

**“Immaterial Subsidiary”** means, as of any date, any Subsidiary of the Company (that is not an Excluded Subsidiary of the type described in clause (i), (ii), (iii), (v), (vi), (vii), (viii) or (ix) in the definition thereof) that, together with its Subsidiaries, does not have (i) consolidated total assets in excess of 5.0% of the consolidated total assets of the Company and its Subsidiaries on a consolidated basis as of the date of the most recent consolidated balance sheet of the Company or (ii) consolidated total revenues in excess 5.0% of the consolidated total revenues of the Company and its Subsidiaries on a consolidated basis for the most recently ended four fiscal quarters for which internal financial statements of the Company are available immediately preceding such Calculation Date; provided that any such Subsidiary, when taken together with all other Immaterial Subsidiaries does not, in each case together with their respective Subsidiaries, have (i) consolidated total assets with a value in excess of 10.0% of the consolidated total assets of the Company and its Subsidiaries on a consolidated basis or (ii) consolidated total revenues in excess of 10.0% of the consolidated total revenues of the Company and its Subsidiaries on a consolidated basis.

**“Indenture”** means this Indenture, as amended or supplemented from time to time.

**“Initial Notes”** has the meaning ascribed to it in the second introductory paragraph of this Indenture.

**“Investment Grade”** means a rating of Baa3 or better by Moody’s (or its equivalent under any successor rating category of Moody’s) and a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch), and the equivalent investment grade credit rating from any replacement Rating Agency or rating agencies selected by the Company under the circumstances permitting us to select a replacement agency and in the manner for selecting a replacement agency, in each case as set forth in the definition of “Rating Agency.”

**“Issue Date”** means the date on which the Notes are initially issued.

**“Liens”** means any mortgage, pledge, lien or other encumbrance.

**“Mobile Equipment”** means all of the right, title and interest of the Company or any of its Subsidiaries in any forklifts, trailers, graders, dump trucks, water trucks, grapple trucks, lift trucks, flatbed trucks, fuel trucks, other trucks, dozers, cranes, loaders, skid steers, excavators, back hoes, shovels, drill crawlers, other drills, scrappers, gondolas, flat cars, ore cars, shuttle cars, conveyors, locomotives, miners, other rail cars, and any other vehicles, mobile equipment and other equipment similar to any of the foregoing.

**“Moody’s”** means Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation, and its successors.

**“Non-U.S. Person”** means a Person who is not a U.S. Person (as defined in Regulation S).

**“Note”** has the meaning ascribed to it in the second introductory paragraph of this Indenture.

**“Notes Custodian”** means the custodian with respect to the Global Note (on behalf of DTC), or any successor Person thereto and shall initially be the Trustee.

**"Obligations"** means all principal, premium, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under any such proceeding or under applicable state, federal or foreign law), penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, premium, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any indebtedness.

**"Offering Memorandum"** means that certain offering memorandum dated February 9, 2021 relating to the 2029 Notes and the 2031 Notes.

**"Officer"** means anyone of the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Operating Officer, any Vice President, the Treasurer, the Secretary or the Controller of the Company.

**"Officer's Certificate"** means a certificate signed by any one of the principal executive officer, principal financial officer or principal accounting officer of the Company or a Guarantor, as applicable.

**"Opinion of Counsel"** means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 13.05 hereof. The counsel may be an employee of or counsel to the Company, any Subsidiary or the Trustee.

**"Permitted Liens"** means:

(i) Liens securing ABL Obligations, provided that the incurrence by the Company and the Guarantors of Debt (including the issuance of letters of credit) under the ABL Credit Facility (with letters of credit being deemed to have a principal amount equal to the face amount thereof) shall not exceed, in aggregate principal amount outstanding at any one time, the greater of (x) \$3,500.0 million and (y) the Borrowing Base;

(ii) Liens securing Secured Notes Obligations;

(iii) *[Intentionally Omitted]*;

(iv) Liens existing on assets at the time of acquisition thereof, or incurred to secure the payment of all or part of the cost of the purchase or construction price of Property, or to secure Debt incurred or guaranteed for the purpose of financing all or part of the purchase or construction price of Property or the cost of improvements on Property, which Debt is incurred or guaranteed prior to, at the time of, or within 180 days after the later of such acquisition or completion of such improvements or construction or commencement of commercial operation of the assets;

(v) Liens in favor of the Company or any Guarantor or, with respect to any Foreign Subsidiary, in favor of the Company or any Subsidiary;

(vi) Liens on Property of a Person existing at the time such Person is merged into or consolidated with the Company or a Subsidiary or at the time of a purchase, lease or other acquisition of the Property of a Person as an entirety or substantially as an entirety by the Company or a Subsidiary;

(vii) Liens on the Company's Property or that of a Subsidiary in favor of the United States of America or any State thereof, or any political subdivision thereof, or in favor of any other country, or any political subdivision thereof, to secure certain payments pursuant to any contract or statute or to secure any indebtedness incurred or guaranteed for the purpose of financing all or any part of the purchase price or the cost of construction of the Property subject to such Liens (including, but not limited to, Liens incurred in connection with pollution control industrial revenue bond or similar financing);

(viii) (a) pledges or deposits under worker's compensation laws, unemployment insurance and other social security laws or regulations or similar legislation, or to secure liabilities to insurance carriers under insurance arrangements in respect of such obligations, or good faith deposits, prepayments or cash payments in connection with bids, tenders, contracts or leases, or to secure public or statutory obligations, surety and appeal bonds, customs duties and the like, or for the payment of rent, in each case incurred in, the ordinary course of business

and (b) Liens securing obligations incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance or return-of-money bonds, contractual arrangements with suppliers, reclamation bonds, surety bonds or other obligations of a like nature and incurred in a manner consistent with industry practice;

(ix) Liens imposed by law, such as landlords' carriers', vendors', warehousemen's and mechanics', materialmen's and repairmen's, supplier of materials, architects' and other like Liens arising in the ordinary course of business;

(x) pledges or deposits under workmen's compensation or similar legislation or in certain other circumstances;

(xi) Liens in connection with legal proceedings;

(xii) Liens for taxes or assessments or governmental charges or levies not yet due or delinquent, of which can thereafter be paid without penalty, or which are being contested in good faith by appropriate proceedings;

(xiii) Liens consisting of restrictions on the use of real property that do not interfere materially with the property's use;

(xiv) Liens on Property or shares of Capital Stock or other assets of a Person at the time such Person becomes a Subsidiary, provided such Liens were not created in contemplation thereof and do not extend to any other Property of the Company or any Subsidiary;

(xv) Liens on Property at the time the Company or any of its Subsidiaries acquires such Property, including any acquisition by means of a merger or consolidation with or into the Company or a Subsidiary of such Person, provided such Liens were not created in contemplation thereof and do not extend to any other Property of the Company or any Subsidiary;

(xvi) contract mining agreements and leases or subleases granted to others that do not materially interfere with the ordinary conduct of business of the Company or any of its Subsidiaries;

(xvii) easements, rights of way, zoning and similar restrictions, reservations (including severances, leases or reservations of oil, gas, coal, minerals or water rights), restrictions or encumbrances in respect of real property or title defects that were not incurred in connection with indebtedness and do not in the aggregate materially impair their use in the operation of the business of the Company and its Subsidiaries;

(xviii) Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Company or any Subsidiary on deposit with or in possession of such bank;

(xix) deposits made in the ordinary course of business to secure liability to insurance carriers;

(xx) Liens arising from UCC (or equivalent statute) financing statement filings regarding operating leases or consignments entered into by the Company or any Subsidiary in the ordinary course of business;

(xxi) Liens securing Existing Indebtedness;

(xxii) Liens securing Bank Product Obligations;

(xxiii) options, put and call arrangements, rights of first refusal and similar rights relating to investments in joint ventures and partnerships;

(xxiv) rights of owners of interests in overlying, underlying or intervening strata and/or mineral interests not owned by the Company or any of its Subsidiaries, with respect to tracts of real property where the Company or the applicable Subsidiary's ownership is only surface or severed mineral or is otherwise subject to mineral severances in favor of one or more third parties;

(xxv) royalties, dedication of reserves under supply agreements, mining leases, or similar rights or interests granted, taken subject to, or otherwise imposed on properties consistent with normal practices in the mining industry and any precautionary UCC financing statement filings in respect of leases or consignment arrangements (and not any Debt) entered into in the ordinary course of business;

(xxvi) surface use agreements, easements, zoning restrictions, rights of way, encroachments, pipelines, leases, subleases, rights of use, licenses, special assessments, trackage rights, transmission and transportation lines related to mining leases or mineral rights and/or other real property including any reconveyance obligations to a surface owner following mining, royalty payments, and other obligations under surface owner purchase or leasehold arrangements necessary to obtain surface disturbance rights to access the subsurface mineral deposits and similar encumbrances on real property imposed by law or arising in the ordinary course of business which, in the aggregate, are not substantial in amount and which do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Company or any Subsidiary;

(xxvii) any refinancing, extension, renewal or replacement (or successive refinancings, extensions, renewals or replacements), in whole or in part, of any Lien (a "**Refinanced Lien**") referred to in any of the foregoing clauses ("**Permitted Refinancing Lien**"); provided that any such Permitted Refinancing Lien shall not extend to any other Property, secure a greater principal amount (or accreted value, if applicable) or have a higher priority than the Refinanced Lien;

(xxviii) Liens securing Debt of the Company or any Subsidiary having an aggregate principal amount, as of the Calculation Date, not to exceed the greater of (A) \$1,250.0 million minus the outstanding aggregate principal amount of Debt incurred pursuant to clause (ii) above and (B) an amount that, on a pro forma basis upon giving effect to the incurrence thereof (and application of the net proceeds therefrom), would cause the Company's Consolidated Secured Leverage Ratio to exceed 3.0:1.0; and

(xxix) other Liens, in addition to those permitted in clauses (i) through (xxviii) above, securing Debt of the Company or any Subsidiary having an aggregate principal amount, as of the Calculation Date, not to exceed the greater of (A) \$2,000.0 million and (B) 15% of the Company's Consolidated Net Tangible Assets.

"**Person**" means any individual, corporation, partnership, limited liability company, business trust, association, joint-stock company, joint venture, trust, incorporated or unincorporated organization or government or any agency or political subdivision thereof.

"**Property**" means any property or asset, whether real, personal or mixed, or tangible or intangible.

"**QIB**" means any "**qualified institutional buyer**" as such term is defined in Rule 144A.

"**Rating Agency**" means each of Moody's and Fitch; provided, that if either of Moody's or Fitch ceases to provide rating services to issuers or investors, the Company may appoint another "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act as a replacement for such Rating Agency.

"**Redemption Date**" means, with respect to any redemption of either series of Notes, the date of redemption with respect thereto.

"**Reference Treasury Dealer**" means BofA Securities, Inc. and its successors and assigns, and any other nationally recognized investment banking firm selected by the Company and identified to the Trustee by written notice from the Company that is a primary U.S. Government securities dealer.

"**Reference Treasury Dealer Quotations**" means with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such Redemption Date.

"**Regulation S**" means Regulation S under the Securities Act.

"**Restricted Notes**" means the 2029 Restricted Notes and the 2031 Restricted Notes, collectively.

**"Restricted Notes Legend"** means the legend set forth in Section 2.01(d)(i), and, in the case of the Temporary Regulation S Global Note, the additional legend set forth in Section 2.01(d)(ii).

**"Rule 144A"** means Rule 144A under the Securities Act.

**"Secured Notes"** means the 4.875% Senior Secured Notes due 2024 of the Company issued on December 19, 2017, the 6.75% Senior Secured Notes due 2026 of the Company issued on March 13, 2020 and June 19, 2020 and the 9.875% Senior Secured Notes due 2025 of the Company issued on April 17, 2020 and April 21, 2020, in each case, the Obligations of which are guaranteed by the Guarantors.

**"Secured Notes Documents"** means any documents or instruments evidencing or governing any Secured Notes Obligations.

**"Secured Notes Obligations"** means Debt outstanding under the Secured Notes and all other Obligations (not constituting Debt) of the Company or any Guarantor under the Secured Notes.

**"Securities Act"** means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

**"Significant Subsidiary"** means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02(w)(1) or (2) of Regulation S-X promulgated under the Securities Act, as such regulation is in effect on the Issue Date.

**"Stated Maturity"** means, with respect to any installment of interest or principal on any Debt, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Debt, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

**"Subsidiary"** means any corporation, partnership or other legal entity (a) the accounts of which are consolidated with the Company's in accordance with GAAP and (b) of which, in the case of a corporation, more than 50% of the outstanding voting stock is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries or, in the case of any partnership or other legal entity, more than 50% of the ordinary equity capital interests is, at the time, directly or indirectly owned or controlled by the Company or by one or more other Subsidiaries or by the Company and one or more other Subsidiaries.

**"TIA" or "Trust Indenture Act"** means the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbbb).

**"Treasury Rate"** means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the date fixed for redemption (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the then remaining average life to March 1, 2024 in the case of the 2029 Notes, and March 1, 2026 in the case of the 2031 Notes, provided, however, that if the average life to March 1, 2024 in the case of the 2029 Notes, and March 1, 2026 in the case of the 2031 Notes, is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the average life to March 1, 2024, in the case of the 2029 Notes and March 1, 2026 in the case of the 2031 Notes, of the Notes is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

**"Trust Officer"** means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any managing director, director, vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

“**Trustee**” means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

“**UCC**” means the Uniform Commercial Code (or any similar equivalent legislation) as in effect from time to time in the State of New York.

“**Unsecured Notes Obligations**” means Cleveland-Cliffs Steel Corporation’s 7.625% senior notes due 2021, Cleveland-Cliffs Steel Corporation’s 7.50% senior notes due 2023, the Company’s 6.375% senior guaranteed notes due 2025, Cleveland-Cliffs Steel Corporation’s 6.375% senior notes due 2025, the Company’s 1.50% convertible senior notes due 2025, the Company’s 5.75% senior notes due 2025, the Company’s 7.00% senior guaranteed notes due 2027, Cleveland-Cliffs Steel Corporation’s 7.00% senior notes due 2027, the Company’s 5.875% senior guaranteed notes due 2027 and the Company’s 6.25% senior notes due 2040, and all other Obligations under such Debt.

“**U.S. Government Obligations**” means debt securities that are:

(a) direct obligations of The United States of America for the payment of which its full faith and credit is pledged; or

(b) obligations of a person controlled or supervised by and acting as an agency or instrumentality of The United States of America the full and timely payment of which is unconditionally guaranteed as full faith and credit obligations by The United States of America, which, in either case, are not callable or redeemable at the option of the issuer itself and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt. Except as required by law, such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation evidenced by such depository receipt.

“**U.S. Subsidiary**” of any specified Person means a Subsidiary of such Person that is organized under the laws of any state of the United States or the District of Columbia.

“**Voting Stock**” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote generally in the election of the Board of Directors of such Person.

“**Wholly-Owned Subsidiary**” of any specified Person means a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors’ qualifying shares or investments by foreign nationals mandated by applicable law) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

#### Section 1.02. *Other Definitions.*

<b>Term</b>	<b>Section</b>
“2029 Additional Restricted Notes”	2.01(b)
“2029 Permanent Regulation S Global Note”	2.01(b)
“2029 Regulation S Global Note”	2.01(b)
“2029 Regulation S Notes”	2.01(b)
“2029 Rule 144A Global Note”	2.01(b)
“2029 Rule 144A Notes”	2.01(b)
“2029 Temporary Regulation S Global Note”	2.01(b)
“2031 Additional Restricted Notes”	2.01(b)
“2031 Permanent Regulation S Global Note”	2.01(b)
“2031 Regulation S Global Note”	2.01(b)
“2031 Regulation S Notes”	2.01(b)

"2031 Rule 144A Global Note"		2.01(b)
"2031 Rule 144A Notes"		2.01(b)
"2031 Temporary Regulation S Global Note"		2.01(b)
"Additional Restricted Notes"		2.01(b) 2.01(e)
"Agent Members"	(iii)	
"Authenticating Agent"		2.02
"Change of Control Offer"		3.06(a)
"Change of Control Payment"		3.06(a)
"Change of Control Payment Date"		3.06(b)
"Clearstream"		2.01(b)
"Company Order"		2.02
"Covenant Defeasance"		8.03
"Defaulted Interest"		2.14
"Euroclear"		2.01(b)
"Event of Default"		6.01
"Global Notes"		2.01(b)
"Guaranteed Obligations"		10.01
"Legal Defeasance"		8.02
"Notes Register"		2.03
"Notice of Change of Control Offer"		3.06(b)
"Paying Agent"		2.03
"Payment Default"		6.01(e)
"Permanent Regulation S Global Note"		2.01(b)
"Permitted Refinancing Lien"		1.01
"protected purchaser"		2.10
"Refinanced Lien"		1.01
"Registrar"		2.03
"Regulation S Global Note"		2.01(b)
"Regulation S Notes"		2.01(b)
"Resale Restriction Termination Date"		2.06(b)
"Restricted Period"		2.01(b)
"Rule 144A Global Note"		2.01(b)
"Rule 144A Notes"		2.01(b)
"Special Record Date"		2.14(a)
"Successor Company"		4.01(a)
"successor person"		4.01(a)
"Temporary Regulation S Global Note"		2.01(b)

Section 1.03. *Trust Indenture Act*. The following TIA terms have the following meanings:

"**Commission**" means the Securities and Exchange Commission.

"**Indenture securities**" means the Notes.

"**obligor**" on the Indenture securities means the Company and any other obligor on the Indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined in the TIA by reference to another statute or defined by Commission rule have the meanings assigned to them by such definitions. For the avoidance of doubt, the Company shall not be required to qualify this Indenture under the TIA.

Section 1.04. *Rules of Construction.* Unless the context otherwise requires:

- (a) a term has the meaning assigned to it;
- (b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (c) “or” is not exclusive;
- (d) the words “including,” “includes” and similar words shall be deemed to be followed by “without limitation”;
- (e) words in the singular include the plural and words in the plural include the singular;
- (f) the principal amount of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP;
- (g) all amounts expressed in this Indenture or in any of the Notes in terms of money refer to the lawful currency of the United States of America;
- (h) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;
- (i) “will” shall be interpreted to express a command;
- (j) provisions apply to successive events and transactions;
- (k) references to sections of, or rules under, the Securities Act or the Exchange Act will be deemed to include substitute, replacement or successor sections or rules adopted by the Commission from time to time;
- (l) unless the context otherwise requires, any reference to an “Article,” “Section” or “clause” refers to an Article, Section or clause, as the case may be, of this Indenture; and
- (m) words used herein implying any gender shall apply to both genders.

## ARTICLE 2 THE NOTES

Section 2.01. *Form, Dating and Terms.*

(a) The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is unlimited. The 2029 Initial Notes issued on the date hereof will be in an aggregate principal amount of \$500,000,000. The 2031 Initial Notes issued on the date hereof will be in an aggregate principal amount of \$500,000,000. In addition, the Company may issue, from time to time in accordance with the provisions of this Indenture, Additional Notes (as provided herein). Furthermore, Notes may be authenticated and delivered upon registration of transfer, exchange or in lieu of, other Notes of such series pursuant to Sections 2.02, 2.06, 2.10, 2.12, 5.06 or 9.05 or in connection with a Change of Control Offer pursuant to Section 3.06.

Notwithstanding anything to the contrary contained herein, the Company may not issue any Additional Notes, unless immediately after giving effect to such issuance, no Event of Default shall have occurred and be continuing.

The 2029 Initial Notes shall be known and designated as “4.625% Senior Guaranteed Notes due 2029” of the Company and the 2031 Initial Notes shall be known and designated as “4.875% Senior Guaranteed Notes due 2031” of the Company. Any 2029 Additional Notes shall be known and designated as “4.625% Senior Guaranteed Notes due 2029” of the Company and any 2031 Additional Notes shall be known and designated as the “4.875%



Senior Guaranteed Notes due 2031” of the Company. Any Additional Notes that are not fungible with the Initial Notes of such series for U.S. federal income tax purposes will have a separate CUSIP number.

With respect to any Additional Notes, the Company shall set forth in (i) an Officer’s Certificate or (ii) one or more indentures supplemental hereto, the following information:

- (i) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture; and
- (ii) the issue price and the issue date of such Additional Notes, including the date from which interest shall accrue.

In authenticating and delivering Additional Notes, the Trustee shall be entitled to receive and shall be fully protected in relying upon, in addition to the Opinion of Counsel and Officer’s Certificate required by Section 13.04, an Opinion of Counsel as to the due authorization, execution, delivery, validity and enforceability of such Additional Notes.

The Initial Notes of each series and the Additional Notes of such series shall be considered collectively as a single class for all purposes of this Indenture. Holders of the Initial Notes of each series and the Additional Notes of such series will vote and consent together on all matters to which such Holders are entitled to vote or consent as one class, and none of the Holders of the Initial Notes of each series or the Additional Notes of such series shall have the right to vote or consent as a separate class on any matter to which such Holders are entitled to vote or consent.

The terms of any Additional Notes shall be established by action taken pursuant to a Board Resolution of the Company and a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officer’s Certificate or this Indenture supplemental hereto setting forth the terms of the Additional Notes. For the avoidance of any doubt, any Additional Notes that are issued in connection with a transaction in which an Officer’s Certificate and Opinion of Counsel were delivered shall be valid for all purposes and constitute Additional Notes hereunder, even if subsequently it is determined that such issuance was not in compliance with the covenants of this Indenture.

(b) The Initial Notes are being offered and issued by the Company pursuant to the Offering Memorandum. The 2029 Initial Notes and any 2029 Additional Notes (if issued as 2029 Restricted Notes) (the “**2029 Additional Restricted Notes**”) and the 2031 Initial Notes and any 2031 Additional Notes (if issued as 2031 Restricted Notes) (the “**2031 Additional Restricted Notes**”) and together with the 2029 Additional Restricted Notes, the “**Additional Restricted Notes**”) will be placed initially only with (A) QIBs in reliance on Rule 144A and (B) Non-U.S. Persons in reliance on Regulation S. Such Initial Notes and Additional Restricted Notes may thereafter be transferred to, among others, QIBs and purchasers in reliance on Regulation S, in each case, in accordance with the procedure described herein. Additional Notes offered after the date hereof may be offered and sold by the Company from time to time pursuant to one or more purchase agreements in accordance with applicable law.

2029 Restricted Notes and 2029 Additional Restricted Notes offered and sold to QIBs in the United States of America in reliance on Rule 144A (the “**2029 Rule 144A Notes**”) shall be issued in the form of a permanent global Note substantially in the form of Exhibit A hereto, which is hereby incorporated by reference and made a part of this Indenture, including appropriate legends as set forth in clause (d) below (the “**2029 Rule 144A Global Note**”), deposited with the Trustee, as custodian for DTC, duly executed by the Company and authenticated by the Trustee as hereinafter provided. 2031 Restricted Notes and 2031 Additional Restricted Notes offered and sold to QIBs in the United States of America in reliance on Rule 144A (the “**2031 Rule 144A Notes**”) and, together with the 2029 Rule 144A Notes, the “**Rule 144A Notes**”) shall be issued in the form of a permanent global Note substantially in the form of Exhibit B hereto, which is hereby incorporated by reference and made a part of this Indenture, including appropriate legends as set forth in clause (d) below (the “**2031 Rule 144A Global Note**”) and, together with the 2029 Rule 144A Global Note, the “**Rule 144A Global Note**”), deposited with the Trustee, as custodian for DTC, duly executed by the Company and authenticated by the Trustee as hereinafter provided.

The Rule 144A Global Note may be represented by more than one certificate, if so required by DTC’s rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Rule 144A Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC or its nominee, as hereinafter provided.

2029 Restricted Notes and any 2029 Additional Restricted Notes offered and sold outside the United States of America in reliance on Regulation S (the “**2029 Regulation S Notes**”) shall initially be issued in the form of a temporary global Note (the “**2029 Temporary Regulation S Global Note**”), without interest coupons. 2031 Initial Notes and any 2031 Additional Restricted Notes offered and sold outside the United States of America in reliance on Regulation S (the “**2031 Regulation S Notes**”) and, together with the 2029 Regulation S Notes, the “**Regulation S Notes**”) shall initially be issued in the form of a temporary global Note (the “**2031 Temporary Regulation S Global Note**”) and, together with the 2029 Temporary Regulation S Global Note, the “**Temporary Regulation S Global Note**”), without interest coupons. Beneficial interests in the 2029 Temporary Regulation S Global Note will be exchanged for beneficial interests in a corresponding permanent global 2029 Note, without interest coupons, substantially in the form of Exhibit A hereto, including appropriate legends as set forth in clause (d) below (the “**2029 Permanent Regulation S Global Note**”) and, together with the 2029 Temporary Regulation S Global Note, each a “**2029 Regulation S Global Note**”) within a reasonable period after the expiration of the Restricted Period (as defined below) and upon (i) delivery by the Company of a certification or other evidence in a form reasonably acceptable to the Trustee of non-United States beneficial ownership of 100% of the aggregate principal amount of the 2029 Temporary Regulation S Global Note or (ii) receipt by the Trustee of an Officer’s Certificate certifying as to the expiration of the Restricted Period and instructing the Trustee to authenticate a 2029 Permanent Regulation S Global Note. Beneficial interests in the 2031 Temporary Regulation S Global Note will be exchanged for beneficial interests in a corresponding permanent global 2031 Note, without interest coupons, substantially in the form of Exhibit B hereto, including appropriate legends as set forth in clause (d) below (the “**2031 Permanent Regulation S Global Note**”) (together with the 2029 Permanent Regulation S Global Note, the “**Permanent Regulation S Global Note**”) and, together with the 2031 Temporary Regulation S Global Note, each a “**2031 Regulation S Global Note**”) (together with the 2029 Regulation S Global Note, the “**Regulation S Global Note**”) within a reasonable period after the expiration of the Restricted Period (as defined below) and upon (i) delivery by the Company of a certification or other evidence in a form reasonably acceptable to the Trustee of non-United States beneficial ownership of 100% of the aggregate principal amount of the 2031 Temporary Regulation S Global Note or (ii) receipt by the Trustee of an Officer’s Certificate certifying as to the expiration of the Restricted Period and instructing the Trustee to authenticate a 2031 Permanent Regulation S Global Note. Each Regulation S Global Note will be deposited upon issuance with, or on behalf of, the Trustee as custodian for DTC in the manner described in this Article 2 for credit to the respective accounts of the purchasers (or to such other accounts as they may direct), including, but not limited to, accounts at Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking, S.A. (“**Clearstream**”). Prior to the 40th day after the later of the commencement of the offering of the Initial Notes and the Issue Date (such period through and including such 40th day, the “**Restricted Period**”), interests in the Temporary Regulation S Global Note may only be transferred to Non-U.S. Persons pursuant to Regulation S, unless exchanged for interests in a Rule 144A Global Note of such series in accordance with the transfer and certification requirements described herein.

Investors may hold their interests in the Regulation S Global Note through organizations other than Euroclear or Clearstream that are participants in DTC’s system or directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations which are participants in such systems. If such interests are held through Euroclear or Clearstream, Euroclear and Clearstream will hold such interests in the applicable Regulation S Global Note on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories. Such depositories, in turn, will hold such interests in the applicable Regulation S Global Note in customers’ securities accounts in the depositories’ names on the books of DTC.

The Regulation S Global Note may be represented by more than one certificate, if so required by DTC’s rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Regulation S Global Note of each series may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC or its nominee, as hereinafter provided.

The Rule 144A Global Note and the Regulation S Global Note are sometimes collectively herein referred to as the “**Global Notes.**”

The principal of (and premium, if any) and interest on the Notes shall be payable at the office or agency of the Paying Agent or Registrar designated by the Company (or the Trustee when it is acting as the Registrar and Paying Agent) as may be maintained for such purpose pursuant to Section 2.03; provided, *however*, that, at the option of the Company, each installment of interest may be paid by (i) check mailed (or otherwise delivered) to Holders of the Notes of each series at their registered addresses as they appear on the Notes Register (as defined in Section 2.03) or (ii) wire transfer to an account located in the United States maintained by the payee, subject to

the last sentence of this paragraph. Payments in respect of Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC. Payments in respect of Notes represented by Definitive Notes (including principal, premium, if any, and interest) held by a Holder of at least \$1,000,000 aggregate principal amount of Notes represented by Definitive Notes will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage, in addition to those set forth on Exhibit A hereto, in the case of the 2029 Notes, and Exhibit B hereto, in the case of the 2031 Notes, and in clause (d) below. The Company shall approve any notation, endorsement or legend on the Notes. Each Note shall be dated the date of its authentication. The terms of the Notes set forth in Exhibit A hereto, in the case of the 2029 Notes, and Exhibit B hereto, in the case of the 2031 Notes, are part of the terms of this Indenture and, to the extent applicable, the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to be bound by such terms.

(c) *Denominations*. The Notes shall be issuable only in fully registered form, without coupons, and only in minimum denominations of \$2,000 and any integral multiples of \$1,000 in excess of \$2,000.

(d) *Restrictive Legends*. Unless and until an Initial Note or an Additional Note of each series issued as a Restricted Note is sold under an effective registration statement:

- (i) each series of Rule 144A Global Note and each series of Regulation S Global Note shall bear the following legend on the face thereof:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER

- (1) REPRESENTS THAT

- (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, OR

- (B) IT IS NOT A "U.S. PERSON" (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) AND

- (2) AGREES FOR THE BENEFIT OF CLEVELAND-CLIFFS INC. THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ONLY

- (A) TO CLEVELAND-CLIFFS INC.,

- (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT,

- (C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT,

- (D) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT,

OR

(E) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(C) ABOVE OR (2)(D) ABOVE, A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRUSTEE) MUST BE DELIVERED TO THE TRUSTEE. PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(E) ABOVE, CLEVELAND-CLIFFS INC. RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY RULE 144 EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

(ii) the Temporary Regulation S Global Note of each series shall bear the following additional legend on the face thereof:

THIS NOTE IS A TEMPORARY GLOBAL NOTE. PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD APPLICABLE HERETO, BENEFICIAL INTERESTS HEREIN MAY NOT BE HELD BY ANY PERSON OTHER THAN (1) A NON-U.S. PERSON OR (2) A U.S. PERSON THAT PURCHASED SUCH INTEREST IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). BENEFICIAL INTERESTS HEREIN ARE NOT EXCHANGEABLE FOR PHYSICAL NOTES OTHER THAN A PERMANENT GLOBAL NOTE IN ACCORDANCE WITH THE TERMS OF THE INDENTURE. TERMS IN THIS LEGEND ARE USED AS USED IN REGULATION S UNDER THE SECURITIES ACT.

(iii) each Global Note, whether or not an Initial Note, shall bear the following legend on the face thereof

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

(iv) any Note issued hereunder that has more than a de minimis amount of original issue discount for U.S. federal income tax purposes shall bear a legend in substantially the following form:

THIS NOTE IS ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR PURPOSES OF SECTION 1271 ET SEQ. OF THE INTERNAL REVENUE CODE. A HOLDER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR SUCH NOTE BY SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO:

Cleveland-Cliffs Inc.  
200 Public Square  
Suite 3300  
Cleveland, Ohio 44114  
Attention: Chief Financial Officer

(e) *Book-Entry Provisions.* (i) This Section 2.01(e) shall apply only to Global Notes deposited with the Trustee, as custodian for DTC.

(ii) Each Global Note initially shall (x) be registered in the name of DTC or the nominee of DTC, (y) be delivered to the Trustee as custodian for DTC and (z) bear legends as set forth in Section 2.01(d). Transfers of a Global Note (but not a beneficial interest therein) will be limited to transfers thereof in whole, but not in part, to DTC, its successors or their respective nominees, except as set forth in Section 2.01(e)(v) and Section 2.01(f). If a beneficial interest in a Global Note of any series is transferred or exchanged for a beneficial interest in another Global Note of such series, the Trustee will (x) record a decrease in the principal amount of the Global Note of such series being transferred or exchanged equal to the principal amount of such transfer or exchange and (y) record a like increase in the principal amount of the other Global Note of such series. Any beneficial interest in one Global Note of any series that is transferred to a Person who takes delivery in the form of an interest in another Global Note of such series, or exchanged for an interest in another Global Note of such series, will, upon transfer or exchange, cease to be an interest in such Global Note of such series and become an interest in the other Global Note of such series and, accordingly, will thereafter be subject to all transfer and exchange restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note of such series for as long as it remains such an interest.

(iii) Members of, or participants in, DTC (“**Agent Members**”) shall have no rights under this Indenture with respect to any Global Note held on their behalf by DTC or by the Trustee as the custodian of DTC or under such Global Note, and DTC shall be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or impair, as between DTC and its Agent Members, the operation of customary practices of DTC governing the exercise of the rights of a holder of a beneficial interest in any Global Note.

(iv) In connection with any transfer of a portion of the beneficial interest in a Global Note of any series pursuant to Section 2.01(f) to beneficial owners who are required to hold Definitive Notes, the Notes Custodian shall reflect on its books and records the date and a decrease in the principal amount of such Global Note in an amount equal to the principal amount of the beneficial interest in the Global Note to be transferred, and the Company shall execute, and the Trustee shall, upon written request of the Company, authenticate and make available for delivery, one or more Definitive Notes of such series and of like tenor and amount.

(v) In connection with the transfer of an entire Global Note of any series to beneficial owners pursuant to Section 2.01(f), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall, upon written request of the Company, authenticate and make available for delivery, to each beneficial owner identified by DTC in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Definitive Notes of such series and of authorized denominations.

(vi) The registered Holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(vii) Any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book-entry system maintained by (A) the Holder of such Global Note (or its agent) or (B) any holder of a beneficial interest in such Global Note, and that ownership of a beneficial interest in such Global Note shall be required to be reflected in a book entry.

(f) *Definitive Notes.* (i) Except as provided below, owners of beneficial interests in Global Notes will not be entitled to receive Definitive Notes. If required to do so pursuant to any applicable law or regulation, beneficial owners may obtain Definitive Notes of any series in exchange for their beneficial interests in a Global Note of such series upon written request in accordance with DTC’s and the Registrar’s procedures. In addition, Definitive Notes of any series shall be transferred to all beneficial owners in exchange for their beneficial interests in

a Global Note of such series if (A) DTC notifies the Company that it is unwilling or unable to continue as depositary for such series of Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, at a time when DTC is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Company within 90 days of such notice or, (B) the Company in its sole discretion executes and delivers to the Trustee and Registrar an Officer's Certificate stating that such series of Global Note shall be so exchangeable or (C) an Event of Default has occurred and is continuing and the Registrar has received a request from DTC. In the event of the occurrence of any of the events specified in the preceding sentence or in clause (A), (B) or (C) of the second preceding sentence, the Company shall promptly make available to the Trustee a reasonable supply of Definitive Notes of such series.

(ii) Any Definitive Note delivered in exchange for an interest in a Global Note pursuant to Section 2.01(e)(iv) shall, (A) except as otherwise provided by Section 2.06(d), bear the applicable legend regarding transfer restrictions applicable to the Definitive Note set forth in Section 2.01(d) and (B) be registered in the name of the Holder of the Definitive Note.

(iii) If a Definitive Note of any series is transferred or exchanged for a beneficial interest in a Global Note of such series, the Trustee will (x) cancel such Definitive Note of such series, (y) record an increase in the principal amount of such series of Global Note equal to the principal amount of such transfer or exchange and (z) in the event that such transfer or exchange involves less than the entire principal amount of the canceled certificated Note, the Company shall execute, and the Trustee shall, upon written request of the Company, authenticate and make available for delivery, to the transferring Holder a new Definitive Note of such series representing the principal amount not so transferred.

(iv) If a Definitive Note of any series is transferred or exchanged for another Definitive Note of such series, (x) the Trustee will cancel the Definitive Note of such series being transferred or exchanged, (y) the Company shall execute, and the Trustee shall authenticate and make available for delivery, one or more new Definitive Notes of such series in authorized denominations having an aggregate principal amount equal to the principal amount of such transfer or exchange to the transferee (in the case of a transfer) or the Holder of the canceled Definitive Note (in the case of an exchange), registered in the name of such transferee or Holder, as applicable and (z) if such transfer or exchange involves less than the entire principal amount of the canceled Definitive Note, the Company shall execute, and the Trustee shall, upon written request of the Company, authenticate and make available for delivery to the Holder thereof, one or more Definitive Notes of such series in authorized denominations having an aggregate principal amount equal to the untransferred or unexchanged portion of the canceled Definitive Notes, registered in the name of the Holder thereof.

(v) Notwithstanding anything to the contrary in this Indenture, in no event shall a Definitive Note of any series be delivered upon exchange or transfer of a beneficial interest in the Temporary Regulation S Global Note of such series prior to the end of the Restricted Period.

Section 2.02. *Execution and Authentication.* One Officer shall sign the Notes for the Company by manual, facsimile or electronic (including "pdf") signature. If the Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid until an authorized officer of the Trustee manually authenticates the Note. The signature of the Trustee on a Note shall be conclusive evidence that such Note has been duly and validly authenticated and issued under this Indenture. A Note shall be dated the date of its authentication.

At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall, upon written request of the Company, authenticate and make available for delivery: (a) (i) 2029 Initial Notes for original issue on the Issue Date in an aggregate principal amount of \$500,000,000 and (ii) 2031 Initial Notes for original issue on the Issue Date in an aggregate principal amount of \$500,000,000 and (b) subject to the terms of this Indenture, Additional Notes for original issue in an unlimited principal amount, and (c) under the circumstances set forth in Section 2.06(d), Initial Notes of any series in the form of an Unrestricted Global Note of such series, in each case after receipt of: (i) a written order of the Company signed by one Officer (the "**Company Order**") and (ii) an Opinion of Counsel, addressed to the Trustee, which in the case of (a) above shall be to the effect that this Indenture and the Notes of such series executed prior to or as of the Issue Date have been duly authorized, executed and delivered by the Company and the Guarantors and are enforceable against them, subject to customary enforceability exceptions, and that the issuance of the Notes of such series has been duly authorized.

Such Company Order shall specify whether the Notes of such series will be in the form of Definitive Notes or Global Notes, the amount of the Notes to be authenticated and the date on which the original issue of Notes is to be authenticated and whether the Notes are to be Initial Notes or Additional Notes.

The Trustee may appoint an agent (the "**Authenticating Agent**") reasonably acceptable to the Company to authenticate the Notes. Any such appointment shall be evidenced by an instrument signed by a Trust Officer of the Trustee, a copy of which shall be furnished to the Company. Unless limited by the terms of such appointment, any such Authenticating Agent may authenticate Notes whenever the Trustee is authorized to do so. Each reference in this Indenture to authentication by the Trustee includes authentication by the Authenticating Agent. An Authenticating Agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

In case the Company or any Guarantor, pursuant to Article 4 or Section 10.02, as applicable, shall be consolidated or merged with or into any other Person or shall convey, transfer, lease or otherwise dispose of its properties and assets substantially as an entirety to any Person, and the successor Person resulting from such consolidation, or surviving such merger, or into which the Company or any Guarantor shall have been merged, or the Person which shall have received a conveyance, transfer, lease or other disposition as aforesaid, shall have executed an indenture supplemental hereto with the Trustee pursuant to Article 4 or Section 10.02, as applicable, any of the Notes of any series authenticated or delivered prior to such consolidation, merger, conveyance, transfer, lease or other disposition may, from time to time, at the request of the successor Person, be exchanged for other Notes of such series executed in the name of the successor Person with such changes in phraseology and form as may be appropriate, but otherwise in substance of like tenor as the Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Company Order of the successor Person, shall authenticate and make available for delivery Notes of such series as specified in such order for the purpose of such exchange. If Notes shall at any time be authenticated and delivered in any new name of a successor Person pursuant to this Section 2.02 in exchange or substitution for or upon registration of transfer of any Notes, such successor Person, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time outstanding for Notes authenticated and delivered in such new name.

Section 2.03. *Registrar and Paying Agent.* The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the "**Registrar**") and an office or agency where Notes may be presented for payment (the "**Paying Agent**"). The Registrar shall keep a register of the Notes and of their transfer and exchange (the "**Notes Register**"). The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent and the term "Registrar" includes any co-registrar.

The Company shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of each such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Company or any of its Wholly-Owned Subsidiaries organized in the United States may act as Paying Agent, Registrar or transfer agent.

The Company initially appoints the Trustee as Registrar and Paying Agent for the Notes. So long as U.S. Bank National Association acts as the Registrar and Paying Agent for each series of Notes, the Notes of such series may be presented for registration of transfer or for exchange at the Corporate Trust Office of the Trustee. The Company may remove any Registrar or Paying Agent without prior notice to the Holders of the Notes, but upon written notice to such Registrar or Paying Agent and to the Trustee; provided, however, that no such removal shall become effective until (a) acceptance of any appointment by a successor as evidenced by an appropriate agreement entered into by the Company and such successor Registrar or Paying Agent, as the case may be, and delivered to the Trustee or (b) notification to the Trustee that the Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (a) above. The Registrar or Paying Agent (if other than the Trustee) may resign at any time upon written notice to the Company and the Trustee. The Registrar or Paying Agent (if it is also the Trustee) may resign at any time upon written notice to the Company.

Section 2.04. *Paying Agent to Hold Money in Trust.* By no later than 10:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Note is due and payable, the Company shall deposit with the Paying Agent a sum sufficient in immediately available funds to pay such principal, premium or

interest when due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by such Paying Agent for the payment of principal of, premium, if any, or interest on the Notes of such series (whether such assets have been distributed to it by the Company or other obligors on the Notes of such series), shall notify the Trustee in writing of any default by the Company or any Guarantor in making any such payment and shall during the continuance of any default by the Company (or any other obligor upon the Notes of such series) in the making of any payment in respect of the Notes of such series, upon the written request of the Trustee, forthwith deliver to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Notes of such series together with a full accounting thereof. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds or assets disbursed by such Paying Agent. Upon complying with this Section 2.04 the Paying Agent (if other than the Company or a Subsidiary of the Company) shall have no further liability for the money delivered to the Trustee. Upon any bankruptcy, reorganization or similar proceeding with respect to the Company, the Trustee shall serve as Paying Agent for the Notes of each series.

Section 2.05. *Holder Lists.* The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available and known to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Company, on its own behalf and on behalf of each of the Guarantors, shall furnish or cause the Registrar to furnish to the Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

Section 2.06. *Transfer and Exchange.*

(a) *Transfer of Notes.* A Holder may transfer a Note (or a beneficial interest therein) to another Person or exchange a Note of any series (or a beneficial interest therein) for another Note or Notes of such series and of any authorized denomination by presenting to the Trustee a written request therefor stating the name of the proposed transferee or requesting such an exchange, accompanied by any certification, opinion or other document required by this Section 2.06. The Trustee will promptly register any transfer or exchange that meets the requirements of this Section 2.06 by noting the same in the register maintained by the Trustee for the purpose, and no transfer or exchange will be effective until it is registered in such register. The transfer or exchange of any Note (or a beneficial interest therein) may only be made in accordance with this Section 2.06 and Section 2.01(e) and Section 2.01(f), as applicable, and, in the case of a Global Note (or a beneficial interest therein), the applicable rules and procedures of DTC, Euroclear and Clearstream. The Trustee shall refuse to register any requested transfer or exchange that does not comply with this paragraph.

(b) *Transfers of Rule 144A Notes.* The following provisions shall apply with respect to any proposed registration of transfer of a Rule 144A Note prior to the date which is one year after the later of the date of its original issue and the last date on which the Company or any Affiliate of the Company was the owner of such Notes or the relevant beneficial interest therein (or any predecessor thereto) (the "**Resale Restriction Termination Date**");

(i) a registration of transfer of a Rule 144A Note or a beneficial interest therein to a QIB shall be made upon the representation of the transferee in the form as set forth on the reverse of the Note that it is purchasing for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; provided that no such written representation or other written certification shall be required in connection with the transfer of a beneficial interest in the Rule 144A Global Note of any series to a transferee in the form of a beneficial interest in that Rule 144A Global Note of such series in accordance with this Indenture and the applicable procedures of DTC; and

(ii) a registration of transfer of a Rule 144A Note or a beneficial interest therein to a Non-U.S. Person shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set



forth in Section 2.09 from the proposed transferee and, if requested by the Company, the delivery of an opinion of counsel, certification and/or other information satisfactory to it.

(c) *Transfers of Regulation S Notes*. The following provisions shall apply with respect to any proposed transfer of a Regulation S Note prior to the expiration of the Restricted Period:

(i) a transfer of a Regulation S Note or a beneficial interest therein to a QIB shall be made upon the representation of the transferee, in the form of assignment on the reverse of the certificate, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB, is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; and

(ii) a transfer of a Regulation S Note or a beneficial interest therein to a Non- U.S. Person shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in Section 2.09 from the proposed transferee and, if requested by the Company, receipt by the Trustee or its agent of an opinion of counsel, certification and/or other information satisfactory to the Company.

After the expiration of the Restricted Period, interests in the Regulation S Note may be transferred in accordance with applicable law without requiring the certification set forth in Section 2.09 or any additional certification.

(d) *Restricted Notes Legend*. Upon the transfer, exchange or replacement of Notes of any series not bearing a Restricted Notes Legend, the Registrar shall deliver Notes of such series that do not bear a Restricted Notes Legend. Upon the transfer, exchange or replacement of Notes of such series bearing a Restricted Notes Legend, the Registrar shall deliver only Notes of such series that bear a Restricted Notes Legend unless (i) an Initial Note of such series is being transferred pursuant to an effective registration statement, (ii) Initial Notes of such series are being exchanged for Notes of such series that do not bear the Restricted Notes Legend in accordance with this (d) or (iii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act. Any Additional Notes sold in an offering registered under the Securities Act shall not be required to bear the Restricted Notes Legend.

(e) [Reserved.]

(f) *Retention of Written Communications*. The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.01 or this Section 2.06. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable prior written notice to the Registrar.

(g) *Obligations with Respect to Transfers and Exchanges of Notes* .

(i) To permit registrations of transfers and exchanges, the Company shall, subject to the other terms and conditions of this Article 2, execute and the Trustee shall, upon written request from the Company, authenticate Definitive Notes and Global Notes at the Registrar's request.

(ii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Company may require the Holder to pay a sum sufficient to cover any transfer tax assessments or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to Sections 2.02, 2.06, 2.10, 2.12, 3.06, 5.06 or 9.05).

(iii) The Company (and the Registrar) shall not be required to register the transfer of or exchange of any Note (A) for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days

before an interest payment date and ending on such interest payment date or (B) called for redemption, except the unredeemed portion of any Note being redeemed in part.

(iv) Prior to the due presentation for registration of transfer of any Note, the Company, the Trustee, the Paying Agent or the Registrar shall deem and treat the Person in whose name a Note is registered as the owner of such Note for the purpose of receiving payment of principal or premium, if any, and (subject to paragraph 2 of the forms of Notes attached hereto as Exhibit A and Exhibit B) interest on such Note and for all other purposes whatsoever, including without limitation the transfer or exchange of such Note, whether or not such Note is overdue, and none of the Company, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(v) Any Definitive Note of any series delivered in exchange for an interest in a Global Note of such series pursuant to Section 2.01(f) shall, except as otherwise provided by (d), bear the applicable legend regarding transfer restrictions applicable to the Definitive Note set forth in Section 2.01(d).

(vi) All Notes of any series issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes of such series surrendered upon such transfer or exchange.

(h) *No Obligation of the Trustee.* (i) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Note, a member of, or a participant in, DTC or other Person with respect to the accuracy of the records of DTC or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than DTC) of any notice (including any notice of redemption or purchase) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to the registered Holders (which shall be DTC or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through DTC subject to the applicable rules and procedures of DTC. The Trustee may rely and shall be fully protected in relying upon information furnished by DTC with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among DTC participants, members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance on their face as to form with the express requirements hereof.

(i) *Affiliate Holders.* By accepting a beneficial interest in a Global Note, any Person that is an Affiliate of the Company agrees to give written notice to the Company, the Trustee and the Registrar of the acquisition and its Affiliate status.

Section 2.07. *[Intentionally Omitted].*

Section 2.08. *[Intentionally Omitted].*

Section 2.09. *Form of Certificate to be Delivered in Connection with Transfers Pursuant to Regulation S.* The form of certificate to be delivered in connection with transfers of a Regulation S Note or a beneficial interest therein shall be substantially in the form set forth in Exhibit D hereto.

Section 2.10. *Mutilated, Destroyed, Lost or Stolen Notes.* If a mutilated Note of any series is surrendered to the Registrar or if the Holder of a Note of such series claims that the Note of such series has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall, upon written request from the Company, authenticate a replacement Note of such series if the requirements of Section 8-405 of the Uniform Commercial

Code are met, such that the Holder (a) satisfies the Company or the Trustee that such Note has been lost, destroyed or wrongfully taken within a reasonable time after such Holder has notice of such loss, destruction or wrongful taking and the Registrar has not registered a transfer prior to receiving such notification, (b) makes such request to the Company or Trustee prior to such Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "protected purchaser") and (c) satisfies any other reasonable requirements of the Trustee; provided, however, if after the delivery of such replacement Note, a protected purchaser of the Note for which such replacement Note was issued presents for payment or registration such replaced Note, the Trustee or the Company shall be entitled to recover such replacement Note from the Person to whom it was issued and delivered or any Person taking therefrom, except a protected purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Company or the Trustee in connection therewith. If required by the Trustee or the Company, such Holder shall furnish an indemnity bond sufficient in the judgment of the Company and the Trustee to protect the Company, the Trustee, the Paying Agent and the Registrar from any loss which any of them may suffer if a Note is replaced, and, in the absence of written notice to the Company, any Guarantor or the Trustee that such Note has been acquired by a protected purchaser, the Company shall execute, and upon receipt of a Company Order the Trustee shall authenticate and make available for delivery, in exchange for any such mutilated Note of such series or in lieu of any such destroyed, lost or stolen Note of such series, a replacement Note of such series of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Company in its discretion may, instead of issuing a replacement Note, pay such Note.

Upon the issuance of any replacement Note under this Section 2.10, the Company may require that such Holder pay a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of counsel and of the Trustee) in connection therewith.

Subject to the proviso in the initial paragraph of this Section 2.10, every replacement Note of any series issued pursuant to this Section 2.10 in lieu of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, any Guarantor (if applicable) and any other obligor upon the Notes of such series, whether or not the mutilated, destroyed, lost or stolen Note of such series shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Notes of such series duly issued hereunder.

The provisions of this Section 2.10 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

**Section 2.11. *Outstanding Notes.*** Notes outstanding at any time are all Notes authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation and those described in this Section 2.11 as not outstanding. A Note does not cease to be outstanding in the event the Company or an Affiliate of the Company holds such Note; provided, however, that in determining whether the Trustee shall be protected in making a determination whether the Holders of the requisite principal amount of outstanding Notes of such series are present at a meeting of Holders of Notes for quorum purposes or have consented to or voted in favor of any request, demand, authorization, direction, notice, consent, waiver, amendment or modification hereunder, or relying upon any such quorum, consent or vote, only Notes of such series which a Trust Officer of the Trustee actually knows to be held by the Company or a Subsidiary shall not be considered outstanding. If a Note is replaced pursuant to Section 2.10 (other than a mutilated Note surrendered for replacement), it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Note is held by a protected purchaser. A mutilated Note ceases to be outstanding upon surrender of such Note and replacement pursuant to Section 2.10.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, on a Redemption Date or maturity date money sufficient to pay all principal, premium, if any, and accrued interest payable on that date with respect to the Notes (or portions thereof) of any series to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) of such series cease to be outstanding and interest on them ceases to accrue.

Section 2.12. *Temporary Notes.* In the event that Definitive Notes of any series are to be issued under the terms of this Indenture, until such Definitive Notes of such series are ready for delivery, the Company may prepare and the Trustee shall, upon written request from the Company, authenticate temporary Notes for such series, which shall be maintained in registered form in accordance with Section 2.03. Temporary Notes of each series shall be substantially in the form, and shall carry all rights, of Definitive Notes of such series but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall, upon written request from the Company, authenticate Definitive Notes. After the preparation of Definitive Notes, the temporary Notes shall be exchangeable for Definitive Notes upon surrender of the temporary Notes at any office or agency maintained by the Company for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes of each series, the Company shall execute, and the Trustee shall, upon written request from the Company, authenticate and make available for delivery in exchange therefor, one or more Definitive Notes of such series representing an equal principal amount of Notes of such series. Until so exchanged, the Holder of temporary Notes of each series shall in all respects be entitled to the same benefits under this Indenture as a Holder of Definitive Notes of such series.

Section 2.13. *Cancellation.* The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes of each series surrendered for registration of transfer, exchange, payment or cancellation and dispose of such Notes in accordance with its internal policies and customary procedures including delivery of a certificate describing such Notes disposed (subject to the record retention requirements of the Exchange Act) or deliver canceled Notes to the Company pursuant to written direction by one Officer. If the Company or any Guarantor acquires any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the Debt represented by such Notes unless and until the same are surrendered to the Trustee for cancellation pursuant to this Section 2.13. The Company may not issue new Notes of each series to replace Notes of such series it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a transfer or exchange.

At such time as all beneficial interests in a Global Note have either been exchanged for Definitive Notes, transferred, redeemed, repurchased or canceled, such Global Note shall be returned by DTC to the Trustee for cancellation or retained and canceled by the Trustee. At any time prior to such cancellation, if any beneficial interest in a Global Note of each series is exchanged for Definitive Notes of such series, transferred in exchange for an interest in another Global Note of such series, redeemed, repurchased or canceled, the principal amount of Notes of such series represented by such Global Note shall be reduced and an adjustment shall be made on the books and records of the Trustee (if it is then the Notes Custodian for such Global Note) with respect to such Global Note, by the Trustee or the Notes Custodian, to reflect such reduction.

Section 2.14. *Payment of Interest; Defaulted Interest.* Interest on any Note which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the Person in whose name such Note (or one or more predecessor Notes) is registered at the close of business on the regular record date for such payment at the office or agency of the Company maintained for such purpose pursuant to Section 2.03.

Any interest on any Note of any series which is payable, but is not paid when the same becomes due and payable and such nonpayment continues for a period of 30 days shall forthwith cease to be payable to the Holder on the regular record date, and such defaulted interest and (to the extent lawful) interest on such defaulted interest at the rate borne by the Notes of such series (such defaulted interest and interest thereon herein collectively called "**Defaulted Interest**") shall be paid by the Company, at its election in each case, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes (or their respective predecessor Notes) are registered at the close of business on a Special Record Date (as defined below) for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date (not less than 25 days after the Trustee's receipt of such notice) of the proposed payment (the "**Special Interest Payment Date**"), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this

clause provided. Thereupon the Company shall fix a record date (the “**Special Record Date**”) for the payment of such Defaulted Interest, which date shall be not more than 15 days and not less than 10 days prior to the Special Interest Payment Date and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Company shall promptly notify the Trustee in writing of such Special Record Date, and in the name and at the expense of the Company, the Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor to be given in the manner provided for in Section 13.02, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor having been so given, such Defaulted Interest shall be paid on the Special Interest Payment Date to the Persons in whose names the Notes (or their respective predecessor Notes) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (b).

(b) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 2.14, each Note for each series delivered under this Indenture upon registration of, transfer of or in exchange for or in lieu of any other Note of such series shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note of such series.

Section 2.15. *Computation of Interest.* Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 2.16. *CUSIP, Common Code and ISIN Numbers.* The Company in issuing the Notes may use “CUSIP”, “Common Code” and “ISIN” numbers and, if so, the Trustee shall use “CUSIP”, “Common Code” and “ISIN” numbers in notices of redemption or purchase as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption or purchase and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption or purchase shall not be affected by any defect in or omission of such CUSIP, Common Code and ISIN numbers. The Company shall promptly notify the Trustee in writing of any change in the CUSIP, Common Code and ISIN numbers.

### ARTICLE 3 COVENANTS

Section 3.01. *Payment of Notes.*

The Company will pay or cause to be paid the principal of, premium, if any, and interest on, the Notes of each series on the dates and in the manner provided in the Notes of such series. Principal, premium, if any, and interest will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due.

The Company will pay interest (including post-petition interest in any proceeding under the Bankruptcy Code) on overdue principal at the then applicable interest rate on the Notes of each series to the extent lawful; it will pay interest (including post-petition interest in any proceeding under the Bankruptcy Code) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 3.02. *[Intentionally Omitted].*

Section 3.03. *Restrictions on Liens.* The Company will not, nor will it permit any Guarantor to, incur, issue, assume or guarantee any Debt secured by a Lien (other than Permitted Liens) upon any of its Property (whether

such Property is now owned or hereafter acquired) without in any such case effectively providing that each series of Notes shall be secured equally and ratably with such Debt until such time as such Debt is no longer secured by such Lien; *provided* that if the Debt so secured is subordinated by its terms to such series of the Notes or the applicable Guarantee, the Lien securing such Debt will also be so subordinated by its terms to the Notes of such series and the applicable Guarantee at least to the same extent. Any Lien created for the benefit of the Holders of the Notes of such series pursuant to the foregoing sentence shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Lien securing the Debt that gave rise to the obligation to equally and ratably secure the Notes of such series.

Section 3.04. *Restrictions on Sale and Leaseback Transactions.* (a) The Company shall not, nor shall it permit any Guarantor to, enter into a sale and leaseback transaction of any Property (whether now owned or hereafter acquired), unless:

(i) the Company or such Guarantor would be entitled under this Indenture, to issue, assume or guarantee Debt secured by a Lien upon such Property at least equal in amount to the Attributable Debt in respect of such transaction without equally and ratably securing each series of the Notes, provided that, such Attributable Debt shall thereupon be deemed to be Debt subject to the provisions of Section 3.03; or

(ii) within 180 days, an amount in cash equal to such Attributable Debt is applied to the retirement of funded Debt (debt that matures at or is extendible or renewable at the option of the obligor to a date more than twelve months after the date of the creation of such Debt) ranking *pari passu* with the Notes, of such series, in an amount not less than the greater of (A) the net proceeds of the sale of the Property leased pursuant to the arrangement or (B) the Fair Market Value (as determined in good faith by the Board of Directors) of the Property so leased.

(b) The restrictions set forth in paragraph (a) in this Section 3.04 shall not apply to a sale and leaseback transaction between the Company and a Guarantor or between Guarantors, or that involves the taking back of a lease for a period of less than three years.

Section 3.05. *[Intentionally Omitted].*

Section 3.06. *Change of Control Triggering Event.*

(a) Upon the occurrence of a Change of Control Triggering Event, unless the Company has exercised its right to redeem a series of Notes pursuant to Section 5.07 by giving irrevocable written notice to the Trustee in accordance with this Indenture, each Holder of the applicable series of Notes shall have the right to require the Company to purchase all or a portion of such Holder's Notes pursuant to the offer described in this Section 3.06 (the "**Change of Control Offer**"), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (the "**Change of Control Payment**"), subject to the rights of Holders of such series of Notes on the relevant record date to receive interest due on the relevant interest payment date.

(b) Unless the Company has exercised its right to redeem a series of Notes, within 30 days following the date upon which the Change of Control Triggering Event occurred with respect to such series of Notes or, at the Company's option, prior to any Change of Control but after the public announcement of the pending Change of Control, the Company shall be required to send, by first class mail (or to the extent permitted or required by applicable DTC procedures or regulations with respect to Global Notes, electronically), a written notice to each Holder of the applicable series of Notes, with a copy to the Trustee ("**Notice of Change of Control Offer**"), which Notice of Change of Control Offer shall govern the terms of the Change of Control Offer. Such Notice of Change of Control Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed or otherwise sent, other than as may be required by law (the "**Change of Control Payment Date**"). The Notice of Change of Control Offer, if mailed or otherwise sent prior to the date of consummation of the Change of Control, shall state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date.

(c) On the Change of Control Payment Date, the Company shall, to the extent lawful:

- (i) accept or cause a third party to accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
  - (ii) deposit or cause a third party to deposit with a Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
  - (iii) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being repurchased and that all conditions precedent to the Change of Control Offer and to the repurchase by the Company of Notes pursuant to the Change of Control Offer have been complied with.
- (d) The Company shall not be required to make a Change of Control Offer with respect to any series of Notes if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by the Company and such third party purchases all Notes of such series that are properly tendered and not withdrawn under its offer.
- (e) The Notice of Change of Control Offer shall describe the transaction or transactions that constitute the Change of Control and state:
    - (i) that the Change of Control Offer is being made pursuant to this Section 3.06 and that all Notes tendered will be accepted for payment;
    - (ii) the Change of Control Payment Date;
    - (iii) that any Note not tendered will continue to accrue interest;
    - (iv) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;
    - (v) any conditions precedent to the consummation of the Change of Control Offer;
    - (vi) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "**Option of Holder to Elect Purchase**" attached to the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the Notice of Change of Control Offer prior to the close of business on the third Business Day preceding the Change of Control Payment Date;
    - (vii) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile, or electronic transmission in the form of a "pdf" on letterhead (if applicable) and signed by an authorized signer or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have the Notes purchased; and
    - (viii) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to \$2,000 in principal amount or an integral multiple of \$1,000.
  - (f) On the Change of Control Payment Date, the Company will, to the extent lawful: (i) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
    - (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
    - (iii) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Paying Agent will promptly mail or deliver (but in any case not later than five days after the Change of Control Payment Date) to each Holder of Notes properly tendered the Change of Control Payment to the extent it has been received for such Notes, and the Trustee, upon receipt of the Officer's Certificate referred to in clause (iii) above, will promptly authenticate and mail or otherwise deliver (or cause to be transferred by book entry), at the Company's expense, to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note will be in a principal amount of at least \$2,000 or an integral multiple of \$1,000 in excess thereof. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(g) Notwithstanding anything to the contrary in this Section 3.06, the Company will not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 3.06 applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (ii) notice of redemption has been given pursuant to Section 5.03 hereof, unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditional upon such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

(h) The Company shall comply in all material respects with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with this Section 3.06, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under this Section 3.06 by virtue of any such conflict.

Section 3.07. *Reports to Holders.* Whether or not the Company is then required to file reports with the Commission, the Company shall file with the Commission all such reports and other information as it would be required to file with the Commission by Section 13(a) or 15(d) under the Exchange Act if it were subject thereto within the time periods specified by the Commission's rules and regulations for an accelerated filer (including any extension as would be permitted by Rule 12b-25 under the Exchange Act).

Section 3.08. *Additional Guarantees.* If the Company or any Guarantor acquires or creates another Subsidiary that is a wholly-owned U.S. Subsidiary on or after the Issue Date (other than an Excluded Subsidiary), then, within 60 days of the date of such acquisition or creation, as applicable such Subsidiary must become a Guarantor and execute a supplemental indenture substantially in the form of Exhibit C hereto and the Company must deliver a written request to sign and an Officer's Certificate and an Opinion of Counsel to the Trustee as to the satisfaction of all conditions precedent to such execution under this Indenture.

Section 3.09. *[Intentionally Omitted].*

Section 3.10. *Corporate Existence.* Subject to Article 4, hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(a) its corporate existence, and the corporate, partnership or other existence of each of the Guarantors, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary; and

(b) the rights (charter and statutory), licenses and franchises of the Company and the Guarantors;

provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine as evidenced by an Officer's Certificate to the Trustee that (1) the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and (ii) the loss thereof is not adverse in any material respect to the Holders of the Notes of any series, and provided further, that this Section



3.10 does not prohibit any transaction otherwise permitted by Section 3.04.

Section 3.11. *Compliance Certificate.*

(a) The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Company has kept, observed, performed and fulfilled in all material respects its obligations under this Indenture, and further stating, as to the Officer signing such certificate, that to his or her knowledge the Company has kept, observed, performed and fulfilled in all material respects each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred and is continuing, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of, premium, if any, or interest on any Note of each series is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) So long as any of the Notes of any series are outstanding, the Company will deliver to the Trustee, within 10 Business Days upon any Officer becoming aware of the occurrence of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 3.12. *Further Instruments and Acts.* The Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 3.13. *Stay, Extension and Usury Laws.* The Company and each of the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 3.14. *Certain Calculations.*

Notwithstanding anything to the contrary herein (including in connection with any calculation made on a pro forma basis), if the terms of this Indenture require (1) compliance with any financial ratio or financial test (including, without limitation, any Consolidated Secured Leverage Ratio test) and/or any cap expressed as a percentage of Consolidated Net Tangible Assets, (2) the absence of a Default or Event of Default (or any type of default or event of default) or (3) compliance with any representation, warranty, basket or other condition, as a condition to the consummation of any transaction (including in connection with any acquisition or similar investment or the assumption or incurrence of Debt or Liens), the determination of whether the relevant condition, in each case of clause (1), (2) and (3) above, is satisfied may be made, at the election of the Company, (i) in the case of any acquisition or similar investment and any transaction related thereto (including the incurrence of any Debt or Liens), at the time of (or on the basis of the financial statements for the most recently ended four quarter period available at the time of) either (x) the execution of the definitive agreement with respect to such acquisition or investment or (y) the consummation of such acquisition or investment, after giving effect to the relevant acquisition or similar investment or other transaction on a pro forma basis (including, in each case, giving effect to the relevant transaction, any relevant Debt (including the intended use of proceeds thereof) and, at the election of the Company, giving pro forma effect to other prospective "limited conditionality" acquisitions or similar investments for which definitive agreements have been executed), and no representation, warranty or covenant shall be deemed to be breached or default or event of default shall be deemed to have occurred solely as a result of an adverse change in such financial ratio or test occurring after the time such election is made (but any subsequent improvement in the

applicable financial ratio or test may be utilized by the Company or any Subsidiary). For the avoidance of doubt, if the Company shall have elected the option set forth in this paragraph in respect of any transaction, then (a) the Company or its Subsidiaries shall be permitted to consummate such transaction even if any applicable test or condition shall cease to be satisfied or representation, warranty or covenant shall be breached subsequent to the Company's election of such option and (b) for purposes of calculating Consolidated EBITDA, the Consolidated EBITDA for CCS and each of its wholly-owned Subsidiaries shall be deemed to be zero for any period prior to December 9, 2020.

#### ARTICLE 4 SUCCESSOR COMPANY

##### Section 4.01. *Consolidation, Merger or Sale of Assets.*

(a) The Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of our properties and assets to, any Person (a "**successor person**") unless:

(i) The Company is the surviving corporation or the successor person (if other than the Company) is a corporation organized and validly existing under the laws of any U.S. jurisdiction and expressly assumes the Company's obligations on each series of Notes and under this Indenture;

(ii) immediately after giving effect to the transaction, no Event of Default, and no event which, after notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing under this Indenture; and

(iii) the Company will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this Indenture and all conditions precedent are satisfied.

(a) No Guarantor will consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its properties and assets to a successor person unless:

(i) (A) the successor person is the Company or a Guarantor or a Person that becomes a Guarantor concurrently with the transaction; (B) such Guarantor is the surviving entity or the successor person is validly existing under the laws of any U.S. jurisdiction and expressly assumes such Guarantor's obligations on its Guarantee and under this Indenture; (C) immediately after giving effect to the transaction, no Default or Event of Default, and no event which, after notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing under this Indenture; and (D) the Guarantor will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this Indenture and all conditions precedent are satisfied; or

(ii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all of the properties and assets of the Guarantor (in each case other than to the Company or a Guarantor) in a transaction not otherwise prohibited or restricted by this Indenture.

Notwithstanding the foregoing, any Subsidiary may consolidate with, merge into or transfer all or part of its properties and assets to the Company or a Guarantor.

#### ARTICLE 5 REDEMPTION AND PREPAYMENT

Section 5.01. *Notices to Trustee.* If the Company elects to redeem Notes of any series pursuant to the optional redemption provisions of Section 5.07, it must furnish to the Trustee, at least 12 days (or such shorter time

as acceptable by the Trustee) but not more than 60 days before a Redemption Date, an Officer's Certificate setting forth:

- (a) the clause of this Indenture pursuant to which the redemption shall occur;
- (b) the Redemption Date;
- (c) the principal amount of Notes of such series to be redeemed; and
- (d) the redemption price.

Any redemption referenced in such Officer's Certificate may be cancelled by the Company at any time prior to notice of redemption being mailed or otherwise delivered to any Holder and thereafter shall be null and void.

Section 5.02. *Selection of Notes to Be Redeemed or Purchased.* If less than all of the Notes of any series are to be redeemed pursuant to Section 5.07 hereof or purchased in a Change of Control Offer pursuant to Section 3.06 hereof, the Trustee will select Notes of such series for redemption or purchase (i) if the Notes of such series are Global Notes, pursuant to the applicable rules of DTC, and (ii) if the Notes of such series are Definitive Notes, on a pro rata basis or as required by the rules of the depositary except:

- (a) if the Notes of such series are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes of such series are listed;
- (b) to the extent that selection on a pro rata basis is not practicable, by lot or as required by the rules of DTC; or
- (c) if otherwise required by law.

No Notes of \$2,000 or less can be redeemed in part. In the event of partial redemption, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 10 days nor more than 60 days prior to the redemption or purchase date by the Trustee from the outstanding Notes not previously called for redemption or purchase.

The Trustee will promptly notify the Company in writing of the Notes of such series selected for redemption or purchase and, in the case of any Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in amounts of \$2,000 or whole multiples of \$1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of \$1,000, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 5.03. *Notice of Redemption.* At least 10 days but not more than 60 days before a Redemption Date, the Company will deliver by electronic transmission (including "pdf" on letterhead (if applicable) and signed by an authorized signer), mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Articles 8 or 12. The Company shall promptly provide a copy of such notice of redemption to the Trustee.

The notice will identify the Notes (including the CUSIP number) to be redeemed and will state:

- (a) the Redemption Date;
- (b) the redemption price;

- (c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note;
- (d) the name and address of the Paying Agent;
- (e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;
- (f) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the Redemption Date;
- (g) the paragraph or sub-paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;
- (h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes; and
- (i) if such redemption is pursuant to Section 5.07(a), any conditions to such redemption.

At the Company's request, the Trustee will deliver the notice of redemption in the Company's name and at its expense; provided, however, that the Company has delivered to the Trustee, at least 35 days prior to the Redemption Date (or such shorter period as the Trustee shall agree), an Officer's Certificate requesting that the Trustee deliver such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Prior to the mailing or delivery of any notice of redemption of the Notes, the Company shall deliver to the Trustee an Officer's Certificate and an Opinion of Counsel stating that the conditions precedent to the right of redemption have occurred. Any such notice to the Trustee may be cancelled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect.

Notice of any redemption of Notes described herein, whether in connection with an Equity Offering or otherwise, may be given prior to such redemption, and any such redemption or notice may, at the Company's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering. In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice of redemption shall describe each such condition and, if applicable, shall state that such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Company in its sole discretion) by the Redemption Date as stated in such notice. The Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

*Section 5.04. Effect of Notice of Redemption.* Once notice of redemption is mailed or otherwise delivered in accordance with Section 5.03, Notes called for redemption become irrevocably due and payable on the Redemption Date at the redemption price unless such notice of redemption is subject to one or more conditions precedent as permitted by the last paragraph of Section 5.03, in which case such notice of redemption becomes irrevocable once the conditions set forth therein are satisfied.

*Section 5.05. Deposit of Redemption or Purchase Price.* Prior to 11:00 a.m. Eastern Time on the redemption or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued and unpaid interest, if any, on, all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued and unpaid interest, if any, on, all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest to the redemption date or purchase date shall be paid to the Person in

whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest accrued to the redemption or purchase date not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 3.01 hereof.

Section 5.06. *Notes Redeemed or Purchased in Part.* Upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of a written authentication order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered; provided, that each such new Note will be in a principal amount of \$2,000 or integral multiples of \$1,000 in excess thereof. It is understood that, notwithstanding anything in this Indenture to the contrary, only an authentication order and not an Opinion of Counsel or Officer's Certificate is required for the Trustee to authenticate such new Note.

Section 5.07. *Optional Redemption.*

(a) Prior to March 1, 2024, the Company may, at any time and from time to time, redeem in the aggregate up to 35% of the aggregate principal amount of the applicable series of Notes (calculated after giving effect to any issuance of Additional Notes of such series) with the net cash proceeds of one or more Equity Offerings by the Company at a redemption price (expressed as a percentage of principal amount thereof) of 104.625%, in the case of the 2029 Notes, and 104.875%, in the case of the 2031 Notes, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that:

(i) at least 65% of the aggregate principal amount of Notes of such series originally issued under this Indenture (calculated after giving effect to any issuance of Additional Notes of such series) (excluding Notes of such series held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(ii) the redemption occurs within 90 days of the date of the closing of such Equity Offering or contribution.

(b) Prior to March 1, 2024, in the case of the 2029 Notes, and March 1, 2026, in the case of the 2031 Notes, the Company may, at any time and from time to time, also redeem all or a part of the Notes, upon not less than 10 days' nor more than 60 days' prior notice mailed by or on behalf of the Company (or to the extent permitted or required by applicable DTC procedures or regulations with respect to Global Notes sent electronically) by first-class mail to each Holder's registered address or otherwise delivered in accordance with the procedures of DTC, at a redemption price equal to the sum of (i) 100.000% of the principal amount of Notes redeemed and (ii) the Applicable Premium as of, and accrued and unpaid interest to, but excluding, Redemption Date, subject to the rights of Holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

(c) Except pursuant to (a), (b) or (d) of this Section 5.07, the Notes shall not be redeemable at the Company's option.

(d) On or after March 1, 2024, in the case of the 2029 Notes, and March 1, 2026, in the case of the 2031 Notes, the Company may on one or more occasions redeem all or a part of the Notes upon not less than 10 days' nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest on the Notes redeemed, to, but excluding, the applicable Redemption Date, if redeemed during the twelve-month period, beginning on each date set forth below, subject to the rights of Holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

2029 Notes			2031 Notes		
Period	price	Redemption	Period	price	Redemption
March 1, 2024		102.313%	March 1, 2026		102.438%
March 1, 2025		101.156%	March 1, 2027		101.625%
March 1, 2026 and thereafter		100.000%	March 1, 2028		100.813%
			March 1, 2029 and thereafter		100.000%

(e) Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable Redemption Date.

(f) Any redemption pursuant to this Section 5.07 shall be made pursuant to the provisions of Sections 5.01 through 5.06.

Section 5.08. *Mandatory Redemption.* Except to the extent the Company may be required to offer to purchase the Notes pursuant to Section 3.06, the Company is not required to make mandatory repurchase, redemption or sinking fund payments with respect to the Notes. However, the Company may at any time and from time to time purchase Notes in the open market or otherwise.

#### ARTICLE 6 DEFAULTS AND REMEDIES

Section 6.01. *Events of Default.* Each of the following is an “**Event of Default**” with respect to a series of Notes:

(a) a default in the payment of any interest on the Notes of such series, when such payment becomes due and payable, and continuance of that default for a period of 30 days (unless the entire amount of the payment is deposited by the Company with the Trustee or with the Paying Agent prior to the expiration of such period of 30 days);

(b) default in the payment of principal or premium on any Notes of such series when such payment becomes due and payable;

(c) a default in the performance or breach of any other covenant or warranty by the Company in this Indenture, which default continues uncured for a period of 60 days after written notice thereof has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the holders of at least 25% in principal amount of the Notes of such series, as provided in this Indenture;

(d) any Guarantee of a Guarantor that is a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms of this Indenture and the Guarantees) or is declared null and void in a judicial proceeding or any Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under this Indenture;

(e) there occurs a default under any Debt of the Company or any of its Significant Subsidiaries (or the payment of which is guaranteed by the Company or any of the Guarantors), whether such Debt or Guarantee now exists, or is created after the Issue Date if that default:

(i) is caused by a failure to pay any such Debt at its final Stated Maturity (after giving effect to any applicable grace period) (a “**Payment Default**”); or

(ii) results in the acceleration of such Debt prior to its final Stated Maturity,

and, in either case, the aggregate principal amount of any such Debt, together with the aggregate principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$150.0 million or more;

(f) failure by the Company or any of its Significant Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$150.0 million (net of any amount covered by insurance issued by a national insurance company that has not contested coverage), which judgments are not paid, discharged or stayed for a period of 60 days;

(g) the Company or any Guarantor pursuant to or within the meaning of Bankruptcy Code:

- (i) commences a voluntary case,
- (ii) consents to the entry of an order for relief against it in an involuntary case,
- (iii) consents to the appointment of a custodian of it or for all or substantially all of its property,
- (iv) makes a general assignment for the benefit of its creditors, or
- (v) generally is not paying its debts as they become due; or

(h) a court of competent jurisdiction enters an order or decree under the Bankruptcy Code that:

- (i) is for relief against the Company or any Guarantor in an involuntary case;
- (ii) appoints a custodian of the Company or any Guarantor or for all or substantially all of the property of the Company or any of Guarantor; or
- (iii) orders the liquidation of the Company or any Guarantor; and the order or decree remains unstayed and in effect for 60 consecutive days.

(i) If an Event of Default specified under clauses (a) through (f) of this Section 6.01 occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes of any series by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare all such Notes of such series to be due and payable.

Section 6.02. *Acceleration.* In the case of an Event of Default specified in clause (g) or (h) of Section 6.01, with respect to the Company or any Guarantor, all outstanding Notes of any such series will become due and payable immediately without further action or notice.

If an Event of Default (other than an Event of Default described in clause (g) or (h) of Section 6.01) occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes of such series by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all such Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest shall be due and payable immediately.

Section 6.03. *Other Remedies.* If an Event of Default occurs and is continuing, the Trustee may, but shall not be obligated to, pursue any available remedy by proceeding at law or in equity to collect the payment of principal of (or premium, if any) or interest on the Notes of such series or to enforce the performance of any provision of such Notes, this Indenture or the Guarantees.

The Trustee may maintain a proceeding even if it does not possess any of the Notes of such series or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent provided by law, provided, that once all amounts due to Holders under this Indenture and the Notes of such series, including, without limitation, principal, premium and interest, shall have been paid, there shall be no duplication of any recovery provided by such remedies.

Section 6.04. *Waiver of Past Defaults.* Holders of not less than a majority in aggregate principal amount of the then outstanding Notes of either series by written notice to the Trustee may, on behalf of the Holders of all of the Notes of such series, (a) waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium or interest on, the Notes of such series and (b) rescind an acceleration and its consequences. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. *Control by Majority.* The Holders of a majority in aggregate principal amount of the then outstanding Notes of either series may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that it determines conflicts with law or this Indenture, the applicable series of Notes, the Guarantees or, subject to Sections 7.01 and 7.02, that the Trustee determines is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or premium.

Subject to the provisions of this Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture, the Notes and the Guarantees, at the request or direction of any Holders of Notes unless such Holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense.

Section 6.06. *Limitation on Suits.* Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no Holder of a Note of either series may pursue any remedy with respect to this Indenture or the Notes of such series unless:

- (a) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (b) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee in writing to pursue the remedy;
- (c) such Holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense;
- (d) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security or indemnity; and
- (e) Holders of a majority in aggregate principal amount of the then outstanding Notes of such series have not given the Trustee a direction inconsistent with such request within such 60-day period.

Section 6.07. *Rights of Holders to Receive Payment.* Notwithstanding any other provision of this Indenture (including, without limitation, Section 6.06(a)), the right of any Holder to receive payment of principal of, premium (if any) or interest on the Notes of each series held by such Holder, on or after the respective due dates expressed or provided for in the Notes of such series, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder; provided that a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of this Indenture under any property subject to such Lien.

Section 6.08. *Collection Suit by Trustee.* If an Event of Default specified in Section 6.06(a) or (b) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust



against the Company for the whole amount of principal of, premium and interest remaining unpaid on, the Notes of such series and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents, accountants, experts and counsel.

Section 6.09. *Trustee May File Proofs of Claim.* The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents, accountants, experts and counsel) and the Holders allowed in any judicial proceedings relative to the Company, its Subsidiaries or its or their respective creditors or properties and, unless prohibited by law or applicable regulations, may be entitled and empowered to participate as a member of any official committee of creditors appointed in such matter and may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents, accountants, experts and its counsel, and any other amounts due the Trustee under Section 7.07.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. *Priorities.*

(a) If the Trustee collects any money or property pursuant to this Article 6, it shall pay out the money or proceeds of property in the following order:

*FIRST:* to Holders for amounts due and unpaid on the Notes of such series for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes of such series for principal, premium, if any, and interest, respectively; and

*SECOND:* to the Company or to such party as a court of competent jurisdiction shall direct.

(b) The Company shall fix the record date and payment date for any payment to Holders pursuant to this Section 6.10 and provide written notice to the Trustee of such dates.

Section 6.11. *Undertaking for Costs.* In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by the Company, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in outstanding principal amount of the Notes of any series.

ARTICLE 7  
TRUSTEE

Section 7.01. *Duties of Trustee.*

(a) If an Event of Default, of which a Trust Officer of the Trustee has received written notice from the Company, has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use

under the circumstances in the conduct of such Person's own affairs; provided that the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture, the Notes or the Guarantees at the request or direction of any of the Holders unless such Holders have offered the Trustee indemnity or security reasonably satisfactory to it against loss, liability or expense.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, opinions or orders furnished to the Trustee and conforming to the requirements of this Indenture, the Notes or the Guarantees, as applicable. However, in the case of any such certificates or opinions which by any provisions hereof or thereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform on their face to the requirements of this Indenture, the Notes or the Guarantees, as the case may be (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own grossly negligent action, its own grossly negligent failure to act or its own bad faith or willful misconduct, except that:

(i) this Section 7.01(c) does not limit the effect of Section 7.01(b);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer of the Trustee unless it is found by a final, non-appealable judgment of a court of competent jurisdiction that the Trustee was grossly negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05, and

(iv) no provision of this Indenture, the Notes or the Guarantees shall require the Trustee to expend or risk its own funds or otherwise incur any liability (financial or otherwise) in the performance of any of its duties hereunder or thereunder or in the exercise of any of its rights or powers, and the Trustee may refuse to perform any duty or exercise any right or power if it reasonably believes that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to all of the clauses of this Section 7.01.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law, this Indenture or the Notes.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 7.01.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by one Officer.

(i) Except as otherwise specifically provided in this Indenture, the Trustee shall have no obligation to monitor or verify compliance by the Company or any Guarantor with any other obligation or covenant under such documents.

Section 7.02. *Rights of Trustee.* Subject to Section 7.01:

(a) The Trustee may conclusively rely, as to the truth of statements and the correctness of the opinions expressed therein, on and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document (whether in its original or electronic form) believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact, matter or opinion stated in such document. However, the Trustee, in its discretion, may make such further inquiry or investigation into such facts, matters and opinions as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company, at a reasonable time and in a reasonable manner, and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation. The Trustee shall receive and retain financial reports and statements of the Company as provided herein, but shall have no duty whatsoever with respect to the contents thereof, including no duty to review or analyze such reports or statements to determine compliance with covenants or other obligations of the Company.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate and/or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

(c) The Trustee may act through its attorneys, custodians, nominees and agents and shall not be responsible for the misconduct or negligence of any attorney, custodian, nominee or agent appointed with due care.

(d) Subject to Section 7.01(c), the Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers conferred on it by this Indenture.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture, the Notes or the Guarantees shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder or under the Notes or the Guarantees in good faith and in accordance with the advice or opinion of such counsel.

(f) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default or whether any entity or group of entities constitutes a Significant Subsidiary or whether any other event or action has occurred unless written notice of (1) any event which is in fact such a Default or Event of Default or (2) of any such Significant Subsidiary or (3) of any other event or action is received by a Trust Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice describing the Default or Event of Default, Significant Subsidiaries, or other event or action references the Notes and this Indenture and details the nature of such Default or Event of Default. Delivery of reports to the Trustee pursuant to clause (a) above shall not constitute notice to the Trustee of the information contained therein.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture, the Notes or the Guarantees at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the losses, costs, expenses and liabilities which may be incurred by it in compliance with such request or direction.

(j) The Trustee shall not be deemed to have knowledge of any fact or matter unless a Trust Officer of the Trustee has received written notice of such fact at the Corporate Trust Office.

(k) Whenever in the administration of or in connection with this Indenture, the Notes or the Guarantees, the Company is required to provide an Officer's Certificate, the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder or thereunder, the Trustee (unless

other evidence be herein specifically prescribed) may, as the case may be, request and in the absence of bad faith or willful misconduct on its part, rely upon such Officer's Certificate.

(l) In no event shall the Trustee be responsible or liable for any special, indirect, punitive, incidental, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(m) The Trustee may request that the Company and any Guarantor deliver an Officer's Certificate setting forth the names of the individuals and titles of Officers (with specimen signatures) authorized at such times to take specific actions pursuant to this Indenture, which Officer's Certificate may be signed by any person specified as so authorized in any certificate previously delivered and not superseded.

(n) If any party fails to deliver a notice relating to an event the fact of which, pursuant to this Indenture, requires notice to be sent to the Trustee, the Trustee may conclusively rely on its failure to receive such notice as reason to assume no such event occurred.

(o) The Trustee shall not be bound to make any investigation into (i) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, or (ii) the occurrence of any default, or the validity, enforceability, effectiveness or genuineness of this Indenture, or any other agreement, instrument or document.

(p) No provision of this Indenture or the Notes shall require the Trustee to give any bond or surety or to expend or risk its own funds or otherwise incur any liability (financial or otherwise) in the performance of any of its duties hereunder or thereunder or in the exercise of any of its rights or powers, and the Trustee may refuse to perform any duty or exercise any right or power if it reasonably believes that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(q) In the event that the Trustee (in such capacity or in any other capacity hereunder) is unable to decide between alternative courses of action permitted or required by the terms of this Indenture, or in the event that the Trustee is unsure as to the application of any provision of this Indenture, or believes any such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other application provision, or in the event that this Indenture permits any determination by or the exercise of discretion on the part of the Trustee or is silent or is incomplete as to the course of action that the Trustee is required to take with respect to a particular set of facts, the Trustee shall promptly give notice (in such form as shall be appropriate under the circumstances) to the Holders requesting instruction as to the course of action to be adopted, and to the extent the Trustee acts in good faith in accordance with any written instructions received from a majority in aggregate principal amount of the then outstanding Notes of such notes, the Trustee shall not be liable on account of such action to any Person. If the Trustee shall not have received appropriate instruction within 10 days of such notice (or such shorter period as reasonably may be specified in such notice or as may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action as it shall deem to be in the best interests of the Holders and the Trustee shall have no liability to any Person for such action or inaction.

(r) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction of the Holders of a majority in aggregate principal amount of the then outstanding Notes of any series permitted to be given by them under this Indenture.

(s) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty to take such action.

(t) The rights, privileges, protections, immunities and benefits given to U.S. Bank National Association, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, U.S. Bank National Association in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(u) The Trustee shall not have an obligation to invest and reinvest any cash held in the absence of timely and specific written investment direction from the Company. In the absence of written investment direction from the Company, all cash received by the Trustee from the Company shall be placed in a non-interest bearing deposit account. In no event shall the Trustee be liable for the selection of investments or for investment losses incurred thereon.

(v) The Trustee shall not have any liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Company to provide timely written investment direction.

Section 7.03. *Individual Rights of Trustee.* The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company, the Guarantors or their Affiliates with the same rights it would have if it were not the Trustee. Any Paying Agent, Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.12. In addition, the Trustee shall be permitted to engage in transactions with the Company; provided, however, that if the Trustee acquires any conflicting interest (as defined in the TIA), the Trustee must (a) eliminate such conflict within 90 days of acquiring such conflicting interest, (b) apply to the Commission for permission to continue acting as Trustee (if this Indenture has been qualified under the TIA) or (c) resign.

Section 7.04. *Trustee's Disclaimer.* The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Guarantees, or the Notes, shall not be accountable for the Company's use of the proceeds from the sale of the Notes, shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee or any money paid to the Company or upon the Company's direction pursuant to the terms of this Indenture and shall not be responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Notes (including without limitation any preliminary or final offering memorandum) or in the Notes other than the Trustee's certificate of authentication.

Section 7.05. *Notice of Defaults.* If a Default or Event of Default occurs and is continuing and if a Trust Officer of the Trustee receives written notice of such event addressed to its address set forth in Section 13.02, from the Company or a Guarantor, the Trustee shall, at the Company's expense, mail by first-class mail to each Holder at the address set forth in the Notes Register, or otherwise deliver in accordance with the procedures of DTC, notice of the Default or Event of Default within 90 days after it receives notice. Except in the case of a Default or Event of Default in payment of principal of, premium (if any), or interest on any Note (including payments pursuant to the optional redemption or required repurchase provisions of such Note), the Trustee may withhold the notice if and so long as the Trustee in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.06. *Reports by Trustee to Holders.* Within 60 days after each December 15 beginning December 15, 2021, the Trustee shall mail to each Holder a brief report dated as of such December 15 that complies with TIA § 313(a) if and to the extent required thereby (but if no event described in such Section has occurred within the 12 months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA § 313(b) and TIA § 313(c).

A copy of each report at the time of its mailing to Holders shall be mailed by the Trustee to the Company. The Company agrees to notify promptly the Trustee in writing whenever the Notes become listed on any stock exchange and of any delisting thereof and the Trustee shall comply with TIA § 313(d).

Section 7.07. *Compensation and Indemnity.* The Company and Guarantors shall pay to the Trustee from time to time compensation for its acceptance of this Indenture and its services hereunder and under the Notes and the Guarantees, as the Company and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company and Guarantors shall, in addition to the compensation for their services, reimburse the Trustee promptly upon request for all reasonable out-of-pocket expenses incurred or made by it, including, but not limited to, costs of collection, costs of preparing reports, certificates and other documents, costs of preparation and mailing or other delivery of notices to Holders. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants, custodians, nominees and experts. The Company and Guarantors shall jointly and severally indemnify, defend and hold harmless the Trustee, its directors, officers, employees and agents against any and all loss, liability, damages, claims or expense (including reasonable attorneys' fees and expenses) incurred by it without willful misconduct, gross negligence or bad faith on its part in connection with the administration of this trust and the performance of its duties hereunder and under the Notes and

the Guarantees, including the costs and expenses of enforcing this Indenture (including this Section 7.07, the Notes and the Guarantees of defending itself against any claims (whether asserted by any Holder, the Company, or otherwise)). The Trustee shall notify the Company promptly of any claim for which it may seek indemnity of which it has received written notice. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company and Guarantors shall defend the claim and the Trustee shall cooperate at the Company's expense in the defense. The Trustee may have separate counsel and the Company and Guarantors shall pay the reasonable fees and expenses of such counsel; provided, that neither the Company nor any Guarantor need pay for any such settlement made without its consent (such consent not to be unreasonably withheld, conditioned or delayed). This indemnification shall apply to officers, directors, employees, shareholders, and agents of the Trustee.

To secure the Company's and Guarantors' payment obligations in this Section 7.07, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes. Such lien shall survive the satisfaction and discharge of this Indenture (including any termination or rejection hereof under the Bankruptcy Code), final payment in full of the Notes, or the resignation or removal of the Trustee. The Trustee's right to receive payment of any amounts due under this Section 7.07 shall not be subordinate to any other liability or Debt of the Company or Guarantors.

The Company's and Guarantors' payment obligations pursuant to this Section 7.07 shall survive the satisfaction and discharge of this Indenture (including any termination or rejection hereof under the Bankruptcy Code), final payment in full of the Notes and the resignation or removal of the Trustee. Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses or renders services after the occurrence of a Default specified in clause (h) or clause (i) of Section 6.01, the expenses and compensation for services (including the reasonable fees and expenses of its agents, accountants, experts and counsel) are intended to constitute expenses of administration under the Bankruptcy Code.

Section 7.08. *Replacement of Trustee.* The Trustee may resign at any time and be discharged from the trust hereby created by so notifying the Company in writing. The Holders of a majority in aggregate principal amount of either series of the Notes may remove the Trustee by so notifying the removed Trustee and the Company in writing and may appoint a successor Trustee for such series of Notes with the Company's written consent, which consent will not be unreasonably withheld. The Company shall remove the Trustee if:

- (a) the Trustee fails to comply with Section 7.10;
- (b) the Trustee is adjudged bankrupt or insolvent or an order for relief is entered with respect to the Trustee under the Bankruptcy Code;
- (c) a receiver, custodian or other public officer takes charge of the Trustee or its property; or
- (d) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed by the Company or by the Holders of a majority in aggregate principal amount of either series of the Notes (the Trustee in such event being referred to herein as the retiring Trustee) and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason, the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a written notice of its succession to Holders of such series of Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee for such series of Notes to the successor Trustee, *provided* all sums owing to the Trustee hereunder have been paid and subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of at least 10% in aggregate principal amount of the Notes of such series may petition, at the Company's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, unless the Trustee's duty to resign is stayed as provided in TIA § 310(b), any Holder, who has been a bona fide Holder of a Note of such series for at least six months, may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.08 the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09. *Successor Trustee by Merger.* If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; *provided* that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Notes in the name of any predecessor Trustee shall only apply to its successor or successors by merger, consolidation or conversion.

Section 7.10. *Eligibility; Disqualification.* This Indenture shall always have a Trustee that satisfies the requirements of TIA § 310(a)(1), (2) and (5) in every respect. The Trustee shall have a combined capital and surplus of at least \$100 million as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA § 310(b); *provided, however*, that there shall be excluded from the operation of TIA § 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in TIA § 310(b)(1) are met.

Section 7.11. *[Intentionally Omitted].*

Section 7.12. *Preferential Collection of Claims Against the Company.* The Trustee shall comply with TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated therein.

Section 7.13. *Trustee in Other Capacities.* References in this Indenture to the Trustee in any provision of this Indenture shall be understood to include the Trustee acting in its other capacities under this Indenture, including acting in its capacity as Trustee, Registrar and Paying Agent.

Section 7.14. *USA Patriot Act.* The Company acknowledges that, to help the government fight the funding of terrorism and money laundering activities, Federal law requires that the Trustee, like all financial institutions, obtain, verify and record information that identifies each Person who establishes a relationship or opens an account with Trustee. The Company agrees that it will provide the Trustee with such information and documentation it may reasonably request to verify the Company's formation and existence as a legal entity. The Company also agrees that it will provide the Trustee with such financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the Company as the Trustee may reasonably request to satisfy the requirements of Federal law.

Section 7.15. *Calculations in Respect of the Notes.* The Company shall be responsible for making calculations called for under the Notes, including, without limitation, determination of premiums, Additional Notes, original issue discount, conversion rates and adjustments, if any. The Company shall make the calculations in good faith and, absent manifest error, its calculations shall be final and binding on the Holders of the Notes. The

Company shall provide a schedule of its calculations to the Trustee when applicable, and the Trustee shall be entitled to conclusively rely on the accuracy of the Company's calculations without independent verification.

Section 7.16. *Brokerage Confirmations.* The Company acknowledges that regulations of the Comptroller of the Currency grant the Company the right to receive brokerage confirmations of the security transactions as they occur. To the extent contemplated by law, the Company specifically waives any such notification relating to any securities transactions contemplated herein; provided, however, that the Trustee shall send to the Company periodic cash transaction statements that describe all investment transactions.

## ARTICLE 8 LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. *Option to Effect Legal Defeasance or Covenant Defeasance: Defeasance.* The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate delivered to the Trustee, elect to have either Section 8.02 or Section 8.03 be applied to all outstanding Notes of either series and related Guarantees upon compliance with the conditions set forth below in this Article 8.

Section 8.02. *Legal Defeasance and Discharge.* Upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.02, the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the Guarantees) and this Indenture on the date the conditions set forth below are satisfied (hereinafter, "**Legal Defeasance**"). For this purpose, Legal Defeasance means that the Company and the Guarantors will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes of either series (including the Guarantees of such series), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in clauses (a) and (b) below, and to have satisfied all of their other obligations under such Notes, the Guarantees, this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

- (a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium on, such Notes when such payments are due from the trust referred to in Section 8.04;
- (b) the Company's obligations with respect to such Notes under Article 2;
- (c) the rights, powers, trusts, duties and immunities of the Trustee, Paying Agent and Registrar hereunder and the Company's and the Guarantors' obligations in connection therewith; and
- (d) this Section 8.02.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03.

Section 8.03. *Covenant Defeasance.* Upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.03 the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04, be released from each of their obligations under the covenants contained in Sections 3.03, 3.04, 3.06, and 3.07 with respect to the outstanding Notes of a series on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "**Covenant Defeasance**"), and the Notes of such series will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders of Notes of such series (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Guarantees of such series, the Company and the Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any



reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04, Sections 6.01(c) through 6.01(f) will not constitute Events of Default.

Section 8.04. *Conditions to Legal or Covenant Defeasance.* In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or Section 8.03:

(a) the Company shall have deposited or caused to be irrevocably deposited with the Trustee, in trust, money and/or U.S. Government Obligations that, through the payment of interest and principal in accordance with their terms, will provide not later than one day before the due date of any payment of money, an amount in cash, that is sufficient, in the opinion of a nationally recognized firm of independent public accountants to pay and discharge each installment of principal of, premium and interest on and any mandatory sinking fund payments in respect of Notes of a series on the Stated Maturity of those payments in accordance with the terms of this Indenture and the Notes of such series;

(b) such deposit will not result in a breach or violation of, or constitute a default under this Indenture or any other material agreement to which the Company or the Guarantors are bound;

(c) in the case of an election under Section 8.02, the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel reasonably acceptable to the Trustee confirming that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (ii) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the beneficial owners of the outstanding Notes of such series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(d) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the beneficial owners of the outstanding Notes of such series will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(e) the Company must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(f) the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05. *Deposited Money and U.S. Government Obligations to be Held in Trust: Other Miscellaneous Provisions.* Subject to Section 8.06, all money and non-callable U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "**Trustee**") pursuant to Section 8.04 in respect of the outstanding Notes of such series will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes of such series.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non-callable U.S. Government Obligations held by it as provided in Section 8.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. *Repayment to the Company.* Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on, any Note and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Company on its request unless an abandoned property law designates another Person or (if then held by the Company) will be discharged from such trust; and the Holder of such Note will thereafter be permitted to look only to the Company for payment thereof unless an abandoned property law designates another Person, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07. *Reinstatement.* If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 8.02 or Section 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantors' obligations under this Indenture, the Notes, and the Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or Section 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or Section 8.03, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium, if any, or interest on, any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

## ARTICLE 9 AMENDMENTS

Section 9.01. *Without Consent of Holders.* Notwithstanding Section 9.02, the Company, the Guarantors (with respect to the Guarantees) and the Trustee may amend or supplement this Indenture, any series of Notes and the Guarantees without the consent of any Holder of such series (except that no existing Guarantor need execute a supplemental indenture pursuant to clause (h) below):

- (a) to cure any ambiguity, defect or inconsistency;
- (b) to provide for uncertificated Notes in addition to or in place of certificated Notes;
- (c) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of such series of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable;
- (d) to make any change that would provide any additional rights or benefits to the Holders of such series of Notes or that does not adversely affect the legal rights hereunder or under such Notes and the Guarantees of any such Holder;
- (e) *[Intentionally Omitted]*;
- (f) to conform the text of this Indenture, the Guarantees or the Notes of such series to any provision of the "Description of the Notes" section of the Offering Memorandum;

(g) to provide for the issuance of Additional Notes of such series in accordance with the limitations set forth in this Indenture as of the date hereof;

(h) to allow any Guarantor to execute a supplemental indenture substantially in the form of Exhibit C hereto and/or a Guarantee with respect to the Notes of such series;

(i) to add any additional obligors under this Indenture, the Notes or the Guarantees;

(j) to add collateral to secure the Notes of such series;

(k) to comply with the provisions under Section 4.01; and

(l) to evidence and provide for the acceptance of an appointment by a successor Trustee.

Subject to Section 9.02, upon the written request of the Company accompanied by a Board Resolution authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee will join with the Company and the Guarantors in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but will not be obligated to, enter into such amended or supplemental indenture.

After an amendment or supplement under this Section 9.01 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment or supplement. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment or supplement under this Section 9.01.

The Trustee shall be entitled to receive an Officer's Certificate and an Opinion of Counsel (other than with respect to a supplemental indenture to add a Guarantor) confirming that all conditions precedent are satisfied with respect to any supplemental indenture and that such supplemental indenture is authorized or permitted.

Section 9.02. *With Consent of Holders.* Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture, the Notes of any series and the Guarantees with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes of such series (including, without limitation, Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07, any existing Default or Event of Default or compliance with any provision of this Indenture, the Notes of any series or the Guarantees of such series may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes of such series (including, without limitation, the Additional Notes of such series, if any) voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes). Section 2.11 shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Company accompanied by a Board Resolution authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes of such series as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee will join with the Company and the Guarantors in the execution of such amended or supplemental indenture, except that the Trustee need not execute such amended or supplemental indenture if the Trustee reasonably believes that such amended or supplemental indenture adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Without the consent of each Holder of Notes affected, an amendment, supplement or waiver may not (with respect to Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes of such series whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the rate of or extend the time for payment of interest, including default interest, on any Note of such series;

(3) reduce the principal or change the Stated Maturity date of any Note or reduce the amount of, or postpone the date fixed for, the payment of any sinking fund or analogous obligation with respect to any Note of such series;

(4) waive a continuing Default or Event of Default in the payment of principal of, premium or interest or premium on, the Notes of any series (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes of such series and a waiver of the payment default that resulted from such acceleration);

(5) make the principal of, premium or interest on any Note payable in currency other than that stated in the Notes of such series;

(6) make any change to the right of Holders of Notes of such series to receive payment of the principal of, premium and interest on the applicable Notes or in Section 6.04 or Section 6.07;

(7) waive a redemption payment that is made at the option of the Company, with respect to any Note of such series;

(8) release any Guarantor from any of its obligations under its Guarantee or this Indenture, except in accordance with the terms of this Indenture; or

(9) make any change in the preceding amendment and waiver provisions of this paragraph.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof. A consent to any amendment, supplement or waiver under this Indenture by any Holder of the Notes given in connection with a tender or exchange of such Holder's Notes will not be rendered invalid by such tender or exchange.

After an amendment or supplement under this Section 9.02 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment or supplement. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment or supplement under this Section 9.02.

Section 9.03. *[Intentionally Omitted]*.

Section 9.04. *Revocation and Effect of Consents and Waivers.*

(a) Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation at the Corporate Trust Office provided in Section 13.02 before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

(b) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding anything herein to the contrary, those Persons, who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

Section 9.05. *Notation on or Exchange of Notes.* The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes

of any series may issue and the Trustee shall, upon receipt of an authentication order, authenticate new Notes of such series that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06. *Trustee to Sign Amendments.*

The Trustee will sign any amended or supplemental indenture, except that the Trustee need not execute such amended or supplemental indenture if the Trustee reasonably believes that such amended or supplemental indenture adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise. The Company may not sign an amended or supplemental indenture until the Board of Directors of the Company has authorized its execution. In executing any amended or supplemental indenture the Trustee will be entitled to receive and (subject to Section 7.01 and Section 7.02) will be fully protected in relying upon, in addition to the documents required by Section 13.04, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture and that all conditions precedent are satisfied with respect to any such amended or supplemental indenture.

ARTICLE 10  
GUARANTEE

Section 10.01. *Guarantee.* (a) Subject to the provisions of this Article 10, each Guarantor hereby fully, unconditionally and irrevocably guarantees, on a senior unsecured basis, as primary obligor and not merely as surety, jointly and severally with each other Guarantor, to each Holder of the Notes, to the extent lawful, and the Trustee the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the principal of, premium, if any, and interest on the Notes, expenses, indemnification or otherwise and all other Obligations and liabilities of the Company under this Indenture (including, without limitation, interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding), relating to the Company or any Guarantor whether or not a claim for post-filing or post-petition interest is allowed in such proceeding (all the foregoing being hereinafter collectively called the "**Guaranteed Obligations**").

(b) Each Guarantor agrees (to the extent permitted by law) that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from it, and that it will remain bound under this Article 10 notwithstanding any extension or renewal of any Guaranteed Obligation.

(c) To the fullest extent permitted by law, each Guarantor waives presentation to, demand of payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. To the fullest extent permitted by law, each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations.

(d) Each Guarantor further agrees that its Guarantee constitutes a guarantee of payment when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder to any security held for payment of the Guaranteed Obligations.

(e) Except as set forth in Section 10.02, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment or performance of the Guaranteed Obligations), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by (i) the failure of any Holder to assert any claim or demand or to exercise or enforce any right or remedy against the Company or any other Person under this Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of any thereof; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (iv) any change in the ownership of the Company; (v) any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations, or (vi) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any

extent vary the risk of any Guarantor or would otherwise operate as a discharge of such Guarantor as a matter of law or equity.

(f) Each Guarantor agrees that its Guarantee of each series of Notes shall remain in full force and effect until payment in full of all the Guaranteed Obligations (other than contingent obligations or indemnification obligations, in each case for which no claim has been asserted) or such Guarantor is released from its Guarantee of such series of Notes in compliance with Section 10.02, Article 8 or Article 12. Each Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of, premium, if any, or interest on any of the Guaranteed Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy or reorganization of the Company or otherwise.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, each Guarantor hereby promises to and will, upon receipt of written notice by the Trustee, forthwith pay, or cause to be paid, in cash, to the Trustee or the Trustee on behalf of the Holders an amount equal to the sum of (i) the unpaid amount of such Guaranteed Obligations then due and owing and (ii) accrued and unpaid interest on such Guaranteed Obligations then due and owing (but only to the extent not prohibited by law).

(h) Each Guarantor further agrees that, as between such Guarantor, on the one hand, and the Holders, on the other hand, (x) the maturity of the Guaranteed Obligations may be accelerated as provided in this Indenture for the purposes of its Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations and (y) in the event of any such declaration of acceleration of such Guaranteed Obligations, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purposes of this Guarantee.

(i) Neither the Company nor the Guarantors shall be required to make a notation on the Notes to reflect any Guarantee or any release, termination or discharge thereof and any such notation shall not be a condition to the validity of any Guarantee.

(j) Any Guarantor that makes a payment under its Guarantee will be entitled upon payment in full of all Guaranteed Obligations under this Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment as determined in accordance with GAAP.

*Section 10.02. Limitation on Liability; Termination; Release and Discharge.*

(a) Any term or provision of this Indenture to the contrary notwithstanding, the obligations of each Guarantor hereunder will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law and not otherwise being void or voidable under any similar laws affecting the rights of creditors generally.

(b) Each Guarantee by a Guarantor will be automatically and unconditionally released and discharged, and such Subsidiary's obligations under the Guarantee and this Indenture will be automatically and unconditionally released and discharged, upon:

(i) (1) any sale, exchange, transfer or disposition of such Guarantor (by merger, consolidation, or the sale of), the Capital Stock of such Guarantor after which the applicable Guarantor is no longer a Subsidiary or the sale of all or substantially all of its assets (other than by lease), whether or not the Guarantor is the surviving corporation in such transaction, to a Person which is not the Company or a Subsidiary; provided that (x) such sale, exchange, transfer or disposition is made in compliance with this Indenture, including Section 4.01 and (y) all the obligations of such Guarantor under all Debt of the Company or its Subsidiaries terminate upon consummation of such transaction; (2) the Company exercising either Legal Defeasance or Covenant Defeasance under either Section 8.02 or Section 8.03; or (3) the applicable Guarantor becoming or constituting an Excluded Subsidiary; and

(ii) such Guarantor delivering to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in this Indenture relating to release and discharge of such Guarantor's Guarantee have been complied with.

(c) Such Guarantor will be automatically and unconditionally released and discharged from all its obligations under this Indenture and its Guarantee and such Guarantee shall terminate and be of no further force and effect if (x) such sale, exchange, transfer or disposition is made in compliance with this Indenture, including Section 4.01 and (y) all the obligations of such Guarantor under all Debt of the Company or its Subsidiaries terminate upon consummation of such transaction.

(d) If the Guarantee of any Guarantor is deemed to be released and discharged or is automatically released and discharged, upon delivery by the Company to the Trustee of an Officer's Certificate stating the identity of the released Guarantor and the basis for the release in reasonable detail and an Opinion of Counsel, the Trustee will execute any documents reasonably required in order to evidence the release and discharge of the Guarantor from its obligations under its Guarantee.

Section 10.03. *Right of Contribution.* Each Guarantor hereby agrees that to the extent that any Guarantor shall have paid more than its proportionate share of any payment made on the obligations under the Guarantees, such Guarantor shall be entitled to seek and receive contribution from and against the Company or any other Guarantor who has not paid its proportionate share of such payment. The provisions of this Section 10.03 shall in no respect limit the obligations and liabilities of each Guarantor to the Trustee and the Holders and each Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by such Guarantor hereunder.

Section 10.04. *No Subrogation.* Notwithstanding any payment or payments made by each Guarantor hereunder, no Guarantor shall be entitled to be subrogated to any of the rights of the Trustee or any Holder against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Trustee or any Holder for the payment of the Guaranteed Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Trustee and the Holders by the Company on account of the Guaranteed Obligations are paid in full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Guaranteed Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Trustee in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Trustee, if required), to be applied against the Guaranteed Obligations.

Section 10.05. *Execution and Delivery of a Guarantee.*

(a) The execution by each Guarantor of this Indenture (or a supplemental indenture in the form of Exhibit C hereto) evidences the Guarantee of such Guarantor, whether or not the person signing as an officer of the Guarantor still holds that office at the time of authentication of any Note. The delivery of any Note by the Trustee after authentication constitutes due delivery of the Guarantee set forth in this Indenture on behalf of each Guarantor.

(b) The Trustee hereby accepts the trusts in this Indenture upon the terms and conditions herein set forth.

ARTICLE 11  
[INTENTIONALLY OMITTED]

ARTICLE 12  
SATISFACTION AND DISCHARGE

Section 12.01. *Satisfaction and Discharge.*

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder and Guarantees thereof, when:

(a) either:

(i) all Notes of such series that have been authenticated, except lost, stolen or destroyed Notes of such series that have been replaced or paid and Notes of such series for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(ii) all Notes of such series that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing or other delivery of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders of Notes of such series, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Notes of such series not delivered to the Trustee for cancellation for principal, premium and accrued interest to the maturity date or Redemption Date;

(b) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other material instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(c) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture (other than contingent obligations or indemnification obligations, in each case for which no claim has been asserted); and

(d) the Company has delivered irrevocable written instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity date or on the Redemption Date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to clause (a)(ii) of this Section 12.01, the provisions of Section 8.06 and Section 12.02 shall survive. In addition, nothing in this Section 12.01 will be deemed to discharge those provisions of Section 7.07, that, by their terms, survive the satisfaction and discharge of this Indenture.

Section 12.02. *Application of Trust Money.* Subject to the provisions of Section 8.06, all money deposited with the Trustee pursuant to Section 12.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 12.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Guarantor's obligations under this Indenture and the Notes of such series shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01; provided that if the Company has made any payment of principal of, premium, if any, or interest on, any Notes of either series because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.



ARTICLE 13  
MISCELLANEOUS

Section 13.01. *Reserved.*

Section 13.02. *Notices.* All notices or communications required by this Indenture shall be in writing and delivered in person, sent by facsimile or electronic transmission in the form of a "pdf" on letterhead (if applicable) and signed by an authorized signer delivered by commercial courier service or mailed by first-class mail, postage prepaid, addressed as follows:

if to the Company or to any Guarantor:

Cleveland-Cliffs Inc.  
200 Public Square, Suite 3300  
Cleveland, Ohio 44114  
Fax: (216) 694-6509  
Email: James.Graham@clevelandcliffs.com  
Attention: James Graham, Executive Vice President, Chief Legal Officer & Secretary

with a copy to:

Jones Day  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114  
Attention: Michael J. Solecki  
Fax: (216) 579-0212  
Email: mjsolecki@jonesday.com

if to the Trustee, at

U.S. Bank National Association  
1350 Euclid Avenue, Suite 1100  
Cleveland, Ohio 44115  
Attention: Corporate Trust Services/Account Administrator  
Email: Elizabeth.thuning@usbank.com

with a copy to:

U.S. Bank National Association  
425 Walnut Street, 6th Floor  
Cincinnati, Ohio 45202  
Attention: Corporate Trust Services/Account Administrator  
Email: William.sicking@usbank.com

The Company or the Trustee by written notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication to the Company, the Guarantors or the Trustee shall be deemed to have been given or made as of the date so delivered if personally delivered; when receipt is acknowledged, if transmitted by facsimile or electronic transmission (including "pdf" on letterhead (if applicable) and signed by an authorized signer); the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery, and five calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee). Any written notice or communication to the Trustee shall be deemed delivered upon receipt.

Any written notice or communication mailed to a Holder shall be mailed to the Holder at the Holder's address as it appears in the Notes Register and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a written notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a written notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it, except that notices to the Trustee shall be effective only upon receipt.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such written notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 13.03. *Communication by Holders With Other Holders.* Holders may communicate pursuant to TIA § 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA § 312(c).

Section 13.04. *Certificate and Opinion as to Conditions Precedent.* Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officer's Certificate in form reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 13.05. *Statements Required in Certificate or Opinion.* Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving such Opinion of Counsel, counsel may rely as to factual matters on an Officer's Certificate or on certificates of public officials.

Section 13.06. *[Intentionally Omitted]*

Section 13.07. *Rules by Trustee, Paying Agent and Registrar.* The Trustee may make reasonable rules for action by, or at meetings of, Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

Section 13.08. *Business Days*. If a payment date is not a Business Day, payment shall be made on the next succeeding day that is a Business Day, and no interest shall accrue for the intervening period. If a regular record date is not a Business Day, the record date shall not be affected.

Section 13.09. *GOVERNING LAW*. THIS INDENTURE, THE NOTES AND THE GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE STATE COURTS OF, AND THE FEDERAL COURTS LOCATED IN, THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES AND THE GUARANTEES.

Section 13.10. *No Recourse Against Others*. An incorporator, director, officer, employee, member, partner or shareholder of the Company or any Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company or any Guarantor under the Notes, this Indenture or the Guarantees or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are a part of the consideration for the issuance of the Notes.

The waiver may not be effective to waive liability under the federal securities laws.

Section 13.11. *Successors*. All agreements of the Company and each Guarantor in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 13.12. *Multiple Originals*. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

Section 13.13. *Table of Contents; Headings*. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 13.14. *WAIVERS OF JURY TRIAL*. THE COMPANY, THE GUARANTORS, AND THE TRUSTEE HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS INDENTURE, THE NOTES OR THE GUARANTEES AND FOR ANY COUNTERCLAIM THEREIN.

Section 13.15. *[Intentionally Omitted]*.

Section 13.16. *Force Majeure*. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services, it being understood that the Trustee shall use reasonable best efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 13.17. *Severability*. In case any provision in this Indenture, the Notes or the Guarantees, is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.



CANNON AUTOMOTIVE SOLUTIONS –  
BOWLING GREEN, INC.  
CLEVELAND-CLIFFS STEEL HOLDINGS INC.  
CLEVELAND-CLIFFS INVESTMENTS INC.  
CLEVELAND-CLIFFS STEEL MANAGEMENT INC.  
CLEVELAND-CLIFFS STEEL PROPERTIES INC.  
CLEVELAND-CLIFFS TUBULAR COMPONENTS LLC  
CLIFFS MINNESOTA MINING COMPANY  
CLIFFS TIOP, INC.  
CLIFFS UTAC HOLDING LLC  
FLEETWOOD METAL INDUSTRIES, LLC  
IRONUNITS LLC  
LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY  
MID-VOL COAL SALES, INC.  
MOUNTAIN STATE CARBON, LLC  
PPHC HOLDINGS, LLC  
PRECISION PARTNERS HOLDING COMPANY  
SILVER BAY POWER COMPANY  
SNA CARBON, LLC  
UNITED TACONITE LLC

By: /s/ James D. Graham  
Name: James D. Graham  
Title: Secretary

CLEVELAND-CLIFFS STEEL LLC  
CLIFFS MINING COMPANY  
METALLICS SALES COMPANY  
NORTHSHORE MINING COMPANY  
THE CLEVELAND-CLIFFS IRON COMPANY  
TILDEN MINING COMPANY L.C.  
By: The Cleveland-Cliffs Iron Company, as its manager

By: /s/ James D. Graham  
Name: James D. Graham  
Title: Executive Vice President, Chief Legal Officer &  
Secretary

*[Signature Page to Indenture]*

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CLEVELAND-CLIFFS STEEL CORPORATION  
CLEVELAND-CLIFFS STEEL HOLDING CORPORATION

By: /s/ James D. Graham  
Name: James D. Graham  
Title: Vice President, General Counsel and Corporate Secretary

CLEVELAND-CLIFFS BURNS HARBOR LLC  
CLEVELAND-CLIFFS CLEVELAND WORKS LLC  
CLEVELAND-CLIFFS COLUMBUS LLC  
CLEVELAND-CLIFFS KOTE INC.  
CLEVELAND-CLIFFS KOTE L.P.  
CLEVELAND-CLIFFS MINORCA MINE INC.  
CLEVELAND-CLIFFS MONESSEN COKE LLC  
CLEVELAND-CLIFFS PLATE LLC  
CLEVELAND-CLIFFS RAILWAYS INC.  
CLEVELAND-CLIFFS RIVERDALE LLC  
CLEVELAND-CLIFFS SOUTH CHICAGO & INDIANA HARBOR RAILWAY INC.  
CLEVELAND-CLIFFS STEELTON LLC  
CLEVELAND-CLIFFS STEELWORKS RAILWAY INC.  
CLEVELAND-CLIFFS TEK INC.  
CLEVELAND-CLIFFS TEK KOTE ACQUISITION CORPORATION  
CLEVELAND-CLIFFS TEK L.P.  
CLEVELAND-CLIFFS WEIRTON LLC  
CLIFFS TIOP HOLDING, LLC  
CLIFFS TIOP II, LLC

By: /s/ James D. Graham  
Name: James D. Graham  
Title: General Counsel and Secretary

*[Signature Page to Indenture]*

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U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: U.S. Bank National Association

By:           /s/ Elizabeth A. Thuning            
Name: Elizabeth A. Thuning  
Title: Senior Vice President

*[Signature Page to Indenture]*

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[FACE OF NOTE]

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No. [ ]

Principal Amount \$[ ]

CUSIP NO. [ ]

**CLEVELAND-CLIFFS INC.**

**4.625% Senior Guaranteed Note due 2029**

Cleveland-Cliffs Inc., an Ohio corporation, promises to pay to Cede & Co., or its registered assigns, the principal sum of [ ] Dollars (\$[ ]), [ ], as revised by the Schedule of Increases and Decreases in Global Note attached hereto,<sup>1</sup> on March 1, 2029.

Interest Payment Dates: March 1 and September 1

Record Dates: February 15 and August 15

Additional provisions of this Note are set forth on the other side of this Note.

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<sup>1</sup> Include only if the Note is issued in global form.

CLEVELAND-CLIFFS INC.

By: \_\_\_\_\_  
Name:  
Title:

Dated:

**CERTIFICATE OF AUTHENTICATION**

This is one of the Notes issued under the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_

Name: Elizabeth A. Thuning  
Title: Senior Vice President

[REVERSE SIDE OF NOTE]

CLEVELAND-CLIFFS INC.

4.625% Senior Guaranteed Note due 2029

1. Interest

Cleveland-Cliffs Inc., an Ohio corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "**Company**"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Company will pay interest semiannually on March 1 and September 1 of each year commencing September 1, 2021. [Interest on the Notes will accrue from the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from February 17, 2021.] [Interest on this Note will accrue (or will be deemed to have accrued) from the most recent date to which interest on this Note or any of its predecessor Notes has been paid or duly provided for or, if no such interest has been paid, from \_\_\_\_\_, \_\_\_\_\_.]<sup>2</sup> The Company shall pay interest on overdue principal, and on overdue premium, if any (plus interest on such interest to the extent lawful), at the rate borne by the Notes to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. Method of Payment

By no later than 10:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Note is due and payable, the Company shall deposit with the Trustee or the Paying Agent money sufficient to pay such principal, premium, if any, and/or interest when due. The Company will pay interest (except Defaulted Interest) to the Persons who are registered Holders of Notes at the close of business on the February 15 or August 15 next preceding the interest payment date even if Notes are cancelled, repurchased or redeemed after the record date and on or before the interest payment date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC or any successor depository. The Company will make all payments in respect of a Definitive Note (including principal, premium, if any, and interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on the Notes may also be made, in the case of a Holder of at least \$1,000,000 aggregate principal amount of Notes represented by Definitive Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee at the Corporate Trust Office or the Paying Agent at the Corporate Trust Office to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank National Association (the "**Trustee**") will act as Trustee, Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar, co-registrar or transfer agent without notice to any Holder. The Company or any of its domestically organized, Wholly-Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. Indenture

The Company issued the Notes under an Indenture, dated as of February 17, 2021 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Company, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbb) (the "Act"), although the Indenture is not required to be qualified under the Act. Capitalized terms used herein and not defined

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<sup>2</sup> Insert the Interest Payment Date immediately preceding the date of issuance of the applicable Additional Notes, or if the date of issuance of such Additional Notes is an Interest Payment Date, such date of issuance.

herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders are referred to the Indenture and the Act for a statement of those terms.

The Notes are senior unsecured obligations of the Company. The aggregate principal amount of Notes that may be authenticated and delivered under the Indenture is unlimited. This Note is one of the 4.625% Senior Guaranteed Notes due 2029 referred to in the Indenture. The Notes include (i) \$500,000,000 aggregate principal amount of the Company's 4.625% Senior Guaranteed Notes due 2029 issued under the Indenture on February 17, 2021 (herein called "Initial Notes") and (ii) if and when issued, additional 4.625% Senior Guaranteed Notes due 2029 of the Company that may be issued from time to time under the Indenture subsequent to February 17, 2021 (herein called "Additional Notes") as provided in Section 2.01 of the Indenture. The Initial Notes and Additional Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain restrictions on the incurrence of certain liens, sale-leaseback transactions, and the consummation of mergers and consolidations. The Indenture also imposes requirements with respect to the provision of financial information and the provision of guarantees of the Notes by certain subsidiaries.

To guarantee the due and punctual payment of the principal, premium, if any, and interest (including post-filing or post-petition interest) on the Notes and all other amounts payable by the Company under the Indenture, and the Notes (including expenses and indemnification) when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Guarantors have as primary obligors and not merely as sureties, irrevocably and unconditionally guaranteed (and future guarantors, together with the Guarantors, will unconditionally guarantee), jointly and severally, on a senior unsecured basis, all such obligations pursuant to the terms of the Indenture.

## 5. Redemption and Prepayment

Except as described below, the Notes will not be redeemable at the Company's option.

Prior to March 1, 2024 the Company may, at any time and from time to time, redeem in the aggregate up to 35% of the aggregate principal amount of the Notes originally issued under the Indenture with the net cash proceeds of one or more Equity Offerings by the Company at a redemption price (expressed as a percentage of principal amount thereof) of 104.625%, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that:

- (1) at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (calculated after giving effect to any issuance of Additional Notes) (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

Prior to March 1, 2024, the Company may, at any time and from time to time, also redeem all or a part of the Notes, upon not less than 10 days' nor more than 60 days' prior notice mailed (or to the extent permitted or required by applicable DTC procedures or regulations with respect to Global Notes sent electronically) by first-class mail to each Holder's registered address or otherwise delivered in accordance with the procedures of DTC, at a redemption price equal to the sum of (i) 100.000% of the principal amount of Notes redeemed and (ii) the Applicable Premium as of, and accrued and unpaid interest to, but excluding, the Redemption Date, subject to the rights of Holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

On or after March 1, 2024, the Company may on one or more occasions redeem all or a part of the Notes upon not less than 10 days' nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest on the Notes redeemed, to, but excluding, the applicable Redemption Date, if redeemed during the twelve-month period, beginning on each date set forth below, subject to the rights of Holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption price
March 1, 2024	102.313%
March 1, 2025	101.156%
March 1, 2026 and thereafter	100.000%

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable Redemption Date.

**“Adjusted Treasury Rate”** means, with respect to any Redemption Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under “Treasury Constant Maturities,” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after March 1, 2024, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date, in each case calculated on the third Business Day immediately preceding the Redemption Date, plus 0.50%.

**“Applicable Premium”** means, with respect to any Note on any Redemption Date the excess of (if any) (A) the present value at such Redemption Date of (1) the redemption price of such Note on March 1, 2024 plus (2) all required remaining scheduled interest payments due on such Note through March 1, 2024, excluding in each case accrued and unpaid interest to, but excluding, the Redemption Date, computed by the Company using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such Redemption Date.

**“Comparable Treasury Issue”** means the United States Treasury security selected by the Company as having a maturity comparable to the remaining term of the Notes from the Redemption Date to March 1, 2024, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to March 1, 2024.

**“Comparable Treasury Price”** means, with respect to any Redemption Date, if clause (ii) of the definition of “Adjusted Treasury Rate” is applicable, the average of three, or such lesser number as is obtained by the Company, Reference Treasury Dealer Quotations for such Redemption Date.

**“Reference Treasury Dealer”** means BofA Securities, Inc. and its successors and assigns, and any other nationally recognized investment banking firm selected by the Company and identified to the Trustee by written notice from the Company that is a primary U.S. Government securities dealer.

**“Reference Treasury Dealer Quotations”** means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such Redemption Date.

**“Treasury Rate”** means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the date fixed for redemption (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the then remaining average life to March 1, 2024, provided, however, that if the average life to March 1, 2024, of the Notes is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the average life to March 1, 2024, of the Notes is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

Prior to the mailing or delivery of any notice of redemption of the Notes, the Company shall deliver to the Trustee an Officer's Certificate and an Opinion of Counsel stating that the conditions precedent to the right of redemption have occurred. Any such notice to the Trustee may be cancelled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect.

The Company may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

Except as set forth in the next succeeding paragraph, the Company is not required to make any mandatory repurchase, redemption or sinking fund payments with respect to the Notes.

#### **6. Change of Control Triggering Event**

In accordance with Section 3.06 of the Indenture, the Company shall be required to offer to purchase Notes upon the occurrence of a Change of Control Triggering Event. Any Holder of Notes shall have the right, subject to certain conditions specified in the Indenture, to cause the Company to purchase all or any part of the Notes of such Holder at a purchase price equal to 101.0% of the principal amount of the Notes to be purchased plus accrued and unpaid interest to, but excluding, the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of purchase) as provided in, and subject to the terms of, the Indenture.

#### **7. Denominations; Transfer; Exchange**

The Notes are in registered form without coupons in minimum denominations of principal amount of \$2,000 and whole multiples of \$1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay a sum sufficient to cover any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange of any Note (A) for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an interest payment date and ending on such interest payment date or (B) called for redemption, except the unredeemed portion of any Note being redeemed in part.

#### **8. Persons Deemed Owners**

The registered Holder of this Note shall be treated as the owner of it for all purposes (except as otherwise provided in the Indenture).

#### **9. Unclaimed Money**

If money for the payment of principal, premium, if any, or interest on any Note remains unclaimed for two years after such principal, premium, if any, or interest has become due and payable, the Trustee or any Paying Agent shall pay the money back to the Company at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company for payment as general creditors unless an abandoned property law designates another Person and not to the Trustee for payment.

#### **10. Defeasance**

Subject to certain exceptions and conditions set forth in the Indenture, the Company at any time may terminate some or all of its and the Guarantors' obligations under the Notes and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be.

#### **11. Amendment, Supplement, Waiver**

Subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Notes and the Guarantees may be amended or supplemented by the Company, Guarantors and Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and (ii) any default (other than with respect

to nonpayment of interest or premium on, or the principal of the Notes or in respect of a provision that cannot be amended without the consent of each Holder affected or noncompliance with any provision may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes. Subject to the requirements of and certain exceptions set forth in the Indenture, without the consent of any Holder, the Company, the Trustee and the Guarantors (with respect to its Guarantee) may amend or supplement the Indenture, the Notes, and the Guarantees: (1) to cure any ambiguity, defect or inconsistency; (2) to provide for uncertificated Notes in addition to or in place of certificated Notes; (3) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable; (4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights hereunder or under the Notes and the Guarantees of any such Holder; (5) to conform the text of the Indenture, Guarantees or the Notes to any provision of the "Description of the Notes" section of the Offering Memorandum; (6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the date hereof; (7) to allow any Guarantor to execute a supplemental indenture substantially in the form of Exhibit C to the Indenture and/or a Guarantee with respect to the Notes; (8) to add any additional obligors under the Indenture, the Notes or the Guarantees; (9) to add collateral to secure the Notes; (10) to comply with the provisions under Section 4.01 of the Indenture; and (11) to evidence and provide for the acceptance of an appointment by a successor Trustee.

## 12. Defaults and Remedies

Each of the following is an "Event of Default":

(a) a default in the payment of any interest on the Notes, when such payment becomes due and payable, and continuance of that default for a period of 30 days (unless the entire amount of the payment is deposited by the Company with the Trustee or with the Paying Agent prior to the expiration of such period of 30 days);

(b) default in the payment of principal or premium on any Notes when such payment becomes due and payable;

(c) default in the performance or breach of any other covenant or warranty by the Company in the Indenture, which default continues uncured for a period of 60 days after written notice thereof has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the holders of at least 25% in principal amount of the Notes, as provided in the Indenture;

(d) any Guarantee of a Guarantor that is a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms of the Indenture and the Guarantees) or is declared null and void in a judicial proceeding or any Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under the Indenture;

(e) there occurs a default under any Debt of the Company or any of its Significant Subsidiaries (or the payment of which is guaranteed by the Company or any of the Guarantors), whether such Debt or Guarantee now exists, or is created after the Issue Date if that default:

(i) is caused by a failure to pay any such Debt at its final Stated Maturity (after giving effect to any applicable grace period) (a "Payment Default"); or

(ii) results in the acceleration of such Debt prior to its final Stated Maturity,

(iii) and, in either case, the aggregate principal amount of any such Debt, together with the aggregate principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$150.0 million or more;

(f) failure by the Company or any of its Significant Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$150.0 million (net of any amount covered by insurance issued by a national insurance company that has not contested coverage), which judgments are not paid, discharged or stayed for a period of 60 days;

(g) the Company or any Guarantor pursuant to or within the meaning of Bankruptcy Code:



- (i) commences a voluntary case,
  - (ii) consents to the entry of an order for relief against it in an involuntary case,
  - (iii) consents to the appointment of a custodian of it or for all or substantially all of its property,
  - (iv) makes a general assignment for the benefit of its creditors, or
  - (v) generally is not paying its debts as they become due; or
- (h) a court of competent jurisdiction enters an order or decree under the Bankruptcy Code that:
- (i) is for relief against the Company or any Guarantor in an involuntary case;
  - (ii) appoints a custodian of the Company or any Guarantor or for all or substantially all of the property of the Company or any of Guarantor; or
  - (iii) orders the liquidation of the Company or any Guarantor; and the order or decree remains unstayed and in effect for 60 consecutive days.

If an Event of Default (other than an Event of Default described in clause (g) or (h) of this Section 12) occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all such Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest shall be due and payable immediately.

In the case of an Event of Default specified in clause (g) or (h) of this Section 12, with respect to the Company or any Guarantor, all outstanding Notes will become due and payable immediately without further action or notice.

The Holders of a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or premium.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture, the Notes and the Guarantees at the request or direction of any Holders of Notes unless such Holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense.

### **13. Trustee Dealings with the Company**

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

### **14. No Recourse Against Others**

An incorporator, director, officer, employee or shareholder of each of the Company or any Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company or any Guarantor under the Notes and the Indenture or the Guarantees or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are a part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

**15. Authentication**

This Note shall not be valid until an authorized officer of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

**16. Abbreviations**

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian) and U/G/M/A (= Uniform Gift to Minors Act).

**17. CUSIP, Common Code and ISIN Numbers**

The Company has caused CUSIP, Common Code and ISIN numbers, if applicable, to be printed on the Notes and has directed the Trustee to use CUSIP, Common Code and ISIN numbers, if applicable, in notices of redemption or purchase as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption or purchase and reliance may be placed only on the other identification numbers placed thereon.

**18. Governing Law**

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture. Requests may be made to:

Cleveland-Cliffs Inc.  
200 Public Square, Suite 3300  
Cleveland, Ohio 44114  
Fax: (216) 694-6509  
Attention: James Graham, Executive Vice President, Chief Legal Officer & Secretary

**19. USA Patriot Act**

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee.

The parties to the Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

**ASSIGNMENT FORM**

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

\_\_\_\_\_  
(Print or type assignee's name, address and zip code)

\_\_\_\_\_  
(Insert assignee's social security or tax I.D. No.)

and irrevocably appoint \_\_\_\_\_ agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: \_\_\_\_\_ Your Signature: \_\_\_\_\_

Signature  
Guarantee: \_\_\_\_\_  
(Signature must be guaranteed)

\_\_\_\_\_  
Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

The undersigned hereby certifies that it  is /  is not an Affiliate of the Company and that, to its knowledge, the proposed transferee  is /  is not an Affiliate of the Company.

In connection with any transfer or exchange of any of the Notes evidenced by this certificate occurring prior to the date that is one year after the later of the date of original issuance of such Notes and the last date, if any, on which such Notes were owned by the Company or any Affiliate of the Company, the undersigned confirms that such Notes are being:

CHECK ONE BOX BELOW:

- (1)  acquired for the undersigned's own account, without transfer; or
- (2)  transferred to the Company; or
- (3)  transferred pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended (the " **Securities Act**"); or

(4)  transferred pursuant to and in compliance with Regulation S under the Securities Act (provided that the transferee has furnished to the Trustee a signed letter containing certain representations and agreements, the form of which letter appears as Section 2.09 of the Indenture); or

(5)  transferred pursuant to another available exemption from the registration requirements of the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; provided, however, that if box (4) or (5) is checked, the Company may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications and other information as the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, such as the exemption provided by Rule 144 under such Act.

Signature Guarantee:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Signature must be guaranteed)

\_\_\_\_\_  
Signature

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

TO BE COMPLETED BY PURCHASER IF BOX (1) OR (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

\_\_\_\_\_  
Dated:

**SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY**

The following increases or decreases in this Global Note have been made:

<b>Date of Exchange</b>	<b>Amount of decrease in Principal Amount of this Global Note</b>	<b>Amount of increase in Principal Amount of this Global Note</b>	<b>Principal Amount of this Global Note following such decrease or increase</b>	<b>Signature of authorized signatory of Trustee or Notes Custodian</b>
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**OPTION OF HOLDER TO ELECT PURCHASE**

If you elect to have this Note purchased by the Company pursuant to Section 3.06 of the Indenture, check the box below:

3.06

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 3.06 of the Indenture, state the amount in principal amount (must be in minimum denominations of \$2,000 or an integral multiple of \$1,000 in excess thereof): \$\_\_\_\_\_ and specify the denomination or denominations (which shall not be less than the minimum authorized denomination) of the Notes to be issued to the Holder for the portion of the within Note not being repurchased (in the absence of any such specification, one such Note will be issued for the portion not being repurchased): \_\_\_\_\_.

Date: \_\_\_\_\_

Your Signature \_\_\_\_\_  
(Sign exactly as your name appears on the other side of this Note)

Signature  
Guarantee: \_\_\_\_\_  
(Signature must be guaranteed)

\_\_\_\_\_  
Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

[FACE OF NOTE]

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No. [ ]

Principal Amount \$[ ]

CUSIP NO. [ ]

**CLEVELAND-CLIFFS INC.**

**4.875% Senior Guaranteed Note due 2031**

Cleveland-Cliffs Inc., an Ohio corporation, promises to pay to Cede & Co., or its registered assigns, the principal sum of [ ] Dollars (\$[ ]), [ ], as revised by the Schedule of Increases and Decreases in Global Note attached hereto,<sup>3</sup> on March 1, 2031.

Interest Payment Dates: March 1 and September 1

Record Dates: February 15 and August 15

Additional provisions of this Note are set forth on the other side of this Note.

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<sup>3</sup> Include only if the Note is issued in global form.



CLEVELAND-CLIFFS INC.

By: \_\_\_\_\_  
Name:  
Title:

Dated:

**CERTIFICATE OF AUTHENTICATION**

This is one of the Notes issued under the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_

Name: Elizabeth A. Thuning  
Title: Senior Vice President

(4)

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[REVERSE SIDE OF NOTE]

CLEVELAND-CLIFFS INC.

4.875% Senior Guaranteed Note due 2031

1. **Interest**

Cleveland-Cliffs Inc., an Ohio corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "**Company**"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Company will pay interest semiannually on March 1 and September 1 of each year commencing September 1, 2021. [Interest on the Notes will accrue from the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from February 17, 2021.] [Interest on this Note will accrue (or will be deemed to have accrued) from the most recent date to which interest on this Note or any of its predecessor Notes has been paid or duly provided for or, if no such interest has been paid, from \_\_\_\_\_, \_\_\_\_\_.]<sup>4</sup> The Company shall pay interest on overdue principal, and on overdue premium, if any (plus interest on such interest to the extent lawful), at the rate borne by the Notes to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. **Method of Payment**

By no later than 10:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Note is due and payable, the Company shall deposit with the Trustee or the Paying Agent money sufficient to pay such principal, premium, if any, and/or interest when due. The Company will pay interest (except Defaulted Interest) to the Persons who are registered Holders of Notes at the close of business on the February 15 or August 15 next preceding the interest payment date even if Notes are cancelled, repurchased or redeemed after the record date and on or before the interest payment date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC or any successor depository. The Company will make all payments in respect of a Definitive Note (including principal, premium, if any, and interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on the Notes may also be made, in the case of a Holder of at least \$1,000,000 aggregate principal amount of Notes represented by Definitive Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee at the Corporate Trust Office or the Paying Agent at the Corporate Trust Office to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. **Paying Agent and Registrar**

Initially, U.S. Bank National Association (the "**Trustee**") will act as Trustee, Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar, co-registrar or transfer agent without notice to any Holder. The Company or any of its domestically organized, Wholly-Owned Subsidiaries may act as Paying Agent, Registrar or co-registrar.

4. **Indenture**

The Company issued the Notes under an Indenture, dated as of February 17, 2021 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "**Indenture**"), among the Company, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbb) (the "**Act**"), although the Indenture is not required to be qualified under the Act. Capitalized terms used herein and not

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<sup>4</sup> Insert the Interest Payment Date immediately preceding the date of issuance of the applicable Additional Notes, or if the date of issuance of such Additional Notes is an Interest Payment Date, such date of issuance.

defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders are referred to the Indenture and the Act for a statement of those terms.

The Notes are senior unsecured obligations of the Company. The aggregate principal amount of Notes that may be authenticated and delivered under the Indenture is unlimited. This Note is one of the 4.875% Senior Guaranteed Notes due 2031 referred to in the Indenture. The Notes include (i) \$500,000,000 aggregate principal amount of the Company's 4.875% Senior Guaranteed Notes due 2031 issued under the Indenture on February 17, 2021 (herein called "Initial Notes") and (ii) if and when issued, additional 4.875% Senior Guaranteed Notes due 2031 of the Company that may be issued from time to time under the Indenture subsequent to February 17, 2021 (herein called "Additional Notes") as provided in Section 2.01 of the Indenture. The Initial Notes and Additional Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain restrictions on the incurrence of certain liens, sale-leaseback transactions, and the consummation of mergers and consolidations. The Indenture also imposes requirements with respect to the provision of financial information and the provision of guarantees of the Notes by certain subsidiaries.

To guarantee the due and punctual payment of the principal, premium, if any, and interest (including post-filing or post-petition interest) on the Notes and all other amounts payable by the Company under the Indenture, and the Notes (including expenses and indemnification) when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Guarantors have as primary obligors and not merely as sureties, irrevocably and unconditionally guaranteed (and future guarantors, together with the Guarantors, will unconditionally guarantee), jointly and severally, on a senior unsecured basis, all such obligations pursuant to the terms of the Indenture.

## 5. Redemption and Prepayment

Except as described below, the Notes will not be redeemable at the Company's option.

Prior to March 1, 2024 the Company may, at any time and from time to time, redeem in the aggregate up to 35% of the aggregate principal amount of the Notes originally issued under the Indenture with the net cash proceeds of one or more Equity Offerings by the Company at a redemption price (expressed as a percentage of principal amount thereof) of 104.875%, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that:

- (1) at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (calculated after giving effect to any issuance of Additional Notes) (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

Prior to March 1, 2026, the Company may, at any time and from time to time, also redeem all or a part of the Notes, upon not less than 10 days' nor more than 60 days' prior notice mailed (or to the extent permitted or required by applicable DTC procedures or regulations with respect to Global Notes sent electronically) by first-class mail to each Holder's registered address or otherwise delivered in accordance with the procedures of DTC, at a redemption price equal to the sum of (i) 100.000% of the principal amount of Notes redeemed and (ii) the Applicable Premium as of, and accrued and unpaid interest to, but excluding, the Redemption Date, subject to the rights of Holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

On or after March 1, 2026, the Company may on one or more occasions redeem all or a part of the Notes upon not less than 10 days' nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest on the Notes redeemed, to, but excluding, the applicable Redemption Date, if redeemed during the twelve-month period, beginning on the date set forth below, subject to the rights of Holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption price
March 1, 2026	102.438%
March 1, 2027	101.625%
March 1, 2028	100.813%
March 1, 2029 and thereafter	100.000%

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable Redemption Date.

**“Adjusted Treasury Rate”** means, with respect to any Redemption Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under “Treasury Constant Maturities,” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after March 1, 2026, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date, in each case calculated on the third Business Day immediately preceding the Redemption Date, plus 0.50%.

**“Applicable Premium”** means, with respect to any Note on any Redemption Date the excess of (if any) (A) the present value at such Redemption Date of (1) the redemption price of such Note on March 1, 2026 plus (2) all required remaining scheduled interest payments due on such Note through March 1, 2026, excluding in each case accrued and unpaid interest to, but excluding, the Redemption Date, computed by the Company using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such Redemption Date.

**“Comparable Treasury Issue”** means the United States Treasury security selected by the Company as having a maturity comparable to the remaining term of the Notes from the Redemption Date to March 1, 2026, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to March 1, 2026.

**“Comparable Treasury Price”** means, with respect to any Redemption Date, if clause (ii) of the definition of “Adjusted Treasury Rate” is applicable, the average of three, or such lesser number as is obtained by the Company, Reference Treasury Dealer Quotations for such Redemption Date.

**“Reference Treasury Dealer”** means BofA Securities, Inc. and its successors and assigns, and any other nationally recognized investment banking firm selected by the Company and identified to the Trustee by written notice from the Company that is a primary U.S. Government securities dealer.

**“Reference Treasury Dealer Quotations”** means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such Redemption Date.

**“Treasury Rate”** means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the date fixed for redemption (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the then remaining average life to March 1, 2026, provided, however, that if the average life to March 1, 2026, of the Notes is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are

given, except that if the average life to March 1, 2026, of the Notes is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

Prior to the mailing or delivery of any notice of redemption of the Notes, the Company shall deliver to the Trustee an Officer's Certificate and an Opinion of Counsel stating that the conditions precedent to the right of redemption have occurred. Any such notice to the Trustee may be cancelled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect.

The Company may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

Except as set forth in the next succeeding paragraph, the Company is not required to make any mandatory repurchase, redemption or sinking fund payments with respect to the Notes.

#### **6. Change of Control Triggering Event**

In accordance with Section 3.06 of the Indenture, the Company shall be required to offer to purchase Notes upon the occurrence of a Change of Control Triggering Event. Any Holder of Notes shall have the right, subject to certain conditions specified in the Indenture, to cause the Company to purchase all or any part of the Notes of such Holder at a purchase price equal to 101.0% of the principal amount of the Notes to be purchased plus accrued and unpaid interest to, but excluding, the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of purchase) as provided in, and subject to the terms of, the Indenture.

#### **7. Denominations; Transfer; Exchange**

The Notes are in registered form without coupons in minimum denominations of principal amount of \$2,000 and whole multiples of \$1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay a sum sufficient to cover any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange of any Note (A) for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an interest payment date and ending on such interest payment date or (B) called for redemption, except the unredeemed portion of any Note being redeemed in part.

#### **8. Persons Deemed Owners**

The registered Holder of this Note shall be treated as the owner of it for all purposes (except as otherwise provided in the Indenture).

#### **9. Unclaimed Money**

If money for the payment of principal, premium, if any, or interest on any Note remains unclaimed for two years after such principal, premium, if any, or interest has become due and payable, the Trustee or any Paying Agent shall pay the money back to the Company at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company for payment as general creditors unless an abandoned property law designates another Person and not to the Trustee for payment.

#### **10. Defeasance**

Subject to certain exceptions and conditions set forth in the Indenture, the Company at any time may terminate some or all of its and the Guarantors' obligations under the Notes and the Indenture if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be.

## 11. Amendment, Supplement, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Notes and the Guarantees may be amended or supplemented by the Company, Guarantors and Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and (ii) any default (other than with respect to nonpayment of interest or premium on, or the principal of the Notes or in respect of a provision that cannot be amended without the consent of each Holder affected or noncompliance with any provision may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes. Subject to the requirements of and certain exceptions set forth in the Indenture, without the consent of any Holder, the Company, the Trustee and the Guarantors (with respect to its Guarantee) may amend or supplement the Indenture, the Notes, and the Guarantees: (1) to cure any ambiguity, defect or inconsistency; (2) to provide for uncertificated Notes in addition to or in place of certificated Notes; (3) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable; (4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights hereunder or under the Notes and the Guarantees of any such Holder; (5) to conform the text of the Indenture, Guarantees or the Notes to any provision of the "Description of the Notes" section of the Offering Memorandum; (6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the date hereof; (7) to allow any Guarantor to execute a supplemental indenture substantially in the form of Exhibit C to the Indenture and/or a Guarantee with respect to the Notes; (8) to add any additional obligors under the Indenture, the Notes or the Guarantees; (9) to add collateral to secure the Notes; (10) to comply with the provisions under Section 4.01 of the Indenture; and (11) to evidence and provide for the acceptance of an appointment by a successor Trustee.

## 12. Defaults and Remedies

Each of the following is an "Event of Default":

(a) a default in the payment of any interest on the Notes, when such payment becomes due and payable, and continuance of that default for a period of 30 days (unless the entire amount of the payment is deposited by the Company with the Trustee or with the Paying Agent prior to the expiration of such period of 30 days);

(b) default in the payment of principal or premium on any Notes when such payment becomes due and payable;

(c) a default in the performance or breach of any other covenant or warranty by the Company in the Indenture, which default continues uncured for a period of 60 days after written notice thereof has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the holders of at least 25% in principal amount of the Notes, as provided in the Indenture;

(d) any Guarantee of a Guarantor that is a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms of the Indenture and the Guarantees) or is declared null and void in a judicial proceeding or any Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under the Indenture;

(e) there occurs a default under any Debt of the Company or any of its Significant Subsidiaries (or the payment of which is guaranteed by the Company or any of the Guarantors), whether such Debt or Guarantee now exists, or is created after the Issue Date if that default:

(i) is caused by a failure to pay any such Debt at its final Stated Maturity (after giving effect to any applicable grace period) (a "Payment Default"); or

(ii) results in the acceleration of such Debt prior to its final Stated Maturity,

(iii) and, in either case, the aggregate principal amount of any such Debt, together with the aggregate principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$150.0 million or more;

(f) failure by the Company or any of its Significant Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$150.0 million (net of any amount covered by insurance issued by a national insurance company that has not contested coverage), which judgments are not paid, discharged or stayed for a period of 60 days;

(g) the Company or any Guarantor pursuant to or within the meaning of Bankruptcy Code:

- (i) commences a voluntary case,
- (ii) consents to the entry of an order for relief against it in an involuntary case,
- (iii) consents to the appointment of a custodian of it or for all or substantially all of its property,
- (iv) makes a general assignment for the benefit of its creditors, or
- (v) generally is not paying its debts as they become due; or

(h) a court of competent jurisdiction enters an order or decree under the Bankruptcy Code that:

- (i) is for relief against the Company or any Guarantor in an involuntary case;
- (ii) appoints a custodian of the Company or any Guarantor or for all or substantially all of the property of the Company or any of Guarantor; or
- (iii) orders the liquidation of the Company or any Guarantor; and the order or decree remains unstayed and in effect for 60 consecutive days.

If an Event of Default (other than an Event of Default described in clause (g) or (h) of this Section 12) occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all such Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest shall be due and payable immediately.

In the case of an Event of Default specified in clause (g) or (h) of this Section 12, with respect to the Company or any Guarantor, all outstanding Notes will become due and payable immediately without further action or notice.

The Holders of a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or premium.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture, the Notes and the Guarantees at the request or direction of any Holders of Notes unless such Holders have offered to the Trustee indemnity or security satisfactory to it against any loss, liability or expense.

### **13. Trustee Dealings with the Company**

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.



**14. No Recourse Against Others**

An incorporator, director, officer, employee or shareholder of each of the Company or any Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company or any Guarantor under the Notes and the Indenture or the Guarantees or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are a part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

**15. Authentication**

This Note shall not be valid until an authorized officer of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

**16. Abbreviations**

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian) and U/G/M/A (= Uniform Gift to Minors Act).

**17. CUSIP, Common Code and ISIN Numbers**

The Company has caused CUSIP, Common Code and ISIN numbers, if applicable, to be printed on the Notes and has directed the Trustee to use CUSIP, Common Code and ISIN numbers, if applicable, in notices of redemption or purchase as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption or purchase and reliance may be placed only on the other identification numbers placed thereon.

**18. Governing Law**

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture. Requests may be made to:

Cleveland-Cliffs Inc.  
200 Public Square, Suite 3300  
Cleveland, Ohio 44114  
Fax: (216) 694-6509  
Attention: James Graham, Executive Vice President, Chief Legal Officer & Secretary

**19. USA Patriot Act**

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee.

The parties to the Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

**ASSIGNMENT FORM**

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

\_\_\_\_\_  
(Print or type assignee's name, address and zip code)

\_\_\_\_\_  
(Insert assignee's social security or tax I.D. No.)

and irrevocably appoint \_\_\_\_\_ agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: \_\_\_\_\_ Your Signature: \_\_\_\_\_

Signature  
Guarantee: \_\_\_\_\_  
(Signature must be guaranteed)

\_\_\_\_\_  
Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

The undersigned hereby certifies that it  is /  is not an Affiliate of the Company and that, to its knowledge, the proposed transferee  is /  is not an Affiliate of the Company.

In connection with any transfer or exchange of any of the Notes evidenced by this certificate occurring prior to the date that is one year after the later of the date of original issuance of such Notes and the last date, if any, on which such Notes were owned by the Company or any Affiliate of the Company, the undersigned confirms that such Notes are being:

CHECK ONE BOX BELOW:

- (1)  acquired for the undersigned's own account, without transfer; or
- (2)  transferred to the Company; or
- (3)  transferred pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended (the " **Securities Act**"); or
- (4)  transferred pursuant to and in compliance with Regulation S under the Securities Act (provided that the transferee has furnished to the Trustee a signed letter containing certain representations and agreements, the form of which letter appears as Section 2.09 of the Indenture); or
- (5)  transferred pursuant to another available exemption from the registration requirements of the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; provided, however, that if box (4) or (5) is checked, the Company may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications and other information as the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, such as the exemption provided by Rule 144 under such Act.

Signature Guarantee:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Signature must be guaranteed)

\_\_\_\_\_  
Signature

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

TO BE COMPLETED BY PURCHASER IF BOX (1) OR (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

\_\_\_\_\_  
Dated:

**SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY**

The following increases or decreases in this Global Note have been made:

<b>Date of Exchange</b>	<b>Amount of decrease in Principal Amount of this Global Note</b>	<b>Amount of increase in Principal Amount of this Global Note</b>	<b>Principal Amount of this Global Note following such decrease or increase</b>	<b>Signature of authorized signatory of Trustee or Notes Custodian</b>
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**OPTION OF HOLDER TO ELECT PURCHASE**

If you elect to have this Note purchased by the Company pursuant to Section 3.06 of the Indenture, check the box below:

3.06

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 3.06 of the Indenture, state the amount in principal amount (must be in minimum denominations of \$2,000 or an integral multiple of \$1,000 in excess thereof): \$\_\_\_\_\_ and specify the denomination or denominations (which shall not be less than the minimum authorized denomination) of the Notes to be issued to the Holder for the portion of the within Note not being repurchased (in the absence of any such specification, one such Note will be issued for the portion not being repurchased): \_\_\_\_\_.

Date: \_\_\_\_\_

Your Signature \_\_\_\_\_  
(Sign exactly as your name appears on the other side of this Note)

Signature  
Guarantee: \_\_\_\_\_  
(Signature must be guaranteed)

\_\_\_\_\_  
Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

## FORM OF INDENTURE SUPPLEMENT TO ADD GUARANTORS

This Supplemental Indenture, dated as of [ ] (this “**Supplemental Indenture**” or “**Guarantee**”), among [name of future Guarantor] (the “**Additional Guarantor**”), Cleveland-Cliffs Inc., (together with its successors and assigns, the “**Company**”), and U.S. Bank National Association, as Trustee under the Indenture referred to below.

## WITNESSETH:

WHEREAS, the Company, the Guarantors and the Trustee have heretofore executed and delivered an Indenture, dated as of February 17, 2021 (as amended, supplemented, waived or otherwise modified, the “**Indenture**”), providing for the issuance of an aggregate principal amount of \$500,000,000 of 4.625% Senior Guaranteed Notes due 2029 and \$500,000,000 of 4.875% Senior Guaranteed Notes due 2031 of the Company (collectively, the “**Notes**”);

WHEREAS, Section 3.08 of the Indenture provides that, after the Issue Date, the Company is required to cause certain direct or indirect Subsidiaries of the Company to execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary will unconditionally guarantee, on a joint and several basis with the other Guarantors, the full and prompt payment of the principal of, premium, if any, and interest on the Notes on an unsecured basis; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Company are authorized to execute and deliver this Supplemental Indenture to amend or supplement the Indenture, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Additional Guarantor, the Company and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE 1  
Definitions

Section 1.01 Defined Terms.

As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE 2  
Agreement to be Bound; Guarantee

Section 2.01 *Agreement to be Bound*. The Additional Guarantor hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture. The Additional Guarantor agrees to be bound by all of the provisions of the Indenture applicable to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.02 *Guarantee*. The Additional Guarantor agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee the Guaranteed Obligations pursuant to Article 10 of the Indenture on an unsecured basis.

ARTICLE 3  
Miscellaneous

Section 3.01 *Notices*. All notices and other communications to the Additional Guarantor shall be given as provided in the Indenture to the Additional Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, other than the Company, the Additional Guarantor, Holders and the Trustee, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

Section 3.03 *Governing Law*. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 3.04 *Severability Clause*. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

Section 3.05 *Ratification of Indenture; Supplemental Indentures Part of Indenture*. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee shall not be responsible for and makes no representation or warranty as to the validity, execution, or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

Section 3.06 *Counterparts*. The parties hereto may sign one or more copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement.

Section 3.07 *Headings*. The headings of the Articles and the sections in this Guarantee are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

Section 3.08 *Execution, Delivery and Validity*. The Company and Additional Guarantor each represent and warrant to the Trustee that this Supplemental Indenture has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, receivership, administration, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[SUBSIDIARY GUARANTOR], as a Guarantor

By: \_\_\_\_\_

Name:

Title:

[Address]

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: \_\_\_\_\_

Name:

Title:

CLEVELAND-CLIFFS INC.

By: \_\_\_\_\_

Name:

Title:

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FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION WITH TRANSFERS PURSUANT TO REGULATION S

[Date]

Cleveland-Cliffs Inc.  
c/o U.S. Bank National Association  
1350 Euclid Avenue, Suite 1100  
Cleveland, Ohio 44115  
Attention: Corporate Trust Services  
Fax: (216) 623-9202

Re: [4.625% Senior Guaranteed Notes due 2029]  
[4.875% Senior Guaranteed Notes due 2031] (collectively, the "Notes")

Ladies and Gentlemen:

In connection with our proposed sale of \$[ ] aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, we represent that:

(a) the offer of the Notes was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(a)(2) or Rule 904(a)(2) of Regulation S, as applicable; and

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period and the provisions of Rule 903(b)(2), Rule 903(b)(3) or Rule 904(b)(1) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 903(b)(2), Rule 903(b)(3) or Rule 904(b)(1), as the case may be.

We also hereby certify that we [are] [are not] an Affiliate of the Company and, to our knowledge, the transferee of the Notes [is] [is not] an Affiliate of the Company.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth

Very truly yours,

[Name of Transferor]

By: \_\_\_\_\_

Authorized Signature

in Regulation S.

The following entities are included in the obligated group as of March 31, 2021, as defined in the Quarterly Report on Form 10-Q of Cleveland-Cliffs Inc. to which this document is being filed as an exhibit, including Cleveland-Cliffs Inc., as the parent and issuer, and the subsidiary guarantors that have guaranteed the obligations under the the 5.75% 2025 Senior Notes, the 6.75% 2026 Senior Secured Notes, the 5.875% 2027 Senior Notes, the 7.00% 2027 Senior Notes, the 9.875% 2025 Senior Secured Notes, the 4.625% 2029 Senior Notes and the 4.875% 2031 Senior Notes issued by Cleveland-Cliffs Inc.

Exact Name of Issuer or Guarantor Subsidiary (1)	State of Incorporation or Organization	IRS Employer Identification Number
Cleveland-Cliffs Inc.	Ohio	34-1464672
Cleveland-Cliffs Burns Harbor LLC	Delaware	20-0653414
Cleveland-Cliffs Cleveland Works LLC	Delaware	04-3634649
Cleveland-Cliffs Columbus LLC	Delaware	01-0807137
Cleveland-Cliffs Investments Inc.	Ohio	31-1283531
Cleveland-Cliffs Kote Inc.	Delaware	36-3665216
Cleveland-Cliffs Kote L.P.	Delaware	36-3665288
Cleveland-Cliffs Minorca Mine Inc.	Delaware	36-2814042
Cleveland-Cliffs Monessen Coke LLC	Delaware	25-1850170
Cleveland-Cliffs Plate LLC	Delaware	20-0653500
Cleveland-Cliffs Railways Inc.	Delaware	56-2348283
Cleveland-Cliffs Riverdale LLC	Delaware	74-3062732
Cleveland-Cliffs South Chicago & Indiana Harbor Railway Inc.	Delaware	04-3634638
Cleveland-Cliffs Steel Corporation	Delaware	31-1267098
Cleveland-Cliffs Steel Holding Corporation	Delaware	31-1401455
Cleveland-Cliffs Steel LLC	Delaware	71-0871875
Cleveland-Cliffs Steel Management Inc.	Delaware	51-0390893
Cleveland-Cliffs Steel Properties Inc.	Delaware	51-0390894
Cleveland-Cliffs Steelton LLC	Delaware	20-0653772
Cleveland-Cliffs Steelworks Railway Inc.	Delaware	04-3634622
Cleveland-Cliffs Tek Inc.	Delaware	36-3519946
Cleveland-Cliffs Tek Kote Acquisition Corporation	Ohio	85-4304182
Cleveland-Cliffs Tek L.P.	Delaware	363525438
Cleveland-Cliffs Tubular Components LLC	Delaware	31-1283531
Cleveland-Cliffs Weirton LLC	Delaware	56-2435202
Cannon Automotive Solutions - Bowling Green, Inc.	Delaware	26-0766559
Cleveland-Cliffs Steel Holdings Inc.	Ohio	85-4084783
Cliffs Mining Company	Delaware	34-1120353
Cliffs Minnesota Mining Company	Delaware	42-1609117
Cliffs TIOP Holding, LLC	Delaware	47-2182060
Cliffs TIOP, Inc.	Michigan	34-1371049
Cliffs TIOP II, LLC	Delaware	61-1857848
Cliffs UTAC Holding LLC	Delaware	26-2895214
Fleetwood Metal Industries, LLC	Delaware	98-0508950
IronUnits LLC	Delaware	34-1920747
Lake Superior & Ishpeming Railroad Company	Michigan	38-6005761
Metallics Sales Company	Delaware	84-2076079
Mid-Vol Coal Sales, Inc.	West Virginia	55-0761501
Mountain State Carbon, LLC	Delaware	31-1267098
Northshore Mining Company	Delaware	84-1116857
Precision Partners Holding Company	Delaware	22-3639336
PPHC Holdings, LLC	Delaware	31-1283531
Silver Bay Power Company	Delaware	84-1126359
SNA Carbon, LLC	Delaware	31-1267098
The Cleveland-Cliffs Iron Company	Ohio	34-0677332
Tilden Mining Company L.C.	Michigan	34-1804848
United Taconite LLC	Delaware	42-1609118

(1) The address and phone number of each issuer and guarantor subsidiary is c/o Cleveland-Cliffs Inc., 200 Public Square, Suite 3300, Cleveland, Ohio 44114, (216) 694-5700.

## CERTIFICATION

I, Lourenco Goncalves, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cleveland-Cliffs Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2021

By: /s/ Lourenco Goncalves

Lourenco Goncalves  
Chairman, President and Chief Executive Officer

## CERTIFICATION

I, Keith A. Koci, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cleveland-Cliffs Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2021

By: /s/ Keith A. Koci

\_\_\_\_\_  
Keith A. Koci  
Executive Vice President, Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Cleveland-Cliffs Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Lourenco Goncalves, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-Q.

Date: April 28, 2021

/s/ Lourenco Goncalves  
By: \_\_\_\_\_  
Lourenco Goncalves  
Chairman, President and Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Cleveland-Cliffs Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Keith A. Koci, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-Q.

Date: April 28, 2021

By: /s/ Keith A. Koci  
Keith A. Koci  
Executive Vice President, Chief Financial Officer

**Mine Safety Disclosures**

The operation of our mines located in the United States is subject to regulation by MSHA under the FMSH Act. MSHA inspects these mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the FMSH Act. We present information below regarding certain mining safety and health citations that MSHA has issued with respect to our mining operations. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the mine; (ii) the number of citations issued will vary from inspector to inspector and mine to mine; and (iii) citations and orders can be contested and appealed and, in that process, are often reduced in severity and amount, and are sometimes dismissed.

Under the Dodd-Frank Act, each operator of a coal or other mine is required to include certain mine safety results within its periodic reports filed with the SEC. As required by the reporting requirements included in §1503(a) of the Dodd-Frank Act, we present the following items regarding certain mining safety and health matters, for the period presented, for each of our mine locations that are covered under the scope of the Dodd-Frank Act:

- (A) The total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the FMSH Act (30 U.S.C. 814) for which the operator received a citation from MSHA;
- (B) The total number of orders issued under section 104(b) of the FMSH Act (30 U.S.C. 814(b));
- (C) The total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the FMSH Act (30 U.S.C. 814(d));
- (D) The total number of imminent danger orders issued under section 107(a) of the FMSH Act (30 U.S.C. 817(a));
- (E) The total dollar value of proposed assessments from MSHA under the FMSH Act (30 U.S.C. 801 *et seq.*);
- (F) Legal actions pending before the Federal Mine Safety and Health Review Commission involving such coal or other mine as of the last day of the period;
- (G) Legal actions instituted before the Federal Mine Safety and Health Review Commission involving such coal or other mine during the period; and
- (H) Legal actions resolved before the Federal Mine Safety and Health Review Commission involving such coal or other mine during the period.

During the three months ended March 31, 2021, our U.S. mine locations did not receive any flagrant violations under section 110(b)(2) of the FMSH Act (30 U.S.C. 820(b)(2)), or any written notices of a pattern of violations, or the potential to have such a pattern of violations, under section 104(e) of the FMSH Act (30 U.S.C. 814(e)). In addition, there were no mining-related fatalities at any of our U.S. mine locations during this same period.

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Following is a summary of the information listed above for the three months ended March 31, 2021:

		Three Months Ended March 31, 2021							
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Mine Name/ MSHA ID No.	Operation	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Orders	Section 107(a) Citations & Orders	Total Dollar Value of MSHA Proposed Assessments (1)	Legal Actions Pending as of Last Day of Period	Legal Actions Instituted During Period	Legal Actions Resolved During Period
Tilden / 2000422	Iron Ore	17	—	—	—	\$ 379,525	—	—	—
Empire / 2001012	Iron Ore	—	—	—	—	\$ —	—	—	—
Northshore Plant / 2100831	Iron Ore	15	—	—	—	\$ 21,519	5 (2)	1	—
Northshore Mine / 2100209	Iron Ore	1	—	—	—	\$ 2,206	—	—	—
United Taconite Plant / 2103404	Iron Ore	14	—	—	—	\$ 66,715	1 (3)	—	—
United Taconite Mine / 2103403	Iron Ore	—	—	—	—	\$ —	—	—	—
Hibbing / 2101600	Iron Ore	6	—	—	—	\$ 4,012	—	—	3
Minorca Mine / 2102449	Iron Ore	11	—	—	—	\$ 60,037	—	—	—
AK Coal / North Fork / 3610041	Coal	—	—	—	—	\$ —	—	—	2
Virginia Point No. 1 Surface Mine / 4407172	Coal	—	—	—	—	\$ —	—	—	—
Low Gap Surface Mine / 4605741	Coal	—	—	—	—	\$ —	—	—	—
Eckman Surface Mine / 4608647	Coal	—	—	—	—	\$ 1,439	—	—	—
Redhawk Surface Mine / 4609300	Coal	—	—	—	—	\$ —	—	—	—
Dry Branch Surface Mine / 4609395	Coal	1	—	—	—	\$ 3,600	—	—	—
Dans Branch Surface Mine / 4609517	Coal	—	—	—	—	\$ —	—	—	—
Eckman Loadout / 4603341	Coal	—	—	—	—	\$ —	—	—	—
Roadfork Loadout / 4608278	Coal	—	—	—	—	\$ —	—	—	—
Eckman Plant / 4609357	Coal	1	—	—	—	\$ 328	1 (4)	—	—
Mine No. 35 / 4608131	Coal	—	—	—	—	\$ —	—	—	—
Mine No. 39 / 4609261	Coal	31	—	2	—	\$ 78,682	6 (5)	6	—
Mine No. 43 / 4609496	Coal	7	—	—	—	\$ 27,350	2 (6)	1	—

- (1) Amounts included under the heading "Total Dollar Value of MSHA Proposed Assessments" are the total dollar amounts for proposed assessments received from MSHA on or before March 31, 2021.
- (2) This number consists of 4 pending legal actions related to appeals of judges' decisions or orders to the Federal Mine Safety and Health Review Commission referenced in Subpart H of FMSH Act's procedural rules and 1 pending legal action related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.
- (3) This number consists of 1 pending legal action related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.
- (4) This number consists of 1 pending legal action related to complaints of discharge, discrimination, or interference referenced in Subpart E of FMSH Act's procedural rules.
- (5) This number consists of 6 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.
- (6) This number consists of 2 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.