Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2020

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

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

Securities registered pursuant to section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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, a 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2020, the aggregate market value of the voting and non-voting common shares held by non-affiliates of the registrant, based on the closing price of $5.52 per share as reported on the New York Stock Exchange — Composite Index, was $2,171,029,299 (excluded from this figure are the voting shares beneficially owned by the registrant's officers and directors).

The number of shares outstanding of the registrant's common shares, par value $0.125 per share, was 498,885,558 as of February 24, 2021.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement for its 2021 annual meeting of shareholders are incorporated by reference into Part III.

TABLE OF CONTENTS

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. References to "$" is to United States currency.

Abbreviation or acronym	Term
2012 Amended Equity Plan	Cliffs Natural Resources Inc. 2012 Incentive Equity Plan, as amended or amended and restated from time to time
A&R 2015 Equity Plan	Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan
ABL Amendment	Second Amendment to Asset-Based Revolving Credit Agreement, dated as of December 9, 2020, among Cleveland-Cliffs Inc., the lenders party thereto from time to time and Bank of America, N.A., as administrative agent
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, impacts of discontinued operations and intersegment corporate allocations of selling, general and administrative costs
AG	Autogenous grinding
AHSS	Advanced high-strength steel
AK Coal	AK Coal Resources, Inc., an indirect, wholly owned subsidiary of AK Steel, and related coal mining assets
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 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, and the entry into the ABL Amendment, together
AM USA Transaction Agreement	Transaction Agreement, dated as of September 28, 2020, by and between Cleveland-Cliffs Inc. and ArcelorMittal S.A.
AMT	Alternative minimum tax
AOCI	Accumulated other comprehensive income (loss)
APBO	Accumulated postretirement benefit obligation
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
ASTM	American Society for Testing and Materials
ASU	Accounting Standards Update
BART	Best available retrofit technology
BNSF	Burlington Northern Santa Fe, LLC
Board	The Board of Directors of Cleveland-Cliffs Inc.
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CECL	Current expected credit losses
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980
CFR	Cost and freight
Clean Water Act	Federal Water Pollution Control Act
CN	Canadian National Railway Company
Compensation Committee	Compensation and Organization Committee of the Board
COVID-19	A novel strain of coronavirus that the World Health Organization declared a global pandemic in March 2020
Directors' Plan	Cliffs Natural Resources Inc. Amended and Restated 2014 Nonemployee Directors' Compensation Plan
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOE	U.S. Department of Energy
DR-grade	Direct reduction-grade
EAF	Electric arc furnace
EBITDA	Earnings before interest, taxes, depreciation and amortization
EDC Revolving Facility	Credit Facility Agreement, dated November 9, 2020, among Export Development Canada and Cleveland-Cliffs Inc.'s indirect, wholly owned subsidiaries, Fleetwood Metal Industries Inc. and The Electromac Group Inc.
EGLE	Michigan Department of Environment, Great Lakes and Energy

Abbreviation or acronym	Term
Empire	Iron ore mining property owned by Empire Iron Mining Partnership, an indirect, wholly owned subsidiary of Cliffs
EPA	U.S. Environmental Protection Agency
EPS	Earnings per share
ERISA	Employee Retirement Income Security Act of 1974, as amended
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Fe	Iron
FeT	Total iron
FILO	First-in, last-out
FIP	Federal implementation plan
FMSH Act	Federal Mine Safety and Health Act of 1977, as amended
Former ABL Facility	Amended and Restated Syndicated Facility Agreement, dated as of March 30, 2015, among Cleveland-Cliffs Inc., the subsidiary borrowers party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent, as amended and restated as of February 28, 2018, and as further amended, which was terminated on March 13, 2020 in connection with entering into the ABL Facility
GAAP	Accounting principles generally accepted in the United States
GHG	Greenhouse gas
GOES	Grain oriented electrical steel
H/EV	Hybrid/electric vehicle
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
IRC	U.S. Internal Revenue Code of 1986, as amended
IT	Information technology
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
LIBOR	London Interbank Offered Rate
LIFO	Last-in, first-out
Long ton	2,240 pounds
LS&I	Lake Superior & Ishpeming Railroad Company
Merger Sub	Pepper Merger Sub Inc., a direct, wholly owned subsidiary of Cliffs prior to the AK Steel Merger
Metric ton	2,205 pounds
Minorca	Iron ore mining property owned by Cleveland-Cliffs Minorca Mine Inc. (f/k/a ArcelorMittal Minorca Mine Inc.), an indirect, wholly owned subsidiary of Cliffs acquired in connection with the AM USA Transaction
MMBtu	Million British Thermal Units
MPCA	Minnesota Pollution Control Agency
MSHA	U.S. Mine Safety and Health Administration
Net ton	2,000 pounds
NOL	Net operating loss
NOVs	Notices of violations
NO_x	Nitrogen oxide
NOES	Non-oriented electrical steel
Northshore	Iron ore mining property owned by Northshore Mining Company, a direct, wholly owned subsidiary of Cliffs
NPDES	National Pollutant Discharge Elimination System, authorized by the Clean Water Act
NYSE	New York Stock Exchange
OPEB	Other postretirement benefits
OSHA	Occupational Safety and Health Administration
PBO	Projected benefit obligation
PHS	Press-hardened steel
Platts 62% price	Platts IODEX 62% Fe Fines CFR North China
PPI	Producer Price Indices
Precision Partners	PPHC Holdings, LLC, an indirect, wholly owned subsidiary of AK Steel, and its subsidiaries, collectively, unless stated otherwise or the context indicates otherwise
RCRA	Resource Conservation and Recovery Act
RI/FS	Remedial Investigation/Feasibility Study

Abbreviation or acronym	Term
ROM	Run-of-mine coal
S&P	Standard & Poor's
SEC	U.S. Securities and Exchange Commission
Section 232	Section 232 of the Trade Expansion Act of 1962
Securities Act	Securities Act of 1933, as amended
SIP	State Implementation Plan
STRIPS	Separate Trading of Registered Interest and Principal of Securities
SunCoke Middletown	Middletown Coke Company, LLC, a subsidiary of SunCoke Energy, Inc.
Tilden	Iron ore mining property owned by Tilden Mining Company L.C., an indirect, wholly owned subsidiary of Cliffs
TMDL	Total maximum daily load
Topic 805	ASC Topic 805, Business Combinations
Topic 815	ASC Topic 815, Derivatives and Hedging
TSR	Total shareholder return
Tubular Components	Cleveland-Cliffs Tubular Components LLC (f/k/a AK Tube LLC), an indirect, wholly owned subsidiary of AK Steel
United Taconite	Iron ore mining property owned by United Taconite LLC, an indirect, wholly owned subsidiary of Cliffs
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
VEBA	Voluntary employee benefit association trusts
VIE	Variable interest entity

PART I

Item 1. *Business*

Introduction

Cliffs is the largest flat-rolled steel producer in North America. Founded in 1847 as a mine operator, we are also the largest supplier 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; as well as 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.

On March 13, 2020, we completed the acquisition of AK Steel, a leading producer of flat-rolled carbon, stainless and electrical steel products. These operations consist primarily of seven steelmaking and finishing plants, two cokemaking operations, three tube manufacturing plants and ten tooling and stamping operations. The Tubular Components and Precision Partners businesses provide customer solutions with carbon and stainless steel tubing products, die design and tooling, and hot- and cold-stamped components.

On December 9, 2020, we completed the acquisition of ArcelorMittal USA. These operations include six steelmaking facilities, eight finishing facilities, two iron ore mining and pelletizing operations, one coal mining complex and three cokemaking operations. 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 additional scale and technical capabilities necessary in a competitive and increasingly quality-focused marketplace.

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) 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 AHSS, hot-dipped galvanized, aluminized, galvalume, electrogalvanized, galvanneal, HRC, cold-rolled coil, plate, tinplate, GOES, NOES, 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 supplier 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 offer a high-quality scrap and pig iron alternative to the several EAFs in the region. Previously, ore-based metallics that compete with our HBI had to be imported from locations like Russia, Ukraine and Brazil. With growing EAF capacity in the U.S. and

increasing tightness in the scrap market, we expect our Toledo direct reduction plant to generate healthy 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 identified approximately $150 million of potential cost synergies through asset optimization, economies of scale, and duplicative overhead savings. The AM USA Transaction also enhances optionality for future production of merchant pig iron to complement our HBI offering in the metallics space.

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 also pride ourselves on our excellent delivery performance, which provides us opportunities to augment our relationships with current customers given our reputation as a reliable supplier.

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 cyclicality 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.

Our stated initial target will be to reduce total debt to less than three times our annual Adjusted EBITDA. We will continue to review 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, which we demonstrated by executing a series of favorable debt and equity capital markets transactions during February 2021, as described under *Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*. These actions will better prepare us to navigate more easily through potentially volatile industry conditions in the future.

Enhance our Environmental Sustainability

As the Company transforms, 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 announcing our plan 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.

Business Operations

We are vertically integrated from the mining of iron ore and coal; to production of metallics 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. As we expand our presence, we believe such vertical integration represents a sustainable business model that is in the best interest of all stakeholders and the surest way to secure a long-term competitive advantage.

We strive to operate responsibly and produce more environmentally friendly iron ore pellets that enable production of clean steel, which is also the most recycled material on the planet. Additionally, our investment in the direct reduction plant in Toledo, Ohio, also helps to support environmental stewardship, as the production of HBI is more environmentally friendly than its substitute, foreign pig iron. From a focus on key environmental processes, such as steel recycling and water reuse, to corporate and social responsibility, sustainability is central to our values and operations.

We have updated our segment structure to coincide with our new business model and are organized into four operating segments based on differentiated products, Steelmaking, Tubular, Tooling and Stamping, and European Operations. Through the third quarter ended September 30, 2020, we had operated through two reportable segments – the Steel and Manufacturing segment and the Mining and Pelletizing segment. However, given the recent transformation of the business, beginning with our financial statements as of and for the year ended December 31, 2020, we primarily operate through one reportable segment – the Steelmaking segment.

The following table lists our main properties, their location and their products and services:

Property	Segment	State/ Province	Products and Services
Hibbing (85.3% ownership)	Steelmaking	Minnesota	Iron ore pellets
Minorca	Steelmaking	Minnesota	Iron ore pellets
Northshore	Steelmaking	Minnesota	Iron ore pellets
Tilden	Steelmaking	Michigan	Iron ore pellets
United Taconite	Steelmaking	Minnesota	Iron ore pellets
Empire (indefinitely idled)	Steelmaking	Michigan	Iron ore pellets
Toledo	Steelmaking	Ohio	HBI
Princeton	Steelmaking	West Virginia	Coal
Mountain State Carbon	Steelmaking	West Virginia	Coke
Monessen	Steelmaking	Pennsylvania	Coke
Warren	Steelmaking	Ohio	Coke
Ashland Works (idled)	Steelmaking	Kentucky	Potential pig iron plant
Burns Harbor	Steelmaking	Indiana	Hot-rolled, cold-rolled, and hot-dipped galvanized sheet and coke
Burns Harbor Plate and Gary Plate	Steelmaking	Indiana	Carbon steel plate, high-strength low alloy steel plate, ASTM grades steel plate
Butler Works	Steelmaking	Pennsylvania	Flat-rolled electrical and stainless steel, stainless and carbon semi-finished slabs
Cleveland	Steelmaking	Ohio	Hot-rolled and hot-dipped galvanized sheet
Coatesville	Steelmaking	Pennsylvania	Steel plate - carbon, high-strength low-alloy, commercial allow, military alloy, flame-cut
Columbus	Steelmaking	Ohio	Hot-dipped galvanized steel
Conshohocken	Steelmaking	Pennsylvania	Coiled and discrete plate, military alloy, commercial alloy, heat-treated carbon
Coshocton Works	Steelmaking	Ohio	Flat-rolled stainless steel
Dearborn Works	Steelmaking	Michigan	Carbon semi-finished slabs, hot-dipped galvanized, AHSS
Indiana Harbor	Steelmaking	Indiana	Hot-rolled, cold-rolled and hot-dipped galvanized sheet
Kote and Tek	Steelmaking	Indiana	Cold-rolled, hot-dipped galvanized and galvannealed, electrogalvanized coil
Mansfield Works	Steelmaking	Ohio	Semi-finished hot bands, high chrome ferritic and martensitic stainless steels
Middletown Works	Steelmaking	Ohio	Hot-rolled, cold-rolled, hot-dipped galvanized, aluminized sheet and coke
Piedmont	Steelmaking	North Carolina	Plasma-cuts plate steel products into blanks
Riverdale	Steelmaking	Illinois	Hot-rolled sheet
Rockport Works	Steelmaking	Indiana	Cold-rolled carbon, coated and stainless steels
Steelton	Steelmaking	Pennsylvania	Railroad rails, specialty blooms, flat bars
Weirton	Steelmaking	West Virginia	Tinplate, cold-rolled sheet
Zanesville Works	Steelmaking	Ohio	Electrical steels
Tubular Components	Other Businesses	Indiana and Ohio	AHSS tube, electric resistant welded tubing
Precision Partners	Other Businesses	Ontario, Alabama and Kentucky	Cold and hot stamp assembly solutions

Customers and Markets

We primarily sell our products to customers in four broad market categories: automotive; infrastructure and manufacturing, which includes electrical power; distributors and converters; and steel producers, which consume iron ore and metallics. The following table presents the percentage of our net sales to each of these markets during the year:

Market	2020
Automotive	45 %
Infrastructure and manufacturing	15 %
Distributors and converters	13 %
Steel producers	27 %

Certain of our flat-rolled steel shipments are sold under fixed base price contracts. These contracts are typically one year in duration and expire at various times throughout the year. Some of these contracts have a surcharge mechanism that passes through certain changes in input costs. A certain portion of our flat-rolled steel shipments are sold based on the spot market at prevailing market prices or under contracts that involve variable pricing that is tied to an independently published steel index.

We sell our steel products principally to customers in North America. For the vast majority of international sales, we are not the importer of record and do not bear the responsibility for paying any applicable tariffs.

Automotive Market

The automotive industry is our largest market, and we aim to address the principal needs of major automotive manufacturers and their suppliers. We specialize in manufacturing difficult-to-produce, high-quality steel products, combined with demanding delivery performance, customer technical support and collaborative relationships, to develop breakthrough steel solutions that help our customers meet their product requirements. In addition, many of our competitors do not have the capability to supply the full portfolio of products that we make for our automotive customers, such as steel for exposed automotive applications, the most sophisticated grades of AHSS and value-added stainless steel products. The exacting requirements for servicing the automotive market generally allows for higher selling prices for products sold to that market than for the commodity types of carbon and stainless steels sold to other markets.

In light of the automotive market's importance to us, North American light vehicle production has a significant impact on our total sales and shipments. North American light vehicle production for 2020 declined 20% to approximately 13 million units from the prior year due to impacts of the COVID-19 pandemic, which forced businesses to begin to shut down at the end of March 2020 until they slowly re-started near the end of the second quarter. During the third quarter of 2020, auto makers saw the pent-up demand bring sales back to more normal levels as buyers and dealers adapted to new procedures and virtual shopping. Fourth quarter 2020 sales were more in line with expected sales for the time of year, but did not quite return to pre-COVID-19 levels. Currently, we are expecting North American light vehicle production in 2021 to significantly increase and return to near 2019 levels, which to an extent depends on continued demand, the level of fiscal stimulus provided under the new Biden Administration, timing of COVID-19 vaccination distribution and how quickly the economy recovers.

Furthermore, during 2020, consumer demand for sport utility vehicles, trucks, crossovers and larger vehicles continued to increase while demand for smaller sedans and compact cars declined. We benefit from intentionally targeting larger vehicle platforms to take advantage of consumer preferences, and we have focused on and have been successful in getting sourced on numerous sport utility vehicles, truck, crossover and larger vehicle platforms. As a result, a significant portion of the carbon automotive steel that we sell is used to produce these popular larger vehicles. In addition to benefiting from our exposure to consumers' strong demand for larger vehicles, these vehicles also typically contain a higher volume of steel than smaller sedans and compact cars, providing us the opportunity to sell a greater proportion of our steel products to our automotive customers.

Automotive manufacturers are under pressure to achieve heightened federally mandated fuel economy standards (the Corporate Average Fuel Economy, or "CAFE," standards). The CAFE standards generally require automobile manufacturers to meet an average fuel economy goal across the fleet of vehicles they produce with certain milestone dates. As a result, our automotive customers continue to explore various avenues for achieving the standards, including light weighting components and developing more fuel-efficient engines. Light weighting efforts include the use of alternatives to traditional carbon steels, such as AHSS and other materials. While this could reduce the aggregate volume of steel consumed by the automotive industry, we expect that demand will increase for current

and next-generation AHSS and that our AHSS and other innovative steels will command higher margins. We are collaborating with our automotive customers and their suppliers to develop innovative solutions using our developments in light weighting, efficiency, and material strength and formability across our extensive product portfolio, in combination with our automotive stamping and tube-making capabilities. We are also working with our customers to develop steels with greater heat resistance for exhaust systems that support new, fuel-efficient engines that run at higher temperatures.

Automotive manufacturers have also been increasing their development of H/EVs and battery electric vehicles in order to meet the CAFE standards and growing customer adoption of H/EVs. Many motors used in H/EVs being sold in the U.S. today are imported from foreign suppliers, but more local sourcing and manufacturing of motors is expected to occur in the future. As the only North American producer of high-efficiency NOES, which is a critical component of H/EV motors, we are positioned to potentially benefit from the growth of H/EVs going forward. We believe our strong foundation in electrical steels and long-standing relationships with automotive manufacturers and their suppliers will provide us with an advantage in this market as it continues to grow and mature. Likewise, the growing customer adoption of H/EVs may also increase demand for improvements in the electric grid to support higher demand for more extensive battery charging, which our GOES could support.

Infrastructure and Manufacturing Market

We sell a variety of our steel products, including plate, carbon, stainless, electrical, tinplate and rail, to the infrastructure and manufacturing market. This market includes sales to manufacturers of heating, ventilation and air conditioning equipment, appliances, power transmission and distribution transformers, storage tanks, ships and railcars, wind towers, machinery parts, heavy equipment, military armor, food preservation, and railway lines. Domestic construction activity and the replacement of aging infrastructure directly affects sales of steel to this market. During 2020, there were nearly 1.4 million new housing starts in the U.S., an increase of approximately 6% from 2019, and home sales reached nearly 6 million, the highest annual mark since 2006, with the supply of existing homes having reached all-time lows. The recent strength in home sales has been due to lower mortgage rates and remote work flexibility and is expected to continue through 2021.

Distributors and Converters Market

Virtually all of the grades of steel we produce are sold to the steel distributors and converters market. This market generally represents downstream steel service centers, who source various types of steel from us and fabricate it according to their customers' needs. Our steel is typically sold to this market on a spot basis or under short-term contracts linked to steel pricing indices. Demand and pricing for this market can be highly dependent on a variety of factors outside our control, including global and domestic commodity steel production capacity, the relative health of countries' economies and whether they are consuming or exporting excess steel capacity, the provisions of international trade agreements and fluctuations in international currencies and, therefore, are subject to market changes in steel prices.

The price for domestic HRC, which is an important attribute in the profitability of this end market, averaged $588 per net ton for the year ended December 31, 2020, 2% lower than the prior year. The price of HRC was negatively impacted by lower demand related to the COVID-19 pandemic, and hit a low point of $438 per net ton on April 30, 2020. However, as the industry recovered and supply-demand dynamics improved, the price rebounded dramatically, rising to a peak of $1,030 per net ton by December 31, 2020 and reaching all time-highs early in 2021. The improved pricing environment should bolster profitability for this end market during 2021.

Steel Producers Market

The steel producers market represents third-party sales to other steel producers, including those who operate blast furnaces and EAFs. It includes sales of raw materials and semi-finished and finished goods, including iron ore pellets, coal, coke, HBI and steel products.

The merchant portion of our iron ore pellet production is sold pursuant to long-term supply agreements and through spot contracts. Certain of our supply agreements contain a base price that is adjusted periodically as specified by the contracts, using one or more adjustment factors. Factors that could result in price adjustments under our contracts include changes in the Platts 62% price, published Platts international indexed freight rates and changes in specified PPI, including those for industrial commodities, fuel and steel.

As a result of the Acquisitions, production from our iron ore mines is now predominantly consumed by our newly acquired steelmaking operations. On a full-year basis, we would expect between 22 million and 24 million long tons of our iron ore pellets to be consumed by our steelmaking operations. During 2020, 2019 and 2018, we sold 12

million, 19 million and 21 million long tons of iron ore product, respectively, to third parties from our share of production from our iron ore mines.

We produce various grades of iron ore pellets, including standard, fluxed and DR-grade, for use as part of the steelmaking process. The variation in grade of iron ore pellets results from the specific chemical and metallurgical properties of the ores at each mine, the requirements of end users' steelmaking processes and whether or not fluxstone is added in the process. Although the grade or grades of pellets currently delivered to each customer are based on that customer's preferences, which depend in part on the characteristics of the customer's steelmaking operation, in certain cases our iron ore pellets can be used interchangeably. Standard pellets require less processing, are generally the least costly pellets to produce and are called "standard" because no ground fluxstone, such as limestone or dolomite, is added to the iron ore concentrate before turning the concentrate into pellets. In the case of fluxed pellets, fluxstone is added to the concentrate, which produces pellets that can perform at higher productivity levels in the customer's specific blast furnace and will minimize the amount of fluxstone the customer may be required to add to the blast furnace. DR-grade pellets require additional processing to make a pellet that contains higher iron and lower silica content than a standard pellet. Unlike standard or fluxed pellets, DR-grade pellets are produced to be fed into a direct reduction facility.

Beginning in 2021, we expect to also sell HBI to third-party customers, primarily EAFs with operations in the Great Lakes region. We expect our Toledo direct reduction plant to begin shipping saleable product to third-party customers during the first quarter of 2021. The Toledo direct reduction plant has a nameplate production capacity of 1.9 million metric tons, and we expect to reach its productive capacity by the second quarter of 2021.

Applied Technology, Research and Development

We have an extensive history of being an innovator dating back more than a century. From upstream research and development, to downstream applications, we have dedicated technical and engineering resources that begin with improving customers' production and manufacturing performance to applications for their end product use.

We have been a leader in iron ore mining and processing technology through the application of new technology to the centuries-old business of mineral extraction. We have also been a pioneer in iron ore pelletizing with over 60 years of experience. We are able to produce customized, environmentally friendly pellets to meet blast furnace specifications and produce standard, fluxed and DR-grade pellets.

We now have a world-class research and development team expanding our capabilities to bring new steel products to the marketplace. Rapidly evolving and highly competitive markets for our steel products require our customers to seek new, comprehensive steel solutions, and we believe we are well positioned to deliver the most robust solutions through our broad portfolio of offerings. Collaboration across our research groups and operations generates innovative and comprehensive solutions for our customers, which we believe enhances our competitive advantage.

Creating innovative products and breakthrough solutions is a strategic priority, as we believe differentiation through producing higher value steels to meet challenging requirements enables us to maintain and enhance our margins. We conduct a broad range of research and development activities aimed at improving existing products and processes and developing new ones. Our innovation of steel has produced a highly diversified steel product portfolio. As part of our underlying strategy to focus on higher-value materials and minimize exposure to commodity products, we have invested in research and innovation totaling $15 million in 2020. Our ongoing efforts at our state-of-the-art Research and Innovation Center in Middletown, Ohio, to enhance technical collaboration have increased the introduction of new steel solutions to the marketplace.

HBI

We are a pioneer in the development of emerging reduction technologies, a leader in the extraction of value from challenging resources and a front-runner in the implementation of safe and sustainable technology. We are also devoted to promoting environmental sustainability, evidenced with the development of our direct reduction plant in Toledo, Ohio. We expect our introduction of HBI to the Great Lakes EAF market will be notable in the evolution of the steel industry.

We completed construction of our Toledo direct reduction plant and began production in the fourth quarter of 2020. Our Toledo direct reduction plant is expected to produce 1.9 million metric tons of HBI per year, replacing a portion of the over 3 million metric tons of ore-based metallics that are imported into the Great Lakes region every year from Russia, Ukraine, Brazil and Venezuela, as well as approximately 20 million metric tons of scrap used in the Great Lakes area every year.

Carbon Steel

We focus much of our research and innovation efforts on carbon steel applications for automotive manufacturers and their suppliers. We are particularly focused on AHSS for the automotive market, and we produce virtually every AHSS grade currently used by our customers. Our AHSS grades, such as Dual Phase 590, 780, 980 and 1180, have been adopted by our customers for both stamped and roll-formed parts, and our NEXMET® 1000 and 1200 products have demonstrated enhanced strength, formability and opportunities for automotive light weighting in cold-stamped applications. We are also pursuing application of NEXMET 440EX and NEXMET 490EX in surface-critical, exposed auto body panels as an alternative to aluminum.

Third Generation Advanced High-Strength Steel

Our third generation NEXMET 1000 and NEXMET 1200 AHSS products enable our customers to achieve significant light weighting in the unexposed structural components of their vehicles. NEXMET 1200, for example, offers superior formability similar to conventional Dual Phase 600 steel, but at twice the strength level. We have expanded the application of the NEXMET technology to our tubular products and stamped components businesses. These AHSS products allow automotive engineers to design lightweight parts that meet rigorous service and safety requirements. The NEXMET family of steels helps our customers achieve vehicle weight savings for ambitious fuel efficiency standards while avoiding significant capital costs required to re-design production facilities to use alternative materials.

Both galvanized and cold-rolled NEXMET 1000 and NEXMET 1200 AHSS are progressing through product qualification with several original equipment manufacturer customers. A number of stamping and component assembly trials have been completed successfully, with more planned and underway. Because the timing of automotive design and production cycles spans several years, widespread automotive customer adoption of revolutionary new material such as NEXMET AHSS may also extend over several years. We expect that other automotive vehicle platforms will incorporate NEXMET AHSS in their designs and that NEXMET AHSS will become a strong differentiator for us going forward.

Downstream Steel Applications

Our portfolio of steel solutions includes the operations of Precision Partners, which provides advanced-engineered solutions, tool design and build, hot and cold-stamped components and complex assemblies for the automotive market. In addition to Precision Partners, our downstream operations include Tubular Components, which manufactures advanced tubular products for automotive and other applications using carbon and stainless steels. We believe that collaboration among our steelmaking operations and our downstream businesses can accelerate the adoption of our innovative steel products by automotive manufacturers and their Tier 1 suppliers.

Our research and technical experts have undertaken numerous collaborative projects that are generating robust solutions for our customers. Precision Partners' expertise in tool design and stamping capabilities has allowed us to create prototype components using AK Steel's innovative new materials and present customers with new potential steel solutions. This approach has and, we expect, will continue to demonstrate to customers that they can significantly lightweight automotive parts on an accelerated timeline and in a cost-effective manner by using our highly formable grades of AHSS in place of traditional material types.

In addition, our collaborative projects are enhancing our collective knowledge and experience in the stamping of new, advanced grades of steel, advanced engineered solutions, and tool design and build. For example, Precision Partners specializes in hot-stamping PHS for automotive applications. AK Steel's experience as a leader in PHS and Precision Partners' expertise in hot-stamping has enabled these teams to have greater insight into these high-growth areas and has accelerated product development and customer adoption of these automotive light weighting solutions. Likewise, collaboration with Tubular Components strategically advances our mission to innovate in AHSS for the automotive industry, as Tubular Components has been at the forefront of producing tubular products from third-generation AHSS. We believe the combination of Precision Partners' stamping and advanced die-making capabilities, Tubular Component's leading tube making capabilities and our breakthrough material introductions will enhance our ability to deliver innovative, steel solutions to our customers.

Precision Partners has recently been awarded contracts with several customers to supply complex assemblies and stamped automotive parts. In winning these contracts, Precision Partners has been able to leverage our hot-stamping tooling leadership, in addition to our innovative hot-stamping process, to capture new strategic opportunities and demonstrate that Precision Partners is one of the few businesses in North America that has the technical capabilities to produce a major complex assembly and stamping work of this nature.

Competition

We principally compete with domestic and foreign producers of flat-rolled carbon, plate, stainless, rail and electrical steel, carbon and stainless tubular products, aluminum, carbon fiber, concrete and other materials that may be used as a substitute for flat-rolled steels in manufactured products. Precision Partners and Tubular Components both compete against other niche companies in highly fragmented markets.

Price, quality, on-time delivery, customer service and product innovation are the primary competitive factors in the steel industry and vary in importance according to the product category and customer requirements. Steel producers that sell to the automotive market face competition from aluminum manufacturers (and, to a lesser extent, other materials) as automotive manufacturers attempt to develop vehicles that will enable them to satisfy more stringent, government-imposed fuel efficiency standards. To address automotive manufacturers' light weighting needs that the aluminum industry is targeting, we and others in the steel industry are developing AHSS grades that we believe provide weight savings similar to aluminum, while being stronger, less costly, more sustainable, easier to repair and more environmentally friendly. Aluminum penetration has been primarily limited to specific automotive applications, such as outer panels and closures, rather than entire body designs. In addition, our automotive customers who continue to use steel, as opposed to aluminum and other alternative materials, are able to avoid the significant capital expenditures required to re-tool their manufacturing processes to accommodate the use of non-steel materials.

Mini-mills (producers using EAFs) comprise about 70% of steel production in the U.S. Their primary raw material is scrap metal, which has unpredictable and often volatile pricing. Due to the announced mini-mill capacity additions in the U.S. and increasing demand for scrap from China, we expect the price of scrap to remain elevated over historical averages, providing our integrated footprint a competitive advantage. Mini-mills also generally offer a narrower range of products than integrated steel mills, but the increasing use of pig iron and direct reduced iron have enabled them to modestly expand their product capabilities in recent years. However, we believe mini-mills often do not have the equipment capabilities to produce the product range that integrated facilities offer, nor do we believe they possess our depth of customer service, technical support, and research and innovation.

Domestic steel producers, including us, face significant competition from foreign producers. For many reasons, these foreign producers often are able to sell products in the U.S. at prices substantially lower than domestic producers. Depending on the country of origin, these reasons may include government subsidies; lower labor, raw material, energy and regulatory costs; less stringent environmental regulations; less stringent safety requirements; the maintenance of artificially low exchange rates against the U.S. dollar; and preferential trade practices in their home countries. Since late 2017, import levels of flat-rolled products into the United States have shown a gradual and steady decline and have recently been more reflective of historical levels before the unprecedented surge that began in 2014. We believe the decline is at least partially attributable to the implementation of certain trade restrictions on imported steel over the past five years, including both targeted trade cases and the more broad Section 232 tariffs. Modifications to these trade restrictions by government officials could directly or indirectly impact import levels in the future. Import levels are also affected to varying degrees by the relative level of steel production in China and other countries, the strength of demand for steel outside the U.S. and the relative strength or weakness of the U.S. dollar against various foreign currencies. Imports of finished steel into the U.S. accounted for approximately 18% of domestic steel market consumption in 2020.

We continue to provide significant pension and healthcare benefits to a great number of our retirees compared to certain other domestic and foreign steel producers that do not provide such benefits to any or most of their retirees, which increases our overall cost of production relative to certain other steelmakers. However, we have taken a number of actions to reduce pension and healthcare benefits costs, including negotiating progressive labor agreements that have significantly reduced total employment costs at all of our union-represented facilities, transferring all responsibility for healthcare benefits for various groups of retirees to VEBAs, offering voluntary lump-sum settlements to pension plan participants, lowering retiree benefit costs for salaried employees, and transferring pension obligations to highly rated insurance companies. These actions have not only reduced some of the risks associated with our pension fund obligations, but more importantly have reduced our risk exposure to performance of the financial markets, which are a principal driver of pension funding requirements. We continue to actively seek opportunities to reduce pension and healthcare benefits costs.

Environment

Our mining, steel and downstream manufacturing operations are subject to various laws and regulations governing the protection of the environment. We monitor these laws and regulations, which change over time, to assess whether the changes affect our operations. We conduct our operations in a manner that is protective of public health and the environment.

Environmental matters and their management continued to be an important focus at each of our operations throughout 2020, including operations at AK Steel (acquired in March 2020) and ArcelorMittal USA (acquired in December 2020). In the construction and operation of our facilities, substantial costs have been and will continue to be incurred to comply with regulatory requirements and avoid undue effect on the environment. In 2020, 2019, and 2018, our capital expenditures relating to environmental matters totaled approximately $34 million, $9 million, and $10 million, respectively. Our current estimate for capital expenditures for environmental improvements in 2021 is approximately $51 million for various water treatment, air quality, dust control, tailings management and other miscellaneous environmental projects. Additionally, we expect capital expenditures for environmental improvements for each of 2022 and 2023 to be generally in line with 2021's estimated spending.

Regulatory Developments

Various governmental bodies continually promulgate new or amended laws and regulations that affect us, our customers, and our suppliers in many areas, including waste discharge and disposal, the classification of materials and products, air and water discharges and other environmental, health, and safety matters. Although we believe that our environmental policies and practices are sound and do not expect that the application of any current laws, regulations or permits would reasonably be expected to result in a material adverse effect on our business or financial condition, we cannot predict the collective potential adverse impact of the expanding body of laws and regulations. Moreover, because all domestic steel and mining producers operate under the same federal environmental regulations, we do not believe that we are more disadvantaged than our domestic competitors by our need to comply with these regulations. Some foreign competitors may benefit from less stringent environmental requirements in the countries where they produce, resulting in lower compliance costs for them and providing those foreign competitors with a cost advantage on their products.

Specifically, there are several notable proposed or potential rulemakings or activities that could have a material adverse impact on our facilities in the future depending on their ultimate outcome: Minnesota's potential revisions to the sulfate wild rice water quality standard; evolving water quality standards for selenium and conductivity; scope of the Clean Water Act and the definition of “Waters of the United States”; Minnesota's Mercury TMDL and associated rules governing mercury air emission reductions; Climate Change and GHG Regulation; the Regional Haze FIP Rule; and the regulation of discharges to groundwater.

Minnesota’s Sulfate Wild Rice Water Quality Standard

The Minnesota Governor established a Wild Rice Task Force by Executive Order in May 2018 that provided recommendations to the Governor’s Office on wild rice restoration and regulation. The existing water quality standard for wild rice has not been applied to any of our discharge permits or enforced in decades, and it may be unenforceable because of legislation and because the water bodies to which the existing standard applies have never been identified specifically in rule, nor are there criteria for identifying them. The MPCA is complying with the legislation that prohibits enforcement of the water quality standard until the obsolete standard is updated based on modern science. For these reasons, the impact of the proposed wild rice water quality standard to our Minnesota iron ore mining and pelletizing operations is not estimable at this time, but it could have an adverse material impact if we are required to significantly reduce sulfate in our discharges.

Selenium Discharge Regulation

In Michigan, the Empire and Tilden mines have implemented compliance plans to manage selenium according to the permit conditions. The remaining infrastructure needed for management of selenium in stormwater will likely be completed in 2021. A water treatment system for both facilities is anticipated sometime before 2028. As of December 31, 2020, included within our Empire asset retirement obligation is a discounted liability of approximately $100 million, which includes the estimated costs associated with the construction of Empire's portion of the required infrastructure and expected future operating costs of the treatment facilities. Additionally, included within our Tilden future capital plan is approximately $20 million for the construction of Tilden's portion of the required infrastructure. We are continuing to assess and develop cost effective and sustainable treatment technologies.

In July 2016, the EPA published new selenium fish tissue limits and lower lentic and lotic water column concentration criteria, which may someday increase the cost for treatment should EGLE adopt these new standards in lieu of the existing limits required by the Great Lakes Water Quality Initiative. Accordingly, we cannot reasonably estimate the timing or long-term impact of the water quality criteria to our business.

Mercury TMDL and Minnesota Taconite Mercury Reduction Strategy

In September 2014, Minnesota promulgated the Mercury Air Emissions Reporting and Reduction Rules mandating mercury air emissions reporting and reductions from certain sources, including taconite facilities. The rule is applicable to all of our Minnesota iron mining and pelletizing operations and required submittal of a Mercury Reduction Plan to the MPCA by the end of 2018 with plan implementation requirements becoming effective on January 1, 2025. In the Mercury Reduction Plan, facilities evaluated if available control technologies can technically achieve a 72% mercury reduction rate. If available control technologies cannot technically achieve a 72% mercury reduction rate, the facilities must propose alternative mercury reduction measures. One of the main tenets agreed upon for evaluating potential mercury reduction technologies during TMDL implementation and 2014 rule development proceedings was that the selected technology must meet the following “Adaptive Management Criteria”: the technology must be technically feasible; must be economically feasible; must not impact pellet quality; and must not cause excessive corrosion in the indurating furnaces or air pollution control equipment.

The Mercury Reduction Plans for our Minnesota facilities were submitted to the MPCA in December 2018. In 2020, the MPCA provided comments on the plans and we responded in a timely manner. There is currently no proven technology to cost effectively reduce mercury emissions from taconite furnaces to achieve the targeted 72% reduction rate, while satisfying all four Adaptive Management Criteria. The Mercury Reduction Plans that were submitted to the MPCA include documentation that describes the results of detailed engineering analysis and research testing on potential technologies to support this determination. The results of this analysis will continue to guide dialogue with the MPCA. Potential impacts to us are not estimable at this time because the revised Mercury Reduction Plans and additional technical information are currently being reviewed by the MPCA.

Climate Change and GHG Regulation

With the complexities and uncertainties associated with the U.S. and global navigation of the climate change issue as a whole, one of our potentially significant risks for the future is mandatory carbon pricing obligations. Policymakers are in the design process of carbon regulation at the state, regional, national and international levels. The current regulatory patchwork of carbon compliance schemes presents a challenge for multi-facility entities to identify their near-term risks. Amplifying the uncertainty, the dynamic forward outlook for carbon pricing obligations presents a challenge to large industrial companies to assess the long-term net impacts of carbon compliance costs on their operations. Our exposure on this issue includes both the direct and indirect financial risks associated with the regulation of GHG emissions, as well as potential physical risks associated with climate change adaptation. We are continuing to review the physical risks related to climate change. As an energy-intensive business, our GHG emissions inventory includes a broad range of emissions sources, such as iron ore furnaces and kilns, diesel mining equipment, and integrated steelmaking facilities, among others. As such, our most significant regulatory risks are: (1) the costs associated with on-site emissions levels (direct impacts), and (2) indirect costs passed through to us from electrical and fuel suppliers (indirect impacts).

Internationally, mechanisms to reduce emissions are being implemented in various countries, with differing designs and stringency, according to resources, economic structure and politics. The Paris Agreement to reduce global GHG emissions and limit global temperature increases to 2 degrees Celsius became effective in November 2016 with 196 signatory countries. On January 20, 2021, President Biden signed an executive order triggering the 30-day process of rejoining the Paris Agreement, beginning the process of a pledge to reduce U.S. GHG emissions. During the Obama Administration, the U.S. became a signatory to the Paris Agreement with a pledge to reduce its GHG emissions by 26-28% from 2005 levels by 2025. Continued attention to issues concerning climate change, the role of human activity in it and potential mitigation through regulation may have a material impact on our customer base, operations and financial results in the future.

In the U.S., future federal and/or state carbon regulation potentially presents a significantly greater impact to our operations. To date, the U.S. Congress has not legislated carbon constraints. In the absence of comprehensive federal carbon legislation, numerous state, regional and federal regulatory initiatives are under development or are becoming effective, thereby creating a disjointed approach to GHG control and potential carbon pricing impacts. We intend to remain active in the discussions related to legislative and regulatory changes at the federal and state levels.

Due to the potential patchwork of federal, state or regional carbon restriction schemes, our business and customer base could suffer negative financial impacts over time as a result of increased energy, environmental and other costs to comply with the limitations that would be imposed on GHG emissions. We believe our exposure can be reduced substantially by numerous factors, including currently contemplated regulatory flexibility mechanisms, such as allowance allocations, fixed process emissions exemptions, offsets and international provisions; emissions reduction opportunities, including energy efficiency, biofuels and fuel flexibility; and business opportunities associated with pursuing combined heat and power partnerships and new products, including DR-grade pellets, HBI, fluxed pellets and other efficiency-improving technologies.

Regional Haze FIP Rule

In June 2005, the EPA finalized amendments to its regional haze rules that require states to establish goals and emission reduction strategies for improving visibility in all Class I national parks and wilderness areas to natural background levels by 2064. Among the states with Class I areas are Michigan and Minnesota, in which we currently own mining operations, and Indiana, in which we own steelmaking operations. The first phase of the regional haze rule required analysis and installation of BART on eligible emission sources and incorporation of BART and associated emission limits into SIPs.

EPA disapproved Minnesota's and Michigan's BART SIPs for taconite furnaces and instead promulgated a Taconite Regional Haze FIP in February 2013. We petitioned the Eighth Circuit Court of Appeals for a review of the FIP and filed a joint motion for stay of the 2013 FIP, which was granted in June 2013. We reached a settlement agreement with EPA, which was subsequently published in the Federal Register to implement components of the settlement agreement in April 2016, with an effective date of May 12, 2016. We believe the 2016 Regional Haze FIP reflects progress toward a more technically and economically feasible regional haze implementation plan. In November 2016, the Eighth Circuit Court of Appeals terminated the June 2013 stay and extended the deadlines in the original 2013 FIP. Cost estimates associated with implementation of the 2013 and 2016 FIPs are reflected in our five-year capital plan.

Due to inconsistencies in language describing the procedures for calculating NOx emission limits between the settlement agreement and the 2016 FIP final rule, we jointly filed a Petition for Reconsideration and Petition for Judicial Review in June 2016. We have been working toward a settlement agreement with EPA to resolve the outstanding issue with the emission limit calculation method and anticipate resolution of the issue in 2021. The outcome of this proceeding is not expected to have a material adverse impact on us.

In 2020, the states began a second decadal review, which examined if additional technological controls are warranted for certain sources. The states are required to submit their updated Regional Haze SIPs by July 2021. At this time, we do not expect any state will require additional emission control requirements on our operations. We will review and comment on SIPs as necessary in the states in which we operate.

Conductivity

Conductivity, the measurement of water’s ability to conduct electricity, is a surrogate parameter that generally increases as the amount of dissolved minerals in water increases. In December 2016, EPA issued a notice soliciting public comments on its draft guidance, *Field-Based Methods for Developing Aquatic Life Criteria for Specific Conductivity*. In April 2017, comments were submitted by our trade associations providing objective evidence indicating the draft methodology was scientifically flawed and unfit for promulgation. EPA confirmed in October 2019 that the 2016 draft guidance was rescinded in accordance with an August 2019 EPA memorandum regarding draft guidance documents and further expressed that EPA must update the science and subject future recommended methods or criteria for conductivity to peer review and public comment. Although the adoption of the previously proposed methodology is unlikely in the states, the Fond du Lac Band in Minnesota adopted certain conductivity criteria in 2020. We are assessing the impact of those criteria on our Minnesota iron ore mining and pelletizing operations and evaluating methods to challenge the criteria as a whole or on a site-by-site basis.

Definition of “Waters of the United States” Under the Clean Water Act

The EPA and Army Corps of Engineers published a final rule in October 2019 repealing the 2015 rule that was to become effective on December 23, 2019. On April 21, 2020, the EPA and the Department of the Army published the Navigable Waters Protection Rule in the Federal Register to finalize a revised definition of “waters of the United States” under the Clean Water Act. For the first time, the agencies have streamlined the definition so that it includes four simple categories of jurisdictional waters, provides clear exclusions for many water features that traditionally have not been regulated, and defines terms in the regulatory text that have never been defined before. The rule is on

appeal in various jurisdictions. The rule is not expected to have a material adverse effect on us, but we will continue to assess the potential impacts to our operations.

Regulation of Discharges to Groundwater

In general, states traditionally have regulated discharges of pollutants to groundwater through various programs such as wellhead protection programs and regulations related to remediation. In April 2020, the United States Supreme Court held in *County of Maui v. Hawai'i Wildlife Fund* that EPA (and delegated states) have jurisdiction under the NPDES program if the discharge to groundwater is the "functional equivalent" of a discharge to waters of the United States. Until now, the NPDES program has only regulated direct discharges to waters of the United States from point sources. EPA subsequently issued a guidance document on what the term "functional equivalent" means. Although we do not anticipate that broadening EPA jurisdiction over groundwater discharges will materially adversely affect our operations, the impact to our operations is not reasonably estimable at this time.

Raw Materials and Energy

Our steelmaking operations require iron ore, coke, coal, ferrous and carbon and stainless scrap, chrome, nickel and zinc as primary raw materials. We also consume natural gas, electricity, industrial gases and diesel fuel at our steelmaking and mining operations. As a vertically integrated steel company, we are able to internally supply a majority of our raw materials needed for our steelmaking operations. We also attempt to reduce the risk of future supply shortages and price volatility in other ways. If multi-year contracts are available in the marketplace for those raw materials that we cannot supply internally, we may use these contracts to secure sufficient supply to satisfy our key raw material needs. When multi-year contracts are not available, or are not available on acceptable terms, we purchase the remainder of our raw materials needs under annual contracts or conduct spot purchases. We also regularly evaluate alternative sources and substitute materials. Additionally, we may hedge portions of our energy and raw materials purchases to reduce volatility and risk. We believe that we have secured, or will be able to secure, adequate supply to fulfill our raw materials and energy requirements for 2021.

The raw materials needed to produce a ton of steel will fluctuate based upon the specifications of the final steel products, the quality of raw materials and, to a lesser extent, differences among steel production equipment. For example, generally, in our integrated steelmaking facilities, we consume approximately 1.4 net tons of coal to produce one net ton of coke. The process to produce one ton of raw steel generally requires approximately 1.4 net tons of iron ore pellets, 0.4 net tons of coke and 0.3 net tons of steel scrap. At normal operating levels, we also consume approximately 6 MMBtu's of natural gas per net ton produced. Additionally, on average, our EAF's require 1.1 net tons of ferrous or stainless scrap to produce one net ton of high quality steel. We consume approximately 420 kilowatt-hours of electricity per net ton of steel produced. While these estimated consumption amounts are presented to give a general sense of raw material and energy consumption used in our steel production, substantial variations may occur.

Our investment into HBI production provides us access, when needed, to clean iron units in order to make advanced steel and stainless products. This access to our own production provides us flexibility and allows us to avoid the risks and carbon footprints of imported iron substitutes. Iron substitutes imported into the U.S. are traditionally sourced from regions of the world that have historically experienced greater political turmoil and have lower pollution standards than the U.S. Our investment demonstrates our raw material and company strategy in responsibly managing the risks of pricing, availability and overall carbon footprint of our critical inputs.

We typically purchase ferrous and stainless steel scrap, natural gas, a substantial portion of our electricity and most other raw materials at prevailing market prices, which may fluctuate with market supply and demand.

Iron Ore

We own or co-own five active iron ore mines in Minnesota and Michigan. Based on our ownership in these mines, our share of annual rated iron ore production capacity is approximately 28.0 million long tons, which supplies all of the iron ore needed for our steelmaking operations. Refer to *Part I - Item 2. Properties* for additional information.

Coke and Coal

We own five cokemaking facilities, including two coke batteries located within our steelmaking facilities. These facilities currently provide over half of the coke requirements for our steelmaking operations and have an annual rated capacity of approximately 3.9 million tons. Additionally, we have coke supply agreements with suppliers that provide our remaining requirements. Our purchases of coke are made under annual or multi-year agreements

with periodic price adjustments. We typically purchase most of our metallurgical coal under annual fixed-price agreements. We have annual rated metallurgical coal production capacity of 2.3 million net tons from our Princeton mine, which supplies a portion of our metallurgical coal needs. We believe there are adequate external supplies of coke and coal available at competitive market prices to meet our needs. Refer to *Part I - Item 2. Properties* for additional information.

Steel Scrap and Other Materials

Generally, approximately 43% of our steel scrap requirements are generated internally through normal operations. We believe that supplies of steel scrap, chrome, nickel and zinc adequate to meet the needs of our steelmaking operations are readily available from outside sources at competitive market prices.

Energy

We consume a large amount of natural gas, electricity, industrial gases and diesel fuel, which are significant costs to our operations. The majority of our energy requirements are purchased from outside sources. Access to long-term, low cost sources of energy in various forms is critically important to our operations.

Natural gas is procured for our operations utilizing a combination of long-term, annual, quarterly, monthly and spot contracts from various suppliers at market-based pricing. We believe access to low-cost and reliable sources of natural gas is available to meet our operations' requirements.

We purchase electricity for all of our operations in either regulated or deregulated markets. Due to the distinct nature of these markets, we procure electricity through either long-term or annual contracts. Some operations also use self-generated coke oven gas and/or blast furnace gas to produce electricity, which reduces our need to purchase electricity from external sources. We also closely monitor developments at the state and federal levels that could impact electricity availability or cost and incorporate such changes into our electricity supply strategy in order to maintain reliable, low-cost supply. We believe there is an adequate supply of competitively priced electricity to fulfill our requirements.

We purchase industrial gases under long-term contracts with various suppliers. We believe we have access to adequate supplies of industrial gases to meet our needs.

We predominantly purchase diesel fuel for our mining operations under long-term contracts with various suppliers. We believe we have access to adequate supplies of diesel fuel to meet our needs.

Human Capital

As of December 31, 2020, we employed approximately 25,000 people. Approximately 24,000 were employed in the U.S., with the remainder employed in Ontario, Canada. Approximately 24,000 employees were employed at production facilities, with the balance employed in corporate support roles. The vast majority of our approximately 20,000 hourly employees were subject to collective bargaining agreements (approximately 18,500) with various labor unions. Overall, we have good relations with our workforce and the labor unions that represent our hourly employees.

We believe that our future success largely depends upon our continued ability to attract and retain a highly skilled workforce. We provide our employees with competitive salaries, incentive-based bonus programs that provide above-market compensation opportunities when the Company performs well, development programs that enable continued learning and growth, and a robust benefit package that promotes well-being across all aspects of their lives, including health care, retirement planning and paid time off. In addition to these programs, we have used targeted, equity-based grants with vesting conditions to facilitate retention of key personnel. These tools have enabled us to increase the retention of key personnel, including our corporate and site leadership teams and critical technical talent.

The success of our business is fundamentally connected to the well-being of our people. Accordingly, we are committed to the health, safety and wellness of our employees. We provide our employees and their families with access to a variety of innovative, flexible and convenient health and wellness programs, including benefits that provide protection and security so they can have peace of mind concerning events that may require time away from work or that impact their financial well-being; that support their physical and mental health by providing tools and resources to help them improve or maintain their health and encourage engagement in healthy behaviors; and that offer choice where possible so they can customize their benefits to meet their needs and the needs of their families. In response to the COVID-19 pandemic, we implemented significant changes that we determined were in the best interest of our employees, as well as the communities in which we operate, and which comply with government regulations. This includes having all employees who could perform their work remotely work from home, while implementing numerous safety measures for employees continuing critical on-site work at our operations.

Safety

Safe production is our primary core value as we continue toward achieving a zero injury culture at our facilities. We constantly monitor our safety performance and make continuous improvements to affect change. Best practices and incident learnings are shared globally to ensure each facility can administer the most effective policies and procedures for enhanced workplace safety. Progress toward achieving our objectives is accomplished through a focus on proactive sustainability initiatives, and results are measured against established industry and company benchmarks, including our company-wide Total Reportable Incident Rate. During 2020, our Total Reportable Incident Rate (including contractors) was 0.92 per 200,000 hours worked.

Refer to *Exhibit 95 Mine Safety Disclosures (filed herewith)* for mine safety information required in accordance with Section 1503(a) of the Dodd-Frank Act.

Available Information

Our headquarters are located at 200 Public Square, Suite 3300, Cleveland, Ohio 44114-2315, and our telephone number is (216) 694-5700. We are subject to the reporting requirements of the Exchange Act and its rules and regulations. The Exchange Act requires us to file reports, proxy statements and other information with the SEC.

The SEC maintains a website that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC. These materials may be obtained electronically by accessing the SEC's home page at www.sec.gov.

We use our website, www.clevelandcliffs.com, as a channel for routine distribution of important information, including news releases, investor presentations and financial information. We also make available, free of charge on our website, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file these documents with, or furnish them to, the SEC. In addition, our website allows investors and other interested persons to sign up to receive automatic email alerts when we post news releases and financial information on our website.

We also make available, free of charge, the charters of the Audit Committee, Strategy and Sustainability Committee, Governance and Nominating Committee and Compensation and Organization Committee as well as the Corporate Governance Guidelines and the Code of Business Conduct and Ethics adopted by our Board of Directors. These documents are available through our investor relations page on our website at *www.clevelandcliffs.com*. The SEC filings are available by selecting "Financial Information" and then "SEC Filings," and corporate governance materials are available by selecting "Corporate Governance" for the Board Committee Charters, operational governance guidelines and the Code of Business Conduct and Ethics.

References to our website or the SEC's website do not constitute incorporation by reference of the information contained on such websites, and such information is not part of this Annual Report on Form 10-K.

Copies of the above-referenced information are also available, free of charge, by calling (216) 694-5700 or upon written request to:

Cleveland-Cliffs Inc.

Investor Relations

200 Public Square, Suite 3300

Cleveland, OH 44114-2315

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Following are the names, ages and positions of the executive officers of the Company as of February 26, 2021. Unless otherwise noted, all positions indicated are or were held with Cleveland-Cliffs Inc.

Name	Age	Position(s) Held
Lourenco Goncalves	63	Chairman, President and Chief Executive Officer (August 2014 – present); and Chairman, President and Chief Executive Officer of Metals USA Holdings Corp., an American manufacturer and processor of steel and other metals (May 2006 – April 2013).
Clifford T. Smith	61	Executive Vice President, Chief Operating Officer (January 2019 – present); Executive Vice President, Business Development (April 2015 – January 2019).
Keith A. Koci	56	Executive Vice President, Chief Financial Officer (February 2019 – present); and Senior Vice President and Chief Financial Officer, Metals USA Holdings Corp. (2013 – February 2019).
Terry G. Fedor	56	Executive Vice President, Chief Operating Officer, Steel Mills (March 2020 – present); Executive Vice President, Operations (February 2019 – March 2020); and Executive Vice President, U.S. Iron Ore (January 2014 – January 2019).
Traci L. Forrester	49	Executive Vice President, Business Development (May 2019 – present); Vice President (January 2018 – May 2019); Deputy General Counsel & Assistant Secretary (January 2017 – May 2019); and Assistant General Counsel (August 2013 – January 2017).
James D. Graham	55	Executive Vice President (November 2014 – present); Chief Legal Officer (March 2013 – present); and Secretary (March 2014 – present).
Maurice D. Harapiak	59	Executive Vice President, Human Resources (March 2014 – present); and Chief Administration Officer (January 2018 – present).
Kimberly A. Floriani	38	Vice President, Corporate Controller & Chief Accounting Officer (April 2020 – present); Director, Accounting & Reporting (August 2015 – April 2020); Manager, Financial Reporting (January 2012 – August 2015).

All executive officers serve at the pleasure of the Board. There are no arrangements or understandings between any executive officer and any other person pursuant to which an executive officer was selected to be an officer of the Company. There is no family relationship between any of our executive officers, or between any of our executive officers and any of our directors.

Item 1A. ***Risk Factors***

An investment in our common shares or other securities is subject to risks inherent in our businesses and the industries in which we operate. Described below are certain risks and uncertainties, the occurrences of which could have a material adverse effect on us. The risks and uncertainties described below include known material risks that we face currently, but our material risks are constantly evolving and the below descriptions may not include future risks that are not presently known, that are not currently believed to be material or that are common to all businesses. Although we have extensive risk management policies, practices and procedures in place that are aimed to mitigate these risks, the occurrence of these uncertainties may nevertheless impair our business operations and adversely affect the actual outcome of matters as to which forward-looking statements are made. This report is qualified in its entirety by these risk factors. Before making an investment decision, investors should consider carefully all of the risks described below together with the other information included in this report and the other reports we file with the SEC.

Management has identified several categories of material risk that we are subject to, including: (I) economic and market, (II) regulatory, (III) financial, (IV) operational, (V) development and sustainability and (VI) human capital. Although the risks are organized by these headings, and each risk is discussed separately, many are interrelated.

I. ECONOMIC AND MARKET RISKS

The ongoing COVID-19 pandemic has had, and is expected to continue to have, an adverse impact on our businesses.

The ongoing COVID-19 pandemic is continuing to impact countries, communities, supply chains and markets. Responses by individuals, governments and businesses to the COVID-19 pandemic and efforts to reduce its spread, including quarantines, travel restrictions, business closures, and mandatory stay-at-home or work-from-home orders, have led to significant disruptions to overall business and economic activity. While vaccines are now being manufactured and distributed, it is currently unknown when or whether the economy will return to pre-pandemic levels of consumer and business activity.

During 2020, the COVID-19 pandemic adversely affected our businesses by temporarily curtailing certain of our end markets. In particular, the automotive industry, which we rely on directly and indirectly for a significant amount of our sales, was severely disrupted during the first half of 2020. The slowdown in the automotive industry led, in turn, to disruptions to our operations. For example, although our steel and mining operations are considered “essential” by the states in which we operate, certain of our mining and production facilities were idled for various periods during 2020 in response to the decrease in customer demand. While we were able to resume operations at many of these facilities later in 2020, we cannot predict whether any other production facilities or mines will experience disruptions in the future as a result of adverse impacts of the COVID-19 pandemic.

In addition, the COVID-19 pandemic has heightened the risk that a significant portion of our workforce and on-site contractors will suffer illness or otherwise be unable to perform their ordinary work functions. While we instituted remote work policies where practical across our footprint, the safe and responsible operation of our production facilities often requires that workers be on-site. Accordingly, during 2020, we experienced direct and indirect workforce impacts from COVID-19 at many of our operations. We also may need to reduce our workforce as a result of declines in our business caused by the COVID-19 pandemic, and there can be no assurance that we will be able to rehire our workforce once our business has recovered. We may also experience supply chain disruptions or operational issues with our vendors, as our suppliers and contractors face similar challenges related to the COVID-19 pandemic.

Because the impact of the COVID-19 pandemic continues to evolve, we cannot predict the full extent to which our businesses, results of operations, financial condition or liquidity will ultimately be impacted. To the extent the COVID-19 pandemic adversely affects our businesses, it may also have the effect of exacerbating many of the other risks described in this ‘‘Risk Factors’’ section, any of which could have a material adverse effect on us.

The volatility of commodity prices, including steel and iron ore, affects our ability to generate revenue, maintain stable cash flows and fund our operations, including growth and expansion projects.

Our profitability is dependent upon the prices of the steel and iron ore products that we sell to our customers and the prices of the products our customers sell. As an integrated producer of steel and iron ore, we experience direct impacts of steel price fluctuations through customer sales, as well as direct and indirect impacts of iron ore price fluctuations through third-party sales and the impacts that fluctuations in iron ore prices have on steel prices. The prices of steel and iron ore have fluctuated significantly in the past and are affected by factors beyond our control, including: international demand for raw materials used in steel production; rates of global economic growth, especially

construction and infrastructure activity that requires significant amounts of steel; changes in the levels of economic activity in the U.S., China, India, Europe and other industrialized or developing economies; changes in China's emissions policies and environmental compliance enforcement practices; changes in the production capacity, production rate and inventory levels of other steel producers and iron ore suppliers; changes in trade laws; volumes of unfairly traded imports; imposition or termination of duties, tariffs, import and export controls and other trade barriers impacting the steel and iron ore markets; weather-related disruptions, infectious disease outbreaks, such as the COVID-19 pandemic, or natural disasters that may impact the global supply of steel or iron ore; and the proximity, capacity and cost of infrastructure and transportation.

Our earnings, therefore, may fluctuate with the prices of the products we sell and of the products our customers sell. To the extent that the prices of steel and iron ore, including the hot-rolled coil steel price, coated and other specialty steel prices, the Platts 62% Price, pellet premiums and Platts international indexed freight rates, significantly decline for an extended period of time, whether due to the COVID-19 pandemic or otherwise, we may have to further revise our operating plans, including curtailing production, reducing operating costs and capital expenditures, and discontinuing certain exploration and development programs. We also may have to take impairments on our goodwill, intangible assets, long-lived assets and/or inventory. Sustained lower prices also could cause us to further reduce existing mineral reserves if certain reserves no longer can be economically mined or processed at prevailing prices. We may be unable to decrease our costs in an amount sufficient to offset reductions in revenues and may incur losses. These events could have a material adverse effect on us.

We sell a significant portion of our steel products to the automotive market and fluctuations or changes in the automotive market could adversely affect our business operations and financial performance.

For the full-year 2020, approximately 40% of AK Steel's and ArcelorMittal USA's combined sales were to the automotive market. Beyond these direct sales to the automotive industry, we make additional sales to distributors and converters, which may ultimately resell some of that volume to the automotive market. In addition to the size of our exposure to the automotive industry, we face risks arising from our relative concentration of sales to certain specific automotive manufacturers, including several significant customers that idled certain automotive production facilities in 2020 in response to the COVID-19 pandemic. In addition, automotive production and sales are cyclical and sensitive to general economic conditions and other factors, including interest rates, consumer credit, and consumer spending and preferences, as well as the current COVID-19 pandemic. If automotive production and sales decline, our sales and shipments to the automotive market are likely to decline in a corresponding manner. Adverse impacts that we may sustain as a result include, without limitation, lower margins because of the need to sell our steel to less profitable customers and markets, higher fixed costs from lower steel production if we are unable to sell the same amount of steel to other customers and markets, and lower sales, shipments, pricing and margins generally as our competitors face similar challenges and compete vigorously in other markets that we serve. These adverse impacts would negatively affect our sales, financial results and cash flows. Additionally, the trend toward light weighting in the automotive industry, which requires lighter gauges of steel at higher strengths, could result in lower steel volumes required by that industry over time.

Moreover, despite our newly acquired position as the largest flat-rolled steel producer in North America, competition for automotive business has intensified in recent years, as steel producers and companies producing alternative materials have focused their efforts on capturing and/or expanding their market share of automotive business because of less favorable conditions in other markets for steel and other metals, including commodity products and steel for use in the oil and gas markets. As a result, the potential exists that we may lose market share to existing or new entrants or that automotive manufacturers will take advantage of the intense competition among potential suppliers during annual contract renewal negotiations to pressure our pricing and margins in order to maintain or expand our market share with them, which could negatively affect our sales, financial results and cash flows.

Global steelmaking overcapacity, steel imports and oversupply of iron ore could lead to lower or more volatile global steel and iron ore prices, impacting our profitability.

Significant global steel capacity and new or expanded production capacity in North America in recent years has caused and continues to cause capacity to exceed demand globally, as well as in our primary markets in North America. Although certain of our U.S. competitors temporarily shut down production capacity during the COVID-19 pandemic, a restart of previously idled capacity and the development of new capacity by our U.S. competitors has occurred in recent months and may occur in the future in connection with any economic recovery following the COVID-19 pandemic. In addition, foreign competitors have substantially increased their steel production capacity in the last few years and in some instances appear to have targeted the U.S. market for imports. Also, some foreign economies, such as China, have slowed relative to recent historical norms, resulting in an increased volume of steel

products that cannot be consumed by industries in those foreign steel producers' own countries. The risk of even greater levels of imports may continue, depending upon foreign market and economic conditions, changes in trade agreements and treaties, laws, regulations or government policies affecting trade, the value of the U.S. dollar relative to other currencies and other variables beyond our control. A significant further increase in domestic steel capacity or foreign imports could adversely affect our sales, financial results and cash flows. In addition, recent increases in the market prices of iron ore products could cause new producers to enter the market or existing producers to expand productive capacity. Excess iron ore supply combined with reduced global steel demand, including in China, could lead to lower iron ore prices, which would typically contribute to lower steel prices, as iron ore is a principal steelmaking raw material. Downward pressure on iron ore and/or steel prices could have an adverse effect on our results of operations, financial condition and profitability.

Severe financial hardship or bankruptcy of one or more of our major customers or key suppliers could adversely affect our business operations and financial performance.

Sales and operations of a majority of our customers are sensitive to general economic conditions, especially, with respect to our steel customers, as they affect the North American automotive, housing, construction, appliance, energy and other industries. Some of our customers are highly leveraged. If there is a significant weakening of current economic conditions, whether because of operational, cyclical or other issues, including the COVID-19 pandemic, it could impact significantly the creditworthiness of our customers and lead to other financial difficulties or even bankruptcy filings by our customers. Failure to receive payment from our customers for products that we have delivered could adversely affect our results of operations, financial condition and liquidity. The concentration of customers in a specific industry, such as the automotive industry, may increase our risk because of the likelihood that circumstances may affect multiple customers at the same time. For example, during the first half of 2020, the automotive industry was significantly disrupted by the COVID-19 pandemic, which concurrently adversely impacted multiple customers. Such events could cause us to experience lost sales or losses associated with the potential inability to collect all outstanding accounts receivable and reduced liquidity. Similarly, if our key suppliers face financial hardship or need to operate in bankruptcy, such suppliers could experience operational disruption or even face liquidation, which could result in our inability to secure replacement raw materials on a timely basis, or at all, or cause us to incur increased costs to do so. Such events could adversely impact our operations, financial results and cash flows.

II. REGULATORY RISKS

U.S. government actions on trade agreements and treaties, laws, regulations or policies affecting trade could lead to lower or more volatile global steel or iron ore prices, impacting our profitability.

In recent years, the U.S. government has altered its approach to international trade policy, both generally and with respect to matters directly and indirectly affecting the steel industry, including by undertaking certain unilateral actions affecting trade, renegotiating existing bilateral or multilateral trade agreements, and entering into new agreements or treaties with foreign countries. For example, in March 2018, the U.S. government issued a proclamation pursuant to Section 232 imposing a 25% tariff on imported steel that was being unfairly traded by certain foreign competitors at artificially low prices. In retaliation against the Section 232 tariffs, the European Union subsequently imposed its own tariffs against certain steel products and other goods imported from the U.S. Moreover, in light of the U.S. government leadership changes resulting from the November 2020 federal congressional and presidential elections, it is currently uncertain what changes, if any, the U.S. government may make to its recent tariff and trade policies and priorities. If, for example, the Section 232 tariffs are removed or substantially lessened, whether through legal challenge, legislation, executive action or otherwise, imports of foreign steel would likely increase and steel prices in the U.S. would likely fall, which could materially adversely affect our sales, financial results and cash flows.

In addition, during 2020, the USMCA was implemented among the U.S., Mexico and Canada in place of the North American Free Trade Agreement. Because all of our steel manufacturing facilities are located in North America and one of our principal markets is automotive manufacturing in North America, we believe that the USMCA has the potential to positively impact our business by incentivizing automakers and other manufacturers to increase manufacturing production in North America and to use North American steel. However, it is difficult to predict the short- and long-term implications of changes in trade policy and, therefore, whether the USMCA or other new or renegotiated trade agreements, treaties, laws, regulations or policies that may be implemented in connection with the recent U.S. government leadership changes, or otherwise, will have a beneficial or detrimental impact on our business and our customers' and suppliers' businesses. Adverse effects could occur directly from a disruption to trade and commercial transactions and/or indirectly by adversely affecting the U.S. economy or certain sectors of the economy, impacting demand for our customers' products and, in turn, negatively affecting demand for our products. Important

links of the supply chain for some of our key customers, including automotive manufacturers, could be negatively impacted by the USMCA or other new or renegotiated trade agreements, treaties, laws, regulations or policies. Any of these actions and their direct and indirect impacts could materially adversely affect our sales, financial results and cash flows.

Although we may currently benefit from certain antidumping and countervailing duty orders, any such relief is subject to periodic reviews and challenges, which can result in revocation of the orders or reduction of the duties. In addition, previously granted and future petitions for trade relief may not be successful or fully effective at preventing harm. Even if received, it is uncertain if any relief will be continued in the future or will be adequate to counteract completely the harmful effects of unfairly traded imports.

We are subject to extensive governmental regulation, which imposes, and will continue to impose, potential significant costs and liabilities on us. Future laws and regulations or the manner in which they are interpreted and enforced could increase these costs and liabilities or limit our ability to produce our raw materials and products.

New laws or regulations, or changes in existing laws or regulations, including the response of federal, state, local and foreign governments to the COVID-19 pandemic or arising out of the changes in U.S. government leadership resulting from the November 2020 elections, or the manner of their interpretation or enforcement, could increase our cost of doing business and restrict our ability to operate our businesses or execute our strategies. This includes, among other things, changes in the interpretation of MSHA regulations, such as workplace exam rules or safety around mobile equipment, reevaluation of the National Ambient Air Quality Standards, such as revised nitrogen dioxide, sulfur dioxide, lead, ozone and particulate matter criteria, changes in the interpretation of OSHA regulations, such as standards for occupational exposure to noise, certain chemicals or hazardous substances and infectious diseases, and the possible taxation under U.S. law of certain income from foreign operations.

In addition, we and our operations are subject to various international, foreign, federal, state, provincial and local laws and regulations relating to protection of the environment and human health and safety, including those relating to air quality, water pollution, plant, wetlands, natural resources and wildlife protection (including endangered or threatened species), reclamation, remediation and restoration of properties and related surety bonds or other financial assurances, land use, the discharge of materials into the environment, the effects that industrial operations and mining have on groundwater quality, conductivity and availability, the management of electrical equipment containing polychlorinated biphenyls, and other related matters. Compliance with numerous governmental permits and approvals is required for our operations. We cannot be certain that we have been or will be at all times in complete compliance with such laws, regulations, permits and approvals. If we violate or fail to comply with these laws, regulations, permits or approvals, we could be fined, required to cease operations, subject to criminal or civil liability, or otherwise sanctioned by regulators. In particular, federal or state regulatory agencies have the authority, under certain circumstances following significant health and safety incidents, such as fatalities, to order a facility to be temporarily or permanently closed. Compliance with the complex and extensive laws and regulations to which we are subject imposes substantial costs on us, which could increase over time because of heightened regulatory oversight, adoption of more stringent environmental, health and safety standards and greater demand for remediation services leading to shortages of equipment, supplies and labor, as well as other factors.

Specifically, there are several notable proposed or recently enacted rulemakings or activities to which we would be subject or that would further regulate and/or tax us and our customers, which may also require us or our customers to reduce or otherwise change operations significantly or incur significant additional costs, depending on their ultimate outcome. These emerging or recently enacted rules, regulations and policy guidance include, but are not limited to: governmental regulations imposed in response to the COVID-19 pandemic; trade regulations, such as the USMCA and/or other trade agreements, treaties or policies; tariffs, such as the 25% tariff on imported steel imposed under Section 232; Minnesota's potential revisions to the sulfate wild rice water quality standard; evolving water quality standards for selenium and conductivity; scope of the Clean Water Act and the definition of "Waters of the United States"; Minnesota's Mercury TMDL and associated rules governing mercury air emission reductions; Climate Change and GHG Regulation; the Regional Haze FIP Rule; and the regulation of discharges to water. In addition, the Biden Administration has indicated via executive orders and in campaign statements that it will propose more stringent environmental regulation, in particular related to climate change. Any new or more stringent legislation, regulations, rules, interpretations or orders, when enacted and enforced, could have a material adverse effect on our business, results of operations, financial condition or profitability.

Our operations may be impacted by the recent enactment, and ongoing consideration, of significant federal and state laws and regulations relating to certain mine-related issues, such as the stability of tailings basins, mine drainage and fill activities, reclamation and safety in underground mines. With respect to underground mines, for

example, these laws and regulations include requirements for constructing and maintaining caches for the storage of additional self-contained self-rescuers throughout underground mines; installing rescue chambers in underground mines; continuous tracking of and communication with personnel in the mines; installing cable lifelines from the mine portal to all sections of the mine to assist in emergency escape; submission and approval of emergency response plans; and additional safety training. Additionally, there are requirements for the prompt reporting of accidents and increased fines and penalties for violations of these and existing regulations. These laws and regulations may cause us to incur substantial additional costs.

Additionally, our operations are subject to the risks of doing business abroad and we must comply with complex foreign and U.S. laws and regulations, which may include, but are not limited to, the Foreign Corrupt Practices Act and other anti-bribery laws, regulations related to import/export and trade controls, the European Union's General Data Protection Regulation and other U.S. and foreign privacy regulations, and transportation and logistics regulations. These laws and regulations may increase our costs of doing business in international jurisdictions and expose our operations and our employees to elevated risk. We require our employees, contractors and agents to comply with these and all other applicable laws and regulations, but failure to do so could result in possible administrative, civil or criminal liability and reputational harm to us and our employees. We may also be indirectly affected through regulatory changes that impact our customers, which in turn could reduce the quantity of our products they demand or the prices for our products they are willing to pay. Regulatory changes that impact our suppliers could decrease the supply of products or availability of services they sell to us or could increase the price they demand for products or services they sell to us.

Our operations inadvertently may impact the environment or cause exposure to hazardous substances, which could result in material liabilities to us.

Our operations currently use, and have in the past used, hazardous materials, and, from time to time, we have generated solid and hazardous waste. We have been, and may in the future be, subject to claims under international, foreign, federal, state, provincial and local laws and regulations for toxic torts, natural resource damages and other damages as well as for the investigation and clean-up of soil, surface water, sediments, groundwater and other natural resources and reclamation of properties. Such claims for damages and reclamation may arise out of current or former conditions at sites that we or our acquired companies currently own, lease or operate, as well as sites that we or our acquired companies formerly owned, leased or operated, and at contaminated sites that are or have been owned, leased or operated by our joint venture partners. We may also have liability for contamination at third-party sites where we have sent hazardous wastes. Our liability for these claims may be strict and/or joint and several, such that we may be held responsible for more than our share of the contamination or other damages, or even for entire claims regardless of fault. We are currently subject to potential liabilities relating to investigation and remediation activities at certain sites. In addition to sites currently owned, leased or operated, these include sites where we formerly conducted raw material processing or other operations, inactive sites that we currently own, formerly owned predecessor sites, acquired sites, leased land sites and third-party waste disposal sites. We may be named as a potentially responsible party at other sites in the future and we cannot be certain that the costs associated with these additional sites will not exceed any reserves we have established or otherwise be material.

We also are subject to claims asserting bodily injuries arising from alleged exposure to hazardous substances. For example, certain of our subsidiaries have been named in lawsuits claiming exposure to asbestos, many of which have been dismissed and/or settled for non-material amounts. It is likely that similar types of claims will continue to be filed in the future.

We may be unable to obtain, maintain, renew or comply with permits necessary for our operations or be required to provide additional financial assurances, which could reduce our production, cash flows, profitability and available liquidity.

We must obtain, maintain and comply with numerous permits that require approval of operational plans and impose strict conditions on various environmental, health and safety matters in connection with our steel production and processing and mining and other operations. These include permits issued by various federal, state, provincial, foreign and local agencies and regulatory bodies. The permitting rules are complex and may change over time, making our ability to comply with the applicable requirements more difficult or impractical and costly, possibly precluding the continuance of ongoing operations or the development of future operations. Interpretations of rules may also change over time and may lead to requirements, such as additional financial assurance, making it costlier to comply. For example, heightened levels of regulatory oversight with respect to our coal operations acquired as part of the AM USA Transaction could impact, delay or disrupt our ability to obtain new or renewed permits or modifications to existing permits.

In addition, the public, including special interest groups and individuals, have certain rights under various statutes to comment upon, submit objections to, and otherwise engage in the permitting process, including bringing citizens' lawsuits to challenge such permits or activities. Accordingly, required permits may not be issued or renewed in a timely fashion (or at all), or permits issued or renewed may include conditions that we cannot meet or otherwise be conditioned in ways that may restrict our ability to conduct our production and mining activities efficiently or include requirements for additional financial assurances that we may not be able to provide on commercially reasonable terms (or at all), which could reduce available borrowing capacity under our ABL Facility. Such conditions, restrictions or requirements could reduce our production, cash flows, profitability or liquidity.

III. FINANCIAL RISKS

Our existing and future indebtedness may limit cash flow available to invest in the ongoing needs of our businesses, which could prevent us from fulfilling our obligations under our senior notes, ABL Facility and other debt, and we may be forced to take other actions to satisfy our obligations under our debt, which may not be successful.

As of December 31, 2020, we had $5,595 million aggregate principal amount of long-term debt outstanding, $2,195 million of which was secured (excluding $247 million of outstanding letters of credit and $335 million of finance leases), and $112 million of cash on our balance sheet. On December 9, 2020, in connection with the consummation of the AM USA Transaction, we amended our ABL Facility to, among other things, increase the tranche A revolver commitments available under the ABL Facility by an additional $1,500 million. After giving effect to this amendment, the aggregate principal amount of tranche A revolver commitments under our ABL Facility is $3,350 million, and the aggregate principal amount of tranche B revolver commitments under our ABL Facility remains at $150 million. As of December 31, 2020, $1,510 million was outstanding under our ABL Facility, and the principal amount of letters of credit obligations and other commitments totaled $247 million. As of December 31, 2020, the available borrowing capacity on our ABL Facility was $1,743 million.

We dedicate a portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund capital expenditures, acquisitions or strategic development initiatives, and other general corporate purposes. Our ability to make scheduled payments on or to refinance our debt obligations depends on our ability to generate cash in the future and our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control, including the impact of the COVID-19 pandemic. There can be no assurance that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our debt. In addition, any failure to comply with covenants in the instruments governing our debt could result in an event of default that, if not cured or waived, would have a material adverse effect on us.

Our level of indebtedness could have further consequences, including, but not limited to, increasing our vulnerability to adverse economic or industry conditions, placing us at a competitive disadvantage compared to other businesses in the industries in which we operate that are not as leveraged and that may be better positioned to withstand economic downturns, limiting our flexibility to plan for, or react to, changes in our businesses and the industries in which we operate, and requiring us to refinance all or a portion of our existing debt. We may not be able to refinance on commercially reasonable terms or at all, and any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, making it more difficult to obtain surety bonds, letters of credit or other financial assurances that may be demanded by our vendors or regulatory agencies, particularly during periods in which credit markets are weak.

A portion of our borrowing capacity and outstanding indebtedness bears interest at a variable rate based on LIBOR. There is considerable uncertainty regarding the publication of LIBOR beyond 2021. The uncertainty regarding the future of LIBOR, as well as the transition from LIBOR to another benchmark rate or rates, could have adverse impacts on our outstanding debt that currently uses LIBOR as a benchmark rate and, in turn, could adversely affect our financial condition and results of operations.

If we are unable to service our debt obligations, we could face substantial liquidity problems and we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital, including additional secured or unsecured debt, or restructure or refinance our debt, and we may be unable to continue as a going concern. We may be unable to consummate any proposed asset sales or recover the carrying value of these assets, and any proceeds may not be adequate to meet any debt service obligations then due. Any of these examples potentially could have a material adverse impact on our results of operations, profitability, shareholders' equity and capital structure.

Changes in credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing and the market price of our securities.

Credit rating agencies could downgrade our ratings due to various developments, including matters arising out of the AK Steel Merger or the AM USA Transaction, incurring additional indebtedness and other factors specific to our businesses, a prolonged cyclical downturn in the steel and mining industries, whether due to the COVID-19 pandemic or otherwise, or macroeconomic trends (such as global or regional recessions), and trends in credit and capital markets more generally. Any decline in our credit ratings may result in an increase to our cost of future financing or limit our access to the capital markets, which could harm our financial condition, hinder our ability to refinance existing indebtedness on acceptable terms, or have an adverse effect on the market price of our securities and the terms under which we purchase goods and services.

Our actual operating results may differ significantly from our guidance.

From time to time, we release guidance, including that set forth under “Management’s Discussion and Analysis of Financial Condition and Results of Operations–Outlook” in our Annual Reports on Form 10-K and our Quarterly Reports on Form 10-Q, regarding our future performance. This guidance, which consists of forward-looking statements, is prepared by our management and is qualified by, and subject to, the assumptions and the other information included in our Annual Reports on Form 10-K and our Quarterly Reports on Form 10-Q. Our guidance is not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our independent registered public accounting firm nor any other independent or outside party compiles or examines the guidance and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto.

Guidance is based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. The principal reason that we release such data is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such third parties.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results will vary from the guidance. Investors should also recognize that the reliability of any forecasted financial data diminishes the further in the future that the data are forecast. In light of the foregoing, investors are urged to put the guidance in context and not to place undue reliance on it.

Any failure to successfully implement our operating strategy or the occurrence of any of the risks described in our Annual Reports on Form 10-K or our Quarterly Reports on Form 10-Q could result in actual operating results being different than the guidance, and such differences may be adverse and material.

Our assets as of December 31, 2020 include a deferred tax asset, the full value of which we may not be able to realize.

We recognize deferred tax assets and liabilities based on differences between the financial statement carrying amounts and the tax basis of assets and liabilities. At December 31, 2020, the net deferred tax asset was $492 million, primarily related to U.S. NOLs. We regularly review our deferred tax assets for recoverability based on our history of earnings, expectations for future earnings and expected timing of reversals of temporary differences. Realization of deferred tax assets ultimately depends on the existence of sufficient taxable income. We believe the recorded net deferred tax asset at December 31, 2020, is fully realizable based on our expected future earnings. However, our assumptions and estimates are inherently subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control and some of which may change. As a result, we could ultimately lose a portion of our deferred tax asset related to NOLs due to expiration, which could have a material adverse effect on our results of operations and cash flows.

The ability to use our NOLs and certain other tax attributes to offset future taxable income may be subject to certain limitations.

If a corporation undergoes an “ownership change” within the meaning of Section 382 of the IRC, the corporation’s NOLs and certain other tax attributes arising before the “ownership change” are subject to limitations after the “ownership change.” An “ownership change” under Section 382 of the IRC generally occurs if one or more

shareholders or groups of shareholders who own at least 5% of the corporation's equity increase their ownership in the aggregate by more than 50 percentage points over their lowest ownership percentage within a rolling period that begins on the later of three years prior to the testing date and the date of the last "ownership change." If an "ownership change" were to occur, Section 382 of the IRC would impose an annual limit on the amount of pre-ownership change NOLs and other tax attributes the corporation could use to reduce its taxable income, potentially increasing and accelerating the corporation's liability for income taxes, and also potentially causing tax attributes to expire unused. The amount of the annual limitation is determined based on a corporation's value immediately prior to the ownership change.

As of December 31, 2020, after taking into account limitations (or disallowance) on use, we had $2,510 million and $1,009 million of available U.S. federal and state NOLs, respectively, including amounts acquired in the AK Steel Merger. The use of our common shares in the Acquisitions in conjunction with subsequent issuances or sales of our shares (including transactions that are outside of our control) could cause us to experience an "ownership change." If we experience an "ownership change" under Section 382 of the IRC, further limitations (or disallowances) may apply and similar rules may also apply under state and foreign laws. Consequently, we may not be able to utilize a material portion of our NOLs and other tax attributes, which, in addition to increasing our U.S. federal and state income tax liability, could adversely affect our share price, financial condition, results of operations and cash flows.

Holders of our common shares may not receive dividends on their common shares.

We are not required to declare cash dividends on our common shares and, in April 2020, we announced the suspension of future dividends. Holders of our common shares are entitled to receive only such dividends as our Board may from time to time declare out of funds legally available for such payments. We are incorporated in Ohio and governed by the Ohio General Corporation Law, which allows a corporation to pay dividends, in general, in an amount that cannot exceed its surplus, as determined under Ohio law. Our ability to pay dividends will be subject to our future earnings, capital requirements and financial condition, as well as our compliance with covenants and financial ratios related to existing or future indebtedness, business prospects and other factors that our Board may deem relevant. Additionally, our ABL Facility contains, and agreements governing any of our future debt may contain, covenants and other restrictions that, in certain circumstances, could limit the level of dividends that we are able to pay on our common shares.

IV. OPERATIONAL RISKS

We face significant risks relating to our recent acquisitions of the AK Steel and ArcelorMittal USA businesses.

During 2020, we completed both the AK Steel Merger and the AM USA Transaction. These recent transformative acquisitions involve a number of significant risks and uncertainties that may adversely affect us, including the following:

- inability to realize anticipated synergies or other expected benefits or cost savings;
- additional debt incurred or assumed in connection with the acquisitions could limit our financial flexibility, including our ability to acquire additional assets and make further strategic investments in the future;
- diversion of financial resources to the new operations or acquired businesses;
- assumption of substantial additional environmental exposures, commitments, contingencies and remediation and reclamation projects;
- liabilities for acquired pension and OPEB obligations, which could require us to make significant cash expenditures and funding contributions in excess of current estimates and contribution rates;
- impairment of recorded tangible and intangible asset values, including goodwill, could result in material non-cash charges to our results of operations in the future;
- failure to successfully integrate acquired systems, business processes, policies and procedures;
- exposure to unknown liabilities and unforeseen costs that were not discovered during due diligence;
- loss of human capital resources and support services historically provided by ArcelorMittal and potential failure of ArcelorMittal or its affiliates to perform under various contracts entered into in connection with the AM USA Transaction, including the intellectual property license agreement, slab supply agreement and

transition services agreement, which could adversely impact our integration of the ArcelorMittal USA operations;

- potential loss of key employees, suppliers or customers; and
- other challenges associated with managing the larger, more complex and integrated combined businesses.

If one or more of these risks and uncertainties were to materialize, we could experience reduced sales, higher costs, lower profitability and other adverse impacts to our operations and businesses.

In addition, in connection with the closing of the AM USA Transaction, we issued approximately 78 million of our common shares to an indirect, wholly owned subsidiary of ArcelorMittal, equating to approximately 16% of our then-outstanding common shares. On February 11, 2021, in connection with our sale of 20 million of our common shares in an underwritten public offering, such subsidiary of ArcelorMittal, as a selling shareholder in the offering, sold 40 million of our common shares. We believe such subsidiary of ArcelorMittal continues to hold approximately 38 million of our common shares, equating to approximately 8% of our outstanding common shares following completion of such offering. Although ArcelorMittal and its affiliates are subject to certain restrictions and requirements under an Investor Rights Agreement with respect to its and its affiliates' ownership and voting of our common shares, at such a level of beneficial ownership, ArcelorMittal and its affiliates may be able to exert influence over us and actions requiring the approval of our common shareholders. Under the Investor Rights Agreement, ArcelorMittal and its affiliates are permitted to transfer all of our common shares held by them, subject to certain restrictions on transfers to persons whose beneficial ownership of our common shares following any such transfer would exceed 5% or 10% of our then-outstanding common shares. Sales of our shares by ArcelorMittal and its affiliates or other shareholders, coupled with the increase in the outstanding number of our common shares, may affect the market for, and the market price of, our common shares in an adverse manner.

We also issued 583,273 shares of Series B Preferred Stock to an indirect, wholly owned subsidiary of ArcelorMittal in connection with the closing of the AM USA Transaction. Pursuant to the terms of the Series B Preferred Stock, from and after the 24-month anniversary of the issue date of the Series B Preferred Stock (the “24-Month Anniversary”), each holder of a share of Series B Preferred Stock is entitled to receive cash dividends (the “Additional Dividends”) that will accrue and compound at a significant rate. Although the Series B Preferred Stock is redeemable at our option 180 days after the issue date, the agreements governing our debt may restrict us from paying the redemption price at any given time. If we are unable to redeem the Series B Preferred Stock prior to the 24-Month Anniversary and we become obligated to pay the Additional Dividends, we may be required to divert financial resources from our operations or borrow additional debt in order to satisfy such obligations, which could have a material adverse effect on our business, financial condition and results of operations.

We have limited ability to control our joint venture operations, rely on our joint venture partners to meet their payment obligations, and are subject to risks involving the acts or omissions of our joint venture partners.

As part of the AM USA Transaction, we acquired ArcelorMittal USA’s interest in Hibbing and again became the manager of Hibbing, which we co-own with U.S. Steel. In our steel business, we are party to various joint venture arrangements primarily related to downstream steel processing operations. Due to shared ownership, we have limited ability to control our joint venture operations, and we cannot control the actions of our joint venture partners. Accordingly, we rely on our joint venture partners to make their required capital contributions and to pay for their share of joint venture obligations. If our joint venture partners experience financial hardship or fail to perform their obligations, we may be required to assume additional material obligations to minimize operational disruption or as part of a liquidation, including significant capital contributions, costs of environmental remediation, and pension and OPEB obligations.

Our operating expenses could increase significantly if the price of raw materials, electrical power, fuel or other energy sources increases.

Our operations require significant use of energy and raw materials. Energy expenses are sensitive to changes in electricity, energy transportation and fuel prices, including diesel fuel and natural gas. Although we are self-sufficient in iron ore, other raw materials or production inputs where we are wholly or partially dependent on third-party suppliers include industrial gases, graphite electrodes, scrap, chrome, zinc, coke and coal. Prices for electricity, natural gas, fuel oils and raw materials can fluctuate widely with availability and demand levels from other users, including fluctuations caused by the impact of the COVID-19 pandemic. During periods of peak usage, although some operations have contractual arrangements in place whereby they receive certain offsetting payments in exchange for electricity load reduction, supplies of energy and raw materials in general may be curtailed and we may not be able to purchase them at historical rates. A disruption in the transmission of energy, inadequate energy transmission

infrastructure, or the termination of any of our energy supply contracts could interrupt our energy supply and adversely affect our operations. While we have some long-term contracts with electrical, natural gas and raw material suppliers, we are exposed to fluctuations in energy, natural gas and raw material costs that can affect our production costs. As an example, our Toledo direct reduction plant is subject to changes in the market price of natural gas, which is a key input in the direct reduction of iron ore pellets to produce HBI. We enter into many market-based pricing supply contracts for electricity, natural gas and diesel fuel for use in our operations. Those contracts expose us to price increases in energy costs, which could cause our profitability to decrease significantly. In addition, U.S. public utilities may impose rate increases and pass through additional capital and operating cost increases to their customers related to new or pending U.S. environmental regulations or other charges that may require significant capital investment and use of cleaner fuels in the future. In particular, the recent decision of the U.S. Court of Appeals for the District of Columbia vacating and remanding the Affordable Clean Energy Rule, as well as recent executive orders from President Biden regarding the environment and climate change, indicate that new or revised regulations under the Biden Administration could result in rate increases from U.S. utilities.

The majority of our steel shipments are sold under contracts that do not allow us to pass through all increases in raw materials, supplies and energy costs. Some of our steel shipments to contract customers include variable-pricing mechanisms allowing us to adjust the total sales price based on changes in specified raw materials, supplies and energy costs. Those adjustments, however, rarely reflect all of our underlying raw materials, supplies and energy cost changes. The scope of the adjustment may also be limited by the terms of the negotiated language, including limitations on when the adjustment occurs. Our need to consume existing inventories may also delay the impact of a change in prices of raw materials or supplies. Significant changes in raw material costs may also increase the potential for inventory value write-downs in the event of a reduction in selling prices and our inability to realize the cost of the inventory.

Steelmaking facility or mine closures entail substantial costs. If our assumptions underlying our accruals for closure costs prove to be inaccurate or we prematurely close one or more of our facilities or mines, our results of operations and financial condition would likely be adversely affected.

If faced with overcapacity in the market or other adverse conditions, including as a result of the COVID-19 pandemic, we may seek to rationalize assets through asset sales, temporary shutdowns, indefinite idles or facility closures. If we indefinitely idle or permanently close any of our facilities or mines, our production and revenues would be reduced unless we were able to increase production at our other facilities or mines in an offsetting amount, which may not be possible, and could result in customers responding negatively by taking current or future business away from us if we seek to transition production to a different facility. Alternatively, we could fail to meet customer specifications at the facilities to which products are transitioned, resulting in customer dissatisfaction or claims.

The closure of a steelmaking facility or mining operation involves significant closure costs, including reclamation and other environmental costs, the costs of terminating long-term obligations, including customer, energy and transportation contracts and equipment leases, and certain accounting charges, including asset impairment and accelerated depreciation. In addition, a permanent steelmaking facility or mine closure could accelerate and significantly increase employment legacy costs, including our expense and funding costs for pension and OPEB obligations and multiemployer pension withdrawal liabilities. A number of employees would be eligible for immediate retirement under special eligibility rules that apply upon a steelmaking facility or mine closure. All employees eligible for immediate retirement under the pension plans at the time of the permanent closure also could be eligible for OPEB, thereby accelerating our obligation to provide these benefits. Certain closures would precipitate a pension closure liability significantly greater than an ongoing operation liability and may trigger certain severance liability obligations.

We base our assumptions regarding the life of our mines on detailed studies we perform from time to time, but those studies and assumptions are subject to uncertainties and estimates that may not be accurate. We recognize the costs of reclaiming open pits, stockpiles, tailings ponds, roads and other mining support areas based on the estimated mining life of our property. If our assumptions underlying our accruals for closure costs, including reclamation and other environmental costs, prove to be inaccurate or insufficient, or our liability in any particular year is greater than currently anticipated, our results of operations and financial condition could be adversely affected. In addition, if we were to significantly reduce the estimated life of any of our mines, the mine closure costs would be applied to a shorter period of production, which would increase costs per ton produced and could adversely affect our results of operations and financial condition.

Our sales and competitive position depend on the ability to transport our products to our customers at competitive rates and in a timely manner.

Disruption of the lake, rail and/or trucking transportation services because of weather-related problems, including ice and winter weather conditions on the Great Lakes or St. Lawrence Seaway, climate change, strikes, lock-outs, driver shortages and other disruptions in the trucking industry, rail network constraints, global or domestic pandemics or epidemics (such as the COVID-19 pandemic) or other infectious disease outbreaks, in each case causing a business disruption, or other events and lack of alternative transportation options could impair our ability to move products internally among our facilities and to supply products to our customers at competitive rates or in a timely manner and, thus, could adversely affect our sales, margins and profitability. Further, dredging issues and environmental changes, particularly at Great Lakes ports, could impact adversely our ability to move certain of our products or result in higher freight rates. Similarly, we depend on third-party transportation services for delivery of raw materials to us, and failures or delays in delivery would have an adverse effect on our ability to maintain steady-state production operations to meet customer obligations.

Natural or human-caused disasters, weather conditions, disruption of energy, unanticipated geological conditions, equipment failures, infectious disease outbreaks, and other unexpected events may lead our customers, our suppliers or our facilities to curtail production or shut down operations.

Operating levels within our industry and the industries of our customers and suppliers are subject to unexpected conditions and events that are beyond the industries' control. Those events, including the occurrence of an infectious disease or illness, such as the COVID-19 pandemic, could cause industry members or their suppliers to curtail production or shut down a portion or all of their operations, which could reduce the demand for our products and adversely affect our sales, margins and profitability. For example, the temporary production shutdowns in the automotive industry during 2020 as a result of the COVID-19 pandemic and associated reduction in demand for our products led to our decision to temporarily idle certain steelmaking facilities and iron ore mines.

Our operating levels are subject to conditions beyond our control that can delay deliveries or increase the cost of production for varying lengths of time. Factors that could cause production disruptions could include adverse weather conditions (for example, extreme winter weather, tornadoes, floods, and the lack of availability of process water due to drought) and natural and man-made disasters, lack of adequate raw materials, energy or other supplies, and infectious disease outbreaks, such as the COVID-19 pandemic. In addition, factors that could adversely impact production and operations at our mining operations include tailings dam failures, pit wall failures, unanticipated geological conditions, including variations in the amount of rock and soil overlying deposits of iron ore and coal, variations in rock and other natural materials, and variations in geologic conditions and processing changes.

Our mining operations, processing facilities, steelmaking and logistics operations depend on critical pieces of equipment. This equipment may, on occasion, be out of service because of unanticipated failures or unplanned outages. In addition, most of our mines and production and processing facilities have been in operation for several decades, and the equipment is aged. In the future, we may experience additional lengthy shutdowns or periods of reduced production because of equipment failures. Further, remediation of any interruption in production capability may require us to make large capital expenditures that could have a negative impact on our profitability and cash flows. Our business interruption insurance would not cover all of the lost revenues associated with equipment failures. Longer-term business disruptions could result in a loss of customers, which could adversely affect our future sales levels and revenues.

Many of our production facilities and mines are dependent on one source for electric power, natural gas, industrial gases and/or certain other raw materials or supplies. A significant interruption in service from our suppliers due to the COVID-19 pandemic, terrorism or sabotage, weather conditions, natural disasters, equipment failure or any other cause could result in substantial losses that may not be fully recoverable, either from our business interruption insurance or responsible third parties.

We incur certain costs when production capacity is idled, as well as increased costs to resume production at previously idled facilities.

Our decisions concerning which facilities to operate and at what production levels are made based in part upon our customers' orders for products, as well as the quality, performance capabilities and cost of our operations. During depressed market conditions, we may concentrate production at certain facilities and not operate others in response to customer demand, and as a result we may incur idle costs that could offset our anticipated savings from not operating the idled facility. For example, due to reduced demand as a result of the COVID-19 pandemic, certain of our steelmaking facilities and iron ore mines were temporarily idled during portions of 2020 and we continued to incur

certain fixed costs at those facilities. We cannot predict whether our operations will experience additional disruptions in the future.

When we restart idled facilities, we incur certain costs to replenish inventories, prepare the previously idled facilities for operation, perform the required repair and maintenance activities, and prepare employees to return to work safely and resume production responsibilities. The amount of any such costs can be material, depending on a variety of factors, such as the period of idle time, necessary repairs and available employees, and is difficult to project.

We may not have adequate insurance coverage for some business risks.

Our operations are generally subject to a number of hazards and risks, which could result in personal injury or damage to, or destruction of, equipment, properties or facilities. The insurance that we maintain to address risks that are typical in our businesses may not provide adequate coverage. Insurance against some risks, such as liabilities for environmental pollution, tailings basin breaches, or certain hazards or interruption of certain business activities, may not be available at an economically reasonable cost, or at all. Even if available, we may self-insure where we determine it is most cost effective to do so. As a result, despite the insurance coverage that we carry, accidents or other negative developments involving our production, mining, processing or transportation activities causing losses in excess of policy limits, or losses arising from events not covered under insurance policies, could have a material adverse effect on our financial condition and cash flows.

A disruption in or failure of our IT systems, including those related to cybersecurity, could adversely affect our business operations and financial performance.

We rely on the accuracy, capacity, integrity and security of our IT systems for the operation of many of our business processes and to comply with regulatory, legal and tax requirements. While we maintain some of our critical IT systems, we are also dependent on third parties to provide important IT services relating to, among other things, operational process technology at our facilities, human resources, electronic communications and certain finance functions. Further, in connection with the Acquisitions, we inherited certain legacy hardware and software IT systems that can be supported only by a very limited number of specialists in the market, and our increased reliance on these legacy IT systems may increase the risk of IT system disruption or failure, which could adversely affect our operations.

Despite the security measures that we have implemented, including those related to cybersecurity, our IT systems could be breached or damaged by computer viruses, natural or man-made incidents or disasters, or unauthorized physical or electronic access or intrusions. Though we have controls in place, we cannot provide assurance that a cyberattack will not occur. Furthermore, we may have little or no oversight with respect to security measures employed by third-party service providers, which may ultimately prove to be ineffective at countering threats. We may also experience increased risk of IT system failures or cyberattacks as many of our employees continue to work from home as part of our response to the COVID-19 pandemic. In addition, we may experience increased risk of IT system failures or cyberattacks as transitional activities relating to the Acquisitions are in progress, since these activities expose each company to the other's security vulnerabilities, and because the Acquisitions may attract the attention of potential cyber criminals.

Failures of our IT systems, whether caused maliciously or inadvertently, may result in the disruption of our business processes, or in the unauthorized release of sensitive, confidential, personally identifiable or otherwise protected information, or result in the corruption of data, each of which could adversely affect our businesses. For example, cybersecurity vulnerabilities could result in an interruption of the functionality of our automated manufacturing operating systems, which, if compromised, could cease, threaten, delay or slow down our ability to produce or process steel or any of our other products for the duration of such interruption, which could result in reputational harm and may adversely affect our results of operations, financial condition and cash flows. In addition, any compromise of the security of our IT systems could result in a loss of confidence in our security measures and subject us to litigation, regulatory investigations and negative publicity that could adversely affect our reputation and financial condition. Our customers, suppliers and vendors may also access or store certain of our sensitive information on their IT systems, which, if breached, attacked or accessed by unauthorized persons, could likewise expose our sensitive information and adversely impact our businesses. Furthermore, as cybersecurity threats continue to evolve and become more sophisticated, we may be required to incur significant costs and invest additional resources to protect against and, if required, remediate the damage caused by such disruptions or system failures in the future.

V. DEVELOPMENT AND SUSTAINABILITY RISKS

The cost and time to implement a strategic capital project may prove to be greater than originally anticipated.

From time to time, we undertake strategic capital projects, such as our recently-completed Toledo direct reduction plant, in order to enhance, expand or upgrade our production and mining capabilities or diversify our customer base. Our ability to achieve the anticipated production volumes, revenues or otherwise realize acceptable returns on strategic capital projects that we may undertake is subject to a number of risks, many of which are beyond our control, including a variety of market (such as a volatile pricing environment for our products), operational, permitting and labor-related factors. Further, the cost to implement any given strategic capital project ultimately may prove to be greater and may take more time than originally anticipated. Inability to achieve the anticipated results from the implementation of our strategic capital projects, incurring unanticipated implementation costs or penalties, or the inability to meet contractual obligations could adversely affect our results of operations and future earnings and cash flow generation.

We must continually replace reserves depleted by production. Exploration activities may not result in additional discoveries.

Our ability to replenish mineral reserves is important to our long-term viability. Depleted reserves must be replaced by further delineation of existing mineral bodies or by locating new deposits in order to maintain production levels over the long term. Decisions to defer mine development activities may adversely impact our ability to substantially increase future mineral production. Resource exploration and development are highly speculative in nature. Exploration projects involve many risks, require substantial expenditures and may not result in the discovery of sufficient additional mineral deposits that can be mined economically. Once a mineral body is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish recoverable proven and probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful, and there is a risk that depletion of reserves will not be offset by discoveries or acquisitions.

We rely on estimates of our recoverable reserves, which is complex due to geological characteristics of the properties and the number of assumptions made.

We regularly evaluate our iron ore and coal reserves based on revenues and costs and update them as required in accordance with SEC regulations. We anticipate further updating our mining properties disclosure in accordance with the SEC's Final Rule 13-10570, Modernization of Property Disclosures for Mining Registrants, which became effective February 25, 2019, and which rescinds SEC Industry Guide 7 following a two-year transition period, which means that we will be required to comply with the new rule no later than our fiscal year beginning January 1, 2021.

Estimates of reserves and future net cash flows necessarily depend upon a number of variable factors and assumptions, some of which are beyond our control, such as production capacity, effects of regulations by governmental agencies, future prices for iron ore and coal, future industry conditions and operating costs, severance and excise taxes, development costs, and costs of extraction and reclamation. Estimating the quantity and grade of reserves requires us to determine the size, shape and depth of our mineral bodies by analyzing geological data, such as samplings of drill holes. Estimated reserves could be affected by future industry conditions, future changes in the SEC's mining property disclosure requirements, geological conditions and ongoing mine planning. Actual volume and grade of reserves recovered, production rates, revenues and expenditures with respect to our reserves will likely vary from estimates, and if such variances are material, our sales and profitability could be adversely affected.

Defects in title or loss of any leasehold interests in our mining properties could limit our ability to mine these properties or result in significant unanticipated costs.

Many of our operations are conducted on properties we lease, license or as to which we have easements or other possessory interests. We generally do not maintain title insurance on our properties. A title defect or the loss of any lease, license, easement or other possessory interest for any mining property could adversely affect our ability to mine any associated reserves. In addition, from time to time the rights of third parties for competing uses of adjacent, overlying or underlying lands, such as for roads, easements, public facilities or other mining activities, may affect our ability to operate as planned if our title is not superior or mutually acceptable arrangements cannot be negotiated. Any challenge to our title could delay the exploration and development of some reserves, deposits or surface rights, cause us to incur unanticipated costs, and could ultimately result in the loss of some or all of our interest in those properties.

In the event we lose reserves, deposits or surface rights, we may be required to shut down or significantly alter impacted mining operations, thereby affecting future production, revenues and cash flows.

In order to continue to foster growth in our businesses and maintain stability of our earnings, we must maintain our social license to operate with our stakeholders.

Maintaining a strong reputation and consistent operational, environmental and safety track record is vital in order to continue to foster growth and maintain stability in our earnings. As stakeholders' sustainability expectations increase and regulatory requirements continue to evolve, maintaining our social license to operate becomes increasingly important. Our ability to maintain our reputation and strong operating track record could be threatened, including by challenges relating to the integration of the AK Steel and ArcelorMittal USA businesses or by circumstances outside of our control, such as disasters caused or suffered by other companies in the steel and mining industries. If we are not able to respond effectively to these and other challenges to our social license to operate, our reputation could be damaged significantly. Damage to our reputation could adversely affect our operations and ability to foster growth projects.

VI. HUMAN CAPITAL RISKS

Our profitability could be adversely affected if we fail to maintain satisfactory labor relations.

Our production is dependent upon the efforts of our employees. We are party to labor agreements with various labor unions that represent employees at the majority of our operations. Such labor agreements are negotiated periodically, and, therefore, we are subject to the risk that these agreements may not be able to be renewed on reasonably satisfactory terms. It is difficult to predict what issues may arise as part of the collective bargaining process, and whether negotiations concerning these issues will be successful. Due to union activities or other employee actions, we could experience labor disputes, work stoppages or other disruptions in our production that could affect us adversely. We have labor agreements that will expire at five locations in 2021 and sixteen locations in 2022. If we enter into a new labor agreement with any union that significantly increases our labor costs relative to our competitors or fail to come to an agreement upon expiry, our ability to compete or continuity of production may be materially and adversely affected.

We may encounter labor shortages for critical operational positions, which could adversely affect our ability to produce our products.

We are predicting a long-term shortage of skilled workers in heavy industry and in certain highly specialized IT roles, and competition for the available workers limits our ability to attract and retain employees as well as engage third-party contractors. As our experienced employees retire, we may have difficulty replacing them at competitive wages. In addition, the ongoing COVID-19 pandemic has resulted and may continue to result in increased government restrictions and regulation, including quarantines of our personnel and potential inability to access facilities, which has adversely affected and could continue to adversely affect our operations.

Our expenditures for pension and OPEB obligations could be materially higher than we have predicted if our underlying assumptions differ from actual outcomes, there are regulatory changes or our joint venture partners fail to perform their obligations that relate to employee pension plans.

We provide defined benefit pension plans and OPEB to certain eligible union and non-union employees, including our share of expense and funding obligations with respect to our unconsolidated joint ventures. Our pension and OPEB expenses and our required contributions to our pension and OPEB plans are affected directly by the value of plan assets, the projected and actual rate of return on plan assets, and the actuarial assumptions we use to measure our defined benefit pension plan obligations, including the rate at which future obligations are discounted. We cannot predict whether changing market or economic conditions, regulatory changes or other factors will increase our pension and OPEB expenses or our funding obligations, diverting funds we would otherwise apply to other uses.

We have calculated our unfunded pension and OPEB obligations based on a number of assumptions. If our assumptions do not materialize as expected, cash expenditures and costs that we incur could be materially higher. Moreover, we cannot be certain that regulatory changes will not increase our obligations to provide these or additional benefits. These obligations also may increase substantially in the event of adverse medical cost trends or unexpected rates of early retirement, particularly for bargaining unit retirees. In addition, changes in the laws governing pensions could also materially adversely affect our costs and ability to meet our pension obligations.

We also contribute to certain multiemployer pension plans, including the Steelworkers' Pension Trust, for which we are one of the largest contributing employers. If other contributors were to default on their obligations to contribute to any such plans, we could become liable for additional unfunded contributions to the plans.

In addition, some of the transactions in which we previously sold or otherwise disposed of our non-core assets included provisions transferring certain pension and other liabilities to the purchasers or acquirers of those assets. While we believe that all such transfers were completed properly and are legally binding, if the purchaser fails to fulfill its obligations, we may be at risk that a court, arbitrator or regulatory body could disagree and determine that we remain responsible for pension and other liabilities that we intended to and did transfer.

We depend on our senior management team and other key employees, and the loss of these employees could adversely affect our businesses.

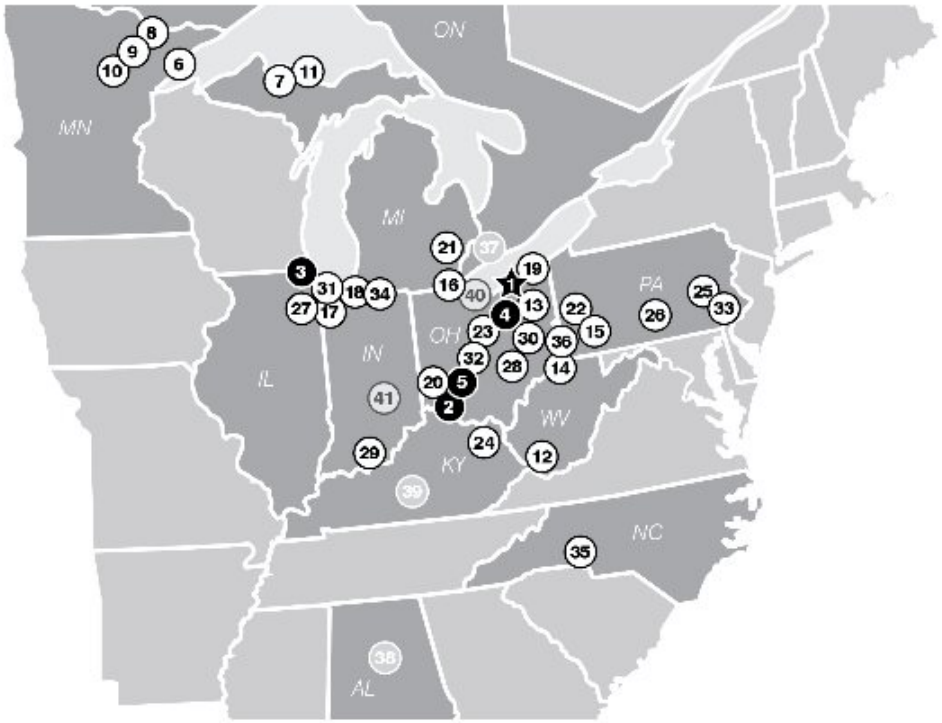
Our success depends in part on our ability to attract, retain, develop and motivate our senior management and key employees. Achieving this objective may be difficult due to a variety of factors, including fluctuations in the global economic and industry conditions, competitors' hiring practices, cost reduction activities, and the effectiveness of our compensation programs. Competition for qualified personnel can be intense. We must continue to recruit, retain, develop and motivate our senior management and key personnel in order to maintain our business and support our projects. A loss of senior management and key personnel could prevent us from capitalizing on business opportunities, and our operating results could be adversely affected. We are also subject to the risk that the COVID-19 pandemic may impact the health or effectiveness of members of our senior management team or other key employees.

Item 1B. ***Unresolved Staff Comments***

We have no unresolved comments from the SEC.

Item 2. ***Properties***

The following map shows the locations of our operations and offices as of December 31, 2020:



Corporate Offices

We lease our corporate headquarters in Cleveland, Ohio. We also have leased office space in West Chester, Ohio and Chicago, Illinois. We own our office space located in Richfield, Ohio, and our Research and Innovation Center located in Middletown, Ohio.

Steelmaking

Steelmaking and Finishing Facilities

Below is a listing and description of our principal steelmaking and finishing facilities:

Burns Harbor is a fully integrated steelmaking facility located on Lake Michigan in Northwest Indiana, 50 miles southeast of Chicago. The location allows for prime shipping access to the Port of Indiana, as well as excellent highway and railroad transport. Burns Harbor's major production facilities include coke plant operations, iron producing, steel producing, hot rolling and finishing and plate rolling and heat treating. The plant operates two blast furnaces and is capable of producing hot-rolled sheet, cold-rolled sheet and hot dip galvanized sheet. Burns Harbor is capable of producing nearly 5 million net tons of raw steel annually. Burns Harbor serves key markets including the automotive, appliance, construction, converters, distribution and pipe and tube markets.

Burns Harbor Plate and Gary Plate are located in Burns Harbor and Gary, Indiana, respectively, and are heat treating and finishing operations producing carbon steel plate, high-strength low alloy steel plate and ASTM grades steel plate. These operations serve the construction, distribution, energy, heavy equipment, infrastructure, military, pipe and tube, rail car and shipbuilding markets.

Butler Works is located in Butler, Pennsylvania, and produces stainless, electrical and carbon steel. Melting takes place in an EAF that feeds an argon-oxygen decarburization unit for the specialty steels. A ladle metallurgy furnace feeds two double-strand continuous casters, which are capable of producing 1 million net tons of raw steel annually. Butler Works also includes a hot rolling mill, annealing and pickling units and two tandem cold rolling mills. It also has various intermediate and finishing operations for both stainless and electrical steels. Butler Works primarily serves the power and distribution transformers and stainless and carbon converters markets.

The Cleveland facility is an integrated steelmaking facility strategically located on the Cuyahoga River in Cleveland, Ohio, with access to the Port of Cleveland and Great Lakes shipping, as well as excellent highway and railroad transport. The Cleveland facility is supplied with coke from our cokemaking operations in Warren, Ohio. Cleveland's major production facilities include two blast furnaces, two steel producing facilities, an 84-inch hot strip mill, a pickling line, a five-stand tandem mill, and a hot dip coating line. The plant's two blast furnaces feed the two steelmaking facilities, which are capable of producing more than 3 million net tons of raw steel annually. Products made at this location are hot-rolled, cold-rolled and hot-dipped galvanized sheet and semi-finished slabs. The Cleveland facility serves the automotive, construction, converters and distribution markets.

The Kote and Tek operations are located in New Carlisle, Indiana, and receive substantially all of their feedstock from Indiana Harbor via daily unit trains. Cleveland-Cliffs Tek is a continuous cold-rolling plant that is capable of producing 1.7 million net tons of sheet steel annually through a continuous descale cold mill and 1.0 million net tons of sheet steel annually through a continuous annealing processing line. Cleveland-Cliffs Kote has separate lines producing 0.5 million net tons of hot-dip galvanized and galvannealed and 0.5 million net tons of electrogalvanized sheet annually. The principal customers of Kote and Tek are in the automotive and appliance markets.

Coatesville is a steel plate production facility located in Coatesville, Pennsylvania, about 40 miles west of Philadelphia, Pennsylvania, and has access to highways and railroads. The facility produces steel from scrap in an EAF and is capable of producing approximately 0.8 million net tons of raw steel annually. The facility also operates ingot teeming facilities, a slab caster, two plate mills, heat-treating facilities, quench and temper and flame-cut shape facilities. The Coatesville facility refines more than 450 different steel chemistries and, together with the Conshohocken facility, produces some of the widest, thickest and heaviest steel plates in the industry. Steel plate products made at this location include carbon, high-strength low-alloy, commercial alloy, military alloy and flame-cut steel. Coatesville serves the aircraft and aerospace, construction, distribution, energy, heavy equipment, military, mold and tool and shipbuilding markets.

Our Columbus operations include a hot-dip galvanizing facility in Columbus, Ohio, and a processing facility in nearby Obetz, Ohio. These operations are temporarily idled due to the COVID-19 pandemic. These central Ohio locations are able to utilize highway and rail transport shipping access. Two zinc pots enable the transition between

coatings to be accomplished in a timely manner while allowing for longer exposed runs. The plant produces hot-dip galvanized sheet using cold-rolled coils supplied by other Cliffs facilities and is capable of coating 450,000 net tons annually. The Columbus operations serve the automotive and distribution markets.

Conshohocken is a plate finishing facility located on the Schuylkill River adjacent to Philadelphia, Pennsylvania. The area is surrounded by highway and railroad systems that provide shipping access. Coatesville supplies steel plate to the Conshohocken plant, which operates heat treat, finishing and inspection facilities for steel plate finishing. The Conshohocken plant has a steckel mill that is currently idled, which is capable of producing coil and discrete plates. Conshohocken plate products are used in construction and military applications.

Coshocton Works is located in Coshocton, Ohio, and consists of a stainless steel finishing plant containing two Sendzimer mills and two Z-high mills for cold reduction, four annealing and pickling lines, bell annealing furnaces, two bright annealing lines, two temper mills, and other processing equipment, including temper rolling, slitting and a packaging line. Coshocton Works produces various flat-rolled stainless steel products including austenitic (chrome nickel) stainless steel grades, martensitic (chrome) stainless steel grades and ferritic (chrome) stainless steel grades, serving the automotive, appliance, distribution and medical markets among others.

Dearborn Works is located in Dearborn, Michigan, with carbon steel melting, casting, cold rolling and finishing operations for carbon steel. The major production facilities include a blast furnace, basic oxygen furnaces, two ladle metallurgy furnaces, a vacuum degasser, two slab casters, a pickling line tandem cold mill and a hot-dipped galvanizing line. Dearborn Works is capable of producing between 2 and 3 million net tons of raw steel annually. Products made at this location include carbon slabs, hot dip galvanized ZINCGRIP®, hot dip galvannealed ZINCGRIP GA steel and AHSS. Dearborn Works serves the automotive, heating, ventilation and air conditioning, converters and distribution markets. During 2020, the Dearborn Works hot strip mill, anneal and temper operations were permanently idled as part of our cost reduction efforts.

Indiana Harbor is one of the largest integrated steelmaking facilities in North America and is located in East Chicago, Indiana, just 20 miles southeast of Chicago, Illinois. The major production facilities include three blast furnaces, two of which are currently operating, a recycle plant, four basic oxygen furnaces, ladle metallurgy facilities and vacuum degassing, four continuous casting machines, a slab dimensioning facility, an 80-inch hot strip mill, a pickling line, a five-stand tandem mill, batch and continuous annealing, a temper mill and two hot-dip galvanizing lines. Indiana Harbor currently operates two blast furnaces capable of producing 5.5 million net tons of raw steel annually and has a diverse facility capable of making a full range of flat products, including AHSS, American Petroleum Institute pipe skelp, motor-laminations, automotive exposed and martinsitic grades. Indiana Harbor is a leader in North American development of new automotive products, and is a primary supplier of coils to Kote and Tek. Indiana Harbor serves the automotive, appliance, contractor applications, distribution, strip converters and tubular markets.

Mansfield Works is located in Mansfield, Ohio, and produces high chrome ferritics and martensitic stainless steels and semi-finished hot bands. The major production facilities include a melt shop with two EAFs, an argon oxygen decarburization unit, a ladle metallurgy facility, a thin slab continuous caster, a walking beam slab furnace and a hot rolling mill. The thin slab caster uses an advanced technology production system to meet customer specifications. Mansfield Works is capable of producing approximately 0.6 million net tons of raw steel annually. Mansfield Works serves the automotive and appliance for stainless products markets.

Middletown Works is an integrated steel operation with carbon steel melting, casting, hot and cold rolling, and finishing operations located in Middletown, Ohio. The major production facilities include a coke facility, a blast furnace, basic oxygen furnaces, a Composition Adjustment by Sealed argon bubbling – Oxygen Blowing (CAS-OB), a vacuum degasser and a continuous caster for the production of carbon steel, which is capable of producing nearly 3 million net tons of raw steel annually. Middletown Works also has a hot strip mill, pickling lines, a five-stand cold mill, an electrogalvanizing line, a hot dip carbon and stainless aluminizing line, a hot dip galvanizing line, box annealing furnaces, temper mills and an open coil annealing facility for finishing products. Products made at this location include hot-rolled and cold-rolled carbon steels, enameling steels, electrogalvanized ZINCGRIP ELECTRASMOOTH® steels, hot dip galvanized ZINCGRIP products and aluminized carbon and stainless steels. Middletown Works serves the automotive, appliance, heating, ventilation and air conditioning, culvert and distribution markets.

Piedmont is a finishing facility located in Newton, North Carolina, 50 miles northwest of Charlotte. The facility specializes in plasma cutting plate steel products into blanks for machinery and automotive manufacturers and primarily serves the truck axle blank business. Additionally, it provides services such as part leveling and just-in-time deliveries.

Riverdale is a compact strip mill that produces hot-rolled sheet located in Illinois, 14 miles west of our Indiana Harbor facility. The location allows for close shipping access to Lake Michigan, and is surrounded by highway and railroad systems. The Riverdale facility operates two basic oxygen furnaces, a ladle metallurgy facility, continuous thin slab caster, tunnel furnace and hot strip mill, which are capable of producing approximately 1 million net tons of thin-slab casting and rolling annually. The light gauge capabilities and tight gauge tolerances are desired characteristics for line pipe and structural and mechanical tubing producers. Principal products made at this plant include hot-rolled black bands in a full range of grades, including high carbon and alloy. The Riverdale facility primarily serves cold-rolled strip producers who supply the automotive, saw blade and strapping markets.

Rockport Works is located on the Ohio River in southwest Indiana near Rockport, Indiana. Rockport Works consists of a carbon and stainless steel finishing plant containing a continuous cold rolling mill, a continuous hot-dip galvanizing and galvannealing line, a continuous carbon and stainless steel pickling line, a continuous stainless steel annealing and pickling line, hydrogen annealing facilities and a temper mill. Utilizing innovative manufacturing technologies, the plant incorporates automated guidance vehicles and automated cranes to move the steel through the various finishing operations. Steels from Rockport Works include a full range of cold-rolled carbon, coated and stainless steels in either the annealed and pickled or temper rolled surface condition. Product offerings include a wide variety of AHSS. The Rockport Works hot dip galvanizing and galvannealing line incorporates revolutionary proprietary technologies, including induction transition heating, which provides rapid, accurate annealing temperature control. In addition, the Rockport Works line produces 80-inch sheet steel. Rockport Works serves the automotive, appliance, heating, ventilation and air conditioning and distribution for carbon and stainless markets.

Steelton is one of only three rail producers in North and South America and is located in Steelton, Pennsylvania, about 100 miles west of Philadelphia, Pennsylvania. Steelton consists of a 150 net ton direct current EAF with ladle refining and vacuum degassing, a three-strand continuous jumbo bloom caster and an ingot teeming facility. Steelton has an annual steelmaking capacity of 1 million net tons. Steelton produces railroad rails, specialty blooms and flat bars for use in railroad and forging markets.

Our Weirton facility is a tinplate facility located on the northern panhandle of West Virginia along the Ohio River in the city of Weirton, West Virginia. The location provides shipping access along the Ohio River, as well as highway and railroad shipping. Products made at this location include cold-rolled and tinplate products serving the distribution and packaging markets.

Zanesville Works is located on the Muskingum River in Zanesville, Ohio. The finishing facility's products include regular GOES and cold-rolled NOES. These specialty flat-rolled steels enable customers to create a variety of products, including generators, transformers and a host of other electrical devices. The primary markets Zanesville Works serves are the power and distribution transformers markets.

In the aggregate, we have annual production capacity of approximately 23 million net tons of raw steel. Due to the timing of the Acquisitions and the idling of facilities in response to impacts of the COVID-19 pandemic, our steelmaking facilities produced a total of 4 million net tons of raw steel during the year ended December 31, 2020.

Direct Reduction Plant, Iron Ore Mines and Pellet Plants

Our direct reduction plant is located in Toledo, Ohio, and is near an existing dock, has rail access and heavy haul roads for operation logistics. We are leasing the property on which the plant is located. Our Toledo direct reduction plant, which began production in the fourth quarter of 2020, produces a specialized high quality iron alternative to scrap and pig iron. The Toledo direct reduction plant has annual capacity of 1.9 million metric tons of HBI per year, and we expect to reach full production rate by the second quarter of 2021.

All of our iron ore mining operations are open-pit mines. Additional pit development is underway as required by long-range mine plans. Drilling programs are conducted periodically to collect modeling data and for refining ongoing operations.

Geologic models are developed for all mines to define the major ore and waste rock types. Computerized block models for iron ore are constructed that include all relevant geologic and metallurgical data. These are used to generate grade and tonnage estimates, followed by detailed mine design and life of mine operating schedules.

We currently own or co-own five operating iron ore mines in Michigan and Minnesota, as well as one indefinitely idled mine in Michigan. Following the AM USA Transaction, we now have an aggregate annual production capacity of approximately 28 million long tons of iron ore pellets, including our 85.3% share of the Hibbing mine production. Historically, our share of production capacity was approximately 21 million long tons of iron ore pellets

annually. We produced 17 million, 20 million and 20 million long tons of iron ore pellets in 2020, 2019 and 2018, respectively.

Our iron ore mines produce from deposits located within the Biwabik and Negaunee Iron Formation, which are classified as Lake Superior type iron formations that formed under similar sedimentary conditions in shallow marine basins approximately two billion years ago. Magnetite and hematite are the predominant iron oxide ore minerals present, with lesser amounts of goethite and limonite. Quartz is the predominant waste mineral present, with lesser amounts of other chiefly iron bearing silicate and carbonate minerals. The ore minerals liberate from the waste minerals upon fine grinding.

The Hibbing mine is located in the center of Minnesota's Mesabi Iron Range and is approximately ten miles north of Hibbing, Minnesota, and five miles west of Chisholm, Minnesota. We own an 85.3% interest in the Hibbing mine, which has been operating since 1976. A subsidiary of U.S. Steel owns the remaining 14.7% of the Hibbing mine. Prior to the AM USA Transaction, we owned 23% of Hibbing, ArcelorMittal USA had a 62.3% interest and U.S. Steel had a 14.7% interest. On December 9, 2020, 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. Each partner takes its share of production pro rata; however, provisions in the joint venture agreement allow additional or reduced production to be delivered under certain circumstances. In 2020, the Hibbing mine produced 5.5 million long tons of iron ore pellets, of which 1.6 million long tons were for our account. Hibbing owns 3% of the ore reserves and leases 97% via multiple mineral leases having varying expiration dates. Mining leases routinely are renegotiated and renewed as they approach their respective expiration dates. Hibbing operations consist of an open pit truck and shovel mine, a concentrator that utilizes single stage crushing, AG mills and magnetic separation to produce a magnetite concentrate, which is then delivered to an on-site pellet plant. From the site, pellets are transported by BNSF rail to a ship loading port at Superior, Wisconsin, operated by BNSF.

The Minorca mine is located in the center of Minnesota's Mesabi Iron Range near Virginia, Minnesota. In 2020, the mine produced 2.8 million long tons of iron ore pellets, of which approximately 0.2 million long tons were produced during the period subsequent to the AM USA Transaction. We own 100% of the Minorca mine, which has been operating since 1977, and lease 100% of the mineral rights. Mining is conducted on multiple mineral leases having varying expiration dates. Mining leases routinely are renegotiated and renewed as they approach their respective expiration dates. This operation includes a concentrating and pelletizing facility, along with two open pit iron ore mines located approximately seven miles from the processing facilities. The processing operations consist of a crushing facility, a three-line concentration facility and a single-line straight grate pelletizing plant. Pellets are transported by CN rail to ports on Lake Superior and shipped to Indiana Harbor located in East Chicago, Indiana.

The Northshore mine is located in northeastern Minnesota, approximately two miles south of Babbitt, Minnesota, on the northeastern end of the Mesabi Iron Range. Northshore's processing facilities are located in Silver Bay, Minnesota, near Lake Superior. In 2020, the Northshore mine produced 3.8 million long tons of iron ore pellets, including both standard and DR-grade pellets. We own 100% of the Northshore mine, which has been operating since 1990, and lease 100% of the mineral rights. Mining is conducted on multiple mineral leases having varying expiration dates. Mining leases routinely are renegotiated and renewed as they approach their respective expiration dates. Operations consist of an open pit truck and shovel mine where two stages of crushing occur before the ore is transported along a wholly owned 47-mile rail line to the plant site in Silver Bay. At the plant site, two additional stages of crushing occur before the ore is sent to the concentrator. The concentrator utilizes rod mills and magnetic separation to produce a magnetite concentrate, which is delivered to the pellet plant located on-site. The plant site has its own ship loading port located on Lake Superior.

The Tilden mine is located on the Marquette Iron Range in Michigan's Upper Peninsula approximately five miles south of Ishpeming, Michigan. In 2020, the Tilden mine produced 6.3 million long tons of iron ore pellets. We own 100% of the Tilden mine, which has been operating since 1974. We own 91% and lease the remaining 9% of the ore reserves. Operations consist of an open pit truck and shovel mine, a concentrator that utilizes single stage crushing, AG mills, magnetite separation and floatation to produce hematite and magnetite concentrates that are then supplied to the on-site pellet plant. From the site, pellets are transported by our LS&I rail to a ship loading port at Marquette, Michigan, operated by LS&I.

The United Taconite mine is located on Minnesota's Mesabi Iron Range in and around the city of Eveleth, Minnesota. The United Taconite concentrator and pelletizing facilities are located ten miles south of the mine, near the town of Forbes, Minnesota. In 2020, the United Taconite mine produced 5.2 million long tons of iron ore pellets. We own 100% of the United Taconite mine, which has been operating since 1965, and lease 100% of the mineral rights. Mining is conducted on multiple mineral leases having varying expiration dates. Mining leases routinely are renegotiated and renewed as they approach their respective expiration dates. United Taconite operations consist of

an open pit truck and shovel mine where two stages of crushing occur before the ore is transported by rail, operated by CN, to the plant site. At the plant site an additional stage of crushing occurs before the ore is sent to the concentrator. The concentrator utilizes rod mills and magnetic separation to produce a magnetite concentrate, which is delivered to the on-site pellet plant. From the plant site, pellets are transported by CN rail to a ship loading port at Duluth, Minnesota, operated by CN.

The Empire mine was indefinitely idled in 2016 and had an annual iron ore pellet production capability of 6 million long tons. We own 47% of the ore reserves and lease the remaining 53%.

Coal Mining and Cokemaking

Princeton is a coal mining complex located in West Virginia that specializes in surface and underground mining of metallurgical coal to produce coke and pulverized coal injection coal. We have annual rated metallurgical coal production capacity of 2.3 million net tons from our Princeton mine. In 2020, the mine produced approximately 1.6 million net tons of coal, of which approximately 0.1 million net tons were produced during the period subsequent to the AM USA Transaction. We own 100% of the Princeton mine, which has been operating since 1995. We own 52% of the coal reserves and lease 48% via multiple mineral leases having varying expiration dates. Mining leases routinely are renegotiated and renewed as they approach their respective expiration dates. Princeton's operations consist of two open-pit surface mines, two underground mines, a preparation plant and two rail loadouts.

In 2020, our cokemaking facilities produced between 2.0 million and 2.5 million net tons of coke, of which approximately 0.6 million net tons were produced during the period subsequent to the respective date of acquisition for each facility. Mountain State Carbon produces furnace coke and related by-products from its plant in Follansbee, West Virginia, which consists of four batteries. Monessen produces furnace coke and related by-products in Monessen, Pennsylvania, and is temporarily idled due to the COVID-19 pandemic. Warren produces furnace coke and related by-products from its plant in Warren, Ohio, and supplies the Cleveland facility. We also operate cokemaking facilities located within Burns Harbor and Middletown Works.

Other Businesses

Our Tubular operating segment consists of our subsidiary Tubular Components, which has plants in Walbridge, Ohio; Columbus, Indiana; and Queretaro, Mexico. The Walbridge plant operates six electric resistance welded tube mills. The Columbus plant also operates six electric resistance welded tube mills and four high-speed cold saws on leased property. The plant in Queretaro, Mexico is currently in the process of being shut down and has ceased tube production. The Queretaro plant is located on leased land in a leased building, under a lease that expires in April 2021. The high-speed cold saw that was operating at the Queretaro plant has already been relocated to the Columbus plant and the tube mill will be returned to the U.S. and replace an existing, older tube mill currently in operation.

Our Tooling and Stamping operating segment consists of our subsidiary Precision Partners, which provides advanced-engineered solutions, tool design and build, hot- and cold-stamped steel components and complex assemblies for the automotive market across ten plants, of which certain of these are under long-term lease agreements, in Ontario, Alabama and Kentucky. Its facilities feature seven large-bed, hot-stamping presses, providing 13 lines of production; 81 cold-stamping presses ranging from 150 net tons to 3,000 net tons of pressing capacity; 17 large-bed, high-tonnage tryout presses with prove-out capabilities for new tool builds; and 144 multi-axis welding assembly cells. We are also in the process of constructing a new Precision Partners facility in Tennessee. We expect to complete construction and begin production of prototype components in the third quarter of 2021, and expect to reach commercial production in the first quarter of 2022.

Mineral Policy

We have a corporate policy prescribing internal controls and procedures with respect to auditing and estimating of minerals. The procedures contained in the policy include the calculation of mineral estimates at each property by our engineers, geologists and accountants, as well as third-party consultants. Management compiles and reviews the calculations, and once finalized, such information is used to prepare the disclosures for our annual and quarterly reports. The disclosures are reviewed and approved by management, including our chief executive officer and chief financial officer. Additionally, the long-range mine planning and mineral estimates are reviewed annually by our Audit Committee. Furthermore, all changes to mineral estimates, other than those due to production, are adequately documented and submitted to senior operations officers for review and approval. Finally, periodic reviews of long-range mine plans and mineral reserve estimates are conducted at mine staff meetings, senior management meetings and by independent experts.

Reserves are defined by SEC Industry Standard Guide 7 as that part of a mineral deposit that could be economically and legally extracted and produced at the time of the reserve determination. All reserves are classified as proven or probable and are supported by life-of-mine plans.

Reserve estimates are based on pricing that does not exceed the three-year trailing average index price of iron ore and coal adjusted to realized price. We evaluate and analyze mineral reserve estimates in accordance with our mineral policy and SEC requirements. The table below identifies the year in which the latest reserve estimate was completed.

Property	Date of Latest Economic Reserve Analysis
Iron ore mines:	
Hibbing	2015
Minorca	2019
Northshore	2020
Tilden	2019
United Taconite	2019
Coal mines:	
Princeton	2019

Ore reserve estimates for our iron ore mines were estimated from fully designed open pits developed using three-dimensional modeling techniques. These fully designed pits incorporate design slopes, practical mining shapes and access ramps to assure the accuracy of our reserve estimates. All operations' reserves have been adjusted net of production through 2020.

The following represents iron ore mineral reserves:

Iron Ore Mineral Reserves as of December 31, 2020 (In Millions of Long Tons)

	Proven		Probable		Proven & Probable		
Property	**Tonnage**	**% Grade**	**Tonnage**	**% Grade**	**Tonnage**	**% Grade[3]**	**Process Recovery[4]**
Hibbing[1]	76	19.7	25	19.6	101	19.7	27%
Minorca	113	23.6	7	25.3	120	23.7	31%
Northshore	318	25.3	519	24.1	837	24.6	29%
Tilden[2]	168	35.2	418	34.8	586	34.8	34%
United Taconite	158	23.1	631	22.1	789	22.3	31%
Total	**833**		**1,600**		**2,433**		

[1] The Hibbing mine is reported on a 100% basis, of which, our ownership is 85.3%.

[2] Tilden hematite reported grade is percent FeT; all other properties are percent magnetic iron.

[3] Cutoff for Tilden hematite is 25% FeT. Cutoff grades for magnetic ore are 20% for Tilden, 19% for Northshore, 16% for Minorca, 17% for United Taconite and 15% for Hibbing.

[4] Process recovery includes all factors for converting crude ore tonnage, shown above, to a dry saleable product.

The following represents recoverable coal reserves:

Recoverable Coal Reserves as of December 31, 2020 (In Millions of Net Tons)

	Proven		Probable		Proven & Probable				
Property	**ROM**	**Wet Recovery**	**ROM**	**Wet Recovery**	**ROM**	**Wet Recovery**	**Ash %**	**Sulfur %**	**Volatile %**
Princeton Coal	69.5	44.7	26.5	11.0	96.0	55.7	5%	0.7%	18%

Item 3. ***Legal Proceedings***

Legal Proceedings Relating to our Business

Mesabi Metallics Adversary Proceeding. On September 7, 2017, Mesabi Metallics Company LLC (f/k/a Essar Steel Minnesota LLC) ("Mesabi Metallics") filed a complaint against Cleveland-Cliffs Inc. in the *Essar Steel Minnesota LLC and ESML Holdings Inc.* bankruptcy proceeding that is pending in the United States Bankruptcy Court, District of Delaware. Mesabi Metallics alleges tortious interference with its contractual rights and business relations involving certain vendors, suppliers and contractors, violations of federal and Minnesota antitrust laws through monopolization, attempted monopolization and restraint of trade, violation of the automatic stay, and civil conspiracy with unnamed Doe defendants. Mesabi Metallics amended its complaint to add additional defendants, including, among others, our subsidiary, Cleveland-Cliffs Minnesota Land Development Company LLC ("Cliffs Minnesota Land"), and to add additional claims, including avoidance and recovery of unauthorized post-petition transfers of real estate interests, claims disallowance, civil contempt and declaratory relief. Mesabi Metallics seeks, among other things, unspecified damages and injunctive relief. Cliffs and Cliffs Minnesota Land filed counterclaims against Mesabi Metallics, Chippewa Capital Partners ("Chippewa"), and Thomas M. Clarke ("Clarke") for tortious interference and civil conspiracy, as well as additional claims against Chippewa and Clarke for aiding and abetting tortious interference, for which we seek, among other things, damages and injunctive relief. Our counterclaim against Clarke for libel was dismissed on jurisdictional grounds. The parties filed various dispositive motions on certain of the claims, including a motion for partial summary judgment to settle a dispute over real estate transactions between Cliffs Minnesota Land and Glacier Park Iron Ore Properties LLC ("GPIOP"). A ruling in favor of Cliffs, Cliffs Minnesota Land and GPIOP was issued on July 23, 2018, finding that Mesabi Metallics' leases had terminated and upholding Cliffs' and Cliffs Minnesota Land's purchase and lease of the contested real estate interests. Mesabi Metallics filed a Motion for Leave to File an Interlocutory Appeal, which was denied on September 10, 2019. Discovery is ongoing. We believe the claims asserted against us are without merit, and we intend to continue to vigorously defend against any remaining claims in the lawsuit.

Mesabi Trust Arbitration. On December 9, 2019, Mesabi Trust filed a demand for arbitration with the American Arbitration Association against Northshore and Cleveland-Cliffs Inc. alleging various breaches of a royalty agreement under which Northshore extracts iron ore from Mesabi Trust lands in return for paying royalties to Mesabi Trust. In its demand, Mesabi Trust asserts that we improperly based royalty payments for intercompany sales of DR-grade pellets on artificially low pricing of DR-grade pellet sales to one of our arms' length third-party customers. Mesabi Trust further asserts that we paid royalties too soon on DR-grade pellets stockpiled at Northshore and destined for shipment to our Toledo direct reduction plant. The allegations also include failure to provide access to information and individuals necessary to determine compliance with the royalty agreement. In addition to seeking damages and costs, Mesabi Trust seeks declarations as to the methodology and timing for calculating royalties on our intercompany DR-grade pellet sales, and that Mesabi Trust should have full and unfettered access to all of our information and employees. During 2020, the parties appointed a three-member arbitration panel and engaged in discovery. The arbitration hearing is scheduled for May 2021. We believe the claims asserted against us are without merit, and we intend to vigorously defend against them.

Certain Legacy Legal Proceedings Relating to our Steel Operations. Certain of our acquired subsidiaries have been named as defendants, among many other named defendants, in numerous lawsuits filed since 1990 claiming injury allegedly resulting from exposure to asbestos. Similar lawsuits seeking monetary relief continue to be filed in various jurisdictions in the U.S., which cases are vigorously defended. Although predictions about the outcome of pending litigation is subject to uncertainties, based upon present knowledge, we believe it is unlikely that the resolution in the aggregate of these claims will have a materially adverse effect on our consolidated results of operations, cash flows or financial condition.

Legal Proceedings Relating to Environmental Matters

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. Applying this threshold, we are disclosing the following environmental proceedings for the period covered by this report:

Dearborn Works Air NOVs. On November 18, 2019, November 26, 2019, and March 16, 2020, EGLE issued NOVs with respect to the basic oxygen furnace electrostatic precipitator at Dearborn Works alleging violations of manganese, lead and opacity limits. We are investigating these claims and will work with EGLE to attempt to resolve

them. We intend to vigorously contest any claims that cannot be resolved through a settlement. Until a settlement is reached with EGLE or the claims of the NOVs are otherwise resolved, we cannot reasonably estimate the costs, if any, associated with any potentially required work.

Additional information for this item relating to certain other environmental proceedings may be found under the headings *EPA Administrative Order In Re: Ashland Coke* and *Burns Harbor Water Issues* in NOTE 21 - COMMITMENTS AND CONTINGENCIES to the consolidated financial statements in *Part II – Item 8. Financial Statements and Supplementary Data*, which information is incorporated herein by reference.

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 IV – Item 15. Exhibits and Financial Statement Schedules* of this Annual Report on Form 10-K.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Stock Exchange Information

Our common shares (ticker symbol CLF) are listed on the NYSE.

Holders

At February 24, 2021, we had 2,586 shareholders of record.

Shareholder Return Performance

The following graph shows changes over the past five-year period in the value of $100 invested in: (1) Cliffs' common shares; (2) S&P 500 Index; (3) S&P Small Cap 600 Index; and (4) S&P Metals and Mining Select Industry Index. The values of each investment are based on price change plus reinvestment of all dividends reported to shareholders, based on monthly granularity.

		2015	2016	2017	2018	2019	**2020**
Cleveland-Cliffs Inc.	Return %	—	432.28	(14.27)	6.66	12.60	**77.46**
	Cum $	100.00	532.28	456.32	486.71	548.04	**972.55**
S&P 500 Index	Return %	—	11.93	21.80	(4.39)	31.48	**18.39**
	Cum $	100.00	111.93	136.33	130.35	171.38	**202.90**
S&P Small Cap 600 Index	Return %	—	26.46	13.15	(8.52)	22.74	**11.24**
	Cum $	100.00	126.46	143.09	130.90	160.66	**178.72**
S&P Metals and Mining Select Industry Index	Return %	—	105.09	20.61	(26.76)	14.70	**15.97**
	Cum $	100.00	205.09	247.36	181.17	207.80	**240.98**

Issuer Purchases of Equity Securities

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[1]	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
October 1 - 31, 2020	2,293	$ 6.69	—	$ —
November 1 - 30, 2020	3,594	7.23	—	—
December 1 - 31, 2020	262	12.88	—	—
Total	**6,149**	**$ 7.27**	**—**	**$ —**

[1] All shares were delivered to us to satisfy tax withholding obligations due upon the vesting or payment of stock awards.

Item 6. ***Selected Financial Data***

[Reserved]

Item 7. ***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. The following discussion should be read in conjunction with the consolidated financial statements and related notes that appear in *Part II – Item 8. Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

Overview

The year 2020 represented a transformative period in our Company's 173-year history. During the year, we completed the vertical integration of our legacy iron ore pellet business with the acquisitions of steelmakers AK Steel and ArcelorMittal USA, becoming the largest flat-rolled steel producer in North America. Our new unique, vertically integrated business model provides a competitive advantage over other steelmakers that procure a larger proportion of their steelmaking raw materials from external sources, and allows us to control our production from upstream mining to downstream stamping and tubing.

We believe the Acquisitions give us a leading position in the highly desirable automotive end market, where we supply best-in-class volumes, quality and delivery performance, and give us the most comprehensive flat steel product offering in the industry. Due to the much larger operational footprint we now have, we anticipate synergies of approximately $310 million from asset optimization, economies of scale and streamlining overhead, over half of which has already been set in motion.

We are now focused on maximizing the value of the iron ore pellets we produce from our legacy and recently acquired mines in Michigan and Minnesota. A majority of the pellets we produce is dedicated to internal consumption, and we do not rely on external sources of pellets. As such, our new Steelmaking segment captures effectively all of the production activity in the steelmaking process, which begins at our mines.

In 2020, we also completed construction of and began production at our state-of-the-art direct reduction plant in Toledo, Ohio. This facility produces high-quality HBI, and is the first of its kind in the Great Lakes region. Our HBI provides a high-quality and environmentally friendly alternative to the scrap and imported pig iron that our potential customers currently utilize. We expect to begin selling this product to third parties during the first quarter of 2021 and reach nameplate capacity at our direct reduction plant during the second quarter of 2021.

Along with these notable accomplishments, we have been able to successfully navigate through the COVID-19 pandemic while preserving the health and safety of both our workforce and our Company for the long term. The COVID-19 pandemic caused its fair share of challenges, as disruptions in demand led to lower sales output and necessitated the unplanned idling of certain production facilities. These production outages, along with the lower

demand and lower prices that came as a result of the pandemic, generated weaker results during the year than what we would normally expect.

As the demand environment began to recover, our results in the second half of the year improved dramatically and operations at temporarily idled facilities resumed. Now, with steel prices and scrap prices in the U.S. recently reaching all-time highs, we believe our decisive actions and accomplishments during 2020 will allow us to deliver strong financial results and free cash flow in 2021. We also believe our new vertically integrated business model is well-equipped to navigate and succeed through future pricing or demand volatility that is common in our industry.

Despite the ongoing pandemic, we also continued our best practices from both a safety and environmental standpoint. During 2020, our safety TRIR (including contractors) was 0.92 per 200,000 hours worked. On environmental matters, we recently made a commitment to reduce GHG emissions 25% by 2030 from 2017 levels, a higher reduction target than our competitors and a demonstration of the newfound leadership role we plan to take in the domestic steel industry.

Recent Developments

Acquisition of ArcelorMittal USA

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.

The assets of ArcelorMittal USA acquired by us at the closing of the AM USA Transaction include six steelmaking facilities, eight finishing facilities, three cokemaking operations, two iron ore mining and pelletizing operations and one coal mining complex. Refer to NOTE 3 - ACQUISITIONS for additional information.

Financing Transactions

On December 9, 2020, we entered into the ABL Amendment. The ABL Amendment modified the ABL Facility to, among other things, increase the amount of tranche A revolver commitments available thereunder by an additional $1.5 billion and increase certain dollar baskets related to certain negative covenants that apply to the ABL Facility. After giving effect to the ABL Amendment, the aggregate principal amount of tranche A revolver commitments under the ABL Facility is $3.35 billion and the aggregate principal amount of tranche B revolver commitments under the ABL Facility remains at $150 million.

On February 11, 2021, we sold 20 million of our common shares, and the indirect, wholly owned subsidiary of ArcelorMittal to which approximately 78 million common shares were issued as part of the consideration paid by us in connection with the closing of the AM USA Transaction sold 40 million common shares, in each case at a price per share to the underwriter of $16.12, in an underwritten public offering. We also granted the underwriter an option to purchase up to an additional 9 million common shares from us at a price per share to the underwriter of $16.12. The underwriter has until March 10, 2021 to exercise such option, which it may do in full, in part or not at all. We did not receive any proceeds from the sale of the common shares by the selling shareholder in the offering. We intend to use the net proceeds to us from the offering, plus cash on hand, to redeem up to approximately $334 million aggregate principal amount of our outstanding 9.875% 2025 Senior Secured Notes. We intend to use any remaining net proceeds to us following such redemption to reduce 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 intend to use 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.

Company Structure

We have updated our segment structure to coincide with our new business model and are organized into four operating segments based on differentiated products, Steelmaking, Tubular, Tooling and Stamping, and European Operations. Our previous Mining and Pelletizing segment is included within Steelmaking as iron ore pellets are a

primary raw material for our steel products. We have one reportable segment - Steelmaking. Our other operating segments are classified as our Other Businesses.

COVID-19

In December 2019, COVID-19 surfaced in Wuhan, China, and then spread to other countries, including the United States. In March 2020, the World Health Organization characterized COVID-19 as a pandemic. Efforts to contain the spread of COVID-19 intensified throughout 2020, and many countries, including the United States, took steps to restrict travel, temporarily close businesses and issue quarantine orders. It remains unclear how long and to what degree of severity the economic impact of the COVID-19 pandemic will be felt.

On March 27, 2020, the CARES Act was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer-side social security payments, NOL carryback periods, AMT credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. During 2020, the CARES Act provided liquidity relief by enabling us to accelerate the receipt of $60 million of AMT credit refunds in July 2020, defer pension contributions until January 2021, and defer employer social security payments until 2021 and 2022.

We continue to utilize stringent social distancing procedures in our operating facilities, including checking employees' temperatures and symptoms before entering the workplace each day and deep cleaning our operational facilities. Although we continue to utilize these measures, the outbreak of COVID-19 has heightened the risk that a significant portion of our workforce will suffer illness or otherwise be unable to perform their ordinary work functions.

Although steel and iron ore production are considered "essential" by the states in which we operate, certain of our facilities and construction activities were temporarily idled during the second quarter of 2020 due primarily to temporarily reduced product demand. Most of these temporarily idled facilities were restarted during the second quarter of 2020, and the remaining operations were restarted during the third quarter of 2020. Our Columbus and Monessen facilities acquired through the AM USA Transaction are temporarily idled due to the COVID-19 pandemic.

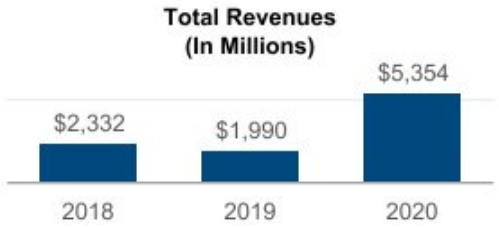
We cannot predict whether our operations will experience additional disruptions in the future. We may also continue to experience supply chain disruptions or operational issues with our vendors, as our suppliers and contractors face similar challenges related to the COVID-19 pandemic. Because the impact of the COVID-19 pandemic continues to evolve, we cannot currently predict the extent to which our business, results of operations, financial condition or liquidity will ultimately be impacted.

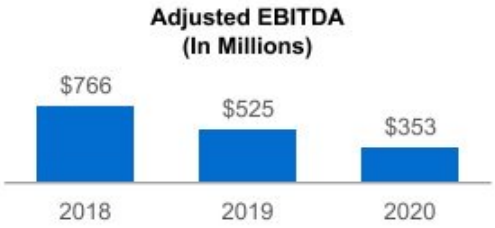
To mitigate the impact of the COVID-19 pandemic, we took a number of steps throughout 2020 to solidify our liquidity position, including issuing $520 million aggregate principal amount of secured debt, adding a $150 million FILO tranche to our ABL Facility, idling several facilities both temporarily and permanently, temporarily deferring our Chief Executive Officer's compensation by 40%, temporarily deferring salaries by up to 20%, temporarily deferring other salaried employee benefits, and temporarily suspending capital expenditures. Lastly, our Board suspended future dividends, which was a typical cash obligation of approximately $100 million on an annualized basis.

Results of Operations

Overview

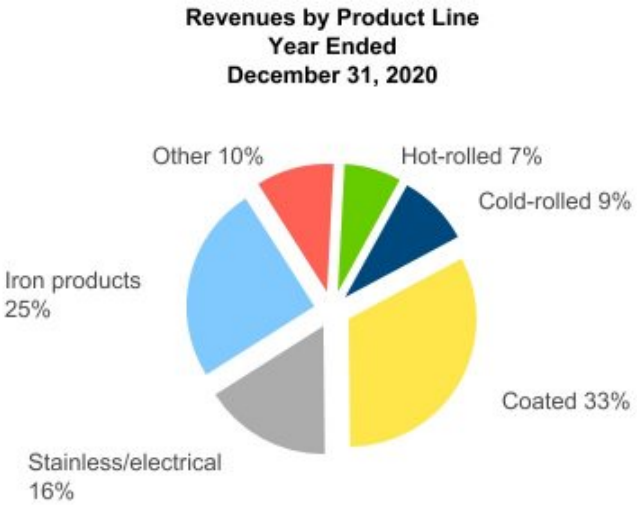
For the year ended December 31, 2020, we had a *Net loss* of $81 million. For the years ended December 31, 2019 and 2018, we had *Net income* of $293 million and $1,128 million, respectively. Our total revenues, diluted EPS and Adjusted EBITDA were as follows:





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

Revenues



Revenues from iron products made up 100% of our revenues by product line for the year ended December 31, 2019.

During the year ended December 31, 2020, our consolidated *Revenues* were approximately $5.4 billion, an increase of approximately $3.4 billion, or 169%, compared to 2019. The increase was due to the addition of $4.0 billion in revenues as a result of the Acquisitions, partially offset by a decrease in revenue from iron products of $655 million resulting from lower sales volumes of 6.9 million long tons compared to 2019. The lower sales volumes of iron products in 2020, as compared to 2019, were partially due to the diversion of pellets for internal consumption following the Acquisitions. Overall, we experienced lower customer demand during 2020 as a result of the reduced manufacturing activity caused by the COVID-19 pandemic.

Revenues by Market

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

	(In Millions)			
	Year Ended December 31,			
	2020		2019	
	Revenue	**%**	Revenue	%
Automotive	**$ 2,391**	**45 %**	$ —	— %
Infrastructure and Manufacturing	**818**	**15 %**	—	— %
Distributors and Converters	**722**	**13 %**	—	— %
Steel producers[1]	**1,423**	**27 %**	1,990	100 %
Total revenues	**$ 5,354**		$ 1,990	

[1] Includes *Realization of deferred revenue* of $35 million for the year ended December 31, 2020.

Automotive Market

North American light vehicle production for 2020 declined 20% to approximately 13 million units from the prior year due to the impacts of the COVID-19 pandemic, which forced automotive businesses to shut down from the end of the first quarter of 2020 until near the end of the second quarter of 2020. During the third quarter of 2020, auto makers saw pent-up demand bring sales back to more normal levels as buyers and dealers adapted to new procedures and virtual shopping. Fourth quarter 2020 sales for the automotive industry were more in line with expected sales for the time of year, returning to near pre-COVID-19 levels.

Infrastructure and Manufacturing

Domestic construction activity and the replacement of aging infrastructure directly affects sales of our carbon, stainless and electrical steel products, particularly for GOES. Additionally, during 2020, there were nearly 1.4 million new housing starts in the U.S., an increase of approximately 6% from 2019, and home sales reached nearly 6 million, the highest annual mark since 2006, despite the supply of existing homes reaching all-time lows. This provides a positive indication that domestic GOES customers could continue to experience steady demand consistent with the construction and electrical transformer replacement markets.

Distributors and Converters

Steel distributors and converters typically source from the commodity carbon, stainless and electrical spot markets. The price for domestic HRC, which is an important attribute in the profitability of this end market, averaged $588 per net ton for the year ended December 31, 2020. The price of HRC was negatively impacted by lower demand related to the COVID-19 pandemic, and hit a low point of $438 per net ton on April 30, 2020. However, after the industry recovered and supply-demand dynamics improved, the price rebounded dramatically, improving to a peak of $1,030 per net ton by December 31, 2020.

Steel Producers Market

The steel producers market represents third-party sales to other steel producers, including those who operate blast furnaces and EAFs. It includes sales of raw materials and semi-finished and finished goods, including iron ore pellets, coal, coke, HBI and steel products. Iron ore product revenues declined during 2020, as compared to 2019, partially as a result of the Acquisitions as our iron ore pellet production was consumed internally and the respective intercompany revenue was eliminated in consolidation. Additionally, we experienced lower customer demand during 2020 as a result of the reduced manufacturing activity caused by the impacts of the COVID-19 pandemic.

Operating Costs

Cost of goods sold

Cost of goods sold increased by $3,688 million for the year ended December 31, 2020, as compared to the prior year, primarily due to the addition of 4 million net tons of steel shipments resulting from the Acquisitions, partially offset by lower sales volumes of iron products. During 2020, *Cost of goods sold* was unfavorably impacted by temporary idle-related costs of approximately $225 million, resulting from the impacts of the COVID-19 pandemic.

Selling, general and administrative expenses

As a result of the Acquisitions, our *Selling, general and administrative expenses* increased by $131 million during the year ended December 31, 2020, as compared to 2019.

Acquisition-related costs

The *Acquisition-related costs* of $90 million for the year ended December 31, 2020, include severance of $38 million and other various third-party expenses related to the Acquisitions of $52 million. Refer to NOTE 3 - ACQUISITIONS for further information on the Acquisitions.

Miscellaneous – net

Miscellaneous – net increased by $33 million for the year ended December 31, 2020, as compared to the prior year, which was primarily due to an increase in expenses incurred at our Toledo direct reduction plant, primarily related to the hiring and training of employees leading up to the start of production.

Other Income (Expense)

Interest expense, net

Interest expense, net increased by $137 million for the year ended December 31, 2020, as compared to the prior year, primarily due to the incremental debt that we incurred in connection with the AK Steel Merger. The increase was offset partially by an increase in capitalized interest, primarily related to the construction of the Toledo direct reduction plant.

Gain (loss) on extinguishment of debt

The *Gain (loss) on extinguishment of debt* of $130 million for the year ended December 31, 2020 primarily relates to the repurchase of $748 million aggregate principal amount of our outstanding senior notes of various series using the net proceeds from the issuance of an additional $555 million aggregate principal amount of our 9.875% 2025 Senior Secured Notes on April 24, 2020 and other sources of cash. This compares to a loss on extinguishment of debt of $18 million for the year ended December 31, 2019, primarily related to the redemption of all of our then-outstanding 4.875% 2021 Senior Notes and the repurchase of $600 million aggregate principal amount of our 5.75% 2025 Senior Notes. Refer to NOTE 8 - DEBT AND CREDIT FACILITIES for further details.

Other non-operating income

The increase of $54 million in *Other non-operating income* primarily relates to an increase in net periodic benefit credits other than service cost component predominantly due to the expected return on assets resulting from the Acquisitions and increased asset values for the plans held in 2019. Refer to NOTE 10 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further details.

Income Taxes

Our effective tax rate is affected 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)	
	Year Ended December 31,	
	2020	2019
Income tax benefit (expense)	**$ 111**	$ (18)
Effective tax rate	**57 %**	6 %

A reconciliation of our income tax attributable to continuing operations compared to the U.S. federal statutory rate is as follows:

	(In Millions)			
	Year Ended December 31,			
	2020		2019	
Tax at U.S. statutory rate	**$ (41)**	**21 %**	$ 66	21 %
Increase (decrease) due to:				
Percentage depletion in excess of cost depletion	**(42)**	**22**	(49)	(16)
Non-taxable income related to noncontrolling interests	**(9)**	**4**	—	—
Luxembourg legal entity reduction	**—**	**—**	846	271
Valuation allowance release:				
Luxembourg legal entity reduction	**—**	**—**	(846)	(271)
State taxes, net	**(11)**	**6**	—	—
Other items, net	**(8)**	**4**	1	1
Provision for income tax expense (benefit) and effective income tax rate including discrete items	**$ (111)**	**57 %**	$ 18	6 %

The increase in income tax benefit in 2020, as compared to the prior year, is directly related to the increase in the pre-tax book loss year-over-year. The Luxembourg legal entity reduction relates to initiatives resulting in the dissolution of entities and settlement of related financial instruments in the year ended December 31, 2019. The 2019 NOL deferred tax asset reduction resulted in tax expense of $846 million, which was fully offset by a decrease in the valuation allowance.

See NOTE 12 - INCOME TAXES for further information.

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) Year Ended December 31,	
	2020	2019
Net income (loss)	**$ (81)**	$ 293
Less:		
Interest expense, net	**(238)**	(101)
Income tax benefit (expense)	**111**	(18)
Depreciation, depletion and amortization	**(308)**	(85)
Total EBITDA	**$ 354**	$ 497
Less:		
EBITDA from noncontrolling interests[1]	**$ 56**	$ —
Gain (loss) on extinguishment of debt	**130**	(18)
Severance costs	**(38)**	(2)
Acquisition-related costs excluding severance costs	**(52)**	(7)
Amortization of inventory step-up	**(96)**	—
Impact of discontinued operations	**1**	(1)
Total Adjusted EBITDA	**$ 353**	$ 525

[1] EBITDA of noncontrolling interests includes $41 million for income and $15 million for depreciation, depletion and amortization for the year ended December 31, 2020.

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

	(In Millions) Year Ended December 31,	
	2020	2019
Adjusted EBITDA:		
Steelmaking	**$ 433**	$ 636
Other Businesses	**47**	—
Corporate and eliminations	**(127)**	(111)
Total Adjusted EBITDA	**$ 353**	$ 525

The year ended December 31, 2020 results were unfavorably impacted by decreased customer demand resulting from the impacts of the COVID-19 pandemic. As a result of the COVID-19 pandemic, we incurred temporary idle-related costs resulting from production curtailments, excluding idle depreciation, depletion and amortization expense, of approximately $214 million during 2020.

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

The discussion of our Consolidated Results of Operations for 2019 compared to 2018 can be found in Part II, Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on February 20, 2020.

Steelmaking

The following is a summary of our Steelmaking segment results included in our consolidated financial statements for the years ended December 31, 2020 and 2019. These results include the AK Steel operations subsequent to March 13, 2020, the ArcelorMittal USA operations subsequent to December 9, 2020, and our results from operations previously reported as part of our Mining and Pelletizing segment.

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

	Year Ended December 31,	
	2020	2019
Operating Results - In Millions		
Revenues[1]	**$ 4,965**	**$ 1,990**
Cost of goods sold	**$ (4,749)**	**$ (1,414)**
Selling Price - Per Ton		
Average net selling price per net ton of steel products	**$ 947**	**N/A**
Average net selling price per long ton of iron products	**$ 114**	**$ 107**

[1] Includes *Realization of deferred revenue* of $35 million for the year ended December 31, 2020.

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

	(Dollars In Millions, Sales Volumes In Thousands)			
	Year Ended December 31,			
	2020		2019	
	Revenue	**Volume[1]**	Revenue	Volume[1]
Hot-rolled steel	**$ 386**	**633**	$ —	—
Cold-rolled steel	**490**	**682**	—	—
Coated steel	**1,747**	**1,911**	—	—
Stainless and electrical steel	**868**	**416**	—	—
Other steel products	**92**	**141**	—	—
Iron products[2]	**1,335**	**11,707**	1,990	18,583
Other	**47**	**N/A**	—	—
Total	**$ 4,965**		$ 1,990	

[1] Carbon steel products, stainless and electrical steel and plate steel volumes are stated in net tons. Iron product volumes are stated in long tons.

[2] Includes *Realization of deferred revenue* of $35 million for the year ended December 31, 2020.

Operating Results

Despite the downward pressures on markets as a result of the COVID-19 pandemic during 2020, the operating results during the second half of the year showed significant signs of improvement heading into 2021, as we have seen pricing for HRC continue to rise and sales volumes begin to return to normal. Steelmaking revenues increased by $2,975 million compared to 2019, due to the addition of sales following the Acquisitions. This increase was partially offset by a decrease in revenue from iron products of $655 million resulting from lower sales volumes of 7 million long tons compared to 2019, partially due to the diversion of pellets for internal consumption following the Acquisitions, as well as lower overall demand from customers as a result of the impacts of the COVID-19 pandemic.

Cost of goods sold increased $3,335 million during 2020, compared to 2019, predominantly due to additional sales resulting from the Acquisitions; however, this increase was also unfavorably impacted by idle-related costs of approximately $225 million, driven by the temporary idling of facilities in response to lower customer demand due to the COVID-19 pandemic.

As a result, Adjusted EBITDA was $433 million for the year ended December 31, 2020, compared to $636 million for the prior year. Refer to "— Results of Operations" above for additional information.

Production

During 2020, we produced 4 million net tons of raw steel, 17 million long tons of iron ore pellets and 1 million net tons of coke. During 2020, certain of our operations were temporarily idled in response to the COVID-19 pandemic, with most restarting and resuming production in the second quarter of 2020 and the remainder in the third quarter of 2020. Dearborn Works' hot strip mill, anneal and temper operations and AK Coal remain permanently idled as part of the permanent cost reduction efforts. Our Columbus and Monessen facilities acquired through the AM USA Transaction are temporarily idled due to impacts of the COVID-19 pandemic. During 2019, we produced 20 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.

Since the onset of the COVID-19 pandemic in the U.S., our primary focus has been on maintaining adequate levels of liquidity to manage through a potentially prolonged economic downturn. In alignment with this, we made several operational adjustments, including facility closures, idles and extended maintenance outages. Along with the cost savings achieved through these operational adjustments, during 2020, we reduced planned capital expenditures for the year, reduced overhead costs and suspended our quarterly dividend payment. Additionally, on April 17, 2020 and April 24, 2020, we issued $400 million aggregate principal amount and an additional $555 million aggregate principal amount, respectively, of 9.875% 2025 Senior Secured Notes to further bolster our liquidity position and pay-down existing debt. We also issued an additional $120 million aggregate principal amount of 6.75% 2026 Senior Secured Notes on June 19, 2020, the net proceeds of which we used to finance construction of our Toledo direct reduction plant. Prior to such use, the net proceeds were used to temporarily reduce the outstanding borrowings under our ABL Facility. We believe these measures have helped us to maintain healthy liquidity levels during the COVID-19 pandemic.

Now that business conditions have improved and we expect to generate healthy free cash flow during 2021, we believe we have the ability to lower our long-term debt balance. Our stated initial target will be to reduce total debt to less than three times our annual Adjusted EBITDA. We also look at the composition of our debt, as well, 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 and the indirect, wholly owned subsidiary of ArcelorMittal to which approximately 78 million common shares were issued as part of the consideration paid by us in connection with the closing of the AM USA Transaction sold 40 million common shares, in each case at a price per share to the underwriter of $16.12, in an underwritten public offering. We also granted the underwriter an option to purchase up to an additional 9 million common shares from us at a price per share to the underwriter of $16.12. The underwriter has until March 10, 2021 to exercise such option, which it may do in full, in part or not at all. We did not receive any proceeds from the sale of the common shares by the selling shareholder in the offering. We intend to use the net proceeds to us from the offering, plus cash on hand, to redeem up to approximately $334 million aggregate principal amount of our outstanding 9.875% 2025 Senior Secured Notes. We intend to use any remaining net proceeds to us following such redemption to reduce 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 intend to use 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.

In connection with the underwritten public offering, we provided notice to redeem $322.4 million aggregate principal amount of our 9.875% 2025 Senior Secured Notes on March 11, 2021. In connection with the notes offering, we provided notice to redeem all of the outstanding 4.875% 2024 Senior Secured Notes, 6.375% 2025 Senior Notes,

7.625% 2021 AK Senior Notes, 7.50% 2023 AK Senior Notes and 6.375% 2025 AK Senior Notes on March 12, 2021. Refer to NOTE 22 – SUBSEQUENT EVENTS for more information regarding February 2021 financing transactions.

The application of the net proceeds to us from the February 2021 financing transactions will shift our debt horizon, by providing a four-year window in which none of our long-term 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 2020 and comparative years as well as expected impacts to our future cash flows over the next 12 months. Refer to the Statements of Consolidated Cash Flows for additional information.

Operating Activities

Net cash used by operating activities was $261 million for the year ended December 31, 2020, compared to net cash provided by operating activities of $563 million for the year ended December 31, 2019. The change in cash used by operating activities during 2020, compared to cash provided by operating activities in 2019, was due primarily to the slowing economy in connection with the COVID-19 pandemic, resulting in reduced customer demand and the need to temporarily idle many of our operations, which had an adverse effect on our operating results. Our working capital was negatively impacted as a result of ArcelorMittal USA's accounts receivable factoring arrangement that was in place prior to the AM USA Transaction. This negatively impacted working capital by $315 million for the year ended December 31, 2020 and is expected to impact the first quarter of 2021 by approximately $260 million.

Our U.S. *Cash and cash equivalents* balance at December 31, 2020 was $90 million, or 84% of our consolidated *Cash and cash equivalents* balance, excluding cash related to our consolidated VIE of $5 million. Additionally, we had a cash balance at December 31, 2020 of $4 million classified as part of *Other current assets* in the Statements of Consolidated Financial Position related to our discontinued operations.

Investing Activities

Net cash used by investing activities was $2,042 million and $644 million for the years ended December 31, 2020 and 2019, respectively. During the year ended December 31, 2020, we had net cash outflows of $658 million related to the AM USA Transaction, net of cash acquired. Additionally, during the year ended December 31, 2020, we had net cash outflows of $869 million related to the AK Steel Merger, 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. Refer to NOTE 3 - ACQUISITIONS for additional details on the Acquisitions.

Additionally, we had capital expenditures, including capitalized interest, of $525 million and $656 million for the years ended December 31, 2020 and 2019, respectively. We had cash outflows, including deposits and capitalized interest, for the development of the Toledo direct reduction plant of $348 million and $544 million for the years ended December 31, 2020 and 2019, respectively. During the year ended December 31, 2019, we also had cash outflows, including deposits and capitalized interest, of $43 million on the upgrades at Northshore. Additionally, we spent $177 million and $69 million on sustaining capital expenditures during 2020 and 2019, respectively. Sustaining capital expenditures include capital expenditures related to infrastructure, mobile equipment, fixed equipment, product quality, environment, health and safety.

During 2020, in response to the COVID-19 pandemic, we temporarily limited our cash used for capital expenditures to critical sustaining capital, but have now resumed growth capital spending. During the fourth quarter of 2020, we completed construction of our Toledo direct reduction plant. We anticipate total cash used for capital expenditures during the next 12 months to be between $600 million and $650 million.

Financing Activities

Net cash provided by financing activities was $2,059 million for the year ended December 31, 2020, compared to net cash used by financing activities of $394 million for the year ended December 31, 2019. Cash provided by financing activities for the year ended December 31, 2020 primarily related to the issuances in separate offerings consummated on March 13, 2020 and June 19, 2020 of $845 million combined aggregate principal amount of 6.75% 2026 Senior Secured Notes, the issuances in separate offerings consummated on April 17, 2020 and April 24, 2020 of $955 million combined aggregate principal amount of 9.875% 2025 Senior Secured Notes and borrowings

of $2,060 million under the ABL Facility. The net proceeds from the initial issuance of $725 million aggregate principal amount of the 6.75% 2026 Senior Secured Notes on March 13, 2020, 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, in each case issued by AK Steel Corporation (n/k/a Cleveland-Cliffs Steel Corporation), that we accepted for purchase pursuant to our tender offers for any and all such notes then-outstanding in connection with the AK Steel Merger and to pay for the $44 million of debt issuance costs in the first quarter of 2020. The net proceeds from the additional issuance of $555 million aggregate principal amount of the 9.875% 2025 Senior Secured Notes on April 24, 2020 were used to repurchase $736 million aggregate principal amount of our outstanding senior notes of various series in private exchanges exempt from the registration requirements of the Securities Act. The net proceeds from the additional issuance of $120 million aggregate principal amount of 6.75% 2026 Senior Secured Notes on June 19, 2020 were used to finance construction of our Toledo direct reduction plant. Prior to such use, the net proceeds were used to temporarily reduce the outstanding borrowings under our ABL Facility. Additionally, during the year ended December 31, 2020, we repaid $550 million under the ABL Facility.

Net cash used by financing activities during 2019 primarily related to the repurchase of 24 million common shares for $253 million in the aggregate under the $300 million share repurchase program, which was active until December 31, 2019. Additionally, we issued $750 million aggregate principal amount of 5.875% 2027 Senior Notes, which provided net proceeds of approximately $714 million. The net proceeds from the notes offering, along with cash on hand, were used to redeem in full all of our then-outstanding 4.875% 2021 Senior Notes and to purchase $600 million aggregate principal amount of our outstanding 5.75% 2025 Senior Notes pursuant to a tender offer. In total, during 2019, we purchased $724 million aggregate principal amount of senior notes for $729 million in cash.

Additional uses of cash from financing activities during 2019 included payments of regular quarterly cash dividends and a special cash dividend on our common shares of $72 million and a cash payment of $44 million related to the third and final annual installment of the distribution of Empire partnership equity.

We have temporarily suspended future dividend distributions as a result of impacts of the COVID-19 pandemic in order to preserve cash during this time of economic uncertainty. 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, similar to the transactions that occurred during 2020 and February 2021, in addition to providing supplemental financing to meet cash requirements for business improvement opportunities.

The discussion of our *Liquidity, Cash Flows and Capital Resources* results for 2019 compared to 2018 can be found in Part II, Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations", in our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on February 20, 2020.

The following represents our future cash commitments and contractual obligations as of December 31, 2020:

	Payments Due by Period (In Millions)				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Long-term debt[1]	$ 5,595	$ 34	$ 13	$ 2,197	$ 3,351
Interest on debt[1]	1,772	303	601	507	361
Operating lease obligations	363	70	99	72	122
Finance lease obligations	394	100	173	45	76
Purchase obligations:					
Open purchase orders	347	342	5	—	—
Minimum "take or pay" purchase commitments[2]	8,853	2,865	2,708	1,607	1,673
Total purchase obligations	9,200	3,207	2,713	1,607	1,673
Other long-term liabilities:					
Pension funding minimums	887	202	178	238	269
OPEB claim payments	1,777	144	280	269	1,084
Environmental and asset retirement obligations	589	27	51	42	469
Other	272	71	99	31	71
Total other long-term liabilities	3,525	444	608	580	1,893
Total	$ 20,849	$ 4,158	$ 4,207	$ 5,008	$ 7,476

[1] Refer to NOTE 8 - DEBT AND CREDIT FACILITIES for additional information regarding our debt and related interest rates.

[2] Includes minimum railroad and vessel transportation obligations, minimum electric power demand charges, minimum diesel and natural gas obligations and minimum port facility obligations. Additionally, includes our coke purchase commitments related to our coke supply agreement with SunCoke Middletown.

Refer to NOTE 21 - COMMITMENTS AND CONTINGENCIES for additional information regarding our future commitments and obligations.

Capital Resources

We expect to fund our business obligations from available cash, current and future operations and existing and future borrowing arrangements. We also may pursue other funding strategies in the capital markets to strengthen our liquidity, extend debt maturities and/or fund strategic initiatives. The following represents a summary of key liquidity measures:

	(In Millions)
	December 31, 2020
Cash and cash equivalents	$ 112
Cash and cash equivalents from discontinued operations, included within *Other current assets*	4
Less: Cash and cash equivalents from VIE's	(5)
Total cash and cash equivalents	$ 111
Available borrowing base on ABL Facility[1]	$ 3,500
Borrowings	(1,510)
Letter of credit obligations	(247)
Borrowing capacity available	$ 1,743

[1] As of December 31, 2020, the ABL Facility had a maximum borrowing base of $3.5 billion, 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 $111 million as of December 31, 2020, cash generated by our business, availability under the ABL Facility and other financing activities. Cash and cash equivalents include cash on hand and on deposit. The combination of cash and availability under the ABL Facility gives us $1.9 billion in liquidity entering the first 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 February 24, 2021, we had total liquidity of approximately $2.6 billion, consisting of approximately $200 million in cash and approximately $2.4 billion of availability under its ABL credit facility, of which approximately $850 million is expected to be used to redeem the senior notes for which notice of redemption was provided in connection with the offerings consummated in February 2021.

As of December 31, 2020, 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. We believe that the cash on hand and the ABL Facility provide us sufficient liquidity to support our operating, investing and financing activities. We have the capability to issue additional unsecured notes and, subject to the limitations set forth in our existing senior notes indentures, additional secured debt, if we elect to access the debt capital markets. However, our ability to issue additional notes could be limited by market conditions.

We intend from time to time to seek to retire or purchase our outstanding senior notes with cash on hand, borrowings from existing credit sources or new debt financings and/or exchanges for debt or equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material.

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 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 6.375% 2025 Senior Notes, the 5.875% 2027 Senior Notes and the 7.00% 2027 Senior Notes issued by Cleveland-Cliffs Inc. on a senior unsecured basis and (b) the 4.875% 2024 Senior Secured Notes, the 6.75% 2026 Senior Secured Notes and the 9.875% 2025 Senior Secured Notes on a senior secured basis. See NOTE 7 - 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 December 31, 2020. Refer to Exhibit 22.1, incorporated herein by reference, for the detailed list of entities included within the obligated group as of December 31, 2020 and December 31, 2019.

The guarantee of a Guarantor subsidiary with respect to Cliffs' 5.75% 2025 Senior Notes, 6.375% 2025 Senior Notes, 5.875% 2027 Senior Notes, 7.00% 2027 Senior Notes, 4.875% 2024 Senior Secured Notes, 6.75% 2026 Senior Secured Notes and 9.875% 2025 Senior Secured 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 Condensed Consolidated Financial Position of the obligated group:

	(In Millions)	
	December 31, 2020	December 31, 2019
Current assets	**$ 4,903**	$ 891
Non-current assets	**10,535**	2,382
Current liabilities	**(2,767)**	(393)
Non-current liabilities	**(10,563)**	(2,792)

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

	(In Millions)
	Year Ended
	December 31, 2020
Revenues[1]	**$ 5,170**
Cost of goods sold	**(5,008)**
Loss from continuing operations	**(120)**
Net loss	**(118)**
Net loss attributable to Cliffs shareholders	**(118)**

[1] Includes *Realization of deferred revenue* of $35 million for the year ended December 31, 2020.

As of December 31, 2020 and 2019, the obligated group had the following balances with non-Guarantor subsidiaries and other related parties:

	(In Millions)	
	December 31, 2020	December 31, 2019
Balances with non-Guarantor subsidiaries:		
Accounts receivable, net	**$ 69**	$ —
Accounts payable	**(17)**	—
Balances with other related parties:		
Accounts receivable, net	**$ 2**	$ 31
Other current assets	**—**	45
Accounts payable	**(6)**	—
Other current liabilities	**—**	(2)

Additionally, for the year ended December 31, 2020, the obligated group had *Revenues* of $893 million and *Cost of goods sold* of $602 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 December 31, 2020 estimated price on our derivative instruments, thereby impacting our pre-tax income by the same amount.

	(In Millions)	
	Positive or Negative Effect on Pre-tax Income	
Commodity Derivative	**10% Increase or Decrease**	**25% Increase or Decrease**
Natural gas	**$ 28**	**$ 69**
Electricity	**2**	**4**
Zinc	**1**	**2**

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. While we concluded that an event triggering the need for an impairment assessment did not occur during the year ended December 31, 2020, a prolonged COVID-19 pandemic could impact the results of operations due to changes to assumptions that would indicate that the carrying value of our asset groups may not be recoverable.

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 December 31, 2020, we had $1,510 million outstanding under the ABL Facility. An increase in prevailing interest rates would increase interest expense and interest paid for any outstanding borrowings under the ABL Facility. For example, a 100 basis point change to interest rates under the ABL Facility at the December 31, 2020 borrowing level would result in a change of $15 million to interest expense on an annual basis.

Supply Concentration Risks

Many of our operations and mines rely on one source for 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.

Recently Issued Accounting Pronouncements

Refer to NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES of the consolidated financial statements for a description of recent accounting pronouncements, including the respective dates of adoption and effects on results of operations and financial condition.

Critical Accounting Estimates

Management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. Preparation of financial statements requires management to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and the related disclosures of contingencies. 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. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are fairly presented in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. Management believes that the following critical accounting estimates and judgments have a significant impact on our financial statements.

Business Combinations

Assets acquired and liabilities assumed in a business combination are recognized and measured based on their estimated fair values at the acquisition date, while the acquisition-related costs are expensed as incurred. Any excess of the purchase consideration when compared to the fair value of the net tangible and intangible assets acquired, if any, is recorded as goodwill. We engaged independent valuation specialists to assist with the determination of the fair value of assets acquired, liabilities assumed, noncontrolling interest, and goodwill, for the Acquisitions. If the initial accounting for the business combination is incomplete by the end of the reporting period in which the acquisition occurs, an estimate will be recorded. Subsequent to the acquisition date, and not later than one

year from the acquisition date, we will record any material adjustments to the initial estimate based on new information obtained that would have existed as of the date of the acquisition. Any adjustment that arises from information obtained that did not exist as of the date of the acquisition will be recorded in the period the adjustment arises.

Valuation of Goodwill and Other Long-Lived Assets

The valuation of goodwill and other long-lived assets includes various assumptions and are considered critical accounting estimates. Refer to "–Market Risks" above for additional information.

Mineral Reserves

We regularly evaluate our mineral reserves and update them as required in accordance with SEC Industry Guide 7. We perform an in-depth evaluation of our mineral reserve estimates by mine on a periodic basis, in addition to routine annual assessments. The determination of mineral reserves requires us, with the support of our third-party experts, to make significant estimates and assumptions related to key inputs including (1) the determination of the size and scope of the iron ore body through technical modeling, (2) the estimates of future iron ore prices, production costs and capital expenditures, and (3) management's mine plan for the proven and probable mineral reserves. The significant estimates and assumptions could be affected by future industry conditions, geological conditions and ongoing mine planning. Additional capital and development expenditures may be required to maintain effective production capacity. Generally, as mining operations progress, haul distances increase. Alternatively, changes in economic conditions or the expected quality of mineral reserves could decrease capacity of mineral reserves. Technological progress could alleviate such factors or increase capacity of mineral reserves.

We use our mineral reserve estimates, combined with our estimated annual production levels, to determine the mine closure dates utilized in recording the fair value liability for asset retirement obligations for our active operating mines. Refer to NOTE 14 - ASSET RETIREMENT OBLIGATIONS, for further information. Since the liability represents the present value of the expected future obligation, a significant change in mineral reserves or mine lives could have a substantial effect on the recorded obligation. We also utilize mineral reserves for evaluating potential impairments of mine asset groups as they are indicative of future cash flows and in determining maximum useful lives utilized to calculate depreciation, depletion and amortization of long-lived mine assets and in determining the estimated fair value of mineral reserves established through the purchase price allocation in a business combination. The consolidated asset retirement obligation balance was $342 million as of December 31, 2020, of which $83 million related to active iron ore mine operations. The total asset balance associated with our Steelmaking reportable segment was $15,849 million as of December 31, 2020, of which $1,661 million related to long-lived assets associated with our combined iron ore mine asset groups, and is inclusive of $235 million related to iron ore mineral reserves acquired through the AM USA Transaction. Depreciation, depletion and amortization expense for the our combined iron ore mine asset groups was $78 million for the year ended December 31, 2020. Increases or decreases in mineral reserves or mine lives could significantly affect these items.

Asset Retirement Obligations

The accrued closure obligation is predominantly related to our indefinitely idled and closed iron ore mining operations and provides for contractual and legal obligations associated with the eventual closure of those operations. We perform an in-depth evaluation of the liability every three years in addition to our routine annual assessments. In 2020, we employed third-party specialists to assist in the evaluation. Our obligations are determined based on detailed estimates adjusted for factors that a market participant would consider (e.g., inflation, overhead and profit), which are escalated at an assumed rate of inflation to the estimated closure dates, and then discounted using the current credit-adjusted risk-free interest rate. The estimate also incorporates incremental increases in the closure cost estimates and changes in estimates of mine lives for our active mine sites. The closure date for each of our active mine sites is determined based on the exhaustion date of the remaining iron ore reserves, which is dependent on our estimate of mineral reserves. The estimated obligations for our active mine sites are particularly sensitive to the impact of changes in mine lives given the difference between the inflation and discount rates. The closure dates for a majority of our steelmaking facilities are indefinite, and as such, the asset retirement obligations are recorded at present values using estimated ranges of the economic lives of the underlying assets. Changes in the base estimates of legal and contractual closure costs due to changes in legal or contractual requirements, available technology, inflation, overhead or profit rates also could have a significant impact on the recorded obligations. Refer to NOTE 14 - ASSET RETIREMENT OBLIGATIONS, for further information.

Environmental Remediation Costs

We have a formal policy for environmental protection and remediation. Our obligations for known environmental matters at active and closed operations have been recognized based on estimates of the cost of investigation and remediation at each facility. If the obligation can only be estimated as a range of possible amounts, with no specific amount being more likely, the minimum of the range is accrued. Management reviews its environmental remediation sites quarterly to determine if additional cost adjustments or disclosures are required. The characteristics of environmental remediation obligations, where information concerning the nature and extent of clean-up activities is not immediately available and which are subject to changes in regulatory requirements, result in a significant risk of increase to the obligations as they mature. Expected future expenditures are not discounted to present value unless the amount and timing of the cash disbursements can be reasonably estimated.

Income Taxes

Our income tax expense, deferred tax assets and liabilities and reserves for unrecognized tax benefits reflect management's best assessment of estimated future taxes to be paid. We are subject to income taxes in the U.S. and various foreign jurisdictions. Significant judgments and estimates are required in determining the consolidated income tax expense.

Deferred income taxes arise from temporary differences between tax and financial statement recognition of revenue and expense. In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In projecting future taxable income, we begin with historical results adjusted for the results of discontinued operations and changes in accounting policies and incorporate assumptions including the amount of future state, federal and foreign pretax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage the underlying businesses.

At December 31, 2020 and 2019, we had a valuation allowance of $836 million and $441 million, respectively, against our deferred tax assets. Of these amounts, $439 million and $44 million relate to the U.S. deferred tax assets at December 31, 2020 and 2019, respectively, and $397 million and $397 million relate to foreign deferred tax assets, respectively.

At December 31, 2018, we determined that it was appropriate to release all of the valuation allowance related to U.S. federal deferred tax assets as it is more likely than not that the entire deferred tax asset will be realized before the end of the carryforward period. See NOTE 12 - INCOME TAXES for further information and considerations related to the release.

Our losses in Luxembourg in recent periods represent sufficient negative evidence to require a full valuation allowance against the deferred tax assets in that jurisdiction. We intend to maintain a valuation allowance against the deferred tax assets related to these operating losses, unless and until sufficient positive evidence exists to support the realization of such assets.

Changes in tax laws and rates also could affect recorded deferred tax assets and liabilities in the future. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in various jurisdictions across our global operations. The ultimate impact of the U.S. income tax reform legislation may differ from our current estimates due to changes in the interpretations and assumptions made as well as additional regulatory guidance that may be issued.

Accounting for uncertainty in income taxes recognized in the financial statements requires that a tax benefit from an uncertain tax position be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on technical merits.

We recognize tax liabilities in accordance with *ASC 740, Income Taxes*, and we adjust these liabilities when our judgment changes because of evaluation of new information not previously available. Due to the complexity of some of these uncertainties, the ultimate resolution may result in payment that is materially different from our current estimate of the tax liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which they are determined. Refer to NOTE 12 - INCOME TAXES, for further information.

Employee Retirement Benefit Obligations

We offer defined benefit pension plans, defined contribution pension plans and OPEB plans, primarily consisting of retiree healthcare benefits, to most employees in North America as part of a total compensation and benefits program.

The following is a summary of our U.S. defined benefit pension and OPEB funding and expense:

	Pension		OPEB	
	Funding	Expense (Benefit)	Funding	Expense (Benefit)
2018	$ 28	$ 13	$ 4	$ (6)
2019	16	22	4	(2)
2020	**50**	**(31)**	**25**	**8**
2021 (Estimated)[1]	202	(168)	144	86

[1] The estimated 2021 pension funding includes $118 million, which was deferred as a result of the CARES Act.

Assumptions used in determining the benefit obligations and the value of plan assets for defined benefit pension plans and OPEB plans, primarily consisting of retiree healthcare benefits, that we offer are evaluated periodically by management. Critical assumptions, such as the discount rate used to measure the benefit obligations, the expected long-term rate of return on plan assets, the medical care cost trend, and the rate of compensation increase are reviewed annually.

The following represents weighted-average assumptions used to determine benefit obligations and net benefit costs:

	Pension		Other Benefits	
	December 31,		December 31,	
	2020	2019	**2020**	2019
Discount rate	**2.34 %**	3.27 %	**2.71 %**	2.71 %
Compensation rate increase	**2.56**	2.53	**3.00**	3.00
Expected return on plan assets	**7.69**	8.25	**6.82**	7.00

The following represents assumed weighted-average health care cost trend rates:

	December 31,	
	2020	2019
Health care cost trend rate assumed for next year	**6.05 %**	6.50 %
Ultimate health care cost trend rate	**4.59**	5.00
Year that the ultimate rate is reached	**2031**	2026

The discount rates used to measure plan liabilities as of the December 31 measurement date are determined individually for each plan. The discount rates are determined by matching the projected cash flows used to determine the plan liabilities to a projected yield curve of high-quality corporate bonds available at the measurement date. Discount rates for expense are calculated using the granular approach for each plan.

Depending on the plan, we use either company-specific base mortality tables or tables issued by the Society of Actuaries. We adopted the Pri-2012 mortality tables from the Society of Actuaries in 2019. On December 31, 2020, the assumed mortality improvement projection was updated from generational scale MP-2019 to generational scale MP-2020 for the Pri-2012 mortality tables.

Following are sensitivities of potential further changes in these key assumptions on the estimated 2021 pension and OPEB expense and the pension and OPEB obligations as of December 31, 2020:

	(In Millions)			
	Increase (Decrease) in Expense		Increase in Benefit Obligation	
	Pension	OPEB	Pension	OPEB
Decrease discount rate 0.25%	$ (4)	$ (2)	$ 164	$ 131
Decrease return on assets 1.00%	53	8	N/A	N/A

Changes in actuarial assumptions, including discount rates, employee retirement rates, mortality, compensation levels, plan asset investment performance and healthcare costs, are determined based on analyses of actual and expected factors. Changes in actuarial assumptions and/or investment performance of plan assets may have a significant impact on our financial condition due to the magnitude of our retirement obligations.

Refer to NOTE 10 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further information.

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 businesses, refer to *Part I – Item 1A. Risk Factors.* You are urged to carefully consider these risk factors.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

Information regarding our Market Risk is presented under the caption *Market Risks*, which is included in *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* and is incorporated by reference and made a part hereof.

Item 8. ***Financial Statements and Supplementary Data***

Statements of Consolidated Financial Position

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions) December 31,	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 112**	$ 353
Accounts receivable, net	**1,169**	94
Inventories	**3,828**	317
Income tax receivable, current	**24**	59
Other current assets	**165**	75
Total current assets	**5,298**	898
Non-current assets:		
Property, plant and equipment, net	**8,743**	1,929
Goodwill	**1,406**	2
Deferred income taxes	**537**	460
Other non-current assets	**787**	215
TOTAL ASSETS	**$ 16,771**	$ 3,504
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	**$ 1,575**	$ 193
Accrued employment costs	**460**	67
State and local taxes	**147**	38
Pension and OPEB liabilities, current	**151**	4
Other current liabilities	**596**	107
Total current liabilities	**2,929**	409
Non-current liabilities:		
Long-term debt	**5,390**	2,114
Pension and OPEB liabilities, non-current	**4,113**	312
Other non-current liabilities	**1,260**	311
TOTAL LIABILITIES	**13,692**	3,146
Commitments and contingencies (See Note 21)		
Series B Participating Redeemable Preferred Stock - no par value Authorized, Issued and Outstanding - 583,273 shares	**738**	—
Equity:		
Common Shares - par value $0.125 per share Authorized - 600,000,000 shares (2019 - 600,000,000 shares); Issued - 506,832,537 shares (2019 - 301,886,794 shares); Outstanding - 477,517,372 shares (2019 - 270,084,005 shares)	**63**	37
Capital in excess of par value of shares	**5,431**	3,873
Retained deficit	**(2,989)**	(2,842)
Cost of 29,315,165 common shares in treasury (2019 - 31,802,789 shares)	**(354)**	(391)
Accumulated other comprehensive loss	**(133)**	(319)
Total Cliffs shareholders' equity	**2,018**	358
Noncontrolling interest	**323**	—
TOTAL EQUITY	**2,341**	358
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK AND EQUITY	**$ 16,771**	$ 3,504

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

Statements of Consolidated Operations

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions, Except Per Share Amounts)		
	Year Ended December 31,		
	2020	2019	2018
Revenues	**$ 5,319**	$ 1,990	$ 2,332
Realization of deferred revenue	**35**	—	—
Operating costs:			
Cost of goods sold	**(5,102)**	(1,414)	(1,523)
Selling, general and administrative expenses	**(244)**	(113)	(113)
Acquisition-related costs	**(90)**	(7)	—
Miscellaneous – net	**(60)**	(27)	(23)
Total operating costs	**(5,496)**	(1,561)	(1,659)
Operating income (loss)	**(142)**	429	673
Other income (expense):			
Interest expense, net	**(238)**	(101)	(119)
Gain (loss) on extinguishment of debt	**130**	(18)	(7)
Other non-operating income	**57**	3	18
Total other expense	**(51)**	(116)	(108)
Income (loss) from continuing operations before income taxes	**(193)**	313	565
Income tax benefit (expense)	**111**	(18)	475
Income (loss) from continuing operations	**(82)**	295	1,040
Income (loss) from discontinued operations, net of tax	**1**	(2)	88
Net income (loss)	**(81)**	293	1,128
Income attributable to noncontrolling interest	**(41)**	—	—
Net income (loss) attributable to Cliffs shareholders	**$ (122)**	$ 293	$ 1,128
Earnings (loss) per common share attributable to Cliffs shareholders - basic			
Continuing operations	**$ (0.32)**	$ 1.07	$ 3.50
Discontinued operations	**—**	(0.01)	0.30
	$ (0.32)	$ 1.06	$ 3.80
Earnings (loss) per common share attributable to Cliffs shareholders - diluted			
Continuing operations	**$ (0.32)**	$ 1.04	$ 3.42
Discontinued operations	**—**	(0.01)	0.29
	$ (0.32)	$ 1.03	$ 3.71

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

Statements of Consolidated Comprehensive Income

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)		
	Year Ended December 31,		
	2020	2019	2018
Net income (loss)	**$ (81)**	$ 293	$ 1,128
Other comprehensive income (loss):			
Changes in pension and OPEB, net of tax	**181**	(35)	(17)
Changes in foreign currency translation	**3**	—	(225)
Changes in derivative financial instruments, net of tax	**2**	—	(3)
Total other comprehensive income (loss)	**186**	(35)	(245)
Comprehensive income	**105**	258	883
Comprehensive income attributable to noncontrolling interests	**(41)**	—	—
Comprehensive income attributable to Cliffs shareholders	**$ 64**	$ 258	$ 883

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

Statements of Consolidated Cash Flows

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)		
	Year Ended December 31,		
	2020	2019	2018
OPERATING ACTIVITIES			
Net income (loss)	**$ (81)**	$ 293	$ 1,128
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation, depletion and amortization	**308**	85	89
Amortization of inventory step-up	**96**	—	—
Deferred income taxes	**(101)**	17	(461)
Loss (gain) on extinguishment of debt	**(130)**	18	7
Loss (gain) on derivatives	**(104)**	47	(110)
Gain on foreign currency translation	**—**	—	(228)
Other	**11**	66	21
Changes in operating assets and liabilities, net of business combination:			
Receivables and other assets	**(42)**	255	52
Inventories	**(146)**	(136)	44
Pension and OPEB payments and contributions	**(75)**	(20)	(32)
Payables, accrued expenses and other liabilities	**3**	(62)	(31)
Net cash provided (used) by operating activities	**(261)**	563	479
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	**(525)**	(656)	(296)
Acquisition of ArcelorMittal USA, net of cash acquired	**(658)**	—	—
Acquisition of AK Steel, net of cash acquired	**(869)**	—	—
Other investing activities	**10**	12	23
Net cash used by investing activities	**(2,042)**	(644)	(273)
FINANCING ACTIVITIES			
Repurchase of common shares	**—**	(253)	(48)
Dividends paid	**(41)**	(72)	—
Proceeds from issuance of debt	**1,763**	721	—
Debt issuance costs	**(76)**	(7)	(2)
Repurchase of debt	**(1,023)**	(729)	(235)
Borrowings under credit facilities	**2,060**	—	—
Repayments under credit facilities	**(550)**	—	—
SunCoke Middletown distributions to noncontrolling interest owners	**(61)**	—	—
Other financing activities	**(13)**	(54)	(91)
Net cash provided (used) by financing activities	**2,059**	(394)	(376)
Effect of exchange rate changes on cash	**—**	—	(2)
Decrease in cash and cash equivalents, including cash classified within other current assets related to discontinued operations	**(244)**	(475)	(172)
Less: decrease in cash and cash equivalents from discontinued operations, classified within other current assets	**(3)**	(5)	(17)
Net decrease in cash and cash equivalents	**(241)**	(470)	(155)
Cash and cash equivalents at beginning of year	**353**	823	978
Cash and cash equivalents at end of year	**$ 112**	$ 353	$ 823

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

Statements of Consolidated Changes in Equity

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)							
	Cliffs Shareholders							
	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 (Loss)	Non-controlling Interest	Total
December 31, 2017	297	$ 37	$ 3,934	$ (4,207)	$ (170)	$ (39)	$ —	$ (445)
Adoption of accounting standard	—	—	—	34	—	—	—	34
Comprehensive income (loss)	—	—	—	1,128	—	(245)	—	883
Stock and other incentive plans	1	—	(17)	—	31	—	—	14
Common stock repurchases	(5)	—	—	—	(47)	—	—	(47)
Common stock dividends ($0.05 per share)	—	—	—	(15)	—	—	—	(15)
December 31, 2018	293	$ 37	$ 3,917	$ (3,060)	$ (186)	$ (284)	$ —	$ 424
Comprehensive income (loss)	—	—	—	293	—	(35)	—	258
Stock and other incentive plans	2	—	(44)	—	48	—	—	4
Common stock repurchases	(24)	—	—	—	(253)	—	—	(253)
Common stock dividends ($0.27 per share)	—	—	—	(75)	—	—	—	(75)
December 31, 2019	271	$ 37	$ 3,873	$ (2,842)	$ (391)	$ (319)	$ —	$ 358
Comprehensive income (loss)	—	—	—	(122)	—	186	41	105
Stock and other incentive plans	2	—	(24)	—	37	—	—	13
Acquisition of AK Steel	127	16	602	—	—	—	330	948
Acquisition of ArcelorMittal USA	78	10	980	—	—	—	13	1,003
Common stock dividends ($0.06 per share)	—	—	—	(25)	—	—	—	(25)
Net distributions to noncontrolling interests	—	—	—	—	—	—	(61)	(61)
December 31, 2020	478	$ 63	$ 5,431	$ (2,989)	$ (354)	$ (133)	$ 323	$ 2,341

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

Notes to Consolidated Financial Statements

Cleveland-Cliffs Inc. and Subsidiaries

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Business, Consolidation and Presentation

Nature of Business

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. Our fully-integrated portfolio includes custom-made pellets and HBI; flat-rolled carbon steel, stainless, electrical, plate, tinplate and long steel products; as well as 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.

Unless otherwise noted, discussion of our business and results of operations in this Annual Report on Form 10-K refers to our continuing operations.

Acquisition of AK Steel

On March 13, 2020, we consummated the AK Steel Merger, pursuant to which, upon the terms and subject to the conditions set forth in the AK Steel Merger Agreement, Merger Sub was merged with and into AK Steel, with AK Steel surviving the AK Steel Merger as a wholly owned subsidiary of Cleveland-Cliffs Inc. Refer to NOTE 3 - ACQUISITIONS for further information.

AK Steel is a North American producer of flat-rolled carbon, stainless and electrical steel products, primarily for the automotive, infrastructure and manufacturing markets. These operations consist primarily of seven steelmaking and finishing plants, two cokemaking operations, three tube manufacturing plants and ten tooling and stamping operations. The acquisition of AK Steel transformed us into a vertically integrated producer of value-added iron ore and steel products.

Acquisition of ArcelorMittal USA

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.

The assets of ArcelorMittal USA we acquired at the closing of the AM USA Transaction include six steelmaking facilities, eight finishing facilities, three cokemaking operations, two iron ore mining and pelletizing operations and one coal mining complex.

Refer to NOTE 3 - ACQUISITIONS for further information.

Business Operations

We are vertically integrated from the mining of iron ore and coal; to production of metallics 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 have updated our segment structure to coincide with our new business model and are organized into four operating segments based on differentiated products, Steelmaking, Tubular, Tooling and Stamping, and European Operations. Through the third quarter ended September 30, 2020, we had operated through two reportable segments – the Steel and Manufacturing segment and the Mining and Pelletizing segment. However, given the recent

transformation of the business, beginning with our financial statements as of and for the year ended December 31, 2020, we primarily operate through one reportable segment – the Steelmaking segment.

COVID-19

In response to the COVID-19 pandemic, we made various operational changes to adjust to the demand for our products. Although steel and iron ore production have been considered “essential” by the states in which we operate, certain of our facilities and construction activities were temporarily idled during the second quarter of 2020. Most of these temporarily idled facilities were restarted during the second quarter, and the remaining operations were restarted during the third quarter. Dearborn Works' hot strip mill, anneal and temper operations and AK Coal remain permanently idled as part of the permanent cost reduction efforts. Our Columbus and Monessen facilities acquired through the AM USA Transaction are temporarily idled due to the COVID-19 pandemic.

Basis of Consolidation

The 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. These investments are included within our Steelmaking segment. We review an investment for impairment when circumstances indicate that a loss in value below its carrying amount is other than temporary. Investees and equity ownership percentages are presented below:

Investee	Equity Ownership Percentage
Combined Metals of Chicago, LLC	40.0%
Spartan Steel Coating, LLC	48.0%

As of December 31, 2019, our 23% ownership in Hibbing was recorded as an equity method investment. As a result of the acquisition of ArcelorMittal USA, we acquired an additional 62.3% ownership interest in Hibbing. As of December 31, 2020, our ownership in the Hibbing joint venture was 85.3% and was fully consolidated within our operating results with a noncontrolling interest.

We recorded a basis difference for Spartan Steel of $33 million as part of the AK Steel Merger. The basis difference relates to the excess of the fair value over the investee's carrying amount of property, plant and equipment and will be amortized over the remaining useful lives of the underlying assets.

As of December 31, 2020, our investment in affiliates of $105 million was classified in *Other non-current assets*. As of December 31, 2019, our investment in affiliates of $18 million was classified in *Other non-current liabilities.*

Significant Accounting Policies

We consider the following policies to be beneficial in understanding the judgments involved in the preparation of our consolidated financial statements and the uncertainties that could impact our financial condition, results of operations and cash flows. Certain prior period amounts have been reclassified to conform with the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our mineral reserves; future realizable cash flow; environmental, reclamation and closure obligations; valuation of business combinations, long-lived assets, inventory, tax assets and post-employment, post-retirement and other employee benefit liabilities; reserves for contingencies and litigation require the use of various management estimates and assumptions. Actual results could differ from estimates. Management reviews its estimates on an ongoing basis. Changes in facts and circumstances may alter such estimates and affect the results of operations and financial position in future periods.

Business Combinations

Assets acquired and liabilities assumed in a business combination are recognized and measured based on their estimated fair values at the acquisition date, while the acquisition-related costs are expensed as incurred. Any excess of the purchase consideration when compared to the fair value of the net tangible and intangible assets acquired, if any, is recorded as goodwill. We engaged independent valuation specialists to assist with the determination of the fair value of assets acquired, liabilities assumed, noncontrolling interest, and goodwill, for the Acquisitions. If the initial accounting for the business combination is incomplete by the end of the reporting period in which the acquisition occurs, an estimate will be recorded. Subsequent to the acquisition date, and not later than one year from the acquisition date, we will record any material adjustments to the initial estimate based on new information obtained that would have existed as of the date of the acquisition. Any adjustment that arises from information obtained that did not exist as of the date of the acquisition will be recorded in the period the adjustment arises.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and on deposit as well as all short-term securities held for the primary purpose of general liquidity. We consider investments in highly liquid debt instruments with an original maturity of three months or less from the date of acquisition and longer maturities when funds can be withdrawn in three months or less without a significant penalty to be cash equivalents. We routinely monitor and evaluate counterparty credit risk related to the financial institutions in which our short-term investment securities are held.

Trade Accounts Receivable and Allowance for Credit Loss

Trade accounts receivable are recorded at the point control transfers and represent the amount of consideration we expect to receive in exchange for transferred goods and do not bear interest. We establish provisions for expected lifetime losses on accounts receivable at the time a receivable is recorded based on historical experience, customer credit quality and forecasted economic conditions. We regularly review our accounts receivable balances and the allowance for credit loss and establish or adjust the allowance as necessary using the specific identification method in accordance with CECL. We evaluate the aggregation and risk characteristics of receivable pools and develop loss rates that reflect historical collections, current forecasts of future economic conditions over the time horizon we are exposed to credit risk, and payment terms or conditions that may materially affect future forecasts.

Inventories

Inventories are generally stated at the lower of cost or net realizable value using average cost, excluding depreciation and amortization. Certain iron ore inventories are stated at the lower of cost or market using the LIFO method.

Refer to NOTE 2 - SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION for further information.

Derivative Financial Instruments and Hedging Activities

We are exposed to certain risks related to the ongoing operations of our business, including those caused by changes in commodity prices and energy rates. We have established policies and procedures, including the use of certain derivative instruments, to manage such risks, if deemed necessary.

Derivative financial instruments are recognized as either assets or liabilities in the Statements of Consolidated Financial Position and measured at fair value. On the date a qualifying hedging instrument is executed, we designate the hedging instrument as a hedge of the variability of cash flows to be received or paid related to a forecasted transaction (cash flow hedge). We formally document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow hedges to specific firm commitments or forecasted transactions. We also formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of the related hedged items. When it is determined that a derivative is not highly effective as a hedge, we discontinue hedge accounting prospectively and record all future changes in fair value in the period of the instrument's earnings or losses.

For derivative instruments that have been designated as cash flow hedges, the changes in fair value are recorded in *Accumulated other comprehensive loss*. Amounts recorded in *Accumulated other comprehensive loss* are

reclassified to earnings or losses in the period the underlying hedged transaction affects earnings or when the underlying hedged transaction is no longer reasonably possible of occurring.

For derivative instruments that have not been designated as cash flow hedges, such as provisional pricing arrangements, changes in fair value are recorded in the period of the instrument's earnings or losses.

Refer to *Revenue Recognition* below for discussion of derivatives recorded as a result of pricing terms in our sales contracts. Additionally, refer to NOTE 15 - DERIVATIVE INSTRUMENTS for further information.

Property, Plant and Equipment

Our properties are stated at the lower of cost less accumulated depreciation. Depreciation of plant and equipment is computed principally by the straight-line method based on estimated useful lives. Depreciation continues to be recognized when operations are idled temporarily. Depreciation and depletion are recorded over the following estimated useful lives:

Asset Class	Basis	Life
Land, land improvements and mineral rights		
Land and mineral rights	Units of production	Life of mine
Land improvements	Straight line	20 to 45 years
Buildings	Straight line	20 to 45 years
Equipment	Straight line/Double declining balance	3 to 20 years

Refer to NOTE 6 - PROPERTY, PLANT AND EQUIPMENT for further information.

Goodwill

Goodwill represents the excess purchase price paid over the fair value of the net assets during an acquisition. Goodwill is not amortized, but is assessed for impairment on an annual basis on October 1 (or more frequently if necessary).

Other Intangible Assets and Liabilities

Intangible assets and liabilities are subject to periodic amortization on a straight-line basis over their estimated useful lives as follows:

Type	Basis	Useful Life
Intangible assets:		
Customer relationships	Straight line	18 years
Developed technology	Straight line	17 years
Trade names and trademarks	Straight line	10 years
Mining permits	Straight line	Life of mine
Intangible liabilities:		
Above-market supply contracts	Straight line	Contract term

Refer to NOTE 7 - GOODWILL AND INTANGIBLE ASSETS AND LIABILITIES for further information.

Leases

We determine if an arrangement contains a lease at inception. We recognize right-of-use assets and lease liabilities associated with leases based on the present value of the future minimum lease payments over the lease term at the commencement date. Lease terms reflect options to extend or terminate the lease when it is reasonably certain that the option will be exercised. For short-term leases (leases with an initial lease term of 12 months or less), right-of-use assets and lease liabilities are not recognized in the consolidated balance sheet, and lease expense is recognized on a straight-line basis over the lease term.

Refer to NOTE 13 - LEASE OBLIGATIONS for further information.

Asset Impairment

We monitor conditions that may affect the carrying value of our long-lived tangible and intangible assets when events and circumstances indicate that the carrying value of the asset groups may not be recoverable. In order to determine if assets have been impaired, assets are grouped and tested at the lowest level for which identifiable, independent cash flows are available ("asset group"). The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying value of the asset group. Fair value can be determined using a market approach, income approach or cost approach.

For the years ended December 31, 2020, 2019 and 2018, no impairment indicators were present that would indicate the carrying value of any of our asset groups may not be recoverable; as a result, no impairment assessments were required.

Fair Value Measurements

ASC Topic 820, Fair Value Measurements and Disclosures, establishes a three-level valuation hierarchy for classification of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our own views about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized below:

- Level 1 — Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 — Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The classification of assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement in its entirety.

Refer to NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS and NOTE 10 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further information.

Pensions and Other Postretirement Benefits

We offer defined benefit pension plans, defined contribution pension plans and OPEB plans, primarily consisting of retiree healthcare benefits as part of our total compensation and benefits programs.

We recognize the funded or unfunded status of our pension and OPEB obligations on our December 31, 2020 and 2019 Statements of Consolidated Financial Position based on the difference between the market value of plan assets and the actuarial present value of our retirement obligations on that date, on a plan-by-plan basis. If the plan assets exceed the pension and OPEB obligations, the amount of the surplus is recorded as an asset; if the pension and OPEB obligations exceed the plan assets, the amount of the underfunded obligations is recorded as a liability. Year-end balance sheet adjustments to pension and OPEB assets and obligations are recorded as *Accumulated other comprehensive loss* in the Statements of Consolidated Financial Position.

The actuarial estimates of the PBO and APBO incorporate various assumptions including the discount rates, the rates of increases in compensation, healthcare cost trend rates, mortality, retirement timing and employee turnover. The discount rate is determined based on the prevailing year-end rates for high-grade corporate bonds with a duration matching the expected cash flow timing of the benefit payments from the various plans. The remaining assumptions are based on our estimates of future events by incorporating historical trends and future expectations. The amount of net periodic cost that is recorded in the Statements of Consolidated Operations consists of several components including service cost, interest cost, expected return on plan assets, and amortization of previously unrecognized amounts. Service cost represents the value of the benefits earned in the current year by the participants. Interest cost represents the cost associated with the passage of time. Certain items, such as plan amendments, gains and/or losses resulting from differences between actual and assumed results for demographic

and economic factors affecting the obligations and assets of the plans, and changes in other assumptions are subject to deferred recognition for income and expense purposes. The expected return on plan assets is determined utilizing the weighted average of expected returns for plan asset investments in various asset categories based on historical performance, adjusted for current trends. Service costs are classified within *Cost of goods sold, Selling, general and administrative expenses* and *Miscellaneous – net* while the interest cost, expected return on assets, amortization of prior service costs/credits, net actuarial gain/loss, and other costs are classified within *Other non-operating income.*

Refer to NOTE 10 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further information.

Labor Agreements

At December 31, 2020, we employed approximately 25,000 people, of which approximately 18,500 were represented by labor unions under various agreements. We have agreements that will expire at five locations in 2021 and sixteen locations in 2022. Workers at some of our North American facilities are covered by agreements with the USW or other unions that have various expiration dates.

Asset Retirement Obligations

Asset retirement obligations are recognized when incurred and recorded as liabilities at fair value. The fair value of the liability is determined as the discounted value of the expected future cash flows. The asset retirement obligation is accreted over time through periodic charges to earnings. In addition, the asset retirement cost is capitalized and amortized over the life of the related asset. Reclamation costs are adjusted periodically to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of the reclamation costs. We review, on an annual basis, unless otherwise deemed necessary, the asset retirement obligation for each applicable operation in accordance with the provisions of *ASC Topic 410, Asset Retirement and Environmental Obligations*. We perform an in-depth evaluation of the liability every three years in addition to our routine annual assessments.

Future reclamation costs for inactive operations are accrued based on management's best estimate at the end of each period of the costs expected to be incurred at a site. Such cost estimates include, where applicable, ongoing maintenance and monitoring costs. Changes in estimates at inactive operations are reflected in earnings in the period an estimate is revised.

Refer to NOTE 14 - ASSET RETIREMENT OBLIGATIONS for further information.

Environmental Remediation Costs

We have a formal policy for environmental protection and restoration. Certain of our operating activities are subject to various laws and regulations governing protection of the environment. We conduct our operations to protect the public health and environment and believe our operations are in compliance with applicable laws and regulations in all material respects. Our environmental liabilities, including obligations for known environmental remediation exposures, have been recognized based on the estimated cost of investigation and remediation at each site. If the cost can only be estimated as a range of possible amounts with no point in the range being more likely, the minimum of the range is accrued. Future expenditures are discounted unless the amount and timing of the cash disbursements cannot be reasonably estimated. It is possible that additional environmental obligations could be incurred, the extent of which cannot be assessed. Potential insurance recoveries have not been reflected in the determination of the liabilities.

Refer to NOTE 21 - COMMITMENTS AND CONTINGENCIES for further information.

Revenue Recognition

Sales are recognized when our performance obligations are satisfied. Generally, our performance obligations are satisfied, control of our products is transferred and revenue is recognized at a single point in time, when title transfers to our customer for product shipped according to shipping terms. Shipping and other transportation costs charged to customers are treated as fulfillment activities and are recorded in both revenue and cost of sales at the time control is transferred to the customer. Refer to NOTE 4 - REVENUES for further information.

Repairs and Maintenance

Repairs, maintenance and replacement of components are expensed as incurred. The cost of major equipment overhauls is capitalized and depreciated over the estimated useful life, which is the period until the next scheduled overhauls. All other planned and unplanned repairs and maintenance costs are expensed when incurred.

Share-Based Compensation

The fair value of each performance share grant is estimated on the date of grant using a Monte Carlo simulation to forecast relative TSR performance. A correlation matrix of historical and projected stock prices was developed for both the Company and its predetermined peer group of mining and metals companies. The fair value assumes that the performance objective will be achieved. The expected term of the grant represents the time from the grant date to the end of the service period. We estimate the volatility of our common shares and that of the peer group of mining and metals companies using daily price intervals for all companies. The risk-free interest rate is the rate at the grant date on zero-coupon government bonds, with a term commensurate with the remaining performance period.

The fair value of the restricted stock units is determined based on the closing price of our common shares on the grant date.

Upon vesting of share-based compensation awards, we issue shares from treasury shares before issuing new shares. Forfeitures are recognized when they occur.

The fair value of stock options is estimated on the date of grant using a Black-Scholes model using the grant date price of our common shares and option exercise price, and assumptions regarding the option's expected term, the volatility of our common shares, the risk-free interest rate, and the dividend yield over the option's expected term.

Refer to NOTE 11 - STOCK COMPENSATION PLANS for additional information.

Income Taxes

Income taxes are based on income for financial reporting purposes, calculated using tax rates by jurisdiction, and reflect a current tax liability or asset for the estimated taxes payable or recoverable on the current year tax return and expected annual changes in deferred taxes. Any interest or penalties on income tax are recognized as a component of *Income tax benefit (expense)*.

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized within *Net income (loss)* in the period that includes the enactment date.

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial results of operations.

Accounting for uncertainty in income taxes recognized in the financial statements requires that a tax benefit from an uncertain tax position be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on technical merits.

See NOTE 12 - INCOME TAXES for further information.

Discontinued Operations

During 2018, we committed to a course of action leading to the permanent closure of the Asia Pacific Iron Ore mining operations and sold all of the assets of our Asia Pacific Iron Ore business through a series of sales to third parties. As a result of our exit, management determined that our Asia Pacific Iron Ore mining operations met the criteria to be classified as held for sale and a discontinued operation under *ASC Topic 205, Presentation of Financial*

Statements. As such, all current and historical Asia Pacific Iron Ore operating results are classified within discontinued operations.

Foreign Currency

Our financial statements are prepared with the U.S. dollar as the reporting currency and the functional currency of all subsidiaries is the U.S. dollar, except for our European Operations for which the functional currency is the Euro. In August 2018, management determined that there were significant changes in economic factors related to our Australian subsidiaries. The change in economic factors was a result of the sale and conveyance of substantially all assets and liabilities of our Australian subsidiaries to third parties, representing a significant change in operations. As such, the functional currency for the Australian subsidiaries changed from the Australian dollar to the U.S. dollar and all remaining Australian denominated monetary balances will be remeasured prospectively through the Statements of Consolidated Operations.

As a result of the liquidation of the Australian subsidiaries' assets, the historical impact of foreign currency translation recorded in *Accumulated other comprehensive loss* in the Statements of Consolidated Financial Position of $228 million was reclassified and recognized as a gain in *Income (loss) from discontinued operations, net of tax* in the Statements of Consolidated Operations for the year ended December 31, 2018.

Earnings Per Share

We present both basic and diluted EPS amounts for continuing operations and discontinued operations. Total basic EPS amounts are calculated by dividing *Net income (loss) attributable to Cliffs shareholders*, less the earnings allocated to our Series B Participating Redeemable Preferred Stock, by the weighted average number of common shares outstanding during the period presented.

Total diluted EPS amounts are calculated by dividing *Net income (loss) attributable to Cliffs shareholders* by the weighted average number of common shares, common share equivalents under stock plans using the treasury-stock method, common share equivalents of the *Series B Participating Redeemable Preferred Stock* using the if-converted method and the calculated common share equivalents in excess of the conversion rate related to our 1.50% 2025 Convertible Senior Notes using the treasury-stock method. Common share equivalents are excluded from EPS computations in the periods in which they have an anti-dilutive effect.

See NOTE 8 - DEBT AND CREDIT FACILITIES and NOTE 20 - EARNINGS PER SHARE for further information.

Variable Interest Entities

We assess whether we have a variable interest in legal entities in which we have a financial relationship and, if so, whether or not those entities are VIEs. A VIE is an entity with insufficient equity at risk for the entity to finance its activities without additional subordinated financial support or in which equity investors lack the characteristics of a controlling financial interest. If an entity is determined to be a VIE, we evaluate whether we are the primary beneficiary. The primary beneficiary analysis is a qualitative analysis based on power and economics. We conclude that we are the primary beneficiary and consolidate the VIE if we have both (i) the power to direct the activities of the VIE that most significantly influence the VIE's economic performance and (ii) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. Refer to NOTE 19 - VARIABLE INTEREST ENTITIES for additional information.

Recent Accounting Pronouncements

Issued and Adopted

On March 2, 2020, the SEC issued a final rule that amended the disclosure requirements related to certain registered securities under SEC Regulation S-X, Rule 3-10, which required separate financial statements for subsidiary issuers and guarantors of registered debt securities unless certain exceptions are met. The final rule replaces the previous requirement under Rule 3-10 to provide condensed consolidating financial information in the registrant’s financial statements with a requirement to provide alternative financial disclosures (which include summarized financial information of the parent and any issuers and guarantors, as well as other qualitative disclosures) in either the registrant’s *Management's Discussion and Analysis of Financial Condition and Results of Operations* or its financial statements, in addition to other simplifications. The final rule is effective for filings on or after January 4, 2021, and early adoption is permitted. We elected to early adopt this disclosure update for the period ended March 31, 2020. As a result, we have excluded the footnote disclosures required under the previous Rule 3-10, and applied the final rule by including the summarized financial information and qualitative disclosures in *Part II* -

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of this Annual Report on Form 10-K and Exhibit 22, filed herewith.

In February 2016, the FASB issued *ASU No. 2016-02, Leases (Topic 842)*. The new standard requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases except for short-term leases. For lessees, leases are classified as either operating or finance leases. We adopted this standard on its effective date of January 1, 2019 using the optional alternative approach, which requires application of the new guidance at the beginning of the standard's effective date. Adoption of the updated standard did not have a material effect on our consolidated financial statements.

In June 2016, the FASB issued *ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326)*, which introduces a new accounting model, CECL. CECL requires earlier recognition of credit losses, while also providing additional transparency about credit risk. CECL utilizes a lifetime expected credit loss measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. We elected to early adopt this standard on December 31, 2019. Upon adoption, the updated standard did not have a material effect on our consolidated financial statements.

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 are continuing to evaluate the impact of this update to our consolidated financial statements and would expect to adopt 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)	
	2020	2019
Allowance for credit losses as of January 1	**$ —**	$ —
Increase in allowance	**(5)**	—
Allowance for credit losses as of December 31	**$ (5)**	$ —

Inventories

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

	(In Millions)	
	Year Ended December 31,	
	2020	2019
Product inventories		
Finished and semi-finished goods	**$ 2,125**	$ 114
Work-in-process	**—**	69
Raw materials	**1,431**	9
Total product inventories	**3,556**	192
Manufacturing supplies and critical spares	**272**	125
Inventories	**$ 3,828**	$ 317

The excess of current cost over LIFO cost of iron ore inventories was $104 million and $101 million at December 31, 2020 and 2019, respectively. As of December 31, 2020, the product inventory balance for iron ore inventories decreased, resulting in the liquidation of a LIFO layer. The effect of the inventory reduction was an increase in *Cost of goods sold* of $30 million in the Statements of Consolidated Operations for the year ended December 31, 2020. As of December 31, 2019, the product inventory balance for iron ore inventories increased, resulting in a LIFO increment in 2019. The effect of the inventory build was an increase in *Inventories* of $34 million in the Statements of Consolidated Financial Position for the year ended December 31, 2019.

The allowance for obsolete and surplus items in supplies and other inventories was $13 million at both December 31, 2020 and 2019.

Cash Flow Information

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

	(In Millions)		
	Year Ended December 31,		
	2020	2019	2018
Capital additions	**$ 483**	$ 690	$ 395
Less:			
Non-cash accruals	**(86)**	15	94
Right-of-use assets - finance leases	**44**	29	8
Grants	**—**	(10)	(3)
Cash paid for capital expenditures including deposits	**$ 525**	$ 656	$ 296

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

	(In Millions)		
	2020	2019	2018
Taxes paid on income	**$ 5**	$ —	$ 3
Income tax refunds	**(120)**	(118)	(11)
Interest paid on debt obligations net of capitalized interest[1]	**170**	98	106

[1] Capitalized interest was $53 million, $25 million and $7 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Non-Cash Investing and Financing Activities

	(In Millions)		
	2020	2019	2018
Fair value of common shares issued as part of consideration in connection with AM USA Transaction	**$ 990**	$ —	$ —
Fair value of Series B Participating Redeemable Preferred Stock issued as part of consideration in connection with AM USA Transaction	**738**	—	—
Fair value of settlement of a pre-existing relationship as part of consideration in connection with AM USA Transaction	**237**	—	—
Fair value of common shares issued as consideration in connection with AK Steel Merger	**618**	—	—
Fair value of equity awards assumed in connection with AK Steel Merger	**4**	—	—

Discontinued Operations

We had income from discontinued operations, net of tax of $88 million for the year ended December 31, 2018. During 2018, we sold all of the assets of our Asia Pacific Iron Ore mining operations, which had operating losses of $105 million for the year ended December 31, 2018. Additionally, as a result of the liquidation of the net assets of our Australian subsidiaries, the historical changes in foreign currency translation recorded in *Accumulated other comprehensive loss* totaling $228 million was reclassified and recognized as a gain in *Income (loss) from discontinued operations, net of tax*.

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; as well as 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 achieve improved 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.

Following the acquisition, the operating results of ArcelorMittal USA are included in our consolidated financial statements. For the period subsequent to the acquisition (December 9, 2020 through December 31, 2020), ArcelorMittal USA generated *Revenues* of $446 million and a loss of $40 million included within *Net income (loss) attributable to Cliffs shareholders*, which included $21 million related to amortization of the fair value inventory step-up.

Additionally, we incurred acquisition-related costs excluding severance costs of $26 million for the year ended December 31, 2020, which were recorded in *Acquisition-related costs* on the Statements of 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)		631
Total purchase consideration	**$**	**2,596**

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)	**$**	**990**

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 as of December 9, 2020	$	1,266
Fair value of Cliffs Series B Participating Redeemable Preferred Stock issued (in millions)	**$**	**738**

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

		(In Millions)
Cash consideration pursuant to the AM USA Transaction Agreement	$	505
Cash consideration for purchase of the remaining JV partners' interest of Kote and Tek		182
Estimated total cash consideration receivable		(56)
Total estimated cash consideration	**$**	**631**

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:

		(In Millions)
Accounts receivable	$	97
Freestanding derivative asset from customer supply agreement		140
Total fair value of settlement of a pre-existing relationship	**$**	**237**

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, pension and OPEB liabilities, 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)
Cash and cash equivalents	$ 35
Accounts receivable, net	349
Inventories	2,115
Income tax receivable, current	12
Other current assets	22
Property, plant and equipment	4,017
Other non-current assets	158
Accounts payable	(758)
Accrued employment costs	(271)
State and local taxes	(76)
Pension and OPEB liabilities, current	(109)
Other current liabilities	(322)
Pension and OPEB liabilities, non-current	(3,195)
Other non-current liabilities	(598)
Noncontrolling interest	(13)
Net identifiable assets acquired	1,366
Goodwill	1,230
Total net assets acquired	$ 2,596

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 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.

Following the acquisition, the operating results of AK Steel are included in our consolidated financial statements. For the period subsequent to the acquisition (March 13, 2020 through December 31, 2020), AK Steel generated Revenues of $3,573 million and a loss of $302 million included within Net income (loss) attributable to Cliffs shareholders, which included $74 million and $35 million related to amortization of the fair value inventory step-up and severance costs, respectively.

Additionally, we incurred acquisition-related costs excluding severance costs of $26 million for the year ended December 31, 2020, which were recorded in *Acquisition-related costs* on the Statements of Consolidated Operations.

Refer to NOTE 8 - DEBT AND CREDIT FACILITIES for information regarding debt transactions executed in connection with the AK Steel Merger.

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:

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

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:

	(In Millions, Except Per Share Amounts)
Number of shares of AK Steel common stock issued and outstanding	317
Exchange ratio	0.400
Shares 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 outstanding AK Steel common stock	**$ 618**

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

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

Valuation Assumption and Preliminary Purchase Price Allocation

We estimated fair values at March 13, 2020 for the preliminary allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed in connection with the AK Steel Merger. 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 AK Steel Merger, most notably, personal and real property, leases, deferred taxes, asset retirement obligations and intangible assets and liabilities, 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 AK Steel Merger was:

	(In Millions)		
	Initial Allocation of Consideration	Measurement Period Adjustments	Updated Allocation
Cash and cash equivalents	$ 38	$ 1	$ 39
Accounts receivable, net	666	(2)	664
Inventories	1,563	(243)	1,320
Income tax receivable, current	3	—	3
Other current assets	65	(16)	49
Property, plant and equipment	2,184	128	2,312
Deferred income taxes	—	30	30
Other non-current assets	475	(3)	472
Accounts payable	(636)	(8)	(644)
Accrued employment costs	(94)	1	(93)
State and local taxes	(35)	4	(31)
Pension and OPEB liabilities, current	(75)	(3)	(78)
Other current liabilities	(201)	5	(196)
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 *Inventories* measurement period adjustments of $243 million resulted in a favorable impact of $8 million to *Cost of goods sold* for the year ended December 31, 2020.

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 be deductible for income tax purposes.

The preliminary 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 19 - 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 years ended December 31, 2020 and 2019, as if ArcelorMittal USA and AK Steel had been acquired as of January 1, 2019:

	(In Millions)	
	Year Ended December 31,	
	2020	2019
Revenues	**$ 12,837**	$ 17,163
Net income (loss) attributable to Cliffs shareholders	**(520)**	(11)

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 Acquisitions occurred on January 1, 2019. Significant pro forma adjustments include the following:

1. The elimination of intercompany revenues between Cliffs and ArcelorMittal USA and AK Steel of $844 million and $1,499 million for the years ended December 31, 2020 and 2019, respectively.

2. The 2020 pro forma net loss was adjusted to exclude $96 million of non-recurring inventory acquisition accounting adjustments incurred during the year ended December 31, 2020. The 2019 pro forma net loss was adjusted to include $362 million of non-recurring inventory acquisition accounting adjustments for the year ended December 31, 2019.

3. The elimination of non-recurring transaction costs incurred by Cliffs, AK Steel and ArcelorMittal USA in connection with the Acquisitions were $93 million for the year ended December 31, 2020. The 2019 pro forma net loss was adjusted to include $93 million of non-recurring transaction cost adjustments for the year ended December 31, 2019.

4. The 2020 pro forma net loss was adjusted to exclude restructuring costs of $1,820 million of non-recurring costs incurred by ArcelorMittal USA prior to the AM USA Transaction.

5. The 2020 and 2019 pro forma net losses were adjusted to exclude $140 million and $129 million for the years ended December 31, 2020 and 2019, respectively, for the impact of reversal of the fees charged for management, financial and legal services under the Industrial Franchise Agreement with the former parent.

6. Total other pro forma adjustments included reduced expenses of $32 million for the year ended December 31, 2020, primarily due to decreased depreciation expense and pension and OPEB expense, offset partially by increased interest and amortization expense.

7. Total other pro forma adjustments included an expense of $76 million for the year ended December 31, 2019, primarily due to increased interest, amortization and pension and OPEB expense, offset partially by decreased depreciation expense.

8. The income tax impact of pro forma transaction adjustments that affect *Net income (loss) attributable to Cliffs shareholders* at a statutory rate of 24.3% resulted in an increased benefit to *Income tax benefit (expense)* of $170 million and $117 million for the years ended December 31, 2020 and 2019, respectively.

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 the acquired companies. This unaudited pro forma financial information should not be considered indicative of the results that would have actually occurred if the Acquisitions 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. Included within *Revenues* related to Topic 815 for the supplemental revenue portion of the supply agreement is derivative revenue of $122 million, $78 million and $426 million for the years ended December 31, 2020, 2019 and 2018, respectively.

The following table represents our *Revenues* by market:

	(In Millions)		
	Year Ended December 31,		
	2020	2019	2018
Steelmaking:			
Automotive	**$ 2,062**	$ —	$ —
Infrastructure and manufacturing	**784**	—	—
Distributors and converters	**696**	—	—
Steel producers[1]	**1,423**	1,990	2,332
Total steelmaking	**4,965**	1,990	2,332
Other Businesses:			
Automotive	**329**	—	—
Infrastructure and manufacturing	**34**	—	—
Distributors and converters	**26**	—	—
Total Other Businesses	**389**	—	—
Total revenues	**$ 5,354**	**$ 1,990**	**$ 2,332**

[1] Includes *Realization of deferred revenue* of $35 million for the year ended December 31, 2020.

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

	(Dollars In Millions, Sales Volumes in Thousands)					
	Year Ended December 31,					
	2020		2019		2018	
	Revenue	**Volume[1]**	Revenue	Volume[1]	Revenue	Volume[1]
Steelmaking:						
Hot-rolled steel	**$ 386**	**633**	$ —	—	$ —	—
Cold-rolled steel	**490**	**682**	—	—	—	—
Coated steel	**1,747**	**1,911**	—	—	—	—
Stainless and electrical steel	**868**	**416**	—	—	—	—
Other steel products	**92**	**141**	—	—	—	—
Iron products[2]	**1,335**	**11,707**	1,990	18,583	2,332	20,563
Other	**47**	**N/A**	—	—	—	—
Total steelmaking	**4,965**		1,990		2,332	
Other Businesses:						
Other	**389**	**N/A**	—	N/A	—	N/A
Total revenues	**$ 5,354**		$ 1,990		$ 2,332	

[1] Carbon steel products, stainless and electrical steel and plate steel volumes are stated in net tons. Iron product volumes are stated in long tons.

[2] Includes *Realization of deferred revenue* of $35 million for the year ended December 31, 2020.

Deferred Revenue

The table below summarizes our deferred revenue balances:

	(In Millions)			
	Deferred Revenue (Current)		Deferred Revenue (Long-Term)	
	2020	2019	**2020**	2019
Opening balance as of January 1	**$ 22**	$ 21	**$ 26**	$ 39
Net increase (decrease)	**(15)**	1	**(26)**	(13)
Closing balance as of December 31	**$ 7**	$ 22	**$ —**	$ 26

Prior to the AK Steel Merger, our iron ore pellet sales agreement with Severstal Dearborn, LLC, subsequently assumed by AK Steel, required supplemental payments to be paid by the customer during the period from 2009 through 2013. Installment amounts received under this arrangement in excess of sales were classified as deferred revenue in the Statements of Consolidated Financial Position upon receipt of payment and the revenue was recognized over the term of the supply agreement, which had extended until 2022, in equal annual installments. As a result of the termination of that iron ore pellet sales agreement, we realized $35 million of deferred revenue, which was recognized within *Realization of deferred revenue* in the Statements of Consolidated Operations during the year ended December 31, 2020.

We have certain other sales agreements that require customers to pay in advance. Payments received pursuant to these agreements prior to revenue being recognized are recorded as deferred revenue in *Other current liabilities*.

NOTE 5 - SEGMENT REPORTING

We are vertically integrated from the mining of iron ore and coal; to production of metallics 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)		
	Year Ended December 31,		
	2020	2019	2018
Revenues:			
Steelmaking[1]	**$ 4,965**	$ 1,990	$ 2,332
Other Businesses	**389**	—	—
Total revenues	**$ 5,354**	$ 1,990	$ 2,332
Adjusted EBITDA:			
Steelmaking	**$ 433**	$ 636	$ 872
Other Businesses	**47**	—	—
Corporate and eliminations	**(127)**	(111)	(106)
Total Adjusted EBITDA	**$ 353**	$ 525	$ 766

[1] Includes *Realization of deferred revenue* of $35 million for the year ended December 31, 2020.

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

	(In Millions) Year Ended December 31,		
	2020	2019	2018
Net income (loss)	**$ (81)**	$ 293	$ 1,128
Less:			
Interest expense, net	**(238)**	(101)	(121)
Income tax benefit (expense)	**111**	(18)	460
Depreciation, depletion and amortization	**(308)**	(85)	(89)
	354	497	878
Less:			
EBITDA from noncontrolling interests[1]	**56**	—	—
Gain (loss) on extinguishment of debt	**130**	(18)	(7)
Severance costs	**(38)**	(2)	—
Acquisition-related costs excluding severance costs	**(52)**	(7)	—
Amortization of inventory step-up	**(96)**	—	—
Impact of discontinued operations	**1**	(1)	121
Foreign exchange remeasurement	**—**	—	(1)
Impairment of other long-lived assets	**—**	—	(1)
Total Adjusted EBITDA	**$ 353**	$ 525	$ 766

[1] EBITDA of noncontrolling interests includes $41 million for income and $15 million for depreciation, depletion and amortization for the year ended December 31, 2020.

The following table summarizes our depreciation, depletion and amortization and capital additions by segment:

	(In Millions) Year Ended December 31,		
	2020	2019	2018
Depreciation, depletion and amortization:			
Steelmaking	**$ 276**	$ 80	$ 68
Other Businesses	**27**	—	—
Corporate	**5**	5	6
Total depreciation, depletion and amortization	**$ 308**	$ 85	$ 74
Capital additions[1]:			
Steelmaking	**$ 436**	$ 687	$ 393
Other Businesses	**45**	—	—
Corporate	**2**	3	2
Total capital additions	**$ 483**	$ 690	$ 395

[1] Refer to NOTE 2 - SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION for additional information.

The following summarizes our assets by segment:

	(In Millions) December 31,	
	2020	2019
Assets:		
Steelmaking	**$ 15,849**	$ 2,557
Other Businesses	**239**	—
Total segment assets	**16,088**	2,557
Corporate	**683**	947
Total assets	**$ 16,771**	$ 3,504

Included in the consolidated financial statements are the following amounts relating to geographic location based on product destination:

	(In Millions)		
	2020	2019	2018
Revenues:			
United States	**$ 4,580**	$ 1,505	$ 1,847
Canada	**602**	448	395
Other countries	**172**	37	90
Total revenues	**$ 5,354**	$ 1,990	$ 2,332
Property, plant and equipment, net:			
United States	**$ 8,647**	$ 1,929	$ 1,286
Canada	**91**	—	—
Other countries	**5**	—	—
Total property, plant and equipment, net	**$ 8,743**	$ 1,929	$ 1,286

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) December 31,	
	2020	2019
Land, land improvements, and mineral rights	**$ 1,213**	$ 582
Buildings	**703**	158
Equipment	**6,786**	1,456
Other	**151**	101
Construction in progress	**1,364**	730
Total property, plant and equipment[1]	**10,217**	3,027
Allowance for depreciation and depletion	**(1,474)**	(1,098)
Property, plant, and equipment, net	**$ 8,743**	$ 1,929

[1] Includes right-of-use assets related to finance leases of $361 million and $49 million as of December 31, 2020 and 2019, respectively.

We recorded depreciation expense of $298 million, $77 million and $66 million for the years ended December 31, 2020, 2019 and 2018, respectively.

We recorded capitalized interest into property, plant and equipment of $53 million, $25 million and $7 million during the years ended December 31, 2020, 2019 and 2018, respectively.

The net book value of the mineral and land rights are as follows:

	(In Millions) December 31,	
	2020	2019
Mineral rights:		
Cost	**$ 773**	$ 537
Depletion	**(142)**	(134)
Net mineral rights	**$ 631**	$ 403
Land rights	**$ 361**	$ 12

We recorded depletion expense of $8 million, $8 million and $7 million for the years ended December 31, 2020, 2019, and 2018, respectively.

NOTE 7 - GOODWILL AND INTANGIBLE ASSETS AND LIABILITIES

Goodwill

The following is a summary of goodwill by segment:

	(In Millions) December 31,	
	2020	2019
Steelmaking	**$ 1,232**	$ 2
Other Businesses	**174**	—
Total goodwill	**$ 1,406**	$ 2

The increase in the balance of goodwill in our Steelmaking segment as of December 31, 2020, compared to December 31, 2019, is due to the preliminary assignment of $1,230 million to *Goodwill* in 2020 based on the preliminary purchase price allocation for the acquisition of ArcelorMittal USA. The increase in the balance of goodwill for our Other Businesses as of December 31, 2020, compared to December 31, 2019, is due to the preliminary assignment of $174 million to *Goodwill* in 2020 based on the preliminary purchase price allocation for the acquisition of AK Steel, which was attributable to our Tubular and Tooling and Stamping operating segments.

Intangible Assets and Liabilities

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

	Classification[1]	(In Millions) Gross Amount	Accumulated Amortization	Net Amount
As of December 31, 2020				
Intangible assets:				
Customer relationships	*Other non-current assets*	**$ 77**	**$ (3)**	**$ 74**
Technology	*Other non-current assets*	**60**	**(3)**	**57**
Trade names and trademarks	*Other non-current assets*	**11**	**(1)**	**10**
Mining permits	*Other non-current assets*	**72**	**(25)**	**47**
Total intangible assets		**$ 220**	**$ (32)**	**$ 188**
Intangible liabilities:				
Above-market supply contracts	*Other non-current liabilities*	**$ (71)**	**$ 7**	**$ (64)**
As of December 31, 2019				
Intangible assets:				
Mining permits	*Other non-current assets*	$ 72	$ (24)	$ 48

[1] Amortization of intangible liabilities related to above-market supply contracts and intangible assets 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.*

Amortization expense related to intangible assets was $8 million and $1 million for the years ended December 31, 2020 and 2019, respectively. Estimated future amortization expense related to intangible assets is $10 million annually for the years 2021 through 2025.

Income from amortization related to the intangible liabilities was $7 million for the year ended December 31, 2020. Estimated future amortization income related to the intangible liabilities is $8 million annually for the years 2021 through 2025.

NOTE 8 - DEBT AND CREDIT FACILITIES

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

(In Millions)						
December 31, 2020						
Debt Instrument	Issuer[1]	Annual Effective Interest Rate	Total Principal Amount	Unamortized Debt Issuance Costs	Unamortized Premiums (Discounts)	Total Debt
Senior Secured Notes:						
4.875% 2024 Senior Secured 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**
Senior Unsecured Notes:						
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[3]	*	**3.25%**	**40**	**—**	**—**	**18**
ABL Facility[3]	Cliffs[2]	**2.15%**	**3,500**	**—**	**—**	**1,510**
Total debt						**5,424**
Less: current debt						**34**
Total long-term debt						**$ 5,390**

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

[1] 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).

[2] Refers to Cleveland-Cliffs Inc. as borrower under our ABL Facility.

[3] The total principal amounts for the indicated credit facilities are stated at their respective maximum borrowing capacities.

(In Millions)						
December 31, 2019						
Debt Instrument	Issuer[1]	Annual Effective Interest Rate	Total Principal Amount	Debt Issuance Costs	Unamortized Discounts	Total Debt
Senior Secured Notes:						
4.875% 2024 Senior Notes	Cliffs	5.00%	$ 400	$ (5)	$ (2)	$ 393
Senior Unsecured Notes:						
1.50% 2025 Convertible Senior Notes	Cliffs	6.26%	316	(4)	(65)	247
5.75% 2025 Senior Notes	Cliffs	6.01%	473	(3)	(6)	464
5.875% 2027 Senior Notes	Cliffs	6.49%	750	(6)	(27)	717
6.25% 2040 Senior Notes	Cliffs	6.34%	298	(2)	(3)	293
Former ABL Facility	Cliffs[2]	N/A	450	N/A	N/A	—
Total long-term debt						$ 2,114

[1] Unless otherwise noted, references in this column to "Cliffs" are to Cleveland-Cliffs Inc.

[2] Refers to Cleveland-Cliffs Inc. and certain of its subsidiaries as borrowers under our Former ABL Facility.

Outstanding Senior Secured Notes

9.875% 2025 Senior Secured Notes

On April 17, 2020, we entered into an indenture among Cliffs, the guarantors party thereto and U.S. Bank National Association, as trustee and notes collateral agent, relating to the issuance by Cliffs of $400 million aggregate principal amount of 9.875% 2025 Senior Secured Notes issued at 94.5% of face value.

On April 24, 2020, we issued an additional $555 million aggregate principal amount of 9.875% 2025 Senior Secured Notes issued at 99.0% of face value. These additional notes are of the same class and series as, and otherwise identical to, the 9.875% 2025 Senior Secured Notes issued on April 17, 2020, other than with respect to the date of issuance and issue price.

The 9.875% 2025 Senior Secured Notes were issued in private placement transactions exempt from the registration requirements of the Securities Act. The 9.875% 2025 Senior Secured Notes bear interest at a rate of 9.875% per annum, payable semi-annually in arrears on April 17 and October 17 of each year, commencing on October 17, 2020. The 9.875% 2025 Senior Secured Notes will mature on October 17, 2025 and are secured senior obligations of Cliffs.

The 9.875% 2025 Senior Secured Notes are jointly and severally and fully and unconditionally guaranteed on a senior secured basis by substantially all of our material domestic subsidiaries and are secured (subject in each case to certain exceptions and permitted liens) by (i) a first-priority lien, on a pari passu basis with the 6.75% 2026 Senior Secured Notes and 4.875% 2024 Senior Secured Notes, on substantially all of our assets and the assets of the guarantors, other than the ABL Collateral (as defined below), and (ii) a second-priority lien on the ABL Collateral, which is junior to a first-priority lien for the benefit of the lenders under our ABL Facility.

The 9.875% 2025 Senior Secured Notes may be redeemed, in whole or in part, at any time at our option upon not less than 30, and not more than 60, days' prior notice sent to the holders of the 9.875% 2025 Senior Secured Notes. The following is a summary of redemption prices for our 9.875% 2025 Senior Secured Notes:

Redemption Period	Redemption Price[1]	Restricted Amount
Prior to October 17, 2022 - using proceeds of equity issuance	109.875 %	Up to 35% of original aggregate principal
Prior to October 17, 2022[2]	100.000	
Beginning on October 17, 2022	107.406	
Beginning on April 17, 2023	104.938	
Beginning on April 17, 2024	102.469	
Beginning on April 17, 2025 and thereafter	100.000	

[1] Plus accrued and unpaid interest, if any, up to, but excluding, the redemption date.

[2] Plus a "make-whole" premium.

In addition, if a change in control triggering event, as defined in the indenture, occurs with respect to the 9.875% 2025 Senior Secured Notes, we will be required to offer to purchase 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 purchase.

The terms of the 9.875% 2025 Senior Secured Notes contain certain customary covenants; however, there are no financial covenants.

6.75% 2026 Senior Secured Notes

On March 13, 2020, we entered into an indenture among Cliffs, the guarantors party thereto and U.S. Bank National Association, as trustee and notes collateral agent, relating to the issuance of $725 million aggregate principal amount of 6.75% 2026 Senior Secured Notes issued at 98.783% of face value.

On June 19, 2020, we issued an additional $120 million aggregate principal amount of 6.75% 2026 Senior Secured Notes issued at 99.25% of face value. These additional notes are of the same class and series as, and otherwise identical to, the 6.75% 2026 Senior Secured Notes issued on March 13, 2020, other than with respect to the date of issuance and issue price.

The 6.75% 2026 Senior Secured Notes were issued in private placement transactions exempt from the registration requirements of the Securities Act. The 6.75% 2026 Senior Secured Notes bear interest at a rate of 6.75% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, commencing on September 15, 2020. The 6.75% 2026 Senior Secured Notes mature on March 15, 2026 and are secured senior obligations of Cliffs.

The 6.75% 2026 Senior Secured Notes are jointly and severally and fully and unconditionally guaranteed on a senior secured basis by substantially all of our material domestic subsidiaries and are secured (subject in each case to certain exceptions and permitted liens) by (i) a first-priority lien, on a pari passu basis with the 4.875% 2024 Senior Secured Notes and 9.875% 2025 Senior Secured Notes, on substantially all of our assets and the assets of the guarantors, other than the ABL Collateral, and (ii) a second-priority lien on the ABL Collateral, which is junior to a first-priority lien for the benefit of the lenders under our ABL Facility.

The 6.75% 2026 Senior Secured Notes may be redeemed, in whole or in part, at any time at our option upon not less than 30, and not more than 60, days' prior notice sent to the holders of the 6.75% 2026 Senior Secured Notes. The following is a summary of redemption prices (expressed as a percentage of the principal amount to be redeemed) for our 6.75% 2026 Senior Secured Notes:

Redemption Period	Redemption Price[1]	Restricted Amount
Prior to March 15, 2022 - using proceeds of equity issuance	106.750 %	Up to 35% of original aggregate principal
Prior to March 15, 2022[2]	100.000	
Beginning on March 15, 2022	105.063	
Beginning on March 15, 2023	103.375	
Beginning on March 15, 2024	101.688	
Beginning on March 15, 2025 and thereafter	100.000	

[1] Plus accrued and unpaid interest, if any, up to, but excluding, the redemption date.

[2] Plus a "make-whole" premium.

In addition, if a change in control triggering event, as defined in the indenture, occurs with respect to the 6.75% 2026 Senior Secured Notes, we will be required to offer to purchase 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 purchase.

The terms of the 6.75% 2026 Senior Secured Notes contain certain customary covenants; however, there are no financial covenants.

4.875% 2024 Senior Secured Notes

Our 4.875% 2024 Senior Secured Notes bear interest at a rate of 4.875% per annum, which is payable semi-annually in arrears on January 15 and July 15 of each year. The 4.875% 2024 Senior Secured Notes mature on January 15, 2024 and are secured senior obligations of Cliffs.

Our 4.875% 2024 Senior Secured Notes are jointly and severally and fully and unconditionally guaranteed on a senior secured basis by substantially all of our material domestic subsidiaries and are secured (subject in each case to certain exceptions and permitted liens) by (i) a first-priority lien, on a pari passu basis with the 9.875% 2025 Senior Secured Notes and 6.75% 2026 Senior Secured Notes, on substantially all of our assets and the assets of the guarantors, other than the ABL Collateral, and (ii) a second-priority lien on the ABL Collateral, which is junior to a first-priority lien for the benefit of the lenders under our ABL Facility.

The 4.875% 2024 Senior Secured Notes may be redeemed, in whole or in part, at any time at our option upon not less than 30, and not more than 60, days' prior notice sent to the holders of the 4.875% 2024 Senior Secured Notes. The following is a summary of redemption prices (expressed as a percentage of the principal amount to be redeemed) for our 4.875% 2024 Senior Secured Notes:

Redemption Period	Redemption Price[1]
Beginning on January 15, 2021	102.438 %
Beginning on January 15, 2022	101.219
Beginning on January 15, 2023 and thereafter	100.000

[1] Plus accrued and unpaid interest, if any, up to but excluding the redemption date.

In addition, if a change in control triggering event, as defined in the indenture, occurs with respect to the 4.875% 2024 Senior Secured Notes, we will be required to offer to purchase 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 purchase.

The terms of the 4.875% 2024 Senior Secured Notes contain certain covenants; however, there are no financial covenants.

Outstanding Senior Unsecured Notes

Cliffs Senior Notes exchanged for AK Steel Corporation Senior Notes

On March 16, 2020, we entered into indentures, in each case among Cliffs, the guarantors party thereto and U.S. Bank National Association, as trustee, relating to the issuance by Cliffs of $232 million aggregate principal amount of 6.375% 2025 Senior Notes and $335 million aggregate principal amount of 7.00% 2027 Senior Notes. The new notes were issued in exchange for equal aggregate principal amounts of 6.375% 2025 AK Senior Notes and 7.00% 2027 AK Senior Notes, respectively, issued by AK Steel Corporation. The 6.375% 2025 Senior Notes and 7.00% 2027 Senior Notes were issued in connection with the AK Steel Merger pursuant to private exchange offers exempt from the registration requirements of the Securities Act made by Cliffs. Pursuant to the registration rights agreements executed in connection with the issuance of the new notes, we agreed to file registration statements with the SEC with respect to registered offers to exchange the 6.375% 2025 Senior Notes and 7.00% 2027 Senior Notes for publicly registered notes within 365 days of the closing date, with all significant terms and conditions remaining the same.

The 6.375% 2025 Senior Notes and 7.00% 2027 Senior Notes are unsecured obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The 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 notes.

In addition, if a change in control triggering event, as defined in the indentures, occurs with respect to the 6.375% 2025 Senior Notes or 7.00% 2027 Senior Notes, we will be required to offer to purchase 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 purchase.

The terms of the 6.375% 2025 Senior Notes and 7.00% 2027 Senior Notes contain certain customary covenants; however, there are no financial covenants.

6.375% 2025 Senior Notes

The 6.375% 2025 Senior Notes bear interest at a rate of 6.375% per annum, payable semi-annually in arrears on April 15 and October 15 of each year, commencing on April 15, 2020. The 6.375% 2025 Senior Notes mature on October 15, 2025.

The 6.375% 2025 Senior Notes may be redeemed, in whole or in part, at any time at our option upon not less than 30, and not more than 60, days' prior notice sent to the holders of the 6.375% 2025 Senior Notes. The following is a summary of redemption prices (expressed as a percentage of the principal amount to be redeemed) for our 6.375% 2025 Senior Notes:

Redemption Period	Redemption Price[1]
Beginning on October 15, 2020	103.188 %
Beginning on October 15, 2021	101.594
Beginning on October 15, 2022 and thereafter	100.000

[1] Plus accrued and unpaid interest, if any, up to but excluding the redemption date.

7.00% 2027 Senior Notes

The 7.00% 2027 Senior Notes bear interest at a rate of 7.00% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, commencing on September 15, 2020. The 7.00% 2027 Senior Notes mature on March 15, 2027.

The 7.00% 2027 Senior Notes may be redeemed, in whole or in part, at any time at our option upon not less than 30, and not more than 60, days' prior notice sent to the holders of the 7.00% 2027 Senior Notes. The following is a summary of redemption prices (expressed as a percentage of the principal amount to be redeemed) for our 7.00% 2027 Senior Notes:

Redemption Period	Redemption Price[1]
Prior to March 15, 2022[2]	100.000 %
Beginning on March 15, 2022	103.500
Beginning on March 15, 2023	102.333
Beginning on March 15, 2024	101.167
Beginning on March 15, 2025 and thereafter	100.000

[1] Plus accrued and unpaid interest, if any, up to but excluding the redemption date.

[2] Plus a "make-whole" premium.

AK Steel Corporation Unsecured Senior Notes

As of December 31, 2020, AK Steel Corporation had outstanding a total of $132 million aggregate principal amount of 7.625% 2021 AK Senior Notes, 7.50% 2023 AK Senior Notes, 6.375% 2025 AK Senior Notes and 7.00% 2027 AK Senior Notes. These senior notes are unsecured obligations and rank equally in right of payment with AK Steel Corporation's guarantees of Cliffs' unsecured and unsubordinated indebtedness. These notes contain no financial covenants.

The 7.625% 2021 AK Senior Notes, 7.50% 2023 AK Senior Notes, 6.375% 2025 AK Senior Notes and 7.00% 2027 AK Senior Notes may be redeemed, in whole or in part, at any time at our option upon not less than 30, and not more than 60, days' prior notice sent to the respective holders of such notes.

We may redeem the 7.625% 2021 AK Senior Notes at 100.000% of their principal amount, together with all accrued and unpaid interest to the date of redemption.

The following is a summary of redemption prices (expressed as a percentage of the principal amount to be redeemed) for the 7.50% 2023 AK Senior Notes:

Redemption Period	Redemption Price[1]
Beginning on July 15, 2020	101.875 %
Beginning on July 15, 2021 and thereafter	100.000

[1] Plus accrued and unpaid interest, if any, up to but excluding the redemption date.

The following is a summary of redemption prices (expressed as a percentage of the principal amount to be redeemed) for the 6.375% 2025 AK Senior Notes:

Redemption Period	Redemption Price[1]
Beginning on October 15, 2020	103.188 %
Beginning on October 15, 2021	101.594
Beginning on October 15, 2022 and thereafter	100.000

[1] Plus accrued and unpaid interest, if any, up to but excluding the redemption date.

The following is a summary of redemption prices (expressed as a percentage of the principal amount to be redeemed) for the 7.00% 2027 AK Senior Notes:

Redemption Period	Redemption Price[1]
Prior to March 15, 2022[2]	100.000 %
Beginning on March 15, 2022	103.500
Beginning on March 15, 2023	102.333
Beginning on March 15, 2024	101.167
Beginning on March 15, 2025 and thereafter	100.000

[1] Plus accrued and unpaid interest, if any, up to but excluding the redemption date.

[2] Plus a "make-whole" premium.

1.50% 2025 Convertible Senior Notes

The 1.50% 2025 Convertible Senior Notes bear interest at a rate of 1.50% per year, payable semiannually in arrears on January 15 and July 15 of each year. The 1.50% 2025 Convertible Senior Notes mature on January 15, 2025. The 1.50% 2025 Convertible Senior Notes are senior unsecured obligations and rank senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the 1.50% 2025 Convertible Senior Notes; equal in right of payment to any of our unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries. The terms of the 1.50% 2025 Convertible Senior Notes contain certain customary covenants; however, there are no financial covenants.

Holders may convert their 1.50% 2025 Convertible Senior Notes at their option at any time prior to the close of business on the business day immediately preceding July 15, 2024, only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on March 31, 2018, if the last reported sale price of our common shares, par value $0.125 per share, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five-business day period after any five-consecutive trading day period (the “measurement period”) in which the trading price per $1,000 principal amount of 1.50% 2025 Convertible Senior Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common shares and the conversion rate on each such trading day; (3) if we call the notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events. On or after July 15, 2024 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their 1.50% 2025 Convertible Senior Notes at any time, regardless of the foregoing circumstances. Upon conversion, we will pay or deliver, as the case may be, cash, common shares or a combination of cash and common shares, at our election.

Upon the issuance of the 1.50% 2025 Convertible Senior Notes the initial conversion rate was 122.4365 common shares per $1,000 principal, with a conversion price of $8.17 per common share. The conversion rate is subject to adjustment in some circumstances, including the payment of dividends on common shares, but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 1.50% 2025 Convertible Senior Notes in connection with such a corporate event or notice of redemption, as the case may be. As of December 31, 2020, the conversion rate was 129.2985 common shares per $1,000 principal amount of 1.50% 2025 Convertible Senior Notes.

We may not redeem the 1.50% 2025 Convertible Senior Notes prior to January 15, 2022. We may redeem all or any portion of the 1.50% 2025 Convertible Senior Notes, for cash at our option on or after January 15, 2022 if the last reported sale price of our common shares has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30-consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the 1.50% 2025 Convertible Senior Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

It is our current intent to settle conversions through combination settlement or fully in cash. Our ability to settle conversions through combination settlement and cash settlement will be subject to restrictions in the agreement governing our ABL Facility and may be subject to restrictions in agreements governing our future debt.

If we undergo a fundamental change as defined in the indenture, holders may require us to repurchase for cash all or any portion of their 1.50% 2025 Convertible Senior Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 1.50% 2025 Convertible Senior Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

In accounting for the issuance of the notes, we separated the 1.50% 2025 Convertible Senior Notes into liability and equity components. The carrying amount of the liability component was calculated by measuring the fair value of similar liabilities that did not have associated convertible features. The carrying amount of the equity component of $86 million representing the conversion option was determined by deducting the fair value of the liability component from the par value of the notes. The difference represents the debt discount that is amortized to interest expense over the term of the notes. The equity component is not remeasured as long as it continues to qualify for equity classification.

Other Outstanding Unsecured Senior Notes

The following represents a summary of our other unsecured senior notes' maturity and interest payable due dates:

Debt Instrument	Maturity	Interest Payable (until maturity)
5.75% 2025 Senior Notes	March 1, 2025	March 1 and September 1
5.875% 2027 Senior Notes	June 1, 2027	June 1 and December 1
6.25% 2040 Senior Notes	October 1, 2040	April 1 and October 1

The senior notes are unsecured obligations and rank equally in right of payment with all our other existing and future unsecured and unsubordinated indebtedness. There are no subsidiary guarantees of the interest and principal amounts for the 6.25% 2040 Senior Notes. The 5.75% 2025 Senior Notes and 5.875% 2027 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 5.75% 2025 Senior Notes and 5.875% 2027 Senior Notes.

We may redeem the 5.75% 2025 Senior Notes, in whole or in part, on or after March 1, 2020, at the redemption prices set forth in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

We may redeem the 5.875% 2027 Senior Notes, in whole or in part, on or after June 1, 2022, at the redemption prices set forth in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption, and prior to June 1, 2022, at a redemption price equal to 100% of the principal amount thereof plus a “make-whole” premium set forth in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. We may also redeem up to 35% of the aggregate principal amount of the 5.875% 2027 Senior Notes on or prior to June 1, 2022 at a redemption price equal to 105.875% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the date of redemption with the net cash proceeds of one or more equity offerings.

The 6.25% 2040 Senior Notes may be redeemed any time at our option upon not less than 30, nor more than 60, days' prior notice is sent to the holders. The 6.25% 2040 Senior Notes are redeemable at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed, discounted to the redemption date on a semi-annual basis at the treasury rate plus 40 basis points, plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

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

The terms of the unsecured notes contain certain customary covenants; however, there are no financial covenants.

ABL Facility

On March 13, 2020, in connection with the AK Steel Merger, we entered into a new ABL Facility with various financial institutions to replace and refinance Cliffs' Former ABL Facility and AK Steel Corporation's former revolving credit facility. The ABL Facility will mature upon the earlier of March 13, 2025 or 91 days prior to the maturity of certain other material debt and provided for up to $2 billion in borrowings, including a $555 million sublimit for the issuance of letters of credit and a $125 million sublimit for swingline loans. Availability under the ABL Facility is limited to an eligible borrowing base, as applicable, determined by applying customary advance rates to eligible accounts receivable, inventory and certain mobile equipment.

On March 27, 2020, the ABL Facility was amended, by and among Cliffs, the lenders and the administrative agent. The amendment modified the ABL Facility to, among other things, provide for a new FILO tranche B of commitments in the aggregate amount of $150 million by exchanging existing commitments under the ABL Facility. The total commitments under the ABL Facility after giving effect to the amendment remained at $2 billion. The terms and conditions (other than the pricing) that apply to the FILO tranche are substantially the same as the terms and conditions that apply to the tranche A facility of the ABL Facility immediately prior to the amendment.

On December 9, 2020, we entered into the ABL Amendment with various financial institutions. The ABL Amendment modified the ABL Facility to, among other things, increase the amount of tranche A revolver commitments available thereunder by an additional $1.5 billion and increase certain dollar baskets related to certain negative covenants that apply to the ABL Facility. After giving effect to the ABL Amendment, the aggregate principal amount of tranche A revolver commitments under the ABL Facility is $3.35 billion and the aggregate principal amount of FILO tranche B revolver commitments under the ABL Facility remains at $150 million.

The ABL Facility and certain bank products and hedge obligations are guaranteed by certain of our existing wholly owned U.S. subsidiaries and are required to be guaranteed by certain of our future U.S. subsidiaries. Amounts outstanding under the ABL Facility are secured by (i) a first-priority security interest in the accounts receivable and other rights to payment, inventory, as-extracted collateral, certain investment property, deposit accounts, securities accounts, certain general intangibles and commercial tort claims, certain mobile equipment, commodities accounts and other related assets of ours, the other borrowers and the guarantors, and proceeds and products of each of the foregoing (collectively, the "ABL Collateral") and (ii) a second-priority security interest in substantially all of our assets and the assets of the other borrowers and the guarantors other than the ABL Collateral.

Borrowings under the ABL Facility bear interest, at our option, at a base rate or, if certain conditions are met, a LIBOR rate, in each case plus an applicable margin. We may amend our ABL Facility to replace the LIBOR rate with one or more secured overnight financing based rates or an alternative benchmark rate, giving consideration to any evolving or then-existing convention for similar dollar denominated syndicated credit facilities for such alternative benchmarks.

The ABL Facility contains customary representations and warranties and affirmative and negative covenants including, among others, covenants regarding the maintenance of certain financial ratios if certain conditions are triggered, covenants relating to financial reporting, covenants relating to the payment of dividends on, or purchase or redemption of, our capital stock, covenants relating to the incurrence or prepayment of certain debt, covenants relating to the incurrence of liens or encumbrances, covenants relating to compliance with laws, covenants relating to transactions with affiliates, covenants relating to mergers and sales of all or substantially all of our assets and limitations on changes in the nature of our business.

The ABL Facility provides for customary events of default, including, among other things, the event of nonpayment of principal, interest, fees or other amounts, a representation or warranty proving to have been materially incorrect when made, failure to perform or observe certain covenants within a specified period of time, a cross-default to certain material indebtedness, the bankruptcy or insolvency of the Company and certain of its subsidiaries, monetary judgment defaults of a specified amount, invalidity of any loan documentation, a change of control of the Company, and ERISA defaults resulting in liability of a specified amount. If an event of default exists (beyond any applicable grace or cure period), the administrative agent may, and at the direction of the requisite number of lenders shall, declare all amounts owing under the ABL Facility immediately due and payable, terminate such lenders' commitments to make loans under the ABL Facility and/or exercise any and all remedies and other rights under the ABL Facility. For certain events of default related to insolvency and receivership, the commitments of the lenders will be automatically terminated and all outstanding loans and other amounts will become immediately due and payable.

As of December 31, 2020 and 2019, 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) December 31, 2020
Available borrowing base on ABL Facility[1]	$ 3,500
Borrowings	(1,510)
Letter of credit obligations[2]	(247)
Borrowing capacity available	$ 1,743

[1] As of December 31, 2020, 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.

[2] 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.

Other Financing Arrangements

Industrial Revenue Bonds

AK Steel Corporation had outstanding $66 million aggregate principal amount of fixed-rate, tax-exempt IRBs as of December 31, 2020. The weighted-average fixed rate of these IRBs is 6.86%. These IRBs are unsecured senior debt obligations that are equal in ranking with AK Steel Corporation's senior notes and AK Steel Corporation's guarantees of Cliffs' unsubordinated indebtedness. These IRBs are effectively subordinated to AK Steel Corporation’s guarantees of Cliffs’ secured indebtedness to the extent of the value of AK Steel Corporation’s assets securing such guarantees. In addition, AK Steel Corporation had outstanding $26 million aggregate principal amount of variable-rate IRBs as of December 31, 2020 that are backed by a letter of credit. These IRBs contain certain customary covenants; however, there are no financial covenants.

EDC Revolving Facility

On November 9, 2020, our Canadian subsidiaries Fleetwood Metal Industries Inc. and The Electromac Group Inc. entered into a new revolving facility with Export Development Canada. The EDC Revolving Facility enables our Tooling and Stamping business to finance the purchase of tooling and related equipment to manufacture and process long lead-time parts for our automotive customers. The EDC Revolving Facility provides for up to $40 million in borrowings and expires in November 2022. Borrowings under the EDC Revolving Facility bear interest at a LIBOR rate plus a base rate. The EDC Revolving Facility is secured by the assets of Fleetwood Metal Industries Inc. and The Electromac Group Inc. and fully guaranteed by Cliffs. As of December 31, 2020, we had outstanding borrowings on the EDC Revolving Facility of $18 million.

Debt Extinguishment - 2020

During the year ended December 31, 2020, we used the net proceeds from the offering of the additional 9.875% 2025 Senior Secured Notes to repurchase $736 million aggregate principal amount of our outstanding senior notes of various series, which resulted in a net debt reduction of $181 million. We also repurchased an additional $35 million aggregate principal amount of our outstanding senior notes of various series and we redeemed $7 million aggregate principal amount of our outstanding 2020 IRBs, with cash on hand.

Additionally, 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:

	(In Millions)	
	Year Ended December 31, 2020	
	Debt Extinguished	**Gain (Loss) on Extinguishment**
7.625% 2021 AK Senior Notes	**$ 373**	**$ —**
7.50% 2023 AK Senior Notes	**367**	**3**
4.875% 2024 Senior Secured Notes	**6**	**1**
6.375% 2025 Senior Notes	**168**	**21**
1.50% 2025 Convertible Senior Notes	**20**	**1**
5.75% 2025 Senior Notes	**77**	**16**
7.00% 2027 Senior Notes	**262**	**27**
5.875% 2027 Senior Notes	**195**	**49**
6.25% 2040 Senior Notes	**36**	**13**
6.375% 2025 AK Senior Notes	**9**	**(1)**
Total	**$ 1,513**	**$ 130**

Subsequent to the year ended December 31, 2020, we consummated an underwritten public offering of our common shares and a private offering of new senior unsecured notes. We intend to use the net proceeds to us from the underwritten public offering of our common shares, plus cash on hand, to redeem up to approximately $334 million aggregate principal amount of our outstanding 9.875% 2025 Senior Secured Notes. We intend to use any remaining net proceeds from the underwritten public offering of our common shares following such redemption to reduce borrowings under our ABL Facility. We intend to use the net proceeds from the private notes offering to redeem all of our outstanding 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, and pay fees and expenses in connection with such redemptions, and reduce borrowings under our ABL Facility. Refer to NOTE 22 - SUBSEQUENT EVENTS for further information regarding the offerings consummated subsequent to the year ended December 31, 2020.

Debt Extinguishment - 2019

During the year ended December 31, 2019, we used the net proceeds from the issuance of $750 million aggregate principal amount of 5.875% 2027 Senior Notes, along with cash on hand, to redeem in full all of our outstanding 4.875% 2021 Senior Notes and to fund the repurchase of $600 million aggregate principal amount of our outstanding 5.75% 2025 Senior Notes in a tender offer.

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

	(In Millions)	
	Year Ended December 31, 2019	
	Debt Extinguished	(Loss) on Extinguishment
4.875% 2021 Senior Notes	$ 124	$ (5)
5.75% 2025 Senior Notes	600	(13)
Total	$ 724	$ (18)

Debt Extinguishment - 2018

During the year ended December 31, 2018, we redeemed in full all of our outstanding 5.90% 2020 Senior Notes and 4.80% 2020 Senior Notes with cash on hand. Additionally, we purchased certain of our 4.875% 2021 Senior Notes and 5.75% 2025 Senior Notes.

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

	(In Millions)	
	Year Ended December 31, 2018	
	Debt Extinguished	(Loss) on Extinguishment
5.90% 2020 Senior Notes	$ 89	$ (3)
4.80% 2020 Senior Notes	122	(4)
4.875% 2021 Senior Notes	14	—
5.75% 2025 Senior Notes	2	—
Total	$ 227	$ (7)

Debt Maturities

The following represents a summary of our debt instrument maturities based on the principal amounts outstanding at December 31, 2020:

	(In Millions)
	Maturities of Debt
2021	$ 34
2022	—
2023	13
2024	457
2025	1,740
Thereafter	3,351
Total maturities of debt	$ 5,595

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no significant assets or liabilities measured at fair value as of December 31, 2020. The following represents the assets and liabilities measured at fair value as of December 31, 2019:

	(In Millions)			
	December 31, 2019			
	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Cash equivalents - Commercial paper	$ —	$ 188	$ —	$ 188
Other current assets:				
Customer supply agreement	—	—	45	45
Total	$ —	$ 188	$ 45	$ 233

The valuation of financial assets classified in Level 2 was determined using a market approach based upon quoted prices for similar assets in active markets, or other inputs that were observable.

Our supply agreement with ArcelorMittal USA contained provisions for supplemental revenue or refunds based on the HRC price in the year the iron ore product was consumed in ArcelorMittal USA's blast furnaces. We accounted for these provisions as derivative instruments at the time of sale and adjusted the derivative instruments to fair value through *Revenues* each reporting period until the product was consumed and the amounts were settled. These instruments were classified as Level 3 assets. Upon the completion of the AM USA Transaction, the outstanding derivatives were settled as part of acquisition accounting.

The following tables represent a reconciliation of the changes in fair value of financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	(In Millions)	
	Level 3 Assets	
	2020	2019
Beginning balance - January 1	**$ 45**	$ 89
Total gains included in earnings	**122**	79
Settlements	**(27)**	(123)
Settlement of pre-existing relationship	**(140)**	—
Ending balance - December 31	**$ —**	$ 45
Total gains for the period included in earnings attributable to the change in unrealized gains on assets still held at the reporting date	**$ —**	$ 45

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:

		(In Millions)			
		December 31, 2020		December 31, 2019	
	Classification	**Carrying Value**	**Fair Value**	Carrying Value	Fair Value
Senior notes	Level 1	**$ 3,802**	**$ 4,446**	$ 2,114	$ 2,237
IRBs due 2024 to 2028	Level 1	**94**	**91**	—	—
EDC Revolving Facility - outstanding balance	Level 2	**18**	**18**	—	—
ABL Facility - outstanding balance	Level 2	**1,510**	**1,510**	—	—
Total		**$ 5,424**	**$ 6,065**	$ 2,114	$ 2,237

The fair value of both current and 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.

As a result of the acquisitions of AK Steel and ArcelorMittal USA, we assumed the obligations under their defined benefit pension plans, OPEB plans, defined contribution plans and commitments to multiemployer pension plans according to collective bargaining agreements that cover certain union-represented employees. The AK Steel defined benefit pension plans and OPEB plans acquired amounted to a benefit obligation, net of assets of $949 million based on a March 13, 2020 measurement. The ArcelorMittal USA defined benefit pension plans and OPEB plans acquired amounted to a benefit obligation, net of assets of $3,294 million based on a December 9, 2020 measurement.

Defined Benefit Pension Plans

The defined benefit pension plans are largely noncontributory and limited in participation. Most plans are closed to new participants with only the legacy iron ore hourly and salaried plans still open. The pension benefit

calculations vary by plan, but are generally based on employee's years of service and compensation or a fixed rate and years of service. Certain salaried plans calculate benefits using a cash balance formula, which earns interest credits and allocations based on a percent of pay.

OPEB Plans

We offer postretirement health care and life insurance benefits to retirees through various plans. The vast majority of our plans are closed to new participants. In lieu of retiree medical coverage, many union-represented employees receive a 401(k) contribution per hour worked to a restricted Retiree Health Care Account. Cost sharing features between the employer and retiree vary by plan and several plans include employer caps. Retiree healthcare coverage is provided through programs administered by insurance companies whose charges are based on benefits paid. Certain labor agreements require the funding of VEBAs, which, depending on funding levels, may be used to reimburse the employer for paid benefits.

Obligations and Funded Status

The following tables and information provide additional disclosures:

	(In Millions)			
	Pension Benefits		OPEB	
Change in benefit obligations:	**2020**	2019	**2020**	2019
Benefit obligations — beginning of year	**$ 1,021**	$ 906	**$ 255**	$ 242
Service cost	**23**	17	**8**	2
Interest cost	**64**	35	**19**	10
Actuarial loss	**162**	112	**14**	19
Benefits paid	**(146)**	(62)	**(89)**	(26)
Participant contributions	**—**	—	**22**	6
Acquired through business combinations	**5,535**	—	**3,528**	—
Effect of settlement	**(94)**	—	**—**	—
Other	**—**	13	**—**	2
Benefit obligations — end of year	**$ 6,565**	$ 1,021	**$ 3,757**	$ 255
Change in plan assets:				
Fair value of plan assets — beginning of year	**$ 749**	$ 687	**$ 260**	$ 240
Actual return on plan assets	**472**	98	**45**	35
Participant contributions	**—**	—	**17**	1
Employer contributions	**50**	16	**30**	3
Benefits paid	**(146)**	(62)	**(88)**	(19)
Acquired through business combinations	**4,301**	—	**519**	—
Effect of settlement	**(94)**	—	**—**	—
Other	**—**	10	**—**	—
Fair value of plan assets — end of year	**$ 5,332**	$ 749	**$ 783**	$ 260
Funded status	**$ (1,233)**	$ (272)	**$ (2,974)**	$ 5
Amounts recognized in Statements of Financial Position:				
Non-current assets	**$ 3**	$ —	**$ 54**	$ 49
Current liabilities	**(12)**	—	**(139)**	(4)
Non-current liabilities	**(1,224)**	(272)	**(2,889)**	(40)
Total amount recognized	**$ (1,233)**	$ (272)	**$ (2,974)**	$ 5
Amounts recognized in accumulated other comprehensive loss:				
Net actuarial loss	**$ 164**	$ 382	**$ 56**	$ 73
Prior service cost (credit)	**6**	7	**(6)**	(8)
Net amount recognized	**$ 170**	$ 389	**$ 50**	$ 65

The accumulated benefit obligation for all defined benefit pension plans was $6,537 million and $1,010 million at December 31, 2020 and 2019, respectively.

Components of Net Periodic Benefit Cost (Credit)

	(In Millions)					
	Pension Benefits			OPEB		
	2020	2019	2018	**2020**	2019	2018
Service cost	**$ 23**	$ 17	$ 19	**$ 8**	$ 2	$ 2
Interest cost	**64**	35	30	**19**	10	8
Expected return on plan assets	**(140)**	(55)	(60)	**(20)**	(17)	(18)
Amortization:						
Net actuarial loss	**27**	24	21	**3**	5	5
Prior service costs (credits)	**1**	1	2	**(2)**	(2)	(3)
Settlements	**(6)**	—	1	**—**	—	—
Net periodic benefit cost (credit)	**$ (31)**	$ 22	$ 13	**$ 8**	$ (2)	$ (6)

For 2021, we estimate net periodic benefit cost (credit) as follows:

	(In Millions)
Defined benefit pension plans	$ (168)
OPEB plans	86
Total	$ (82)

Components of Accumulated Other Comprehensive Loss (Income)

The following includes details on the significant actuarial losses (gains) impacting the benefit obligation:

	(In Millions)			
	Pension Benefits		OPEB	
	2020	2019	**2020**	2019
Discount rates	**$ 181**	$ 106	**$ 44**	$ 26
Demographic (gains) losses	**(3)**	12	**(11)**	4
Mortality	**(16)**	(6)	**(4)**	(4)
Per capita claims	**—**	—	**(10)**	(9)
Other	**—**	—	**(5)**	3
Actuarial loss on benefit obligation	**162**	112	**14**	20
Actual returns on assets over expected	**(332)**	(44)	**(26)**	(18)
Amortization of net actuarial loss	**(27)**	(24)	**(3)**	(5)
Amortization of prior service credits (costs)	**(1)**	(1)	**2**	2
Settlements	**6**	—	**—**	—
Other	**(27)**	7	**(2)**	(5)
Total recognized in accumulated other comprehensive loss (income)	**$ (219)**	$ 50	**$ (15)**	$ (6)

Contributions

Annual contributions to the pension plans are made within income tax deductibility restrictions in accordance with statutory regulations. OPEB plans are not subject to minimum regulatory funding requirements, but rather amounts are contributed pursuant to bargaining agreements.

	(In Millions)			
		Other Benefits		
Company Contributions (Reimbursements)	Pension Benefits	VEBA	Direct Payments	Total
2019	$ 16	$ —	$ 4	$ 4
2020	50	—	25	25
2021 (Expected)[1]	202	(16)	144	128

[1] Pursuant to the applicable bargaining agreements, benefits can be paid from certain VEBAs that are at least 70% funded (all VEBAs are over 70% funded at December 31, 2020). Certain agreements with plans holding VEBA assets have capped healthcare costs. For the ArcelorMittal USA VEBA, depending on funding levels and/or Company profits, we may withdraw money from the VEBA plans to the extent funds are available for costs in excess of the cap. The 2021 expected pension contributions include $118 million in deferred 2020 pension contributions in connection with the CARES Act that were paid on January 4, 2021.

Estimated Future Benefit Payments

	(In Millions)	
	Pension Benefits	OPEB
2021	$ 486	$ 191
2022	462	185
2023	480	180
2024	455	178
2025	433	176
2026-2030	1,983	884

Assumptions

The discount rates used to measure plan liabilities as of the December 31 measurement date are determined individually for each plan. The discount rates are determined by matching the projected cash flows used to determine the plan liabilities to a projected yield curve of high-quality corporate bonds available at the measurement date. Discount rates for expense are calculated using the granular approach for each plan.

Depending on the plan, we use either company-specific base mortality tables or tables issued by the Society of Actuaries. We adopted the Pri-2012 mortality tables from the Society of Actuaries in 2019. On December 31, 2020, the assumed mortality improvement projection was updated from generational scale MP-2019 to generational scale MP-2020 for the Pri-2012 mortality tables.

The following represents weighted-average assumptions used to determine benefit obligations:

	Pension Benefits				OPEB			
	December 31,				December 31,			
	2020		2019		**2020**		2019	
Discount rate	**2.34**	**%**	3.27	%	**2.71**	**%**	3.28	%
Interest crediting rate	**5.25**		6.00		**N/A**		N/A	
Compensation rate increase	**2.56**		2.53		**3.00**		3.00	

The following represents weighted-average assumptions used to determine net benefit cost:

	Pension Benefits			OPEB		
	December 31,			December 31,		
	2020	2019	2018	**2020**	2019	2018
Obligation discount rate	**3.02 %**	4.27 %	3.58 %	**3.28 %**	4.29 %	3.60 %
Service cost discount rate	**3.34**	4.35	3.64	**3.35**	4.49	3.73
Interest cost discount rate	**2.53**	3.92	3.16	**2.51**	3.94	3.11
Interest crediting rate	**5.50**	6.00	6.00	**N/A**	N/A	N/A
Expected return on plan assets	**7.69**	8.25	8.25	6.82	7.00	7.00
Compensation rate increase	**2.56**	2.53	2.49	3.00	3.00	3.00

The following represents assumed weighted-average health care cost trend rates:

	December 31,	
	2020	2019
Health care cost trend rate assumed for next year	**6.05 %**	6.50 %
Ultimate health care cost trend rate	**4.59**	5.00
Year that the ultimate rate is reached	**2031**	2026

Plan Assets

Our financial objectives with respect to our pension and VEBA assets are to fully fund the actuarial accrued liability for each of the plans, to maximize investment returns within reasonable and prudent levels of risk, and to maintain sufficient liquidity to meet benefit obligations on a timely basis.

Our investment objective is to outperform the expected return on assets assumption used in the plans' actuarial reports over the life of the plans. The expected return on assets takes into account historical returns and estimated future long-term returns based on capital market assumptions applied to the asset allocation strategy. The expected return is net of investment expenses paid by the plans. In addition, investment performance is monitored on a quarterly basis by benchmarking to various indices and metrics for the one-, three- and five-year periods.

The asset allocation strategy is determined through a detailed analysis of assets and liabilities by plan, which defines the overall risk that is acceptable with regard to the expected level and variability of portfolio returns, surplus (assets compared to liabilities), contributions and pension expense.

The asset allocation review process involves simulating capital market behaviors including global asset class performance, inflation and interest rates in order to evaluate various asset allocation scenarios and determine the asset mix with the highest likelihood of meeting financial objectives. The process includes factoring in the current funded status and likely future funded status levels of the plans by taking into account expected growth or decline in the contributions over time.

The asset allocation strategy varies by plan. The following table reflects the actual asset allocations for pension and VEBA assets as of December 31, 2020 and 2019, as well as the 2021 weighted average target asset allocations. Equity investments include securities in large-cap, mid-cap and small-cap companies located in the U.S. and worldwide. Fixed income investments primarily include corporate bonds and government debt securities.

	Pension Assets			VEBA Assets		
	2021 Target Allocation	Percentage of Plan Assets at December 31,		2021 Target Allocation	Percentage of Plan Assets at December 31,	
Asset Category		**2020**	2019		**2020**	2019
Equity securities	41.3 %	**51.8 %**	44.0 %	20.3 %	**22.2 %**	7.2 %
Fixed income	39.7	**33.8**	27.6	69.6	**66.4**	79.8
Hedge funds	5.0	**2.2**	5.4	1.1	**1.8**	4.8
Private equity	2.2	**2.1**	6.6	1.4	**0.4**	0.7
Structured credit	5.2	**5.0**	7.0	1.0	**0.9**	2.1
Real estate	5.2	**3.3**	9.4	1.1	**1.8**	5.4
Absolute return fixed income	1.4	**1.8**	—	5.5	**6.5**	—
Total	100.0 %	**100.0 %**	100.0 %	100.0 %	**100.0 %**	100.0 %

As a practical expedient, in accordance with ASC 820-10, certain investments that are measured at fair value using the NAV per share have not been classified in the fair value hierarchy below. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by its number of shares outstanding.

The fair value of our pension assets by asset category is as follows:

	(In Millions)									
	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Investments Measured at Net Asset Value		Total	
Asset Category	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Equity securities:										
U.S. equities	**$ 1,163**	$ 169	**$ —**	$ —	**$ —**	$ —	**$ 787**	$ —	**$ 1,950**	$ 169
Global equities	**615**	161	**—**	—	**—**	—	**195**	—	**810**	161
Fixed income:										
U.S. government securities[1]	**141**	11	**295**	22	**—**	—	**40**	—	**476**	33
U.S. corporate bonds	**512**	174	**466**	—	**—**	—	**303**	—	**1,281**	174
Non U.S. and other bonds	**—**	—	**46**	—	**—**	—	**—**	—	**46**	—
Hedge funds	**—**	—	**—**	—	**118**	40	**—**	—	**118**	40
Private equity	**—**	—	**—**	—	**114**	50	**—**	—	**114**	50
Structured credit	**—**	—	**—**	—	**264**	52	**—**	—	**264**	52
Real estate	**—**	—	**—**	—	**174**	70	**—**	—	**174**	70
Absolute return fixed income	**—**	—	**—**	—	**—**	—	**99**	—	**99**	—
Total	**$ 2,431**	$ 515	**$ 807**	$ 22	**$ 670**	$ 212	**$ 1,424**	$ —	**$ 5,332**	$ 749

[1] Includes cash equivalents.

Assets for OPEB plans include VEBA trusts pursuant to bargaining agreements that are available to fund retired employees' life insurance obligations and medical benefits. The fair value of our other benefit plan assets by asset category is as follows:

	(In Millions)									
	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Investments Measured at Net Asset Value		Total	
Asset Category	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Equity securities:										
U.S. equities	**$ 26**	$ 12	**$ —**	$ —	**$ —**	$ —	**$ 93**	$ —	**$ 119**	$ 12
Global equities	**6**	7	**—**	—	**—**	—	**49**	—	**55**	7
Fixed income:										
U.S. government securities[1]	**62**	—	**94**	—	**—**	—	**—**	—	**156**	—
U.S. corporate bonds	**237**	166	**127**	41	**—**	—	**—**	—	**364**	207
Hedge funds	**—**	—	**—**	—	**14**	12	**—**	—	**14**	12
Private equity	**—**	—	**—**	—	**3**	2	**—**	—	**3**	2
Structured credit	**—**	—	**—**	—	**7**	6	**—**	—	**7**	6
Real estate	**—**	—	**—**	—	**14**	14	**—**	—	**14**	14
Absolute return fixed income	**—**	—	**—**	—	**—**	—	**51**	—	**51**	—
Total	**$ 331**	$ 185	**$ 221**	$ 41	**$ 38**	$ 34	**$ 193**	$ —	**$ 783**	$ 260

[1] Includes cash equivalents.

The following represents the fair value measurements of changes in plan assets using significant unobservable inputs (Level 3):

	(In Millions)			
	Pension Assets		VEBA Assets	
	2020	2019	**2020**	2019
Beginning balance — January 1	**$ 212**	$ 229	**$ 34**	**$ 36**
Actual return on plan assets:				
Relating to assets still held at the reporting date	**8**	(1)	**2**	1
Relating to assets sold during the period	**6**	30	**1**	—
Purchases	**195**	17	**—**	—
Sales	**(13)**	(60)	**(1)**	(3)
Acquired through business combinations	**262**	—	**2**	—
Other	**—**	(3)	**—**	—
Ending balance — December 31	**$ 670**	$ 212	**$ 38**	**$ 34**

Following is a description of the inputs and valuation methodologies used to measure the fair value of our plan assets.

Equity Securities

Equity securities classified as Level 1 investments include U.S. large-, small- and mid-cap investments and international equities. These investments are comprised of securities listed on an exchange, market or automated quotation system for which quotations are readily available. The valuation of these securities is determined using a market approach and is based upon unadjusted quoted prices for identical assets in active markets.

Fixed Income

Fixed income securities classified as Level 1 investments include bonds, government debt securities and cash equivalents. These investments are comprised of securities listed on an exchange, market or automated

quotation system for which quotations are readily available. The valuation of these securities is determined using a market approach and is based upon unadjusted quoted prices for identical assets in active markets. Also included in fixed income is a portfolio of U.S. Treasury STRIPS, which are zero-coupon bearing fixed income securities backed by the full faith and credit of the U.S. government. The securities sell at a discount to par because there are no incremental coupon payments. STRIPS are not issued directly by the Treasury, but rather are created by a financial institution, government securities broker or government securities dealer. Liquidity on the issue varies depending on various market conditions; however, in general, the STRIPS market is slightly less liquid than that of the U.S. Treasury Bond market. The STRIPS are priced daily through a bond pricing vendor and are classified as Level 2.

Hedge Funds

Hedge funds are alternative investments comprised of direct or indirect investment in offshore hedge funds with an investment objective to achieve equity-like returns with one half the volatility of equities and moderate correlation. The valuation techniques used to measure fair value attempt to maximize the use of observable inputs and minimize the use of unobservable inputs. Considerable judgment is required to interpret the factors used to develop estimates of fair value. Valuations of the underlying investment funds are obtained and reviewed. The securities that are valued by the funds are interests in the investment funds and not the underlying holdings of such investment funds. Thus, the inputs used to value the investments in each of the underlying funds may differ from the inputs used to value the underlying holdings of such funds. Hedge funds are valued monthly and recorded on a one-month lag.

Private Equity Funds

Private equity funds are alternative investments that represent direct or indirect investments in partnerships, venture funds or a diversified pool of private investment vehicles (fund of funds).

Investment commitments are made in private equity funds based on an asset allocation strategy, and capital calls are made over the life of the funds to fund the commitments. As of December 31, 2020, remaining commitments total $86 million for our pension and OPEB plans. Committed amounts are funded from plan assets when capital calls are made. Investment commitments are not pre-funded in reserve accounts.

Private equity investments are valued quarterly and recorded on a one-quarter lag. For private equity investment values reported on a lag, current market information is reviewed for any material changes in values at the reporting date. Capital distributions for the funds do not occur on a regular frequency. Liquidation of these investments would require sale of the partnership interest.

Structured Credit

Structured credit funds provide flexibility and access to both complex and illiquid premiums by investing across global, public and private residential, commercial, corporate and specialty credit markets that are priced based on valuations provided by independent, third-party pricing agents, if available. Such values generally reflect the last reported sales price if the security is actively traded. The third-party pricing agents may also value structured credit investments at an evaluated bid price by employing methodologies that utilize actual market transactions, broker-supplied valuations or other methodologies designed to identify the market value of such securities.

Structured credit investments are valued monthly and certain funds have an initial lock-up period and withdrawal restrictions on a semi-annual and quarterly basis. For structured credit investment values reported on a lag, current market information is reviewed for any material changes in values at the reporting date.

Real Estate

The real estate portfolio for the pension plans is an alternative investment comprised of funds with strategic categories of real estate investments. All real estate holdings are appraised externally at least annually, and appraisals are conducted by reputable, independent appraisal firms that are members of the Appraisal Institute. All external appraisals are performed in accordance with the Uniform Standards of Professional Appraisal Practices. The property valuations and assumptions about each property are reviewed quarterly by the investment manager and values are adjusted if there has been a significant change in circumstances relating to the property since the last external appraisal. The fair values of the funds are updated on either a monthly or quarterly basis. Redemption requests are considered on a quarterly basis, subject to notice requirements.

The real estate fund of funds investment for the Empire-Tilden, Hibbing and United Taconite VEBA plans invests in pooled investment vehicles that, in turn, invest in commercial real estate properties. Valuations are performed quarterly and financial statements are prepared on a semi-annual basis, with annual audited statements.

Asset values for this fund are reported with a one-quarter lag, and current market information is reviewed for any material changes in values at the reporting date. Withdrawals are permitted on the last business day of each quarter subject to a 95-day prior written notice.

Absolute Return Fixed Income

Absolute return fixed income investments consist of a global fixed income fund with the investment objective of generating positive absolute returns over a full market cycle. The fund's investments in securities, forward exchange contracts and futures contracts are reported at fair value on a recurring monthly basis. The fund's trustee values securities based upon independent pricing sources and futures contracts are valued at closing settled prices. Redemptions of the fund at NAV are permitted monthly under most circumstances.

Defined Contribution Plans

Most employees are eligible to participate in various defined contribution plans. Certain of these plans have features with matching contributions or other Company contributions based on our financial results. Company contributions to these plans are expensed as incurred. Total expense from these plans was $22 million, $3 million and $3 million in 2020, 2019 and 2018, respectively.

Multiemployer Plans

We contribute to multiemployer pension plans according to collective bargaining agreements that cover certain union-represented employees. The following risks of participating in these multiemployer plans differ from single employer pension plans:

- Employer contributions to a multiemployer plan may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to a multiemployer plan, the remaining participating employers may need to assume the unfunded obligations of the plan.
- If the multiemployer plan becomes significantly underfunded or is unable to pay its benefits, we may be required to contribute additional amounts in excess of the rate required by the collective bargaining agreements.
- If we choose to stop participating in a multiemployer plan, we may be required to pay that plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

We are a party to five collective bargaining agreements at our Ashland Works, Mansfield Works, United Taconite, Tubular Components and the majority of our ArcelorMittal USA locations that require contributions to the Steelworkers Pension Trust.

We are a party to three collective bargaining agreements at Butler Works, Middletown Works and Zanesville Works that require contributions to the International Association of Machinists and Aerospace Workers ("IAM") National Pension Fund's National Pension Plan. The plan voluntarily elected to place itself in the "Red Zone" in April 2019 and has implemented a rehabilitation plan. Additional contributions will be required as part of the rehabilitation plan until the plan exits the critical status.

Information with respect to multiemployer plans in which we participate follows:

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status (a)		FIP/RP Status Pending/Implemented (b)	Contributions			Surcharge Imposed (c)	Expiration Date of Collective Bargaining Agreement
		2020	2019		**2020**	2019	2018		
Steelworkers Pension Trust	23-6648508/499	Green	Green	No	$ 14	$ 4	$ 4	No	1/22/2021 to 10/1/2022
IAM National Pension Fund's National Pension Plan	51-6031295/002	Red	Green	Yes	16	—	—	Yes	5/31/2022 to 5/15/2023
American Maritime Officers Plan	13-1936709/001	Green	Green	No	—	—	—	No	7/31/2021
Total					$ 30	$ 4	$ 4		

(a) The most recent Pension Protection Act zone status available in 2020 and 2019 is for each plan's year-end at December 31, 2019 and 2018. The plan's actuary certifies the zone status. Generally, plans in the red zone are less than 65% funded, plans in the yellow zone are between 65% and 80% funded, and plans in the green zone are at least 80% funded.

(b) The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan or a rehabilitation plan is either pending or has been implemented, as defined by ERISA.

(c) The surcharge represents an additional required contribution due as a result of the critical funding status of the plan.

Prior to the Acquisitions, AK Steel and ArcelorMittal USA made up over 30% of the contributions to the Steelworkers Pension Trust in the last three years. Only two other employers contributed more than 5% during this period. As of December 31, 2019 (the last date for which we have information), the Steelworkers Pension Trust had a total actuarial liability of $5,748 million and assets with a market value of $5,372 million, for a funded ratio of about 93%.

NOTE 11 - STOCK COMPENSATION PLANS

At December 31, 2020, we had outstanding awards under two share-based compensation plans: the A&R 2015 Equity Plan and the 2012 Amended Equity Plan. On March 13, 2020, the maximum number of shares that may be issued under the A&R 2015 Equity Plan increased by 5.7 million common shares in relation to the outstanding AK Steel stock-based incentive awards that we converted at a 0.400 rate of exchange. The converted stock-based incentive awards include 2.0 million stock options, 1.0 million long-term performance plan awards, 0.5 million performance shares, 0.2 million restricted stock awards and 0.3 million restricted stock units. As of December 31, 2020, there were 4.9 million remaining shares available for grant under the A&R 2015 Equity Plan. No additional grants were issued from the 2012 Amended Equity Plan after the date of approval of the A&R 2015 Equity Plan; however, all awards previously granted under the 2012 Amended Equity Plan will continue in accordance with the terms of the outstanding awards.

Stock-Based Compensation Expense

The following table summarizes the total compensation expense recognized for stock-based compensation awards:

	(In Millions, except per share amounts)		
	Year Ended December 31,		
	2020	2019	2018
Cost of goods sold	**$ (2)**	$ (2)	$ (2)
Selling, general and administrative expenses	**(13)**	(16)	(13)
Acquisition-related costs	**(2)**	—	—
Stock based compensation expense	**(17)**	(18)	(15)
Income tax benefit[1]	**4**	4	—
Stock based compensation expense, net of tax	**$ (13)**	$ (14)	$ (15)
Decrease in basic earnings per common share	**$ (0.03)**	$ (0.05)	$ (0.05)
Decrease in diluted earnings per common share	**$ (0.03)**	$ (0.05)	$ (0.05)

[1] No income tax benefit in 2018 due to the full valuation allowance.

The total compensation cost related to outstanding awards not yet recognized is $14 million at December 31, 2020. This expense is expected to be recognized over the remaining weighted-average period of approximately 1.7 years.

Performance Shares

The following table summarizes the performance award activity:

	Year Ended December 31,					
	2020		2019		2018	
	Number of Shares	**Weighted Average Grant Date Fair Value**	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at beginning of year	**1,935,878**	**$ 15.58**	1,424,723	$ 14.46	1,848,312	$ 13.42
Granted	**2,510,853**	**5.49**	572,104	18.31	675,599	11.93
Distributed	**(1,938,786)**	**12.23**	—	—	(489,953)	10.89
Performance adjustment	**549,154**	**15.63**	—	—	(560,720)	10.69
Forfeited/canceled	**(604,873)**	**5.70**	(60,949)	15.12	(48,515)	19.33
Outstanding at end of year	**2,452,226**	**$ 10.34**	1,935,878	$ 15.58	1,424,723	$ 14.46

The 2.5 million awards granted in 2020 include 1.0 million long-term performance plan awards and 0.5 million performance shares relating to the AK Steel replacement awards. As of December 31, 2020, 0.3 million long-term performance plan awards and 0.1 million performance shares were outstanding as a result of qualifying termination events that triggered accelerated performance share payouts and prorated long-term performance plan awards payouts at target. The long-term performance plan awards are based on a three-year Adjusted EBITDA metric. The weighted average grant date fair value for the converted performance awards was $4.59 per share.

The outstanding performance shares vest over a period of three years and are intended to be paid out in common shares. Performance is measured on the basis of relative TSR for the period and measured against the constituents of the S&P Metals and Mining ETF Index. The number of shares actually earned at the end of the three-year period will vary, based on performance, from 0% to 200% of the number of performance shares granted.

Restricted Stock Units

The following table summarizes the restricted stock units activity:

	Year Ended December 31,					
	2020		2019		2018	
	Number of Shares	**Weighted Average Grant Date Fair Value**	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at beginning of year	**2,147,183**	**$ 9.10**	4,694,360	$ 4.18	4,403,112	$ 3.64
Granted	**1,160,928**	**4.87**	572,104	11.24	685,599	7.53
Distributed	**(1,101,115)**	**8.58**	(3,058,307)	1.95	(254,196)	3.30
Forfeited/canceled	**(63,413)**	**7.31**	(60,974)	9.31	(140,155)	5.17
Outstanding at end of year	**2,143,583**	**$ 7.12**	2,147,183	$ 9.10	4,694,360	$ 4.18

The 1.2 million restricted stock units granted in 2020 include 0.2 million restricted stock awards relating to AK Steel replacement awards. The restricted stock awards relating to AK Steel vest ratably on the first, second and third anniversaries of the grant. We valued the restricted stock awards and restricted stock units at $4.87 per share using the closing price of our common shares on March 13, 2020, the grant date.

All of the outstanding restricted stock units are subject to continued employment, are retention based, and are payable in common shares or cash in certain circumstances at a time determined by the Compensation Committee at its discretion. The restricted stock units that were granted in 2020, 2019 and 2018 cliff vest over three years on December 31, 2022, December 31, 2021 and December 31, 2020, respectively.

Stock Options

The following table summarizes the stock option activity:

	Year Ended December 31,					
	2020		2019		2018	
	Number of Shares	**Weighted Average Exercise Price**	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Excercise Price
Outstanding at beginning of year	**563,230**	**$ 10.42**	**563,230**	$ 10.42	599,870	$ 10.25
Granted	**2,010,277**	**11.86**	—	—	—	—
Exercised	**(79,973)**	**7.01**	—	—	(36,640)	7.70
Forfeited/canceled	**(7,726)**	**41.04**	—	—	—	—
Outstanding at end of year	**2,485,808**	**$ 11.60**	563,230	$ 10.42	563,230	$ 10.42
Exercisable at end of year	**2,172,052**	**$ 11.86**	563,230	$ 10.42	563,230	$ 10.42

Stock options granted to date generally vest over a period from one to three years with an expiration date at ten years from the date of grant. On March 13, 2020, we granted 2.0 million options as AK Steel replacement awards. The weighted average fair value of the converted options was $0.51 per share and was calculated using the Black-Scholes option-pricing model. Qualifying termination events resulted in vest date accelerations and reductions to the option expiration date from ten years to three years.

The total intrinsic value of options exercised in 2020 and 2018 were immaterial. For options outstanding at December 31, 2020, the weighted-average remaining contractual life was 3.2 years and the aggregate intrinsic value was $11 million. For options exercisable at December 31, 2020, the weighted-average remaining contractual life was 2.5 years and the aggregate intrinsic value was $9 million.

Nonemployee Directors

Our nonemployee directors are entitled to receive restricted share awards under the Directors' Plan. For 2020, 2019 and 2018, nonemployee directors were granted a specified number of restricted shares, with a value equal to $100,000. The number of shares is based on the closing price of our common shares on the date of the Annual Meeting. The restricted share awards issued under the Directors' Plan generally vest 12 months from the grant date. The awards are subject to any deferral election and the terms of the Directors' Plan and an award agreement.

On March 13, 2020, 0.3 million restricted stock units previously awarded to the members of the AK Steel board of directors were distributed per the terms of the AK Steel Merger Agreement.

For the last three years, grants of restricted and/or deferred shares have been awarded to elected or re-elected nonemployee directors as follows:

Year of Grant	Restricted Shares	Deferred Shares
2020	253,809	54,794
2019	86,477	23,659
2018	92,718	17,170

NOTE 12 - INCOME TAXES

Income (loss) from continuing operations before income taxes includes the following components:

	(In Millions)		
	2020	2019	2018
United States	**$ (201)**	$ 313	$ 565
Foreign	**8**	—	—
	$ (193)	$ 313	$ 565

The components of the income tax provision (benefit) on continuing operations consist of the following:

	(In Millions)		
	2020	2019	2018
Current provision (benefit):			
United States federal	**$ (2)**	$ (1)	$ (1)
United States state & local	**—**	—	—
Foreign	**(1)**	—	1
	(3)	(1)	—
Deferred provision (benefit):			
United States federal	**(95)**	19	(475)
United States state & local	**(11)**	—	—
Foreign	**(2)**	—	—
Total income tax provision (benefit) from continuing operations	**$ (111)**	$ 18	$ (475)

Reconciliation of our income tax attributable to continuing operations computed at the U.S. federal statutory rate is as follows:

	(In Millions)					
	2020		2019		2018	
Tax at U.S. statutory rate	**$ (41)**	**21 %**	$ 66	21 %	$ 119	21 %
Increase (decrease) due to:						
Percentage depletion in excess of cost depletion	**(42)**	**22**	(49)	(16)	(55)	(10)
Non-taxable income related to noncontrolling interests	**(9)**	**4**	—	—	—	—
Luxembourg legal entity reduction	**—**	**—**	846	271	162	29
Valuation allowance release:						
Current year activity	**—**	**—**	—	—	(80)	(14)
Release of U.S. valuation allowance	**—**	**—**	—	—	(461)	(81)
Luxembourg legal entity reduction	**—**	**—**	(846)	(271)	(162)	(29)
State taxes, net	**(11)**	**6**	—	—	—	—
Other items, net	**(8)**	**4**	1	1	2	—
Provision for income tax expense (benefit) and effective income tax rate including discrete items	**$ (111)**	**57 %**	$ 18	6 %	$ (475)	(84)%

The increase in income tax benefit from 2019 to 2020 is directly correlated to the increase in pre-tax book loss from the prior period for both federal and state income tax purposes. The other primary driver of the increase in income tax benefit is related to income of noncontrolling interests for which no tax is recognized.

The increase in income tax expense from 2018 to 2019 is primarily due to release of the valuation allowance in the U.S. of $461 million in 2018, which did not recur in 2019. The Luxembourg legal entity reduction relates to initiatives resulting in the dissolution of certain entities and settlement of related financial instruments in the years ended December 31, 2019 and 2018. These 2019 and 2018 NOL deferred tax asset reductions resulted in tax expense of $846 million and $162 million, respectively, which were fully offset by decreases in the respective valuation allowance.

The components of income taxes for other than continuing operations consisted of the following:

	(In Millions)		
	2020	2019	2018
Other comprehensive income:			
Postretirement benefit liability	**$ (52)**	$ 11	$ 4
Unrealized net loss on derivative financial instruments	**(1)**	—	1
Total	**$ (53)**	$ 11	$ 5

Significant components of our deferred tax assets and liabilities are as follows:

	(In Millions)	
	2020	2019
Deferred tax assets:		
Operating loss and other carryforwards	**$ 1,236**	$ 795
Pension and OPEB liabilities	**228**	114
Property, plant and equipment and mineral rights	**—**	1
State and local	**132**	71
Other liabilities	**190**	70
Total deferred tax assets before valuation allowance	**1,786**	1,051
Deferred tax asset valuation allowance	**(836)**	(441)
Net deferred tax assets	**950**	610
Deferred tax liabilities:		
Investment in partnerships	**(144)**	(137)
Property, plant and equipment and mineral rights	**(246)**	—
Other assets	**(68)**	(14)
Total deferred tax liabilities	**(458)**	(151)
Net deferred tax assets	**$ 492**	$ 459

We had gross domestic (including states) and foreign NOLs of $7,444 million and $1,592 million, respectively, at December 31, 2020. We had gross domestic and foreign NOLs of $3,459 million and $1,592 million, respectively, at December 31, 2019. The U.S. federal NOLs will begin to expire in 2034 and state NOLs will begin to expire in 2021. The foreign NOLs can be carried forward indefinitely. We had foreign tax credit carryforwards of $6 million at December 31, 2019, which expired in 2020. We had gross interest expense limitation carryforwards of $80 million and $55 million for the years ended December 31, 2020 and 2019, respectively. This interest expense can be carried forward indefinitely.

The changes in the valuation allowance are presented below:

	(In Millions)		
	2020	2019	2018
Balance at beginning of year	**$ 441**	$ 1,287	$ 1,983
Change in valuation allowance:			
Included in income tax expense (benefit)	**(3)**	(846)	(691)
Change in deferred assets in other comprehensive income	**—**	—	(5)
Increase from acquisitions	**398**	—	—
Balance at end of year	**$ 836**	$ 441	$ 1,287

During 2020, we recorded a $398 million valuation allowance through opening balance sheet adjustments to reflect the portion of federal and state NOLs that are limited under Section 382 of the IRC acquired through the AK Steel Merger.

During 2019, a legal entity reduction initiative was completed in Luxembourg resulting in the dissolution of certain entities and settlement of related financial instruments, triggering the utilization of $1.3 billion of NOL deferred tax asset and reversal of the intercompany notes deferred tax liability of $447 million. In addition, prior year adjustments in Luxembourg and a statutory rate reduction from 26.01% to 24.94% resulted in a net increase to the operating loss carryforward deferred tax asset of $46 million. The total net deferred tax reduction resulted in an expense of $846 million which was fully offset by a decrease in the valuation allowance. During 2018, a similar legal entity reduction initiative was completed resulting in the dissolution of certain Luxembourg entities which resulted in a decrease in the NOL deferred tax asset of $162 million which was fully offset by a decrease in valuation allowance. We continue to maintain a full valuation allowance against the remaining Luxembourg net deferred tax assets of $397 million at December 31, 2020 and 2019. Our losses in Luxembourg in recent periods represent sufficient negative evidence to require a full valuation allowance against the deferred tax assets in that jurisdiction. We intend

to maintain a valuation allowance against the deferred tax assets related to these operating losses, until sufficient positive evidence exists to support the realization of such assets.

We recorded a $696 million net decrease in the valuation allowance in the year ended December 31, 2018. As of December 31, 2018, our U.S. operations emerged from a three-year cumulative loss position. As the significant negative evidence of cumulative losses had been eliminated, we undertook an evaluation of the continuing need for a valuation allowance on the U.S. deferred tax assets, the majority of which related to the U.S. tax NOLs.

In completing our evaluation of whether a valuation allowance was still needed, we considered all available positive and negative evidence. Positive evidence considered included the emergence from the three-year cumulative loss position, our long-term customer contracts with minimum tonnage requirements, the global scarcity of iron ore pellets, near term forecasts of strong profitability and the recently revised IRC Section 163(j) interest deduction limitation. Negative evidence included the overall size of the deferred tax asset with limited carryforward and no carryback opportunity, the finite nature of the iron ore resources we mine, the uncertainty of steel tariffs that positively impacted our revenue rates in 2018 and the various market signs that the U.S. economy may be nearing the end of the current expansion.

We also considered that future realization of the deferred tax assets depends on the existence of sufficient taxable income of the appropriate character during the carryforward period. In considering sources of taxable income, we identified that a portion of the deferred tax assets would be utilized by existing taxable temporary differences reversing in the same periods as existing deductible temporary differences. In addition, we determined that carryback opportunities and tax planning strategies do not exist as potential sources of future taxable income. Lastly, forecasting future taxable income was considered, but was challenging in a cyclical industry such as ours as it relies heavily on the accuracy of key assumptions, particularly about key pricing benchmarks.

Because historical information is verifiable and more objective than forecast information and due to the cyclicality of the industry, we developed an estimate of future income based on our historical earnings through the most recent industry cycle. We adjusted historical earnings for certain non-recurring items as well as to reflect the current corporate structure by eliminating the impact of discontinued operations and extinguished debt (“core earnings”). Additionally, we adjusted core earnings to reflect the impact of the recently revised IRC Section 163(j) interest expense deduction limitation as well as permanent tax adjustments. The IRC Section 163(j) limitation would limit our interest expense deduction, particularly in down years in the industry cycle, resulting in higher taxable income.

Based on the core earnings analysis, our average annual book taxable income through the business cycle was in excess of the estimated $10 million taxable income that would be required annually to fully utilize the deferred tax assets within the 19-year carryforward period. We ascribed significant weight in our assessment to the core earnings analysis and the resulting projection of taxable income through the industry cycle. Based on the weight of this positive evidence, and after considering the other available positive and negative evidence, we determined that it was appropriate to release all of the valuation allowance related to U.S. federal deferred tax assets at December 31, 2018 as it was more likely than not that the entire amount of the U.S. deferred tax asset would be realized before the end of the carryforward period. The income tax benefit recorded for the reversal of the valuation allowance against the U.S. deferred tax assets was $461 million for the year ended December 31, 2018.

We also have a valuation allowance recorded against certain state NOLs and foreign tax credits, which are expected to expire before utilization. At December 31, 2020 and 2019, we had a valuation allowance recorded against certain state NOLs of $98 million and $38 million, respectively. At December 31, 2019, we had a valuation allowance recorded against certain foreign tax credits of $6 million, which expired in 2020.

At December 31, 2020 and 2019, we had no cumulative undistributed earnings of foreign subsidiaries included in retained earnings. Accordingly, no provision has been made for U.S. deferred taxes related to future repatriation of earnings.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	(In Millions)		
	2020	2019	2018
Unrecognized tax benefits balance as of January 1	**$ 29**	$ 29	$ 33
Increase for tax positions in current year	**7**	—	4
Decrease for tax positions of prior year	**(4)**	—	—
Lapses in statutes of limitations	**—**	—	(8)
Increases from acquisitions	**75**	—	—
Unrecognized tax benefits balance as of December 31	**$ 107**	$ 29	$ 29

At December 31, 2020 and 2019, we had $107 million and $29 million, respectively, of unrecognized tax benefits recorded. Of this amount, $9 million was recorded in *Other current liabilities* for the year ended December 31, 2020. Additionally, $2 million and $4 million, were recorded in *Other non-current liabilities* for the years ended December 31, 2020 and 2019, respectively, and $96 million was recorded in *Other non-current assets* for both years in the Statements of Consolidated Financial Position. If the unrecognized tax benefits were recognized, the entire $11 million would impact the effective tax rate. We do not expect that the amount of unrecognized benefits will change significantly within the next 12 months. At December 31, 2020 and 2019, we had $1 million and $4 million, respectively, of accrued interest and penalties related to the unrecognized tax benefits recorded in *Other non-current liabilities* in the Statements of Consolidated Financial Position.

Tax years 2016 and forward remain subject to examination for the U.S., and tax years 2008 and forward remain subject to examination for Canada.

NOTE 13 - LEASE OBLIGATIONS

Our operating leases consist primarily of leases for office space, iron ore vessels, rail cars, processing equipment and mining equipment. Our finance leases consist primarily of processing equipment and mining equipment. We use our incremental borrowing rate as the discount rate to determine the present value of the lease payments, as our leases do not have readily determinable implicit discount rates. Our incremental borrowing rate is the rate of interest that we would have to borrow on a collateralized basis over a similar term and amount in a similar economic environment to pay our lease obligations. We determine the incremental borrowing rates for our leases by adjusting the local risk-free interest rate with a credit risk premium corresponding to our credit rating. From time to time, we may enter into arrangements for the construction or purchase of an asset and then enter into a financing arrangement to lease the asset. We recognize leased assets and liabilities under these arrangements when we obtain control of the asset.

Lease costs are presented below:

	(In Millions)	
	Year Ended December 31,	
	2020	2019
Operating leases	**$ 43**	$ 4
Finance leases:		
Amortization of lease cost	**15**	6
Interest on lease liabilities	**4**	2
Short-term leases	**13**	6
Total	**$ 75**	$ 18

Other information related to leases was as follows:

	(In Millions)	
	Year Ended December 31,	
	2020	2019
Cash paid for amounts included in measurement of lease liabilities:		
Operating leases within cash flows from operating activities	$ 43	$ 4
Finance leases within cash flows from operating activities	$ 4	$ 2
Finance leases within cash flows from financing activities	$ 15	$ 6
Right-of-use assets obtained in exchange for new finance lease liabilities[1]	$ 44	$ 29
Weighted-average remaining lease term - operating leases (in years)	8	10
Weighted-average remaining lease term - finance leases (in years)	5	6
Weighted-average discount rate - operating leases	8 %	8 %
Weighted-average discount rate - finance leases	4 %	5 %

[1] Right-of-use assets obtained in the Acquisitions are not included in this figure.

Future minimum lease payments under noncancellable finance and operating leases as of December 31, 2020 were as follows:

	(In Millions)	
	Finance Leases	Operating Leases
2021	$ 100	$ 70
2022	95	53
2023	78	46
2024	23	38
2025	22	34
Thereafter	76	122
Total future minimum lease payments	394	363
Less: imputed interest	59	99
Total lease payments	335	264
Less: current portion of lease liabilities	91	53
Long-term lease liabilities	$ 244	$ 211

The current and long-term portions of our finance lease liabilities are included in *Other current liabilities* and *Other non-current liabilities*, respectively. The current and long-term portions of our operating lease liabilities are included in *Other current liabilities* and *Other non-current liabilities*, respectively.

NOTE 14 - ASSET RETIREMENT OBLIGATIONS

The following is a summary of our asset retirement obligations:

	(In Millions)	
	December 31,	
	2020	2019
Asset retirement obligations[1]	$ 342	$ 165
Less: current portion	7	2
Long-term asset retirement obligations	$ 335	$ 163

[1] Includes $190 million and $22 million related to our active operations as of December 31, 2020 and 2019, 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. We performed a detailed assessment of our asset retirement obligations related to our active operations most recently in 2020 in accordance with our

accounting policy, which requires us to perform an in-depth evaluation of the liability every three years in addition to routine annual assessments. In 2020, we employed third-party specialists to assist in the evaluation.

Additionally, we have included in our asset retirement obligation $172 million for our integrated steel facilities and other operations acquired in the Acquisitions. 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)	
	2020	2019
Asset retirement obligation as of January 1	**$ 165**	$ 172
Increase from acquisitions	**172**	—
Accretion expense	**14**	10
Remediation payments	**(9)**	(1)
Revision in estimated cash flows	**—**	(16)
Asset retirement obligation as of December 31	**$ 342**	$ 165

The revision in estimated cash flows during the year ended December 31, 2019 for $16 million primarily relates to an extension of the life-of-mine plan for Tilden mine based on the economic reserve analysis performed during 2019.

NOTE 15 - DERIVATIVE INSTRUMENTS

Derivatives Not Designated as Hedging Instruments

Customer Supply Agreement

A supply agreement with ArcelorMittal USA provided us supplemental revenue or provided refunds to ArcelorMittal USA based on the HRC price at the time the iron ore product was consumed in its blast furnaces. The supplemental pricing is characterized as a freestanding derivative instrument and is required to be accounted for separately once control transfers to the customer. The derivative instrument, which is finalized based on a future price, is adjusted to fair value through *Revenues* each reporting period based upon current market data and forward-looking estimates provided by management until the pellets are consumed and the amounts are settled. Upon the completion of the AM USA Transaction, the outstanding derivatives were settled as part of acquisition accounting. Included within *Revenues* related to Topic 815 for the supplemental revenue portion of the supply agreement is derivative revenue of $122 million, $78 million and $426 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Refer to NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS for additional information.

NOTE 16 - CAPITAL STOCK

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 Cliffs 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 NYSE.

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. Refer to *Preferred Stock* below for further information.

Preferred Stock

We have 3,000,000 shares of Serial Preferred Stock, Class A, without par value and 4,000,000 shares of Serial Preferred Stock, Class B, without par value, authorized; no Class A preferred shares are issued or outstanding. Pursuant to the terms of the AM USA Transaction Agreement, we issued 583,273 shares of a new series of our Serial Preferred Stock, Class B, without par value, designated Series B Participating Redeemable Preferred Stock, without par value, to an indirect, wholly owned subsidiary of ArcelorMittal on December 9, 2020.

Series B Participating Redeemable Preferred Stock Terms

The Series B Participating Redeemable Preferred Stock is classified for accounting purposes as temporary equity as a result of a change in control provision that could, under remote circumstances, require us to redeem the preferred stock for cash.

The Series B Participating Redeemable Preferred Stock ranks senior to our common shares with respect to dividend rights and rights on the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of, and certain bankruptcy events involving, Cliffs. Each share of Series B Participating Redeemable Preferred Stock entitles its holder to receive a multiple, initially equal to 100 (subject to certain anti-dilution adjustments, the "Applicable Multiple"), of the aggregate amount per share of all dividends declared on the common shares. In addition, from and after the 24-month anniversary of the issue date of the Series B Participating Redeemable Preferred Stock (the "24-Month Anniversary"), each holder of a share of Series B Participating Redeemable Preferred Stock is entitled to receive cash dividends (the "Additional Dividends") accruing and compounding on a daily basis at the initial rate of 10% per annum on the sum of (i) the Applicable Multiple then in effect times the volume-weighted average price of the common shares for the 20 consecutive trading days ending on the trading day immediately preceding the 24-Month Anniversary and (ii) the amount of accumulated and unpaid dividends on the Series B Participating Redeemable Preferred Stock to, but not including, the 24-Month Anniversary, if any, which rate will increase by 2% per annum at the end of each six-month period following the 24-Month Anniversary. Additional Dividends will be payable, when, as and if declared by the Board, in quarterly installments.

The Series B Participating Redeemable Preferred Stock is redeemable, in whole or in part, at our option at any time and from time to time on and after the date that is 180 days after the issue date at a redemption price per share equal to the Applicable Multiple then in effect times the volume-weighted average price of the common shares for the 20 consecutive trading days ending on the trading day immediately preceding the date fixed for redemption, plus accumulated and unpaid dividends to, but not including, the redemption date.

In the event of a change of control of Cliffs, the Series B Participating Redeemable Preferred Stock will be subject to mandatory redemption at a redemption price per share equal to the Applicable Multiple then in effect times the volume-weighted average price of the common shares for the 20 consecutive trading days ending on the trading day immediately preceding the closing date of the transaction constituting such change of control.

In addition, pursuant to the terms of the Series B Participating Redeemable Preferred Stock, we are restricted from effecting any merger or consolidation with or into another entity unless the Series B Participating Redeemable Preferred Stock remains outstanding following the merger or consolidation, is exchanged for new preferred stock with substantially identical terms or is to be redeemed in connection with the closing of such merger or consolidation.

In addition to the foregoing, the Series B Participating Redeemable Preferred Stock is subject to the express terms of the Serial Preferred Stock, Class B, without par value, as set forth in Cleveland-Cliffs Inc.'s Fourth Amended Articles of Incorporation, as amended, except that holders of Series B Participating Redeemable Preferred Stock, in their capacity as such, do not have the right to vote with the other series of Serial Preferred Stock, Class B, without par value, then outstanding, if any, voting separately as a class, for the election of additional directors of Cleveland-Cliffs Inc. upon certain defaults by the Company in the payment of dividends, as provided in Cleveland-Cliffs Inc.'s Fourth Amended Articles of Incorporation, as amended.

Dividends

The below table summarizes our recent dividend activity:

Declaration Date	Record Date	Payment Date	Dividend Declared per Common Share[1]
2/18/2020	4/3/2020	4/15/2020	$ 0.06
12/2/2019	1/3/2020	1/15/2020	0.06
9/3/2019	10/4/2019	10/15/2019	0.10
5/31/2019	7/5/2019	7/15/2019	0.06
2/19/2019	4/5/2019	4/15/2019	0.05
10/18/2018	1/4/2019	1/15/2019	0.05

[1] The dividend declared on September 3, 2019 included a special cash dividend of $0.04 per common share.

Subsequent to the dividend paid on April 15, 2020, our Board temporarily suspended future dividends as a result of the COVID-19 pandemic in order to preserve cash during this time of economic uncertainty.

Share Repurchase Program

In November 2018, we announced that our Board of Directors authorized a program to repurchase outstanding common shares in the open market or in privately negotiated transactions, up to a maximum of $200 million, excluding commissions and fees. In April 2019, we announced that our Board of Directors increased the common share repurchase authorization by an additional $100 million, excluding commissions and fees. During 2019, we repurchased 24 million common shares at a cost of $253 million in the aggregate, including commissions and fees. The share repurchase program was effective until December 31, 2019.

NOTE 17 - ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of *Accumulated other comprehensive loss* within Cliffs shareholders' equity and related tax effects allocated to each are shown below:

	(In Millions)		
	Pre-tax Amount	Tax Benefit	After-tax Amount
As of December 31, 2020:			
Postretirement benefit liability	**$ (221)**	**$ 86**	**$ (135)**
Foreign currency translation adjustments	**3**	**—**	**3**
Unrealized net loss on derivative financial instruments	**(1)**	**—**	**(1)**
	$ (219)	**$ 86**	**$ (133)**
As of December 31, 2019:			
Postretirement benefit liability	$ (454)	$ 138	$ (316)
Unrealized net loss on derivative financial instruments	(4)	1	(3)
	$ (458)	$ 139	$ (319)
As of December 31, 2018:			
Postretirement benefit liability	$ (408)	$ 127	$ (281)
Unrealized net loss on derivative financial instruments	(4)	1	(3)
	$ (412)	$ 128	$ (284)

The following table reflects 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, 2017	$ (264)	$ 225	$ —	$ (39)
Other comprehensive income (loss) before reclassifications	(43)	3	(1)	(41)
Net loss (gain) reclassified from accumulated other comprehensive loss	26	(228)	(2)	(204)
December 31, 2018	(281)	—	(3)	(284)
Other comprehensive loss before reclassifications	(57)	—	(2)	(59)
Net loss reclassified from accumulated other comprehensive loss	22	—	2	24
December 31, 2019	(316)	—	(3)	(319)
Other comprehensive income (loss) before reclassifications	163	3	(6)	160
Net loss reclassified from accumulated other comprehensive loss	18	—	8	26
December 31, 2020	$ (135)	$ 3	$ (1)	$ (133)

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

	(In Millions)			
Details about Accumulated Other Comprehensive Loss Components	**Amount of (Gain)/Loss Reclassified into Income, Net of Tax**			**Affected Line Item in the Statement of Consolidated Operations**
	Year Ended December 31,			
	2020	2019	2018	
Amortization of pension and OPEB liability:				
Prior service costs[1]	**$ (1)**	$ (1)	$ (1)	*Other non-operating income*
Net actuarial loss[1]	**30**	29	27	*Other non-operating income*
Settlements[1]	**(6)**	—	—	*Other non-operating income*
	23	28	26	Total before taxes
Income tax expense	**(5)**	(6)	—	*Income tax benefit (expense)*
	$ 18	$ 22	$ 26	Net of taxes
Changes in foreign currency translation:				
Gain on foreign currency translation[2]	**$ —**	$ —	$ (228)	*Income (loss) from discontinued operations, net of tax*
Changes in derivative financial instruments:				
Commodity contracts	**$ 10**	$ 3	$ (2)	*Cost of goods sold*
Income tax expense	**(2)**	(1)	—	*Income tax benefit (expense)*
	$ 8	$ 2	$ (2)	Net of taxes
Total reclassifications for the period, net of tax	**$ 26**	**$ 24**	**$ (204)**	

[1] These accumulated other comprehensive loss components are included in the computation of net periodic benefit cost. See NOTE 10 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further information.

[2] Represents Australian accumulated currency translation adjustments due to the liquidation of our Australian subsidiaries' net assets.

NOTE 18 - 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 with U.S. Steel, in which, as of December 31, 2020, we own 85.3% and U.S. Steel owns 14.7%. 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, certain long-term contracts with ArcelorMittal resulted in *Revenues* from related parties, and are included within the below.

Revenues from related parties were as follows:

	(In Millions)		
	Year Ended December 31,		
	2020	2019	2018
Revenue from related parties	**$ 893**	$ 1,015	$ 1,344
Revenues[1]	**$ 5,354**	$ 1,990	$ 2,332
Related party revenues as a percent of Revenues[1]	**16.7 %**	51.0 %	57.6 %
Purchases from related parties	**$ 16**	$ —	$ —

[1] Includes *Realization of deferred revenue* of $35 million for the year ended December 31, 2020.

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

	(In Millions)	
	December 31,	
Balance Sheet Location of Assets (Liabilities)	**2020**	2019
Accounts receivable, net	**$ 2**	$ 31
Other current assets	**—**	45
Accounts payable	**(6)**	—
Other current liabilities	**—**	(2)

Other current assets

Our supply agreement with ArcelorMittal USA contained provisions that provided us supplemental revenue or provided refunds to ArcelorMittal USA based on the HRC price at the time the iron ore product was consumed in its blast furnaces. The supplemental pricing was categorized as a freestanding derivative. Upon the completion of the AM USA Transaction, the outstanding derivative was settled as part of acquisition accounting.

NOTE 19 - 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 $41 million for the year ended December 31, 2020, which 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 consolidated balance sheet as of December 31, 2020 includes the following amounts for SunCoke Middletown:

	(In Millions)
	December 31, 2020
Cash and cash equivalents	**$ 5**
Inventories	**21**
Property, plant and equipment, net	**308**
Accounts payable	**(15)**
Other assets (liabilities), net	**(10)**
Noncontrolling interest	**(309)**

NOTE 20 - EARNINGS PER SHARE

The following table summarizes the computation of basic and diluted EPS:

	(In Millions, Except Per Share Amounts)		
	Year Ended December 31,		
	2020	2019	2018
Income (loss) from continuing operations	**$ (82)**	$ 295	$ 1,040
Income from continuing operations attributable to noncontrolling interest	**(41)**	—	—
Net income (loss) from continuing operations attributable to Cliffs shareholders	**(123)**	295	1,040
Income (loss) from discontinued operations, net of tax	**1**	(2)	88
Net income (loss) attributable to Cliffs shareholders	**$ (122)**	$ 293	$ 1,128
Weighted average number of shares:			
Basic	**379**	277	297
Convertible senior notes	**—**	4	3
Employee stock plans	**—**	3	4
Diluted	**379**	284	304
Earnings (loss) per common share attributable to Cliffs common shareholders - basic:			
Continuing operations	**$ (0.32)**	$ 1.07	$ 3.50
Discontinued operations	**—**	(0.01)	0.30
	$ (0.32)	$ 1.06	$ 3.80
Earnings (loss) per common share attributable to Cliffs common shareholders - diluted:			
Continuing operations	**$ (0.32)**	$ 1.04	$ 3.42
Discontinued operations	**—**	(0.01)	0.29
	$ (0.32)	$ 1.03	$ 3.71

The following table summarizes the shares that have been excluded from the diluted earnings per share calculation for the year ended December 31, 2020, as they were anti-dilutive:

	(In Millions)
	2020
Redeemable preferred shares	**4**
Convertible senior notes	**2**
Shares related to employee stock plans	**1**

NOTE 21 - 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)	
	December 31, 2020	December 31, 2019
Environmental obligations	**$ 135**	$ 2
Less current portion	**18**	—
Long-term environmental obligations	**$ 117**	$ 2

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 12 - 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 22 - SUBSEQUENT EVENTS

On February 11, 2021, we sold 20 million common shares, and the indirect, wholly owned subsidiary of ArcelorMittal to which approximately 78 million common shares were issued as part of the consideration paid by us in connection with the closing of the AM USA Transaction sold 40 million common shares, in each case at a price per share to the underwriter of $16.12, in an underwritten public offering. We also granted the underwriter an option to purchase up to an additional 9 million common shares from us at a price per share to the underwriter of $16.12. The underwriter has until March 10, 2021 to exercise such option, which it may do in full, in part or not at all. We did not receive any proceeds from the sale of the common shares by the selling shareholder in the offering. We intend to use the net proceeds to us from the offering, plus cash on hand, to redeem up to approximately $334 million aggregate principal amount of our outstanding 9.875% 2025 Senior Secured Notes. We intend to use any remaining net proceeds to us following such redemption to reduce borrowings under our ABL Facility.

On February 9, 2021, following pricing of the underwritten public offering, we issued a conditional notice of partial redemption to holders of the 9.875% 2025 Senior Secured Notes to redeem $322 million aggregate principal amount of the outstanding 9.875% 2025 Senior Secured Notes on March 11, 2021, at a redemption price equal to 109.875% of the principal amount to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The conditional notice of partial redemption was subject to the condition precedent that we close the underwritten public offering of our common shares. As a result, following the closing of the underwritten public offering, the conditional notice of partial redemption became irrevocable.

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 intend to use 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.

On February 10, 2021, following pricing of the notes offering, we issued notices of redemption to the holders of the 4.875% 2024 Senior Secured Notes, 6.375% 2025 Senior Notes, 7.625% 2021 AK Senior Notes, 7.50% 2023

AK Senior Notes and 6.375% 2025 AK Senior Notes to redeem all of such notes outstanding on March 12, 2021, at the redemption prices listed below, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The notices of redemption with respect to the 4.875% 2024 Senior Secured Notes and the 6.375% 2025 Senior Notes were subject to the condition precedent that we close the notes offering. As a result, following the closing of the notes offering, the notices of redemption with respect to the 4.875% 2024 Senior Secured Notes and the 6.375% 2025 Senior Notes became irrevocable. The notices of redemption with respect to the 7.625% 2021 AK Senior Notes, 7.50% 2023 AK Senior Notes and 6.375% 2025 AK Senior Notes were not subject to any conditions and were irrevocable when issued.

Debt Instrument	Redemption Price[1]
4.875% 2024 Senior Secured Notes	102.438 %
6.375% 2025 Senior Notes	103.188
7.625% 2021 AK Senior Notes	100.000
7.50% 2023 AK Senior Notes	101.875
6.375% 2025 AK Senior Notes	103.188

[1] Plus accrued and unpaid interest, if any, up to but excluding the redemption date.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of
Cleveland-Cliffs Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of consolidated financial position of Cleveland-Cliffs Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related statements of consolidated operations, comprehensive income, cash flows, and changes in equity, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2021, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Mineral Reserves — Asset Retirement Obligations, Valuation of Long-Lived Assets, Depreciation, Depletion and Amortization of Property, Plant and Equipment and Valuation in Acquisition Accounting —Refer to Notes 3, 5, 6 and 14 to the financial statements

Critical Audit Matter Description

Iron ore mineral reserve estimates, combined with estimated annual production levels, are used to determine the iron ore mine closure dates utilized in recording the fair value liability for asset retirement obligations for active operating iron ore mines. Since the liability represents the present value of the expected future obligation, a significant change in iron ore mineral reserves or iron ore mine lives could have a substantial effect on the recorded obligation. Iron ore mineral reserve estimates are also used in evaluating potential impairments of iron ore mine asset groups as they are indicative of future cash flows and in determining maximum useful lives utilized to calculate depreciation, depletion and amortization of long-lived iron ore mine assets. Further, iron ore mineral reserve estimates are used in estimating the fair value of mineral reserves established through the purchase price allocation in a business combination. The Company performs an in-depth evaluation of its iron ore mineral reserve estimates by iron ore mine on a periodic basis, in addition to routine annual assessments. The determination of iron ore mineral reserves requires management, with the support of management’s experts, to make significant estimates and assumptions related to

key inputs including (1) the determination of the size and scope of the iron ore body through technical modeling, (2) the estimates of future iron ore prices recognizing that the price shall not exceed the three-year trailing average index price of iron ore adjusted to the Company's realized price, production costs and capital expenditures, and (3) management's mine plan for the proven and probable iron ore mineral reserves (collectively "the iron ore mineral reserve inputs"). Changes in any of the judgments or assumptions related to the iron ore mineral reserve inputs can have a significant impact with respect to the accrual for asset retirement obligations, the impairment of long-lived asset groups, the amount of depreciation, depletion and amortization expense and the estimated fair value of mineral reserves established through the purchase price allocation in a business combination. The consolidated asset retirement obligation balance was $342 million as of December 31, 2020, of which $83 million related to active iron ore mine operations. The total asset balance associated with the Company's Steelmaking reportable segment was $15,849 million as of December 31, 2020, of which $1,661 million related to long-lived assets associated with the Company's combined iron ore mine asset groups, and is inclusive of $235 million related to iron ore mineral reserves acquired through the AM USA Transaction. Depreciation, depletion and amortization expense for the Company's combined iron ore mine asset groups was $78 million for the year ended December 31, 2020.

Given the significant judgments and assumptions made by management to estimate iron ore mineral reserves and the sensitivity of changes to iron ore mineral reserve estimates on the Company's recorded asset retirement obligations, long-lived asset impairment considerations, calculated depreciation, depletion and amortization expense and estimated fair value of mineral reserves established through the purchase price allocation of a business combination, performing audit procedures to evaluate the reasonableness of management's judgments and estimates related to the iron ore mineral reserve inputs required a high degree of auditor judgment and an increased extent of effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's significant judgments and assumptions related to iron ore mineral reserve quantities and the related iron ore mine closure dates included the following, among others:

- We tested the operating effectiveness of internal controls related to the Company's estimation of iron ore mineral reserve quantities and the related iron ore mine closure dates.
- We evaluated the experience, qualifications and objectivity of management's experts, including in-house iron ore mine engineers.
- For an iron ore mine subject to the Company's routine annual assessment we evaluated management's assessment by:
    - Understanding the process used by management to survey and analyze the geological and operational status of current year iron ore mine production.
    - Evaluating the historical accuracy of management's technical model as compared to actual iron ore mine production results.
    - Comparing the iron ore mine plan, updated for current year depletion, to
        - Presentations to the Audit Committee.
        - Information by asset group, asset retirement obligation valuation models, depreciation, depletion and amortization expense calculations and mineral reserve purchase price allocation valuation models.
- For an iron ore mine subject to the Company's periodic in-depth evaluation of its iron ore mineral reserve estimate:
    - We evaluated management's determination of the size and scope of the iron ore body, by:
        - Understanding the process used by management to complete research and exploration activities including mineralized resource drill samples.
        - Understanding the methodology utilized by management to apply the research and exploration data to the development of a technical model of the iron ore body.
        - Evaluating the historical accuracy of management's technical model as compared to actual iron ore mine production results.

- We evaluated management's estimates of future iron ore prices, production costs and capital expenditures (the "financial assumptions"), by:
  - Understanding and testing the methodology utilized by management for development of the future iron ore prices recognizing that the price shall not exceed the three-year trailing average index price of iron ore adjusted to the Company's realized price.
  - Evaluated management's ability to accurately forecast future iron ore prices, production costs and capital expenditures by comparing actual results to management's historical forecasts.
  - Evaluated the reasonableness of management's estimates of future iron ore prices to forecasted information included in analyst reports.
  - Evaluated the reasonableness of management's forecast for production costs and capital expenditures by comparing the forecasts to: (1) historical results and (2) internal communications to management and the Board of Directors.
- We evaluated management's iron ore mine plan for the proven and probable mineral reserves, by:
  - Understanding the process used by management to develop the iron ore mine plan for proven and probable iron ore mineral reserves applying key inputs such as the technical model of the iron ore body and the financial assumptions.
  - Comparing the iron ore mine plan to
    - Presentations to the Audit Committee.
    - Historical iron ore mine plan(s).
    - Information by asset group, asset retirement obligation valuation models, depreciation, depletion and amortization expense calculations, and mineral reserve purchase price allocation valuation models.

Acquisitions — AK Steel —Refer to Note 3 to the financial statements

Critical Audit Matter Description

The Company completed the acquisition of AK Steel Holding Corporation for approximately $1.5 billion on March 13, 2020. The Company accounted for the acquisition under the acquisition method of accounting for business combinations. Accordingly, the purchase price was initially allocated to three operations of the AK Steel business including Steelmaking, Tooling and Stamping and Tubular using a discounted cash flow model (the "Operations Allocation"). Following the Operations Allocation, the purchase price was then allocated to the assets acquired and liabilities assumed comprising the three operations of the AK Steel business based on their respective fair values, including $174 million goodwill balance assigned to the Tooling and Stamping and Tubular operations. The Operations Allocation required management to make significant estimates and assumptions related to forecasts of future revenues and earnings before interest, taxes, depreciation, and amortization (EBITDA) and discount rates.

Given the Operations Allocation requires management to make significant estimates and assumptions related to the forecasts of future revenues and EBITDA (the "Forecasts"), as well as the selection of the discount rates, and considering to the sensitivity of the allocated goodwill balance to changes in projected future cash flows at the Steelmaking, Tooling and Stamping, and Tubular operations, performing audit procedures to evaluate the reasonableness of the Forecasts and selected discount rates required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Forecasts and the selection of the discount rates included the following, among others:

- We tested the operating effectiveness of internal controls over management's purchase price allocation, such as controls related to management's Forecasts and the selection of the discount rates.

- We evaluated the reasonableness of management's Forecasts by comparing the Forecasts to (1) historical results, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in industry reports and other economic indicators.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rates by:
    - Testing the source information underlying the determination of the discount rates and testing the mathematical accuracy of the calculation.
    - Developing a range of independent estimates and comparing those to the discount rates selected by management.
- We evaluated whether management's Forecasts were consistent with evidence obtained in other areas of the audit.

/s/ DELOITTE & TOUCHE LLP

Cleveland, Ohio

February 26, 2021

We have served as the Company's auditor since 2004.

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***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.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined under Rule 13a-15(f) promulgated under the Exchange Act.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with appropriate authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the Company's internal control over financial reporting as of December 31, 2020 using the framework specified in *Internal Control - Integrated Framework* (2013), published by the Committee of Sponsoring Organizations of the Treadway Commission. We have excluded from our assessment the internal control over financial reporting at AK Steel, which was acquired on March 13, 2020, and whose assets as of December 31, 2020 constituted 32% of the Company’s consolidated total assets as of December 31, 2020, and whose revenues for the period from March 13, 2020 through December 31, 2020, inclusive, constituted 67% of the Company’s consolidated revenues for the year ended December 31, 2020. Management also excluded from our assessment the internal control over financial reporting at ArcelorMittal USA, which was acquired on December 9, 2020, and whose assets as of December 31, 2020 constituted 49% of the Company’s consolidated total assets as of December 31, 2020, and whose revenues for the period from December 9, 2020 through December 31, 2020, inclusive, constituted 8% of the Company’s consolidated revenues for the year ended December 31, 2020.

Based on such assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2020 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report that appears herein.

February 26, 2021

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting or in other factors that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of
Cleveland-Cliffs Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Cleveland-Cliffs Inc. and subsidiaries (the "Company") as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2020, of the Company and our report dated February 26, 2021, expressed an unqualified opinion on those financial statements.

As described in *Management's Report on Internal Control Over Financial Reporting*, management excluded from its assessment the internal control over financial reporting at AK Steel, which was acquired on March 13, 2020, and whose assets as of December 31, 2020 constituted 32% of the Company's consolidated total assets as of December 31, 2020, and whose revenues for the period from March 13, 2020 through December 31, 2020, inclusive, constituted 67% of the Company's consolidated revenues for the year ended December 31, 2020. Management also excluded from its assessment the internal control over financial reporting at ArcelorMittal USA, which was acquired on December 9, 2020, and whose assets as of December 31, 2020 constituted 49% of the Company's consolidated total assets as of December 31, 2020, and whose revenues for the period from December 9, 2020 through December 31, 2020, inclusive, constituted 8% of the Company's consolidated revenues for the year ended December 31, 2020. Accordingly, our audit did not include the internal control over financial reporting at either AK Steel or ArcelorMittal USA.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP
Cleveland, Ohio
February 26, 2021

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information required to be furnished by this Item will be set forth in our definitive proxy statement for the 2021 Annual Meeting of Shareholders (the "Proxy Statement") under the headings "Board Meetings and Committees — Audit Committee", "Code of Business Conduct and Ethics", "Independence and Related Party Transactions", and "Information Concerning Director Nominees", and is incorporated herein by reference and made a part hereof from the Proxy Statement. The information regarding executive officers required by this Item is set forth in *Part I - Item 1. Business* hereof under the heading "Information About Our Executive Officers", which information is incorporated herein by reference and made a part hereof.

Item 11. ***Executive Compensation***

The information required to be furnished by this Item will be set forth in the Proxy Statement under the headings "Director Compensation", "Compensation Discussion and Analysis", "Compensation Committee Report", "Compensation Committee Interlocks and Insider Participation", "Compensation-Related Risk Assessment" and "Executive Compensation" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required to be furnished by this Item will be set forth in the Proxy Statement under the headings "Ownership of Equity Securities of the Company" and "Equity Compensation Plan Information" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required to be furnished by this Item will be set forth in the Proxy Statement under the heading "Independence and Related Party Transactions" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

Item 14. ***Principal Accountant Fees and Services***

The information required to be furnished by this Item will be set forth in the Proxy Statement under the heading "Ratification of Independent Registered Public Accounting Firm" and is incorporated herein by reference and made a part hereof from the Proxy Statement.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a)(1) - List of Financial Statements

The following consolidated financial statements of Cleveland-Cliffs Inc. are included at *Item 8. Financial Statements and Supplementary Data* above:

- Statements of Consolidated Financial Position - December 31, 2020 and 2019
- Statements of Consolidated Operations - Years ended December 31, 2020, 2019 and 2018
- Statements of Consolidated Comprehensive Income - Years ended December 31, 2020, 2019 and 2018
- Statements of Consolidated Cash Flows - Years ended December 31, 2020, 2019 and 2018
- Statements of Consolidated Changes in Equity - Years ended December 31, 2020, 2019 and 2018
- Notes to Consolidated Financial Statements

(a)(2) - Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable, and therefore have been omitted or are contained in the applicable financial statements or the notes thereto.

(a)(3) List of 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.

Exhibit Number	Exhibit
	Plan of purchase, sale, reorganization, arrangement, liquidation or succession
2.1	**Agreement and Plan of Merger, dated as of December 2, 2019, by and among Cleveland-Cliffs Inc., AK Steel Holding Corporation and Pepper Merger Sub Inc. (filed as Exhibit 2.1 to Cliffs' Form 8-K on December 4, 2019 and incorporated herein by reference)
2.2	**Transaction Agreement, dated as of September 28, 2020, by and between Cleveland-Cliffs Inc. and ArcelorMittal S.A. (filed as Exhibit 2.1 to Cliffs' Form 10-Q for the period ended September 30, 2020 and incorporated herein by reference)
	Articles of Incorporation and Regulations of Cleveland-Cliffs Inc.
3.1	Fourth Amended Articles of Incorporation of Cliffs, as filed with the Secretary of State of the State of Ohio on September 25, 2020 (filed as Exhibit 3.2 to Cliffs' Form 8-K on September 28, 2020 and incorporated herein by reference)
3.2	Certificate of Amendment to Fourth Amended Articles of Incorporation of Cliffs, as filed with the Secretary of State of Ohio on December 7, 2020 (filed as Exhibit 3.1 to Cliffs Form 8-K on December 9, 2020 and incorporated herein by reference)
3.3	Regulations of Cliffs (filed as Exhibit 3.2 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
	Instruments defining rights of security holders, including indentures
4.1	Indenture, dated as of March 17, 2010, between Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.) and U.S. Bank National Association, as trustee (filed as Exhibit 4.3 to Cliffs' Registration Statement on Form S-3 (Registration No. 333-186617) on February 12, 2013 and incorporated herein by reference)
4.2	Third Supplemental Indenture, dated as of September 20, 2010, between Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.) and U.S. Bank National Association, as trustee, including Form of 6.25% Notes due 2040 (filed as Exhibit 4.4 to Cliffs' Form 8-K on September 17, 2010 and incorporated herein by reference)
4.3	Fifth Supplemental Indenture, dated as of March 31, 2011, between Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.) and U.S. Bank National Association, as trustee (filed as Exhibit 4(b) to Cliffs' Form 10-Q for the period ended June 30, 2011 and incorporated herein by reference)

4.4	Seventh Supplemental Indenture, dated as of May 7, 2013, between Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.) and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to Cliffs' Form 10-Q for the period ended June 30, 2013 and incorporated herein by reference)
4.5	Eighth Supplemental Indenture, dated as of December 19, 2017, by and between Cleveland-Cliffs Inc. and U.S. Bank National Association, as trustee, including Form of 1.50% Convertible Senior Notes due 2025 (filed as Exhibit 4.2 to Cliffs' Form 8-K on December 19, 2017 and incorporated herein by reference)
4.6	Indenture, dated as of February 27, 2017, among Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.), the Guarantors party thereto and U.S. Bank National Association, as trustee, including Form of 5.75% Senior Notes due 2025 (filed as Exhibit 4.1 to Cliffs' Form 8-K on August 7, 2017 and incorporated herein by reference)
4.7	First Supplemental Indenture, dated as of August 7, 2017, among Cliffs Natural Resources Inc. (n/k/a Cleveland-Cliffs Inc.), the Guarantors party thereto and U.S. Bank National Association, as trustee, including Form of 5.75% Senior Notes due 2025 (filed as Exhibit 4.2 to Cliffs' Form 8-K on August 7, 2017 and incorporated herein by reference)
4.8	Second Supplemental Indenture, dated as of September 29, 2017, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.11 to Cliffs' Form 10-K for the period ended December 31, 2017 and incorporated herein by reference)
4.9	Third Supplemental Indenture, dated as of October 27, 2017, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.12 to Cliffs' Form 10-K for the period ended December 31, 2017 and incorporated herein by reference)
4.10	Fourth Supplemental Indenture, dated as of August 27, 2018, among Cleveland-Cliffs Inc., the Additional Guarantor party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.10 to Cliffs' Form 10-K for the period ended December 31, 2019 and incorporated herein by reference)
4.11	Fifth Supplemental Indenture, dated as of March 13, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.2 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)
4.12	Sixth Supplemental Indenture, dated as of May 22, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.4 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)
4.13	Seventh Supplemental Indenture, dated as of December 9, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.14	Eighth Supplemental Indenture, dated as of December 18, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.15	Indenture, dated as of December 19, 2017, by and among Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent, including Form of 4.875% Senior Secured Notes due 2024 (filed as Exhibit 4.1 to Cliffs' Form 8-K on December 19, 2017 and incorporated herein by reference)
4.16	First Supplemental Indenture, dated as of August 27, 2018, among Cleveland-Cliffs Inc., the Additional Guarantor party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.12 to Cliffs' Form 10-K for the period ended December 31, 2019 and incorporated herein by reference)
4.17	Second Supplemental Indenture, dated as of March 13, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed as Exhibit 4.3 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)
4.18	Third Supplemental Indenture, dated as of May 22, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed as Exhibit 4.5 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)
4.19	Fourth Supplemental Indenture, dated as of December 9, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed herewith)
4.20	Fifth Supplemental Indenture, dated as of December 18, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed herewith)
4.21	Indenture, dated as of May 13, 2019, among Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee, including Form of 5.875% Senior Notes due 2027 (filed as Exhibit 4.1 to Cliffs' Form 8-K on May 14, 2019 and incorporated herein by reference)
4.22	First Supplemental Indenture, dated as of March 13, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.4 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)

4.23	Second Supplemental Indenture, dated as of May 22, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.6 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)
4.24	Third Supplemental Indenture, dated as of December 9, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.25	Fourth Supplemental Indenture, dated as of December 18, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.26	Indenture, dated as of March 13, 2020, among Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent, including Form of 6.75% Senior Secured Notes due 2026 (filed as Exhibit 4.1 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)
4.27	First Supplemental Indenture, dated as of May 22, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed as Exhibit 4.9 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)
4.28	Second Supplemental Indenture, dated as of June 19, 2020, among Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent, including Form of 6.75% Senior Secured Notes due 2026 (filed as Exhibit 4.10 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)
4.29	Third Supplemental Indenture, dated as of December 9, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed herewith)
4.30	Fourth Supplemental Indenture, dated as of December 18, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed herewith)
4.31	Indenture, dated as of March 16, 2020, by and among Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee, including Form of 6.375% Senior Notes due 2025 (filed as Exhibit 4.5 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)
4.32	First Supplemental Indenture, dated as of May 22, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.8 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)
4.33	Second Supplemental Indenture, dated as of December 9, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.34	Third Supplemental Indenture, dated as of December 18, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.35	Registration Rights Agreement, dated March 16, 2020, among Cleveland-Cliffs Inc., the Guarantors party thereto and Credit Suisse Securities (USA) LLC, as dealer manager, with respect to Cleveland-Cliffs Inc.'s 6.375% Senior Notes due 2025 (filed as Exhibit 4.6 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)
4.36	Indenture, dated as of March 16, 2020, among Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee, including Form of 7.00% Senior Notes due 2027 (filed as Exhibit 4.7 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)
4.37	First Supplemental Indenture, dated as of May 22, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed as Exhibit 4.7 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)
4.38	Second Supplemental Indenture, dated as of December 9, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.39	Third Supplemental Indenture, dated as of December 18, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee (filed herewith)
4.40	Registration Rights Agreement, dated March 16, 2020, among Cleveland-Cliffs Inc., as issuer, the Guarantors party thereto and Credit Suisse Securities (USA) LLC, as dealer manager, with respect to Cleveland-Cliffs Inc.'s 7.00% Senior Notes due 2027 (filed as Exhibit 4.8 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)
4.41	Indenture, dated as of April 17, 2020, among Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent, including Form of 9.875% Senior Secured Notes due 2025 (filed as Exhibit 4.1 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)

4.42	First Supplemental Indenture, dated as of April 24, 2020, among Cleveland-Cliffs Inc., the Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent, including Form of 9.875% Senior Secured Notes due 2025 (filed as Exhibit 4.2 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)
4.43	Second Supplemental Indenture, dated as of May 22, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed as Exhibit 4.3 to Cliffs' Form 10-Q for the period ended June 30, 2020 and incorporated herein by reference)
4.44	Third Supplemental Indenture, dated as of December 9, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed herewith)
4.45	Fourth Supplemental Indenture, dated as of December 18, 2020, among Cleveland-Cliffs Inc., the Additional Guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (filed herewith)
4.46	Form of Common Share Certificate (filed as Exhibit 4.1 to Cliffs' Form 10-Q for the period ended September 30, 2019 and incorporated herein by reference)
4.47	Form of Series B Participating Redeemable Preferred Stock Certificate (included in Exhibit 3.2)
4.48	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934 (filed herewith)
	Material contracts
10.1	* Form of Change in Control Severance Agreement (covering newly hired officers) (filed as Exhibit 10.4 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)
10.2	* Form of 2016 Change in Control Severance Agreement (filed as Exhibit 10.1 to Cliffs' 10-Q for the period ended September 30, 2016 and incorporated herein by reference)
10.3	* Cleveland-Cliffs Inc. 2012 Non-Qualified Deferred Compensation Plan (effective January 1, 2012) dated November 8, 2011 (filed as Exhibit 10.1 to Cliffs' Form 8-K on November 8, 2011 and incorporated herein by reference)
10.4	* Form of Director and Officer Indemnification Agreement between Cleveland-Cliffs Inc. and Directors and Officers (filed as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended March 31, 2019 and incorporated herein by reference)
10.5	* Cliffs Natural Resources Inc. Amended and Restated 2014 Nonemployee Directors' Compensation Plan (filed as Exhibit 10.1 to Cliffs' Form 8-K on May 2, 2016 and incorporated herein by reference)
10.6	*Form of Restricted Shares Agreement for Nonemployee Directors (filed as Exhibit 10.1 to Cliffs' Form 10-Q for the period ended June 30, 2018 and incorporated herein by reference)
10.7	*Form of Deferred Shares Agreement for Nonemployee Directors (filed as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended June 30, 2018 and incorporated herein by reference)
10.8	* Trust Agreement No. 1 (Amended and Restated effective June 1, 1997), dated June 12, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan, Severance Pay Plan for Key Employees and certain executive agreements (filed as Exhibit 10.10 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.9	* Trust Agreement No. 1 Amendments to Exhibits, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and KeyBank National Association, as Trustee (filed as Exhibit 10.11 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.10	* First Amendment to Trust Agreement No. 1, effective September 10, 2002, by and between Cleveland-Cliffs Inc and KeyBank National Association, as Trustee (filed as Exhibit 10.12 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.11	* Second Amendment to Trust Agreement No. 1 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(y) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.12	* Third Amendment to Trust Agreement No. 1 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed as Exhibit 10.15 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.13	* Amended and Restated Trust Agreement No. 2, effective as of October 15, 2002, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to Executive Agreements and Indemnification Agreements with the Company's Directors and certain Officers, the Company's Severance Pay Plan for Key Employees, and the Retention Plan for Salaried Employees (filed as Exhibit 10.14 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)

10.14	* Second Amendment to Amended and Restated Trust Agreement No. 2 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(aa) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.15	* Third Amendment to Amended and Restated Trust Agreement No. 2 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed as Exhibit 10.18 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.16	* Trust Agreement No. 7, dated as of April 9, 1991, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Supplemental Retirement Benefit Plan (filed as Exhibit 10.23 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.17	* First Amendment to Trust Agreement No. 7, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, dated as of March 9, 1992 (filed as Exhibit 10.24 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.20	* Second Amendment to Trust Agreement No. 7, dated November 18, 1994, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.25 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.21	* Third Amendment to Trust Agreement No. 7, dated May 23, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.26 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.22	* Fourth Amendment to Trust Agreement No. 7, dated July 15, 1997, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.27 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.23	* Amendment to Exhibits to Trust Agreement No. 7, effective as of January 1, 2000, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee (filed as Exhibit 10.28 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.24	* Sixth Amendment to Trust Agreement No. 7 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(oo) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.25	* Seventh Amendment to Trust Agreement No. 7 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed as Exhibit 10.34 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.26	* Trust Agreement No. 10, dated as of November 20, 1996, by and between Cleveland-Cliffs Inc and KeyBank National Association, Trustee, with respect to the Cleveland-Cliffs Inc Nonemployee Directors' Compensation Plan (filed as Exhibit 10.36 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.27	*First Amendment to Trust Agreement No. 10 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of December 31, 2008 (filed as Exhibit 10(ww) to Cliffs' Form 10-K for the period ended February 26, 2009 and incorporated herein by reference)
10.28	* Second Amendment to Trust Agreement No. 10 between Cliffs Natural Resources Inc. (f/k/a Cleveland-Cliffs Inc) and KeyBank National Association, Trustee, entered into and effective as of July 28, 2014 (filed as Exhibit 10.45 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)
10.29	* Letter Agreement, by and between Lourenco Goncalves and Cliffs Natural Resources Inc., signed as of September 11, 2014 (filed as Exhibit 10.1 to Cliffs' Form 8-K/A on September 16, 2014 and incorporated herein by reference)
10.30	* Cleveland-Cliffs Inc and Subsidiaries Management Performance Incentive Plan Summary, effective January 1, 2004 (filed as Exhibit 10.47 to Cliffs' Form 10-K for the period ended December 31, 2011 and incorporated herein by reference)
10.31	* Cliffs Natural Resources Inc. 2017 Executive Management Performance Incentive Plan effective January 1, 2017 (filed as Exhibit 10.2 to Cliffs' Form 8-K on April 27, 2017 and incorporated herein by reference)
10.32	* Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan (filed as Exhibit 10.1 to Cliffs' Form 8-K on August 4, 2014 and incorporated herein by reference)
10.33	* Form of Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan Non-Qualified Stock Option Award Memorandum (3-Year Vesting – January 2015 Grant) and Stock Option Award Agreement (filed as Exhibit 10.69 to Cliffs' Form 10-K for the period ended December 31, 2014 and incorporated herein by reference)

10.34	* Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan (filed as Exhibit 10.1 to Cliffs' Form 8-K on May 21, 2015 and incorporated herein by reference)
10.35	* Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan (filed as Exhibit 10.1 to Cliffs' Form 8-K on April 27, 2017 and incorporated herein by reference)
10.36	* Form of Cleveland-Cliffs Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan Restricted Stock Unit Award Memorandum and Restricted Stock Unit Award Agreement (filed as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended March 31, 2018 and incorporated herein by reference)
10.37	* Form of Cleveland-Cliffs Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan Performance Share Award Memorandum and Performance Share Award Agreement (filed as Exhibit 10.3 to Cliffs' Form 10-Q for the period ended March 31, 2018 and incorporated herein by reference)
10.38	* Form of Cleveland-Cliffs Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan Cash Incentive Award Memorandum (TSR) and Cash Incentive Award Agreement (TSR) (filed as Exhibit 10.4 to Cliffs' Form 10-Q for the period ended March 31, 2018 and incorporated herein by reference)
10.39	* Cliffs Natural Resources Inc. Supplemental Retirement Benefit Plan (as Amended and Restated effective December 1, 2006) dated December 31, 2008 (filed as Exhibit 10(mmm) to Cliffs' Form 10-K for the period ended December 31, 2008 and incorporated herein by reference)
10.40	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 (filed as Exhibit 10.1 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)
10.41	First Amendment to Asset-Based Revolving Credit Agreement, dated as of March 27, 2020, among Cleveland-Cliffs Inc., the lenders party thereto from time to time and Bank of America, N.A., as administrative agent (filed as Exhibit 10.2 to Cliffs' Form 10-Q for the period ended March 31, 2020 and incorporated herein by reference)
10.42	Second Amendment to Asset-Based Revolving Credit Agreement, dated as of December 9, 2020, among Cleveland-Cliffs Inc., the lenders party thereto from time to time and Bank of America, N.A., as administrative agent (filed herewith)
10.43	Investor Rights Agreement, dated as of December 9, 2020, by and between Cleveland-Cliffs Inc. and ArcelorMittal S.A. (filed as Exhibit 10.1 to Cliffs' Form 8-K on December 9, 2020 and incorporated herein by reference)
21	Subsidiaries of the Registrant (filed herewith)
22	Schedule of the obligated group, including the parent and issuer and the subsidiary guarantors that have guaranteed the obligations under the 4.875% 2024 Senior Secured Notes, the 5.75% 2025 Senior Notes, the 6.375% 2025 Senior Notes, the 6.75% 2026 Senior Secured Notes, the 5.875% 2027 Senior Notes, the 7.00% 2027 Senior Notes and the 9.875% 2025 Senior Secured Notes issued by Cleveland-Cliffs Inc. (filed herewith)
23	Consent of Independent Registered Public Accounting Firm (filed herewith)
24	Power of Attorney (filed herewith)
31.1	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 February 26, 2021 (filed herewith)
31.2	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 February 26, 2021 (filed herewith)
32.1	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 February 26, 2021 (filed herewith)
32.2	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 February 26, 2021 (filed herewith)
95	Mine Safety Disclosures (filed herewith)
101	The following financial information from Cleveland-Cliffs Inc.'s Annual Report on Form 10-K for the year ended December 31, 2020 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Statements of Consolidated Financial Position, (ii) the Statements of Consolidated Operations, (iii) the Statements of Consolidated Comprehensive Income, (iv) the Statements of Consolidated Cash Flows, (v) the Statements of Consolidated Changes in Equity, and (vi) Notes to the Consolidated Financial Statements.
104	The cover page from this Annual Report on Form 10-K, formatted in Inline XBRL.

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* Indicates management contract or other compensatory arrangement.

** Certain immaterial schedules and exhibits to this exhibit have been omitted pursuant to the provisions of Regulation S-K, Item 601(a)(5). A copy of any of the omitted schedules and exhibits will be furnished to the Securities and Exchange Commission upon request.

Item 16. ***Form 10-K Summary***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: February 26, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ C. L. Goncalves C. L. Goncalves	Chairman, President and Chief Executive Officer (Principal Executive Officer)	February 26, 2021
/s/ K. A. Koci K. A. Koci	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	February 26, 2021
/s/ K. A. Floriani K. A. Floriani	Vice President, Corporate Controller & Chief Accounting Officer (Principal Accounting Officer)	February 26, 2021
* J. T. Baldwin	Director	February 26, 2021
* R. P. Fisher, Jr.	Director	February 26, 2021
* W. K. Gerber	Director	February 26, 2021
* S. M. Green	Director	February 26, 2021
* M. A. Harlan	Director	February 26, 2021
* R. S. Michael, III	Director	February 26, 2021
* J. L. Miller	Director	February 26, 2021
* E. M. Rychel	Director	February 26, 2021
* G. Stoliar	Director	February 26, 2021
* D. C. Taylor	Director	February 26, 2021
* A. M. Yocum	Director	February 26, 2021

* The undersigned, by signing his name hereto, does sign and execute this Annual Report on Form 10-K pursuant to a Power of Attorney executed on behalf of the above-indicated directors of the registrant and filed herewith as Exhibit 24 on behalf of the registrant.

By: /s/ K. A. Koci
(K. A. Koci, as Attorney-in-Fact)

EXHIBIT 4.13

SEVENTH SUPPLEMENTAL INDENTURE
5.75% SENIOR NOTES DUE 2025

This Supplemental Indenture, dated as of December 9, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among Cleveland-Cliffs Steel Holdings Inc., ArcelorMittal Burns Harbor LLC, ArcelorMittal Cleveland LLC, ArcelorMittal Cleveland Works Railway Inc., ArcelorMittal Columbus LLC, ArcelorMittal Kote Inc., ArcelorMittal Minorca Mine Inc., ArcelosrMittal Monessen LLC, ArcelorMittal Plate LLC, ArcelorMittal Riverdale LLC, ArcelorMittal South Chicago & Indiana Harbor Railway Inc., ArcelorMittal Steelton LLC, ArcelorMittal Tek Inc., ArcelorMittal USA LLC, ArcelorMittal Weirton LLC, Mid-Vol Coal Sales, Inc., Mittal Steel USA — Railways Inc. (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (f/k/a Cliffs Natural Resources Inc.) (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee (the "**Trustee**") under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors party thereto and the Trustee have heretofore executed and delivered an Indenture, dated as of February 27, 2017, as supplemented by that certain First Supplemental Indenture, dated as of August 7, 2017, among the Company, the Guarantors party thereto, and the Trustee, that certain Second Supplemental Indenture, dated as of September 29, 2017, among the Company, the Guarantors party thereto, and the Trustee, that certain Third Supplemental Indenture, dated as of October 27, 2017, among the Company, the Guarantors party thereto, and the Trustee, that certain Fourth Supplemental Indenture, dated as of August 27, 2018, among the Company, the Guarantor party thereto, and the Trustee, that certain Fifth Supplemental Indenture, dated as of March 13, 2020, among the Company, the Guarantors party thereto, and the Trustee, and that certain Sixth Supplemental Indenture, dated as of May 22, 2020, among the Company, the Guarantors party thereto, and the Trustee (as so supplemented, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $1,075,000,000 of 5.75% Senior Notes due 2025 of the Company (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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors agree to be bound by all of the provisions of the Indenture applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.01 *Guarantee*. The Additional Guarantors agree, 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 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 Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Cleveland-Cliffs Steel Holdings Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Burns Harbor LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland Works Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Columbus LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Kote Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention:James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Minorca Mine Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Monessen LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Plate LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Riverdale LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal South Chicago & Indiana Harbor Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Steelton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114

Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Tek Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal USA LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Weirton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mid-Vol Coal Sales, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mittal Steel USA — Railways Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Indenture 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 the Additional Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CLEVELAND-CLIFFS STEEL HOLDINGS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

ARCELORMITTAL BURNS HARBOR LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND WORKS RAILWAY INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL COLUMBUS LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL KOTE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MINORCA MINE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MONESSEN LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL PLATE LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL RIVERDALE LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL SOUTH CHICAGO & INDIANA HARBOR RAILWAY INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL STEELTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL TEK INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL USA LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

ARCELORMITTAL WEIRTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

MID-VOL COAL SALES, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

MITTAL STEEL USA — RAILWAYS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.14

EIGHTH SUPPLEMENTAL INDENTURE
5.75% SENIOR NOTES DUE 2025

This Supplemental Indenture, dated as of December 18, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among I/N Tek L.P., I/N Kote L.P., Tek Kote Acquisition Corporation (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (f/k/a Cliffs Natural Resources Inc.) (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee (the "**Trustee**") under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors party thereto and the Trustee have heretofore executed and delivered an Indenture, dated as of February 27, 2017, as supplemented by that certain First Supplemental Indenture, dated as of August 7, 2017, among the Company, the Guarantors party thereto, and the Trustee, that certain Second Supplemental Indenture, dated as of September 29, 2017, among the Company, the Guarantors party thereto, and the Trustee, that certain Third Supplemental Indenture, dated as of October 27, 2017, among the Company, the Guarantors party thereto, and the Trustee, that certain Fourth Supplemental Indenture, dated as of August 27, 2018, among the Company, the Guarantor party thereto, and the Trustee, that certain Fifth Supplemental Indenture, dated as of March 13, 2020, among the Company, the Guarantors party thereto, and the Trustee, that certain Sixth Supplemental Indenture, dated as of May 22, 2020, among the Company, the Guarantors party thereto, and the Trustee, and that certain Seventh Supplemental Indenture, dated as of December 9, 2020, among the Company, the Guarantors party thereto, and the Trustee (as so supplemented, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $1,075,000,000 of 5.75% Senior Notes due 2025 of the Company (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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors agree to be bound by all of the provisions of the Indenture applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.02 *Guarantee* . The Additional Guarantors agree, 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 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 Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

I/N Tek L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

I/N Kote L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Tek Kote Acquisition Corporation
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Indenture 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 the Additional Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

I/N TEK L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

I/N KOTE L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

TEK KOTE ACQUISITION CORPORATION, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.19

FOURTH SUPPLEMENTAL INDENTURE

This Supplemental Indenture, dated as of December 9, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among Cleveland-Cliffs Steel Holdings Inc., ArcelorMittal Burns Harbor LLC, ArcelorMittal Cleveland LLC, ArcelorMittal Cleveland Works Railway Inc., ArcelorMittal Columbus LLC, ArcelorMittal Kote Inc., ArcelorMittal Minorca Mine Inc., ArcelorMittal Monessen LLC, ArcelorMittal Plate LLC, ArcelorMittal Riverdale LLC, ArcelorMittal South Chicago & Indiana Harbor Railway Inc., ArcelorMittal Steelton LLC, ArcelorMittal Tek Inc., ArcelorMittal USA LLC, ArcelorMittal Weirton LLC, Mid-Vol Coal Sales, Inc., Mittal Steel USA — Railways Inc. (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee and First Lien Notes Collateral Agent under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors, the First Lien Notes Collateral Agent and the Trustee have heretofore executed and delivered an Indenture, dated as of December 19, 2017 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $400,000,000 of 4.875% Senior Secured Notes due 2024 of the Company (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 a secured 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 Guarantors, 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 recital 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

Second 2.01 *Agreement to be Bound*. The Additional Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors hereby become parties to the Security Agreement, pursuant to the terms of such agreement, as Grantors thereunder with the same force and effect as if originally named therein as Grantors and as such hereby assume all obligations and

liabilities of a Grantor thereunder. The Additional Guarantors agree to be bound by all of the provisions of the Indenture and the Collateral Documents applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture and the Collateral Documents.

Section 2.02 *Guarantee*. The Additional Guarantors agree, 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 Obligations pursuant to Article 10 of the Indenture on a secured basis.

ARTICLE 3
Miscellaneous

Section 3.01 *Notices*. All notices and other communications to the Additional Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Cleveland-Cliffs Steel Holdings Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Burns Harbor LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland Works Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Columbus LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Kote Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Minorca Mine Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Monessen LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Plate LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Riverdale LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal South Chicago & Indiana Harbor Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Steelton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Tek Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal USA LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Weirton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mid-Vol Coal Sales, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mittal Steel USA — Railways Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 the Additional Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CLEVELAND-CLIFFS STEEL HOLDINGS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

ARCELORMITTAL BURNS HARBOR LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND WORKS RAILWAY INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL COLUMBUS LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL KOTE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MINORCA MINE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MONESSEN LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL PLATE LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL RIVERDALE LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL SOUTH CHICAGO & INDIANA HARBOR RAILWAY INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL STEELTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL TEK INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL USA LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

ARCELORMITTAL WEIRTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

MID-VOL COAL SALES, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

MITTAL STEEL USA -— RAILWAYS INC., as a Guarantor

By: /s/ James D. Graham

Name: James D. Graham

Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci

Name: Keith A. Koci

Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and First Lien Notes Collateral Agent

By: /s/ Elizabeth A. Thuning

Name: Elizabeth A. Thuning

Title: Vice President

EXHIBIT 4.20

FIFTH SUPPLEMENTAL INDENTURE

This Supplemental Indenture, dated as of December 18, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among I/N Tek L.P., I/N Kote L.P., Tek Kote Acquisition Corporation (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee and First Lien Notes Collateral Agent under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors, the First Lien Notes Collateral Agent and the Trustee have heretofore executed and delivered an Indenture, dated as of December 19, 2017 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $400,000,000 of 4.875% Senior Secured Notes due 2024 of the Company (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 a secured 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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors hereby become parties to the Security Agreement, pursuant to the terms of such agreement, as Grantors thereunder with the same force and effect as if originally named therein as Grantors and as such hereby assume all obligations and liabilities of a Grantor thereunder. The Additional Guarantors agree to be bound by all of the provisions of the Indenture and the Collateral Documents applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture and the Collateral Documents.

Section 2.02 *Guarantee*. The Additional Guarantors agree, 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 Obligations pursuant to Article 10 of the Indenture on a secured basis.

ARTICLE 3
Miscellaneous

Section 3.01 *Notices*. All notices and other communications to the Additional Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

I/N Tek L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

I/N Kote L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Tek Kote Acquisition Corporation
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 the Additional Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

I/N TEK L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

I/N KOTE L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

TEK KOTE ACQUISITION CORPORATION, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and First Lien Notes Collateral Agent

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.24

THIRD SUPPLEMENTAL INDENTURE
5.875% SENIOR GUARANTEED NOTES DUE 2027

This Supplemental Indenture, dated as of December 9, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among Cleveland-Cliffs Steel Holdings Inc., ArcelorMittal Burns Harbor LLC, ArcelorMittal Cleveland LLC, ArcelorMittal Cleveland Works Railway Inc., ArcelorMittal Columbus LLC, ArcelorMittal Kote Inc., ArcelorMittal Minorca Mine Inc., ArcelorMittal Monessen LLC, ArcelorMittal Plate LLC, ArcelorMittal Riverdale LLC, ArcelorMittal South Chicago & Indiana Harbor Railway Inc., ArcelorMittal Steelton LLC, ArcelorMittal Tek Inc., ArcelorMittal USA LLC, ArcelorMittal Weirton LLC, Mid-Vol Coal Sales, Inc., Mittal Steel USA — Railways Inc. (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee (the "**Trustee**") under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors party thereto and the Trustee have heretofore executed and delivered an Indenture, dated as of May 13, 2019 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $750,000,000 of 5.875% Senior Guaranteed Notes due 2027 of the Company (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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors agree to be bound by all of

the provisions of the Indenture applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.02 *Guarantee* . The Additional Guarantors agree, 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 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 Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Cleveland-Cliffs Steel Holdings Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Burns Harbor LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland Works Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Columbus LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Kote Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,

Chief Legal Officer & Secretary

ArcelorMittal Minorca Mine Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Monessen LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Plate LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Riverdale LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal South Chicago & Indiana Harbor Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Steelton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Tek Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal USA LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Weirton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mid-Vol Coal Sales, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mittal Steel USA — Railways Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Indenture 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 the Additional Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CLEVELAND-CLIFFS STEEL HOLDINGS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

ARCELORMITTAL BURNS HARBOR LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND WORKS RAILWAY INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL COLUMBUS LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL KOTE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MINORCA MINE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MONESSEN LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL PLATE LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL RIVERDALE LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL SOUTH CHICAGO & INDIANA HARBOR RAILWAY INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL STEELTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL TEK INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL USA LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

ARCELORMITTAL WEIRTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

MID-VOL COAL SALES, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

MITTAL STEEL USA -— RAILWAYS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Elizabeth A. Thuning

Name: Elizabeth A. Thuning

Title: Vice President

EXHIBIT 4.25

FOURTH SUPPLEMENTAL INDENTURE
5.875% SENIOR GUARANTEED NOTES DUE 2027

This Supplemental Indenture, dated as of December 18, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among I/N Tek L.P., I/N Kote L.P., Tek Kote Acquisition Corporation (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee (the "**Trustee**") under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors party thereto and the Trustee have heretofore executed and delivered an Indenture, dated as of May 13, 2019 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $750,000,000 of 5.875% Senior Guaranteed Notes due 2027 of the Company (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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors agree to be bound by all of the provisions of the Indenture applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.02 *Guarantee* . The Additional Guarantors agree, 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 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 Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

I/N Tek L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

I/N Kote L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Tek Kote Acquisition Corporation
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Indenture 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 the Additional Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

I/N TEK L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

I/N KOTE L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

TEK KOTE ACQUISITION CORPORATION, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.29

THIRD SUPPLEMENTAL INDENTURE
6.75% SENIOR SECURED NOTES DUE 2026

This Supplemental Indenture, dated as of December 9, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among Cleveland-Cliffs Steel Holdings Inc., ArcelorMittal Burns Harbor LLC, ArcelorMittal Cleveland LLC, ArcelorMittal Cleveland Works Railway Inc., ArcelorMittal Columbus LLC, ArcelorMittal Kote Inc., ArcelorMittal Minorca Mine Inc., ArcelorMittal Monessen LLC, ArcelorMittal Plate LLC, ArcelorMittal Riverdale LLC, ArcelorMittal South Chicago & Indiana Harbor Railway Inc., ArcelorMittal Steelton LLC, ArcelorMittal Tek Inc., ArcelorMittal USA LLC, ArcelorMittal Weirton LLC, Mid-Vol Coal Sales, Inc., Mittal Steel USA — Railways Inc. (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee and First Lien Notes Collateral Agent under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors, the First Lien Notes Collateral Agent and the Trustee have heretofore executed and delivered an Indenture, dated as of March 13, 2020 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $845,000,000 of 6.75% Senior Secured Notes due 2026 of the Company (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 a secured 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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors hereby become parties to the

Security Agreement, pursuant to the terms of such agreement, as Grantors thereunder with the same force and effect as if originally named therein as Grantors and as such hereby assume all obligations and liabilities of a Grantor thereunder. The Additional Guarantors agree to be bound by all of the provisions of the Indenture and the Collateral Documents applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture and the Collateral Documents.

Section 2.02 *Guarantee* . The Additional Guarantors agree, 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 Obligations pursuant to Article 10 of the Indenture on a secured basis.

ARTICLE 3
Miscellaneous

Section 3.01 *Notices*. All notices and other communications to the Additional Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Cleveland-Cliffs Steel Holdings Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Burns Harbor LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland Works Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Columbus LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Kote Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Minorca Mine Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Monessen LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Plate LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Riverdale LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal South Chicago & Indiana Harbor Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Steelton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Tek Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal USA LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Weirton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mid-Vol Coal Sales, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mittal Steel USA — Railways Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CLEVELAND-CLIFFS STEEL HOLDINGS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

ARCELORMITTAL BURNS HARBOR LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND WORKS RAILWAY INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL COLUMBUS LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL KOTE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MINORCA MINE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MONESSEN LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL PLATE LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL RIVERDALE LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL SOUTH CHICAGO & INDIANA HARBOR RAILWAY INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL STEELTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL TEK INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL USA LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

ARCELORMITTAL WEIRTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

MID-VOL COAL SALES, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

MITTAL STEEL USA -— RAILWAYS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and First Lien Notes Collateral Agent

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.30

FOURTH SUPPLEMENTAL INDENTURE
6.75% SENIOR SECURED NOTES DUE 2026

This Supplemental Indenture, dated as of December 18, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among I/N Tek L.P., I/N Kote L.P., Tek Kote Acquisition Corporation (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee and First Lien Notes Collateral Agent under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors, the First Lien Notes Collateral Agent and the Trustee have heretofore executed and delivered an Indenture, dated as of March 13, 2020 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $845,000,000 of 6.75% Senior Secured Notes due 2026 of the Company (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 a secured 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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors hereby become parties to the Security Agreement, pursuant to the terms of such agreement, as Grantors thereunder with the same force and effect as if originally named therein as Grantors and as such hereby assume all obligations and liabilities of a Grantor thereunder. The Additional Guarantors agree to be bound by all of the provisions of

the Indenture and the Collateral Documents applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture and the Collateral Documents.

Section 2.02 *Guarantee* . The Additional Guarantors agree, 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 Obligations pursuant to Article 10 of the Indenture on a secured basis.

ARTICLE 3
Miscellaneous

Section 3.01 *Notices*. All notices and other communications to the Additional Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

I/N Tek L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

I/N Kote L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Tek Kote Acquisition Corporation
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

I/N TEK L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

I/N KOTE L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

TEK KOTE ACQUISITION CORPORATION, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and First Lien Notes Collateral Agent

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.33

SECOND SUPPLEMENTAL INDENTURE
6.375% SENIOR GUARANTEED NOTES DUE 2025

This Supplemental Indenture, dated as of December 9, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among Cleveland-Cliffs Steel Holdings Inc., ArcelorMittal Burns Harbor LLC, ArcelorMittal Cleveland LLC, ArcelorMittal Cleveland Works Railway Inc., ArcelorMittal Columbus LLC, ArcelorMittal Kote Inc., ArcelorMittal Minorca Mine Inc., ArcelorMittal Monessen LLC, ArcelorMittal Plate LLC, ArcelorMittal Riverdale LLC, ArcelorMittal South Chicago & Indiana Harbor Railway Inc., ArcelorMittal Steelton LLC, ArcelorMittal Tek Inc., ArcelorMittal USA LLC, ArcelorMittal Weirton LLC, Mid-Vol Coal Sales, Inc., Mittal Steel USA — Railways Inc. (the "**Additional Guarantors**"), 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 March 16, 2020 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $231,824,000 of 6.375% Senior Guaranteed Notes due 2025 of the Company (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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors agree to be bound by all of

the provisions of the Indenture applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.02 *Guarantee*. The Additional Guarantors agree, 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 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 Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Cleveland-Cliffs Steel Holdings Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Burns Harbor LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland Works Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Columbus LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Kote Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114

Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Minorca Mine Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Monessen LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Plate LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Riverdale LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal South Chicago & Indiana Harbor Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Steelton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Tek Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal USA LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Weirton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mid-Vol Coal Sales, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mittal Steel USA — Railways Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CLEVELAND-CLIFFS STEEL HOLDINGS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

ARCELORMITTAL BURNS HARBOR LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND WORKS RAILWAY INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL COLUMBUS LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL KOTE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MINORCA MINE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MONESSEN LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL PLATE LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL RIVERDALE LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL SOUTH CHICAGO & INDIANA HARBOR RAILWAY INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL STEELTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL TEK INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL USA LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

ARCELORMITTAL WEIRTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

MID-VOL COAL SALES, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

MITTAL STEEL USA -— RAILWAYS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Elizabeth A. Thuning

Name: Elizabeth A. Thuning

Title: Vice President

EXHIBIT 4.34

THIRD SUPPLEMENTAL INDENTURE
6.375% SENIOR GUARANTEED NOTES DUE 2025

This Supplemental Indenture, dated as of December 18, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among I/N Tek L.P., I/N Kote L.P., Tek Kote Acquisition Corporation (the "**Additional Guarantors**"), 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 March 16, 2020 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $231,824,000 of 6.375% Senior Guaranteed Notes due 2025 of the Company (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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors agree to be bound by all of the provisions of the Indenture applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.02 *Guarantee*. The Additional Guarantors agree, 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 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 Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

I/N Tek L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

I/N Kote L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Tek Kote Acquisition Corporation
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

I/N TEK L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

I/N KOTE L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

TEK KOTE ACQUISITION CORPORATION, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.38

SECOND SUPPLEMENTAL INDENTURE
7.00% SENIOR GUARANTEED NOTES DUE 2027

This Supplemental Indenture, dated as of December 9, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among Cleveland-Cliffs Steel Holdings Inc., ArcelorMittal Burns Harbor LLC, ArcelorMittal Cleveland LLC, ArcelorMittal Cleveland Works Railway Inc., ArcelorMittal Columbus LLC, ArcelorMittal Kote Inc., ArcelorMittal Minorca Mine Inc., ArcelorMittal Monessen LLC, ArcelorMittal Plate LLC, ArcelorMittal Riverdale LLC, ArcelorMittal South Chicago & Indiana Harbor Railway Inc., ArcelorMittal Steelton LLC, ArcelorMittal Tek Inc., ArcelorMittal USA LLC, ArcelorMittal Weirton LLC, Mid-Vol Coal Sales, Inc., Mittal Steel USA — Railways Inc. (the "**Additional Guarantors**"), 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 March 16, 2020 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $335,376,000 of 7.00% Senior Guaranteed Notes due 2027 of the Company (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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors agree to be bound by all

of the provisions of the Indenture applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.02 *Guarantee*. The Additional Guarantors agree, 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 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 Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Cleveland-Cliffs Steel Holdings Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Burns Harbor LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland Works Railway Inc.
c/o Cleveland-Cliffs Inc.
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Chief Legal Officer & Secretary

ArcelorMittal Columbus LLC
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ArcelorMittal Kote Inc.
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Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Minorca Mine Inc.
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Chief Legal Officer & Secretary

ArcelorMittal Plate LLC
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Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Riverdale LLC
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ArcelorMittal South Chicago & Indiana Harbor Railway Inc.
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Chief Legal Officer & Secretary

ArcelorMittal Tek Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
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Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal USA LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
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Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Weirton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
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Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mid-Vol Coal Sales, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
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Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mittal Steel USA — Railways Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CLEVELAND-CLIFFS STEEL HOLDINGS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

ARCELORMITTAL BURNS HARBOR LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND WORKS RAILWAY INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL COLUMBUS LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL KOTE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MINORCA MINE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MONESSEN LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL PLATE LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL RIVERDALE LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL SOUTH CHICAGO & INDIANA HARBOR RAILWAY INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL STEELTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL TEK INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL USA LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

ARCELORMITTAL WEIRTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

MID-VOL COAL SALES, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

MITTAL STEEL USA -— RAILWAYS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Elizabeth A. Thuning

Name: Elizabeth A. Thuning

Title: Vice President

EXHIBIT 4.39

THIRD SUPPLEMENTAL INDENTURE
7.00% SENIOR GUARANTEED NOTES DUE 2027

This Supplemental Indenture, dated as of December 18, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among I/N Tek L.P., I/N Kote L.P., Tek Kote Acquisition Corporation (the "**Additional Guarantors**"), 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 March 16, 2020 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $335,376,000 of 7.00% Senior Guaranteed Notes due 2027 of the Company (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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors agree to be bound by all of the provisions of the Indenture applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.02 *Guarantee*. The Additional Guarantors agree, 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 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 Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

I/N Tek L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

I/N Kote L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Tek Kote Acquisition Corporation
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

I/N TEK L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

I/N KOTE L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

TEK KOTE ACQUISITION CORPORATION, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.44

THIRD SUPPLEMENTAL INDENTURE
9.875% SENIOR SECURED NOTES DUE 2025

This Supplemental Indenture, dated as of December 9, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among Cleveland-Cliffs Steel Holdings Inc., ArcelorMittal Burns Harbor LLC, ArcelorMittal Cleveland LLC, ArcelorMittal Cleveland Works Railway Inc., ArcelorMittal Columbus LLC, ArcelorMittal Kote Inc., ArcelorMittal Minorca Mine Inc., ArcelorMittal Monessen LLC, ArcelorMittal Plate LLC, ArcelorMittal Riverdale LLC, ArcelorMittal South Chicago & Indiana Harbor Railway Inc., ArcelorMittal Steelton LLC, ArcelorMittal Tek Inc., ArcelorMittal USA LLC, ArcelorMittal Weirton LLC, Mid-Vol Coal Sales, Inc., Mittal Steel USA — Railways Inc. (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee and First Lien Notes Collateral Agent under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors, the First Lien Notes Collateral Agent and the Trustee have heretofore executed and delivered an Indenture, dated as of April 17, 2020, as supplemented by that certain First Supplemental Indenture, dated as of April 24, 2020, among the Company, the Guarantors party thereto, the Trustee and the First Lien Notes Collateral Agent, and that certain Second Supplemental Indenture, dated as of May 22, 2020, among the Company, the Guarantors party thereto, the Trustee and the First Lien Notes Collateral Agent (as so supplemented and as otherwise amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $955,159,000 of 9.875% Senior Secured Notes due 2025 of the Company (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 a secured 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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors hereby become parties to the Security Agreement, pursuant to the terms of such agreement, as Grantors thereunder with the same force and effect as if originally named therein as Grantors and as such hereby assume all obligations and liabilities of a Grantor thereunder. The Additional Guarantors agree to be bound by all of the provisions of the Indenture and the Collateral Documents applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture and the Collateral Documents.

Section 2.02 *Guarantee*. The Additional Guarantors agree, 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 Obligations pursuant to Article 10 of the Indenture on a secured basis.

ARTICLE 3

Miscellaneous

Section 3.01 *Notices*. All notices and other communications to the Additional Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Cleveland-Cliffs Steel Holdings Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Burns Harbor LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Cleveland Works Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Columbus LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Kote Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Minorca Mine Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Monessen LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Plate LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Riverdale LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal South Chicago & Indiana Harbor Railway Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Steelton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Tek Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal USA LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

ArcelorMittal Weirton LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mid-Vol Coal Sales, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Mittal Steel USA — Railways Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CLEVELAND-CLIFFS STEEL HOLDINGS INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

ARCELORMITTAL BURNS HARBOR LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL CLEVELAND WORKS RAILWAY INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL COLUMBUS LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL KOTE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MINORCA MINE INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL MONESSEN LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL PLATE LLC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL RIVERDALE LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL SOUTH CHICAGO & INDIANA HARBOR RAILWAY INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL STEELTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL TEK INC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

ARCELORMITTAL USA LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

ARCELORMITTAL WEIRTON LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

MID-VOL COAL SALES, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and First Lien Notes Collateral Agent

By: /s/ Elizabeth A. Thuning

Name: Elizabeth A. Thuning

Title: Vice President

EXHIBIT 4.45

FOURTH SUPPLEMENTAL INDENTURE
9.875% SENIOR SECURED NOTES DUE 2025

This Supplemental Indenture, dated as of December 18, 2020 (this "**Supplemental Indenture**" or "**Guarantee**"), among I/N Tek L.P., I/N Kote L.P., Tek Kote Acquisition Corporation (the "**Additional Guarantors**"), Cleveland-Cliffs Inc. (together with its successors and assigns, the "**Company**") and U.S. Bank National Association, as Trustee and First Lien Notes Collateral Agent under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors, the First Lien Notes Collateral Agent and the Trustee have heretofore executed and delivered an Indenture, dated as of April 17, 2020, as supplemented by that certain First Supplemental Indenture, dated as of April 24, 2020, among the Company, the Guarantors party thereto, the Trustee and the First Lien Notes Collateral Agent, that certain Second Supplemental Indenture, dated as of May 22, 2020, among the Company, the Guarantors party thereto, the Trustee and the First Lien Notes Collateral Agent, and that certain Third Supplemental Indenture, dated as of December 9, 2020, among the Company, the Guarantors party thereto, the Trustee and the First Lien Notes Collateral Agent (as so supplemented and as otherwise amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $955,159,000 of 9.875% Senior Secured Notes due 2025 of the Company (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 a secured 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 Guarantors, 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 recital 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 Guarantors hereby become parties to the Indenture as Guarantors 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 Guarantors hereby become parties to the Security Agreement, pursuant to the terms of such agreement, as Grantors thereunder with the same force and effect as if originally named therein as Grantors and as such hereby assume all obligations and liabilities of a Grantor thereunder. The Additional Guarantors agree to be bound by all of the provisions of the Indenture and the Collateral Documents applicable to an Additional Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture and the Collateral Documents.

Section 2.02 *Guarantee*. The Additional Guarantors agree, 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 Obligations pursuant to Article 10 of the Indenture on a secured basis.

ARTICLE 3
Miscellaneous

Section 3.01 *Notices*. All notices and other communications to the Additional Guarantors shall be given as provided in the Indenture to the Additional Guarantors, at their respective addresses set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

I/N Tek L.P.

c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

I/N Kote L.P.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Tek Kote Acquisition Corporation
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Section 3.02 *Parties*. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the 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 Guarantors 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.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

I/N TEK L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

I/N KOTE L.P., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

TEK KOTE ACQUISITION CORPORATION, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel & Secretary

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and First Lien Notes Collateral Agent

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.48

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following is a summary of the terms and provisions of the common shares, par value $0.125 per share ("Common Shares"), of Cleveland-Cliffs Inc., an Ohio corporation (the "Company"), and is qualified by reference to the Company's articles of incorporation and regulations, which are incorporated by reference herein and attached as exhibits to the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, and to applicable provisions of Ohio law.

Common Shares

The Company has authorized 600,000,000 Common Shares. The holders of Common Shares are entitled to one vote for each share on all matters upon which shareholders have the right to vote and, upon proper notice, are entitled to cumulative voting rights in the election of directors. The Common Shares do not have any preemptive rights, are not subject to redemption and do not have the benefit of any sinking fund. Holders of Common Shares are entitled to receive such dividends as the Company's directors from time to time may declare out of funds legally available therefor. Entitlement to dividends is subject to the preferences granted to other classes of securities the Company has or may have outstanding in the future. In the event of the Company's liquidation, holders of Common Shares are entitled to share in any of the Company's assets remaining after satisfaction in full of its liabilities and satisfaction of such dividend and liquidation preferences as may be possessed by the holders of other classes of securities the Company has or may have outstanding in the future.

Preferred Stock

The Company has authorized 3,000,000 shares of serial preferred stock, Class A, without par value ("Class A Preferred Stock"), and 4,000,000 shares of serial preferred stock, Class B, without par value ("Class B Preferred Stock" and, collectively with the Class A Preferred Stock, "Preferred Stock"), of which 583,273 shares have been designated as the "Series B Participating Redeemable Preferred Stock." Under the Company's articles of incorporation, the Company's board of directors can issue, without further shareholder action, up to 3,000,000 shares of Class A Preferred Stock and up to 4,000,000 shares of Class B Preferred Stock, in each case, with such rights and restrictions as the Company's board of directors may determine, subject to any shares of Preferred Stock of the applicable class then outstanding.

In some cases, the issuance of Preferred Stock could delay, defer or prevent a change in control and make it harder to remove present management, without further action by the Company's shareholders. Under some circumstances, Preferred Stock could also decrease the amount of earnings and assets available for distribution to holders of Common Shares if the Company liquidates or dissolves and could also restrict or limit dividend payments to holders of Common Shares.

Series B Participating Redeemable Preferred Stock

The Series B Participating Redeemable Preferred Stock ranks senior to the Common Shares with respect to dividend rights and rights on the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of, and certain bankruptcy events involving, the Company. Each share of Series B Participating Redeemable Preferred Stock entitles its holder to receive a multiple, initially equal to 100 (subject to certain anti-dilution adjustments, the "Applicable Multiple"), of the aggregate amount per share of all dividends declared on the Common Shares. In addition, from and after the 24-month anniversary of the issue date of the Series B Participating Redeemable Preferred Stock (the "24-Month Anniversary"), each holder of a share of Series B Participating Redeemable

Preferred Stock is entitled to receive cash dividends (the "Additional Dividends") accruing and compounding on a daily basis at the initial rate of 10% per annum on the sum of (i) the Applicable Multiple then in effect times the volume-weighted average price of the Common Shares for the 20 consecutive trading days ending on the trading day immediately preceding the 24-Month Anniversary and (ii) the amount of accumulated and unpaid dividends on the Series B Participating Redeemable Preferred Stock to, but not including, the 24-Month Anniversary, if any, which rate will increase by 2% per annum at the end of each six-month period following the 24-Month Anniversary. Additional Dividends will be payable, when, as and if declared by the Company's board of directors, in quarterly installments.

The Series B Participating Redeemable Preferred Stock is redeemable, in whole or in part, at the Company's option at any time and from time to time on and after the date that is 180 days after the issue date at a redemption price per share equal to the Applicable Multiple then in effect times the volume-weighted average price of the Common Shares for the 20 consecutive trading days ending on the trading day immediately preceding the date fixed for redemption, plus accumulated and unpaid dividends to, but not including, the redemption date.

In the event of a change of control of the Company, the Series B Participating Redeemable Preferred Stock will be subject to mandatory redemption at a redemption price per share equal to the Applicable Multiple then in effect times the volume-weighted average price of the Common Shares for the 20 consecutive trading days ending on the trading day immediately preceding the closing date of the transaction constituting such change of control.

In addition, pursuant to the terms of the Series B Participating Redeemable Preferred Stock, the Company is restricted from effecting any merger or consolidation with or into another entity unless the Series B Participating Redeemable Preferred Stock remains outstanding following the merger or consolidation, is exchanged for new preferred stock with substantially identical terms or is to be redeemed in connection with the closing of such merger or consolidation.

In addition to the foregoing, the Series B Participating Redeemable Preferred Stock is subject to the express terms of the Class B Preferred Stock as set forth in the Company's articles of incorporation, except that holders of Series B Participating Redeemable Preferred Stock, in their capacity as such, do not have the right to vote with the other series of Class B Preferred Stock then outstanding, if any, voting separately as a class, for the election of additional directors of the Company upon certain defaults by the Company in the payment of dividends, as provided in the Company's articles of incorporation.

Ohio Control Share Acquisition Statute

The Ohio Control Share Acquisition Statute requires the prior authorization of the shareholders of certain corporations in order for any person to acquire, either directly or indirectly, shares of that corporation that would entitle the acquiring person to exercise or direct the exercise of 20% or more of the voting power of that corporation in the election of directors or to exceed specified other percentages of voting power. In the event an acquiring person proposes to make such an acquisition, the person is required to deliver to the corporation a statement disclosing, among other things, the number of shares owned, directly or indirectly, by the person, the range of voting power that may result from the proposed acquisition and the identity of the acquiring person. Within 10 days after receipt of this statement, the corporation must call a special meeting of shareholders to vote on the proposed acquisition. The acquiring person may complete the proposed acquisition only if the acquisition is approved by the affirmative vote of the holders of at least a majority of the voting power of all shares entitled to vote in the election of directors represented at the meeting excluding the voting power of all "interested shares." Interested shares include any shares held by the acquiring person and those held by officers and directors who are employees of the corporation as well as by certain others, including many holders commonly characterized as arbitrageurs. The Ohio Control Share Acquisition Statute does not apply to a corporation if its articles of incorporation or code of regulations state that the statute does not apply to a

corporation. Neither the Company's articles of incorporation nor its regulations contain a provision opting out of this statute.

Ohio Interested Shareholder Statute

Chapter 1704 of the Ohio Revised Code prohibits certain corporations from engaging in a "chapter 1704 transaction" with an "interested shareholder" for a period of three years after the date of the transaction in which the person became an interested shareholder, unless, among other things:

- the articles of incorporation expressly provide that the corporation is not subject to the statute (the Company has not made this election); or
- the board of directors of the corporation approves the chapter 1704 transaction or the acquisition of the shares before the date the shares were acquired.

After the three-year moratorium period, the corporation may not consummate a chapter 1704 transaction unless, among other things, it is approved by the affirmative vote of the holders of at least two-thirds of the voting power in the election of directors and the holders of a majority of the voting shares, excluding all shares beneficially owned by an interested shareholder or an affiliate or associate of an interested shareholder, or the shareholders receive certain minimum consideration for their shares. A chapter 1704 transaction includes certain mergers, sales of assets, consolidations, combinations and majority share acquisitions involving an interested shareholder. An interested shareholder is defined to include, with limited exceptions, any person who, together with affiliates and associates, is the beneficial owner of a sufficient number of shares of the corporation to entitle the person, directly or indirectly, alone or with others, to exercise or direct the exercise of 10% or more of the voting power in the election of directors after taking into account all of the person's beneficially owned shares that are not then outstanding.

EXHIBIT 10.42

EXECUTION VERSION

SECOND AMENDMENT TO ASSET-BASED REVOLVING CREDIT AGREEMENT

SECOND AMENDMENT TO ASSET-BASED REVOLVING CREDIT AGREEMENT, dated as of December 9, 2020 (this "Amendment"), by and among CLEVELAND-CLIFFS INC., an Ohio corporation, as Parent and a Borrower ("Parent"), the lenders party hereto and Bank of America, N.A., as administrative agent (in such capacity, "Agent") for the Lenders (as defined below).

W I T N E S S E T H:

WHEREAS, Parent, the other borrowers party thereto from time to time, each lender from time to time party thereto (the "Lenders") and Agent have entered into an Asset-Based Revolving Credit Agreement, dated as of March 13, 2020, as amended by the First Amendment to Asset-Based Revolving Credit Agreement, dated as of March 27, 2020 (the "Existing Credit Agreement" and, as amended by this Amendment, the "Amended Credit Agreement") (capitalized terms not otherwise defined in this Amendment have the same meanings assigned thereto in the Existing Credit Agreement);

WHEREAS, pursuant to the Transaction Agreement, dated as of September 28, 2020, between Parent and ArcelorMittal S.A., an entity formed under the laws of Luxembourg (the "Seller") (together with all schedules, exhibits and annexes thereto, the "Acquisition Agreement"), Parent will, among other things, directly or indirectly, acquire (the "Acquisition") 100% of the equity interests of ArcelorMittal USA LLC ("AM USA" and together with its subsidiaries and affiliates, the "Target");

WHEREAS, in connection with the Acquisition and pursuant to Section 2.16(a) of the Existing Credit Agreement, Parent notified the Agent of its desire to obtain an Upsize Incremental Commitment in respect of the Tranche A Revolver Commitments in an aggregate principal amount of $1,500,000,000 (the "2020 Incremental ABL Commitments" and such incremental facility, the "Incremental ABL Facility");

WHEREAS, the Persons holding the 2020 Incremental ABL Commitments are severally willing to make the 2020 Incremental ABL Loans ("2020 Incremental ABL Lenders") on the Effective Date (as defined below) in an aggregate amount equal to their respective 2020 Incremental ABL Commitment, subject to the terms and conditions set forth in this Amendment. The amount of the 2020 Incremental ABL Commitments of each 2020 Incremental ABL Lender is set forth opposite such 2020 Incremental ABL Lender's name in Exhibit C hereto under the caption "2020 Incremental ABL Commitment."

WHEREAS, pursuant to Section 14.1(a) of the Existing Credit Agreement, Parent has requested that Agent and the Lenders amend certain provisions of the Existing Credit Agreement;

WHEREAS, BofA Securities, Inc., Goldman Sachs Bank USA, Credit Suisse Loan Funding LLC, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, Deutsche Bank Securities Inc., PNC Capital Markets LLC, Citibank N.A., Barclays Bank PLC, Citizens Capital Markets, Inc., Fifth Third Bank, National Association and BMO Harris Bank, N.A., are acting as joint lead arrangers and joint book runners for this Amendment and the 2020 Incremental ABL Commitments (the "2020 Joint Lead Arrangers");

WHEREAS The Huntington National Bank, Regions Bank, MUFG Union Bank, N.A. and Truist Bank are acting as Co-Documentation Agents for this Amendment;

WHEREAS, the Lenders party hereto each consent to each of the amendments set forth in Section 2 hereof.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, Parent, the undersigned Lenders constituting all of the Lenders under the Existing Credit Agreement, all of the 2020 Incremental

ABL Lenders and Agent are entering into this Amendment in order to amend the Existing Credit Agreement as set forth herein, in each case, subject to the terms and conditions set forth herein.

SECTION 1. Incremental ABL Facility.

(a) On the Effective Date, subject to the terms and conditions set forth herein, each 2020 Incremental ABL Lender agrees that it shall be a "Tranche A Revolving Lender" with a "Tranche A Revolver Commitment" under the Amended Credit Agreement in an aggregate principal amount equal to its 2020 Incremental ABL Commitments plus its initial Tranche A Revolver Commitment with such 2020 Incremental ABL Commitments (i) having the same terms and conditions as the initial Tranche A Revolver Commitments and constituting the same Class of Revolver Commitments as the initial Tranche A Revolver Commitments for all purposes under the Amended Credit Agreement and (ii) constituting a commitment to make additional Tranche A Revolving Loans on the same terms as the initial 2020 Tranche A Revolver Commitments under the Amended Credit Agreement. In connection with the foregoing, all references in the Amended Credit Agreement and the other Loan Documents to a "Tranche A Revolver Commitment" or "Revolver Commitment", or similar terms shall, from and after the date hereof, be deemed to include the 2020 Incremental ABL Commitments and all references in the Amended Credit Agreement and the other Loan Documents to a "Tranche A Revolving Lender" or a "Revolving Lender", or similar terms shall from and after the date hereof, be deemed to include the 2020 Incremental ABL Lenders.

(b) On the Effective Date, after giving effect to this Amendment, the aggregate principal amount of the Tranche A Revolver Commitments shall be $3,350,000,000 and the aggregate principal amount of the Tranche B Revolver Commitments shall be $150,000,000.

(c) As of the Effective Date, each Lender (including the 2020 Incremental ABL Lenders) agrees that such Lender's Tranche A Revolving Loans and Letter of Credit and Swing Loan reimbursement obligations outstanding shall be adjusted consistent with Section 2.16(b) of the Amended Credit Agreement to give effect to the 2020 Incremental ABL Commitments.

SECTION 2. Amendments to Credit Agreement and Guaranty and Security Agreement.

(a) Effective on and as of the Effective Date, each of the Lenders party hereto, Parent and Agent agrees that the Existing Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.

(b) Effective on and as of the Effective Date, Schedule C-1 of the Existing Credit Agreement is deleted in its entirety and replaced with Schedule C-1 attached as Exhibit C hereto.

(c) Effective on and as of the Effective Date, Schedule E-1 of the Existing Credit Agreement is deleted in its entirety and replaced with Schedule E-1 attached as Exhibit D hereto.

(d) Effective on and as of the Effective Date, Schedule E-2 of the Existing Credit Agreement is deleted in its entirety and replaced with Schedule E-2 attached as Exhibit E hereto.

(e) Effective on and as of the Effective Date, Schedule E-3 of the Existing Credit Agreement is deleted in its entirety and replaced with Schedule E-3 attached as Exhibit F hereto.

(f) Effective on and as of the Effective Date, Schedule P-4 of the Existing Credit Agreement is deleted in its entirety and replaced with Schedule P-4 attached as Exhibit G hereto.

(g) Each Lender party hereto and Agent hereby acknowledge and agree that this Amendment shall constitute an Incremental Amendment pursuant to Section 2.16(d) of the Existing Credit Agreement.

(h) Effective on and as of the Effective Date, each of the Lenders party hereto, Parent and Agent agrees that the definition of "Excluded Accounts" in the Guaranty and Security Agreement shall be amended and restated as follows:

> "Excluded Accounts" means (a) any pension, payroll, trust, tax withholding or margin account funded in the ordinary course of business or required by applicable law, (b) any Deposit Accounts, Securities Accounts or other accounts having a total collected balance that does not, at any time exceed (i) $1,000,000 individually or (ii) $2,500,000 in the aggregate for all Grantors and all such accounts or (c) any disbursement account holding cash or Cash Equivalents used for the purposes permitted by clause (z) of the definition of "Permitted Liens" in the Credit Agreement.

SECTION 3. Conditions of Effectiveness of the Amendment. The effectiveness of this Amendment and the Incremental ABL Facility is subject to satisfaction (or waiver) of the following conditions (the date of satisfaction (or waiver) of such conditions being the "Effective Date"):

(a) Agent shall have received an executed counterpart (which may include a facsimile or other electronic transmission) of this Amendment from (i) Parent and (ii) each of the Tranche A Revolving Lenders, the Tranche B Revolving Lenders, the 2020 Incremental ABL Lenders and the Issuing Banks;

(b) the Acquisition shall be consummated prior to or substantially contemporaneously with the effectiveness of this Amendment in all material respects in accordance with the Acquisition Agreement (in each case without any waiver, amendment, modification or supplement thereof by Parent or any of its affiliates or any consent or election thereunder by Parent or any of its affiliates (any one of the foregoing, a "Modification") that, in any such case, is material and adverse to BofA Securities, Inc. or Goldman Sachs Bank USA (in either case, in their capacities as joint lead arrangers) without the prior written consent of BofA Securities, Inc. and Goldman Sachs Bank USA (not to be unreasonably withheld, conditioned or delayed));

(c) the 2020 Joint Lead Arrangers shall have received (i) either (x) copies of Parent's Governing Documents, as amended, modified, or supplemented and in effect on the Effective Date, which Governing Documents shall be (1) certified by an officer, director, manager, or equivalent person of Parent and (2) with respect to Governing Documents that are charter documents, certified as of a recent date by an appropriate governmental official or (y) a certificate from the Secretary or other officer of Parent which shall certify that the Governing Documents of Parent, together with all amendments thereto, delivered on the Closing Date have not been amended, repealed, modified or restated (except as attached thereto) since the date reflected thereon and each Governing Document is in full force and effect and (ii) a certificate from the Secretary or other officer of Parent (x) attesting to the resolutions of Parent's board of directors authorizing the execution, delivery, and performance of this Amendment and any related Loan Documents to which it is a party, (y) authorizing specific officers of Parent to execute this Amendment and any related Loan Documents to which it is a party, and (z) attesting to the incumbency and signatures of such specific officers of Parent;

(d) Agent shall have received a certificate of status with respect to Parent (where applicable, or such other customary functionally equivalent certificates, to the extent available in the applicable jurisdiction), such certificate to be issued by the appropriate officer of the jurisdiction of organization of Parent, which certificate shall indicate that Parent is in good standing in such jurisdiction;

(e) Agent shall have received a solvency certificate from the chief financial officer (or other comparable financial officer) of Parent in a form substantially consistent with the solvency certificate delivered on the Closing Date;

(f) subject to the last two sentences of Section 5.12 of the Amended Credit Agreement, Liens on the Collateral of ArcelorMittal USA LLC and each of its Domestic Wholly-Owned Subsidiaries (other than any Excluded Subsidiary) (the "2020 Target Loan Parties") shall have been granted to the Agent and the Agent shall have received (x) evidence that appropriate Uniform Commercial Code financing statements and as-extracted collateral filings have been (or, on the Effective Date, will be) duly filed in such office or offices as may be necessary or, in the opinion of Agent, desirable to perfect the Agent's Liens in the Collateral of the 2020 Target Loan Parties, (y) certificates, notes or other instruments (if any) representing the Collateral of the 2020 Target Loan Parties required to be delivered pursuant to the Guaranty and Security Agreement and the Intercreditor Agreement, together with stock powers, note powers or other instruments of transfer (if any) with respect thereto endorsed in blank and (z) all other executed documents and instruments required by the Loan Documents to grant and perfect the Agent's Liens in the Collateral by the 2020 Target Loan Parties and, if applicable, be in proper form for filing; notwithstanding anything to the contrary herein, to the extent any Collateral of the 2020 Target Loan Parties (other than Collateral that may be perfected by the (x) filing of a UCC financing statement with the Secretary of State where the applicable debtor is located or (y) delivery of the stock certificate and stock power of AM USA) that cannot be delivered or a security interest therein cannot be created or perfected on the Effective Date after Parent's use of commercially reasonable efforts to do so, then the creation and/or perfection of the security interest in such Collateral shall not constitute a condition precedent hereunder but, instead, may be accomplished at any time prior to (i) with respect to the delivery of the stock certificates and stock powers of the Target (other than AM USA and any Excluded Equity), the date that is 30 days after the Effective Date (with extensions available in the applicable Agent's reasonable discretion), (ii) with respect to any as-extracted collateral UCC filings, the date that is 180 days after the Effective Date (with extensions available in the Agent's reasonable discretion), (iii) with respect to Blocked Account Control Agreements between AcerlorMittal USA LLC, the Agent and JPMorgan Chase Bank N.A. (the "Depositary") in respect of Account No. 927641589 maintained at the Depositary, the date that is 240 days after the Effective Date (with extensions available in the applicable Agent's reasonable discretion), (iv) with respect to the Blocked Account Control Agreement between AcerlorMittal USA LLC, the Agent and JPMorgan Chase Bank N.A. (the "Depositary") in respect of Accounts No. 730130788 and No. 826202538 maintained at the Depositary, the date that is 10 Business Days after the Effective Date (with extensions available in the applicable Agent's reasonable discretion), (v) with respect to any other Collateral, the date that is 90 days after the Effective Date (with extensions available in the applicable Agent's reasonable discretion) or (vi) with respect to any other Fixed Asset Priority Collateral, such dates as set forth in the Senior Secured Notes Documents;

(g) Agent shall have received each of the following documents, in form and substance reasonably satisfactory to Agent, duly executed and delivered, and each such document shall be in full force and effect:

1. a joinder to the Guaranty and Security Agreement executed by the 2020 Target Loan Parties;

2. a Copyright Security Agreement, Patent Security Agreement and Trademark Security Agreement, as applicable, in each case, executed by the applicable 2020 Target Loan Parties; and

3. an Acknowledgement to the Intercreditor Agreement executed by the 2020 Target Loan Parties;

(h) each of the 2020 Incremental ABL Lenders shall have received, at least three Business Days prior to the Effective Date, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act, that such 2020 Incremental ABL Lender has requested at least 10 Business Days prior to the Effective Date, including, if Parent qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to Parent;

(i) the 2020 Joint Lead Arrangers shall have received (a) unaudited consolidated balance sheets and related statements of income, comprehensive income and cash flows of Parent and its consolidated subsidiaries for each fiscal quarter (other than any fourth fiscal quarter) ended after December 31, 2019 and at least 45 days prior to the Effective Date (and the 2020 Joint Lead Arrangers hereby acknowledge receipt of such unaudited financial statements as of and for the fiscal quarters ended March 31, 2020, June 30, 2020 and September 30, 2020) and (b) the unaudited combined and consolidated financial statements of ArcelorMittal USA LLC for the fiscal quarter ending September 30, 2020 (and the 2020 Joint Lead Arrangers hereby acknowledge receipt of such unaudited financial statements);

(j) no Default or Event of Default exists or would result immediately after giving effect to the transactions contemplated hereby;

(k) the representations and warranties of the Loan Parties set forth in Section 4 of this Amendment are true and correct;

(l) Agent shall have received a certificate signed by a Responsible Officer of Parent certifying as to the matters set forth in paragraphs (b), (j) and (k) of this Section 3;

(m) Agent shall have received from each of Jones Day and Frost Brown Todd LLC, an opinion addressed to Agent and each of the Lenders party hereto and dated the Effective Date in form and substance reasonably satisfactory to Agent;

(n) Agent shall have received the Reaffirmation Agreement attached as Exhibit B hereto executed by each Loan Party (other than Parent); an

(o) (i) Agent shall have received all fees and expenses required to be paid by Parent pursuant to the Amended and Restated Commitment Letter, dated as of October 12, 2020, between Agent, BofA Securities, Inc., Goldman Sachs Bank USA and Parent, the Fee Letter and the Engagement Letter, dated as of November 11, 2020, between Parent and BofA Securities, Inc. and (ii) Agent shall have received all other fees and expenses required to be paid by the Loan Parties pursuant to the Credit Agreement for which invoices have been presented at least three Business Days prior to the Effective Date or such later date to which Parent may agree (including the reasonable fees and expenses of legal counsel that are payable under the Credit Agreement), in each case on or before the Effective Date.

SECTION 4. Representations and Warranties. To induce the other parties hereto to enter into this Amendment, each Loan Party represents and warrants to each of the Lenders party hereto and Agent that, as of the Effective Date:

(a) this Amendment has been duly authorized, executed and delivered by each Loan Party and constitutes, and the Amended Credit Agreement constitutes, a legal, valid and binding obligation, enforceable against each Loan Party, 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; and

(b) the representations and warranties of each Loan Party set forth in Article 4 of the Amended Credit Agreement and the other Loan Documents are true and correct in all material respects (unless such representation and warranty is qualified by "materiality" or "Material Adverse Effect" or other similar qualification, in which case such representation and warranty shall be true and correct in all respects) on and as of the Effective Date (both immediately before and immediately after giving effect to this Amendment), except to the extent that such representations and warranties specifically refer to an earlier date or specified period, in which case they shall be true and correct in all material respects (unless such representation and warranty is qualified by "materiality" or "Material Adverse Effect" or other similar qualification, in which case such representation and warranty shall be true and correct in all respects) as of such earlier date or for such specified period.

SECTION 5. Reference to and Effect on the Existing Credit Agreement and the other Loan Documents.

(a) On and after the Effective Date, each reference in the Existing Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Amended Credit Agreement.

(b) The Amended Credit Agreement and each of the other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Existing Credit Agreement or the Loan Documents, which shall remain in full force and effect, except as modified hereby. On and after the Effective Date, this Amendment shall for all purposes constitute a Loan Document.

(d) The parties hereto acknowledge and agree that the amendment of the Credit Agreement pursuant to this Amendment and all other Loan Documents amended and/or executed and delivered in connection herewith shall not constitute a novation of the Credit Agreement and the other Loan Documents as in effect prior to the Effective Date.

SECTION 6. Execution in Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by facsimile or electronic transmission of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart of this Amendment.

SECTION 7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8. Headings. Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Amendment.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

PARENT

CLEVELAND-CLIFFS INC.

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

BANK OF AMERICA, N.A., as Agent, a 2020 Incremental ABL Lender, a Tranche A Revolving Lender, a Tranche B Revolving Lender and an Issuing Bank

By: /s/ Thomas H. Herron
Name: Thomas H. Herron
Title: Senior Vice President

Wells Fargo Bank, National Association, as a 2020 Incremental ABL Lender

By: /s/ Andrew Dilley
Name: Andrew Dilley
Title: Authorized Signatory

Wells Fargo Bank, National Association, as a Tranche A Revolving Lender

By: /s/ Andrew Dilley
Name: Andrew Dilley
Title: Authorized Signatory

Wells Fargo Bank, National Association, as a Tranche B Revolving Lender

By: /s/ Andrew Dilley
Name: Andrew Dilley
Title: Authorized Signatory

Wells Fargo Bank, National Association, as an Issuing Bank

By: /s/ Andrew Dilley
Name: Andrew Dilley
Title: Authorized Signatory

JPMORGAN CHASE BANK, N.A., as a 2020 Incremental ABL Lender

By: /s/ Eric B. Bergeson
Name: Eric B. Bergeson
Title: Authorized Officer

JPMORGAN CHASE BANK, N.A., as a Tranche A Revolving Lender

By: /s/ Eric B. Bergeson
Name: Eric B. Bergeson
Title: Authorized Officer

JPMORGAN CHASE BANK, N.A., as a Tranche B Revolving Lender

By: /s/ Eric B. Bergeson
Name: Eric B. Bergeson
Title: Authorized Officer

JPMORGAN CHASE BANK, N.A., as an Issuing Bank

By: /s/ Eric B. Bergeson
Name: Eric B. Bergeson
Title: Authorized Officer

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as a 2020 Incremental ABL Lender

By: /s/ Paul Vitti
Name: Paul Vitti
Title: Managing Director

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as a Tranche A Revolving Lender

By: /s/ Paul Vitti
Name: Paul Vitti
Title: Managing Director

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as a Tranche B Revolving Lender

By: /s/ Paul Vitti
Name: Paul Vitti
Title: Managing Director

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as an Issuing Bank

By: /s/ Paul Vitti
Name: Paul Vitti
Title: Managing Director

PNC BANK, NATIONAL ASSOCIATION, as a 2020 Incremental ABL Lender

By: /s/ Robert T. Brown
Name: Robert T. Brown
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Tranche A Revolving Lender

By: /s/ Robert T. Brown
Name: Robert T. Brown
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Tranche B Revolving Lender

By: /s/ Robert T. Brown
Name: Robert T. Brown
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as an Issuing Bank

By: /s/ Robert T. Brown
Name: Robert T. Brown
Title: Vice President

BMO HARRIS BANK N.A., as a 2020 Incremental ABL Lender

By: /s/ Ran Li
Name: Ran Li
Title: Authorized Signatory

BMO HARRIS BANK N.A., as a Tranche A Revolving Lender

By: /s/ Ran Li
Name: Ran Li
Title: Authorized Signatory

BMO HARRIS BANK N.A., as a Tranche B Revolving Lender

By: /s/ Ran Li
Name: Ran Li
Title: Authorized Signatory

GOLDMAN SACHS BANK USA, as a 2020 Incremental ABL Lender

By: /s/ Jacob Elder
Name: Jacob Elder
Title: Authorized Signatory

GOLDMAN SACHS BANK USA, as a Tranche A Revolving Lender

By: /s/ Jacob Elder
Name: Jacob Elder
Title: Authorized Signatory

GOLDMAN SACHS BANK USA, as a Tranche B Revolving Lender

By: /s/ Jacob Elder
Name: Jacob Elder
Title: Authorized Signatory

GOLDMAN SACHS BANK USA, as an Issuing Bank

By: /s/ Jacob Elder
Name: Jacob Elder
Title: Authorized Signatory

BARCLAYS BANK PLC, as a 2020 Incremental ABL Lender

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

BARCLAYS BANK PLC, as a Tranche A Revolving Lender

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

BARCLAYS BANK PLC, as a Tranche B Revolving Lender

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

BARCLAYS BANK PLC, as an Issuing Bank

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

CITIBANK N.A., as a 2020 Incremental ABL Lender

By: /s/ Brendan Mackay
Name: Brendan Mackay
Title: Vice President & Director

CITIBANK N.A., as a Tranche A Revolving Lender

By: /s/ Brendan Mackay
Name: Brendan Mackay
Title: Vice President & Director

CITIBANK N.A., as a Tranche B Revolving Lender

By: /s/ Brendan Mackay
Name: Brendan Mackay
Title: Vice President & Director

CITIBANK N.A., as an Issuing Bank

By: /s/ Brendan Mackay
Name: Brendan Mackay
Title: Vice President & Director

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a 2020 Incremental ABL Lender

By: /s/ Doreen Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Komal Shah
Name: Komal Shah
Title: Authorized Signatory

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Tranche A Revolving Lender

By: /s/ Doreen Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Komal Shah
Name: Komal Shah
Title: Authorized Signatory

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Tranche B Revolving Lender

By: /s/ Doreen Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Komal Shah
Name: Komal Shah
Title: Authorized Signatory

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as an Issuing Bank

By: /s/ Doreen Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Komal Shah
Name: Komal Shah
Title: Authorized Signatory

DUETSCHE BANK AG NEW YORK BRANCH, as a 2020 Incremental ABL Lender

By: /s/ Philip Tancorra
Name: Philip Tancorra
Title: Vice President

By: /s/ Michael Strobel
Name: Michael Strobel
Title: Vice President

DUETSCHE BANK AG NEW YORK BRANCH, as a Tranche A Revolving Lender

By: /s/ Philip Tancorra
Name: Philip Tancorra
Title: Vice President

By: /s/ Michael Strobel
Name: Michael Strobel
Title: Vice President

DUETSCHE BANK AG NEW YORK BRANCH, as a Tranche B Revolving Lender

By: /s/ Philip Tancorra
Name: Philip Tancorra
Title: Vice President

By: /s/ Michael Strobel
Name: Michael Strobel
Title: Vice President

DUETSCHE BANK AG NEW YORK BRANCH, as an Issuing Bank

By: /s/ Philip Tancorra
Name: Philip Tancorra
Title: Vice President

By: /s/ Michael Strobel
Name: Michael Strobel
Title: Vice President

Citizens Bank, N.A., as a 2020 Incremental ABL Lender

By: /s/ Debra L. McAllonis
Name: Debra L. McAllonis
Title: Senior Vice President

Citizens Bank, N.A., as a Tranche A Revolving Lender

By: /s/ Debra L. McAllonis
Name: Debra L. McAllonis
Title: Senior Vice President

Citizens Bank, N.A., as an Issuing Bank

By: /s/ Debra L. McAllonis
Name: Debra L. McAllonis
Title: Senior Vice President

THE HUNTINGTON NATIONAL BANK, as a 2020 Incremental ABL Lender

By: /s/ Paul Weybrecht
Name: Paul Weybrecht
Title: Senior Vice President

THE HUNTINGTON NATIONAL BANK, as a Tranche A Revolving Lender

By: /s/ Paul Weybrecht
Name: Paul Weybrecht
Title: Senior Vice President

THE HUNTINGTON NATIONAL BANK, as a Tranche B Revolving Lender

By: /s/ Paul Weybrecht
Name: Paul Weybrecht
Title: Senior Vice President

THE HUNTINGTON NATIONAL BANK, as an Issuing Bank

By: /s/ Paul Weybrecht
Name: Paul Weybrecht
Title: Senior Vice President

REGIONS BANK, as a 2020 Incremental ABL Lender

By: /s/ Stephen J. McGreevy
Name: Stephen J. McGreevy
Title: Managing Director

REGIONS BANK, as a Tranche A Revolving Lender

By: /s/ Stephen J. McGreevy
Name: Stephen J. McGreevy
Title: Managing Director

REGIONS BANK, as a Tranche B Revolving Lender

By: /s/ Stephen J. McGreevy
Name: Stephen J. McGreevy
Title: Managing Director

REGIONS BANK, as an Issuing Bank

By: /s/ Stephen J. McGreevy
Name: Stephen J. McGreevy
Title: Managing Director

MUFG Union Bank, N.A. as a 2020 Incremental ABL Lender

By: /s/ Thomas Kainamura
Name: Thomas Kainamura
Title: Director

TRUIST BANK, as a 2020 Incremental ABL Lender

By: /s/ Stephen D. Metts
Name: Stephen D. Metts
Title: Director

TRUIST BANK, as a Tranche A Revolving Lender

By: /s/ Stephen D. Metts
Name: Stephen D. Metts
Title: Director

TRUIST BANK, as a Tranche B Revolving Lender

By: /s/ Stephen D. Metts
Name: Stephen D. Metts
Title: Director

Siemens Financial Services, Inc., as a 2020 Incremental ABL Lender

By: /s/ Mark Schafer
Name: Mark Schafer
Title:

By: /s/ Rich Holston
Name: Rich Holston
Title: VP

Siemens Financial Services, Inc., as a Tranche A Revolving Lender

By: /s/ Mark Schafer
Name: Mark Schafer
Title:

By: /s/ Rich Holston
Name: Rich Holston
Title: VP

U.S. BANK NATIONAL ASSOCIATION, as a Tranche A Revolving Lender

By: /s/ Matthew Kasper
Name: Matthew Kasper
Title: Senior Vice President

ROYAL BANK OF CANADA, as a 2020 Incremental ABL Lender

By: /s/ Alexandre Camerlain
Name: Alexandre Camerlain
Title: Authorized Signatory

ROYAL BANK OF CANADA, as a Tranche A Revolving Lender

By: /s/ Alexandre Camerlain
Name: Alexandre Camerlain
Title: Authorized Signatory

CIT Bank, N.A., as a Tranche A Revolving Lender

By: /s/ Robert L. Klein
Name: Robert L. Klein
Title: Director

ING Capital LLC, as a Tranche A Revolving Lender

By: /s/ Michael Chen
Name: Michael Chen
Title: Director

By: /s/ Jeff Chu
Name: Jeff Chu
Title: Director

Exhibit A

EXECUTION VERSION

ASSET-BASED REVOLVING CREDIT AGREEMENT

by and among

BANK OF AMERICA, N.A.,

as Agent,

THE LENDERS THAT ARE PARTIES HERETO,

as the Lenders, and

CLEVELAND-CLIFFS INC.,

as Parent and a Borrower

BOFA SECURITIES, INC.,
CREDIT SUISSE LOAN FUNDING LLC,
JPMORGAN CHASE BANK, N.A.,
WELLS FARGO BANK, NATIONAL ASSOCIATION,
DEUTSCHE BANK SECURITIES INC.,
GOLDMAN SACHS BANK USA,
PNC CAPITAL MARKETS LLC,
CITIGROUP GLOBAL MARKETS INC.,
BARCLAYS BANK PLC,
CITIZENS CAPITAL MARKETS, INC.,
REGIONS CAPITAL MARKETS,
THE HUNTINGTON NATIONAL BANK,

and

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Joint Book Runners

Dated as of March 13, 2020

(as amended by First Amendment to Asset-Based Revolving Credit Agreement, dated March 27, 2020, as further amended by Second Amendment to Asset-Based Revolving Credit Agreement, dated December 9, 2020)

TABLE OF CONTENTS

EXHIBITS AND SCHEDULES

ASSET-BASED REVOLVING CREDIT AGREEMENT

THIS ASSET-BASED REVOLVING CREDIT AGREEMENT, is dated as of March 13, 2020, by and among the lenders identified on the signature pages hereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender", as that term is hereinafter further defined), **BANK OF AMERICA, N.A.**, as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent"), and **CLEVELAND-CLIFFS INC.**, an Ohio corporation ("Parent").

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings specified therefor on Schedule 1.1.

1.2 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP; provided, that if Parent notifies Agent that Borrowers request an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Closing Date or in the application thereof on the operation of such provision (or if Agent notifies Borrowers that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such Accounting Change or in the application thereof, then Agent and Borrowers agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such Accounting Change with the intent of having the respective positions of the Lenders and Borrowers after such Accounting Change conform as nearly as possible to their respective positions as of the date of this Agreement and, until any such amendments have been agreed upon and agreed to by the Required Lenders, the provisions in this Agreement shall be calculated as if no such Accounting Change had occurred; provided further that the parties hereto agree that the adoption of ASC 606 by the Borrowers and their Subsidiaries prior to the date hereof shall not constitute an Accounting Change. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Parent" is used in respect of a financial covenant or a related definition, it shall be understood to mean Parent and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. For purposes of calculating the Tranche A Borrowing Base, the Tranche B Borrowing Base and the Aggregate Borrowing Base, such calculation of Inventory shall be on a "first-in, first-out" basis. Notwithstanding anything to the contrary contained herein, (a) all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof, (b) the term "unqualified opinion" as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that does not include any explanation, supplemental comment, or other comment concerning the ability of the applicable Person to continue as a going concern or concerning the scope of the audit (other than a "going concern" or like qualification or exception resulting solely from (i) maturity of any Indebtedness (including the Revolver Commitments) occurring within one (1) year from the time such opinion is delivered, and/or (ii) the projected or potential breach of any of the financial covenants set forth in this Agreement or any agreement governing any Indebtedness during the one-year period following the date such opinion is delivered), and (c) notwithstanding the foregoing or anything else to the contrary in this Agreement, all leases of the Borrowers and their respective Subsidiaries that were treated as "operating leases" prior to the adoption of ASC 842 shall continue to be accounted for as such for all purposes under the Loan Documents. For purposes of determining satisfaction of the Payment Conditions set forth in this Agreement or the financial covenant set forth in Section 7 of this Agreement, such determination shall be calculated on a pro forma basis (including pro forma adjustments arising out of events which are directly attributable to any Permitted Acquisition, Permitted Disposition or Permitted Investment that are factually supportable, and are expected to have a continuing impact, in each case determined on a basis

consistent with Article 11 of Regulation S-X promulgated under the Securities Act and as interpreted by the staff of the SEC or in such other manner acceptable to Agent).

1.3 Limited Condition Transaction. Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test or covenant contained in this Agreement with respect to any period during which any Limited Condition Transaction is consummated, the Fixed Charge Coverage Ratio shall be calculated with respect to such period and such Limited Condition Transaction on a pro forma basis; provided that, for purposes of determining the permissibility of any Limited Condition Transaction under this Agreement, at the option of Parent (Parent's election to exercise such option in connection with any Limited Condition Transaction, an "LCA Election") the date of determination for calculation of any such ratios shall be deemed to be the date the definitive agreements for such Limited Condition Transaction are entered into (the "LCA Test Date") and if, after giving pro forma effect to the Limited Condition Transaction and all related transactions (including incurrences or prepayments of Indebtedness and Liens, dispositions and Restricted Payments) to be entered into in connection therewith as if they had occurred at the beginning of the most recent date of determination ending prior to the LCA Test Date, Parent could have entered into such Limited Condition Transaction on the relevant LCA Test Date in compliance with such ratio, such ratio shall be deemed to have been complied with. For the avoidance of doubt, if the Parent has made an LCA Election and any of the ratios for which compliance was determined or tested as of the LCA Test Date is not met as a result of fluctuations in any such ratio, including due to fluctuations in EBITDA of the Parent and its Subsidiaries, at or prior to the consummation of the relevant Limited Condition Transaction, such ratio will be deemed to have been met notwithstanding such fluctuations solely for purposes of determining whether the relevant Limited Condition Transaction is permitted to be consummated. If the Parent has made an LCA Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any ratio availability with respect to any other transaction (including any incurrence or prepayment of Indebtedness or Liens, dispositions or Restricted Payments) on or following the relevant LCA Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated, such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other transactions in connection therewith have been consummated. For determining permissibility of a Limited Condition Transaction, for purposes of determining compliance with any provision of this Agreement which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from the consummation of such Limited Condition Transaction, as applicable, such condition shall, at the option of the Parent, be deemed satisfied, so long as no Default or Event of Default, as applicable, exists on the date the definitive agreements for such Limited Condition Transaction are entered into and no Event of Default under Section 8.1, 8.4 or 8.5 exists on the date of consummation of the Limited Condition Transaction or would result therefrom. For the avoidance of doubt, if the Parent has exercised its option under this Section 1.3, and any Default or Event of Default occurs following the date the definitive agreements for the applicable Limited Condition Transaction were entered into and prior to the consummation of such Limited Condition Transaction, any such Default or Event of Default (other than an Event of Default under Section 8.1, 8.4 or 8.5) shall be deemed to not have occurred or be continuing for purposes of determining whether such Limited Condition Transaction is permitted hereunder.

1.4 Construction.

(a) Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document

shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any requirement of a writing contained herein or in any other Loan Document shall be satisfied by the transmission of a Record.

(b) Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean (i) the payment or repayment in full in immediately available funds of (A) the principal amount of, and interest accrued and unpaid with respect to, all outstanding Loans, together with the payment of any premium applicable to the repayment of the Loans, (B) all Lender Group Expenses that have accrued and are unpaid for which an invoice has been provided to Parent, and (C) all fees or charges that have accrued hereunder or under any other Loan Document (including the Letter of Credit Fees and the Unused Line Fee) and are unpaid, (ii) in the case of contingent reimbursement obligations with respect to Letters of Credit, providing Letter of Credit Collateralization, (iii) in the case of obligations with respect to Bank Products (other than Hedge Obligations), providing Bank Product Collateralization, (iv) the receipt by Agent of cash collateral in order to secure any other contingent Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to Agent or a Lender at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys' fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent Obligations, (v) the payment or repayment in full in immediately available funds of all other outstanding Obligations (including the payment of any termination amount then applicable (or which would or could become applicable as a result of the repayment of the other Obligations) under Hedge Agreements provided by Hedge Providers) other than (A) unasserted contingent indemnification Obligations, (B) any Bank Product Obligations (other than Hedge Obligations) that, at such time, are allowed by the applicable Bank Product Provider to remain outstanding without being required to be repaid or cash collateralized, and (C) any Hedge Obligations that, at such time, are allowed by the applicable Hedge Provider to remain outstanding without being required to be repaid, and (vi) the termination of all of the Revolver Commitments of the Lenders.

(c) Any reference herein or in any other Loan Document to any law, statute, rule or regulation shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company or a limited partnership, or an allocation of assets to a series of a limited liability company or a limited partnership (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company or a limited partnership shall constitute a separate Person hereunder (and each division of any limited liability company or any limited partnership that is a Subsidiary, Joint Venture or any other like term shall also constitute such a Person or entity).

1.5 Time References. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, all references to time of day refer to Chicago time. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to and including"; provided that, with respect to a computation of fees or interest payable to Agent or any Lender, such period shall include the first day, but not the last day so long as payment thereof is received prior to the time specified in Section 2.6 hereof, but in any event shall consist of at least one (1) full day.

1.6 Schedules and Exhibits. All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

1.7 Dollar Equivalent.

(a) Agent shall determine the Dollar Equivalent of any Letter of Credit not denominated in Dollars (i) on the date of issuance thereof and the date of any amendment thereto that increases the face amount thereof, in each case using the Spot Rate for the Agreed Currency other than Dollars in relation to Dollars in effect on the date immediately prior to the applicable issuance or amendment date, and (ii) at such other times as may be determined by either Agent or an Issuing Bank in its Permitted Discretion, in each case using the Spot Rate for the Agreed Currency other than Dollars in relation to Dollars in effect on the date of determination. Each amount determined pursuant to this Section 1.7(a) shall be the Dollar Equivalent of the applicable Letter of Credit until the next calculation thereof pursuant to the preceding sentences of this Section 1.7(a), absent manifest error. Upon the request of the Borrowers, Agent shall notify Borrowers and the Lenders of each calculation of the Dollar Equivalent of each Letter of Credit denominated in an Agreed Currency other than Dollars.

(b) Wherever in this Agreement in connection with any Letter of Credit, an amount, such as a required minimum, sublimit, maximum, or multiple amount, is expressed in Dollars, but such Letter of Credit is denominated in an Agreed Currency other than Dollars, such amount shall be the Agreed Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Agreed Currency that is equivalent to one (1) Dollar, with 0.5 of a unit being rounded upward).

(c) Principal, interest, reimbursement obligations, cash collateral for reimbursement obligations, fees, and all other amounts payable to Agent or Lenders under this Agreement and the other Loan Documents shall be payable (except as otherwise specifically provided herein) in Dollars.

(d) If at any time following one or more fluctuations in the exchange rate of any Agreed Currency other than Dollars against the Dollar, all or any part of the Obligations exceeds more than 102% of any other limit set forth herein for such Obligations, the Borrowers of such Obligations shall within one (1) Business Day of written notice of same from Agent immediately make the necessary payments or repayments to reduce such Obligations, or Cash Collateralize such Obligations, to an amount necessary to eliminate such excess over 100% of such limit.

1.8 LIBOR Rate. Agent does not warrant, nor accept responsibility, nor shall Agent have any liability with respect to the administration, submission, or any other matter related to the rates in the definition of LIBOR Rate or with respect to any comparable or successor rate thereto (including as may be provided pursuant to Section 2.13(d)(iv)).

1.9 Pro Forma Effect of AMUSA Acquisition. Notwithstanding anything contained herein, for purposes of calculating EBITDA and Fixed Charges Coverage Ratio, the EBITDA and all of the components of Fixed Charge Coverage Ratio of the AMUSA Target Loan Parties and their Subsidiaries shall be deemed to be zero ($0) for any period ending prior to the Second Amendment Effective Date.

2. REVOLVING LOANS AND TERMS OF PAYMENT.

2.1 Revolving Loans

(a) Subject to the terms and conditions of this Agreement, and during the term of this Agreement, each Tranche A Revolving Lender agrees (severally, not jointly or jointly and severally) to make revolving loans ("Tranche A Revolving Loans") in Dollars to the Borrowers in a principal amount not to exceed *the lesser of*:

(i) such Lender's Tranche A Revolver Commitment at such time, or

(ii) such Lender's Pro Rata Share of an amount equal to (x) the Tranche A Line Cap at such time *less* (y) the sum of (A) the Letter of Credit Usage at such time, (B) the principal amount of Swing Loans outstanding at such time and (C) the principal amount of Tranche A Revolving Loans outstanding at such time; provided that, if any Tranche B Facility exists at such time, no Tranche A Revolving Loans may be made to any Borrower unless the amount of outstanding Tranche B Revolving Loans is equal to the Tranche B Line Cap;

(b) Subject to the terms and conditions of this Agreement, from the First Amendment Effective Date and until the earlier of one Business Day prior to the Maturity Date and the termination of the Tranche B Revolver Commitment of such Lender, each Tranche B Revolving Lender agrees (severally, not jointly or jointly and severally) to make Tranche B Revolving Loans in Dollars to the Borrowers in a principal amount not to exceed such Lender's Tranche B Revolver Commitment at such time; provided that after giving effect to such transaction, the aggregate amount of the Tranche B Revolving Loans then outstanding would not exceed the Tranche B Line Cap.

Anything to the contrary in clauses (a) and (b) of this Section 2.1(a) notwithstanding, Agent shall have the right (but not the obligation), in the exercise of its Permitted Discretion, to establish and increase or decrease Receivable Reserves, Inventory/Equipment Reserves, Bank Product Reserves, Pari Secured Hedge Reserves, Dilution Reserves and other Reserves against the Tranche A Borrowing Base or the Tranche A Line Cap, including based on review of the Borrowers' employment and labor contracts; provided that no reserve shall be established, increased or decreased except upon not less than three (3) Business Days' prior written notice from the Agent to the Parent, during which period employees, agents or other representatives of the Agent shall use commercially reasonable efforts to be available during regular business hours to discuss any such proposed establishment or modification of such reserve with the Parent and, without limiting the right of the Agent to establish or modify reserves in its Permitted Discretion, the Parent may take such action as may be required so that the circumstances, conditions, events or contingencies that are the basis for such reserve or modification thereof no longer exist, in a manner and to the extent reasonably satisfactory to the Agent in its Permitted Discretion; provided that no such prior written notice shall be required for any modifications to any reserves (x) during any Cash Dominion Trigger Period, during a Financial Covenant Period, during any period of weekly collateral reporting as provided in Section 5.2, or after the occurrence and during the continuance of any Event of Default or (y) resulting by virtue of mathematical calculations of the amount of the reserves in accordance with the methodology of calculation previously utilized. The amount of any Receivable Reserve, Inventory/Equipment Reserve, Bank Product Reserve, Pari Secured Hedge Reserves or other Reserve established by Agent shall have a reasonable relationship to the event, condition, other circumstance, or fact that is the basis for such reserve as determined by Agent in its Permitted Discretion and shall not be duplicative of any other reserve established and currently maintained. Upon establishment or increase in reserves, Agent agrees to make itself available to discuss the reserve or increase, and Borrowers may take such action as may be required so that the event, condition, circumstance, or fact that is the basis for such reserve or increase no longer exists, in a manner and to the extent reasonably satisfactory to Agent in the exercise of its Permitted Discretion. In no event shall such notice and opportunity limit the right of Agent to establish or change such Receivable Reserve, Inventory/Equipment Reserve, Bank Product Reserve, Pari Secured Hedge Reserves or other Reserves, unless Agent shall have determined, in its Permitted Discretion, that the event, condition, other circumstance, or fact that was the basis for such Receivable Reserve, Inventory/Equipment Reserve, Bank Product Reserve, Pari Secured Hedge Reserves or other Reserves or such change no longer exists or has otherwise been adequately addressed by Borrowers.

(c) The outstanding principal amount of the Revolving Loans, together with interest accrued and unpaid thereon, shall constitute Obligations and shall be due and payable on the Maturity Date or, if earlier, on the date on which they are declared due and payable pursuant to the terms of this Agreement.

(d) Amounts borrowed pursuant to this Section 2.1 may be repaid and, subject to the terms and conditions of this Agreement, reborrowed at any time during the term of this Agreement.

2.2 Additional Borrowers.

(a) The Parent may from time to time designate one or more wholly-owned Subsidiaries of Parent organized in the United States as an Additional Borrower by delivering to the Agent:

(i) all documentation and other customary information required by regulatory authorities under applicable "*know your customer*" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, that the Agent or any Lender has reasonably requested, including, if such Subsidiary qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to such Subsidiary, without any written objection submitted by any Lender or the Agent within five (5) Business Days of its receipt of such documentation and other information;

(ii) solely to the extent such Subsidiary is not already a Loan Party, (A) all documents, joinders, supplements, updated schedules, instruments, certificates and agreements and all other actions and information, then required by or in respect of such Subsidiary by Section 5.11 or by the Guaranty and Security Agreement (without giving effect to any grace periods for delivery of such items, the updating of such information or the taking of such actions), (B) a customary opinion of counsel of such Subsidiary and (C) a customary secretary's certificate attaching such documents as were delivered by the existing Borrowers on the Closing Date;

(iii) promissory notes in respect of such Subsidiary in its capacity as Additional Borrower in favor of any Lender requesting such promissory notes, in form and substance consistent with the notes (if any) provided by the existing Borrowers as of the Closing Date; and

(iv) a joinder agreement in form and substance reasonably satisfactory to the Agent whereby such Subsidiary becomes party hereto as a Borrower.

(b) The designation of any wholly-owned Subsidiary of Parent organized in the United States as an Additional Borrower shall only be effective two (2) Business Days following the delivery of the documents set forth in, and satisfaction of the requirements of, Section 2.2(a).

2.3 Borrowing Procedures and Settlements.

(a) **Procedure for Borrowings**. Each Borrowing shall be made by a written request by an Authorized Person delivered to Agent and received by Agent no later than (i) 12:00 noon on the Business Day that is the requested Funding Date in the case of a request for a Swing Loan or a Revolving Loan that is a Base Rate Loan and (ii) 12:00 noon on the Business Day that is three (3) Business Days (or solely with respect to a Borrowing on the Closing Date, one (1) Business Day) prior to the requested Funding Date in the case of a Revolving Loan that is a LIBOR Rate Loan, in each case, specifying (A) the amount of such Borrowing, (B) the requested Funding Date (which shall be a Business Day), (C) whether such Borrowing is to be a Borrowing of Base Rate Loans or a Borrowing of LIBOR Rate Loans, (D) in the case of a Borrowing of LIBOR Rate Loans, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period" and (E) whether the Borrowing is of Tranche A Revolving Loans or Tranche B Revolving Loans; provided that if any Tranche B Facility exists at such time, such Borrowing shall be Tranche A Revolving Loans unless the outstanding principal amount of Tranche B Revolving Loans is less than the Tranche B Line Cap, in which case up to an amount equal to the Tranche B Line Cap minus the outstanding principal amount of Tranche B Revolving Loans of such Revolving Loans shall be Tranche B Revolving Loans, and the remaining amount of such Revolving Loans shall be Tranche A Revolving Loans; provided that Agent may, in its sole discretion, elect to accept as timely requests that are received later than the times specified above on the applicable Business Day. In lieu of delivering the above-described written request, any Authorized Person may give Agent electronic notice of such request by the required time. In such circumstances, Borrowers agree that any such electronic notice will be confirmed in writing within 24

hours of the giving of such electronic notice, but the failure to provide such written confirmation shall not affect the validity of the request.

(b) [**Reserved**].

(c) **Making of Swing Loans**. Subject to the terms and conditions of this Agreement, so long as either (i) the aggregate amount of Swing Loans made since the last Settlement Date, *minus* all payments or other amounts applied to Swing Loans since the last Settlement Date, *plus* the amount of the requested Swing Loan does not exceed $125,000,000, or (ii) the Swing Lender, in its sole discretion, agrees to make a Swing Loan notwithstanding the foregoing limitation, the Swing Lender shall make a Revolving Loan (any such Revolving Loan made by the Swing Lender pursuant to this Section 2.3(c) being referred to as a "Swing Loan" and all such Revolving Loans being referred to as "Swing Loans") in Dollars available to the Borrowers on the Funding Date applicable thereto by transferring immediately available funds in the amount of such requested Borrowing to the Designated Account. Each Swing Loan shall be deemed to be a Revolving Loan hereunder and shall be subject to all the terms and conditions (including Section 3) applicable to other Revolving Loans, except that all payments (including interest) on any Swing Loan shall be payable to the Swing Lender solely for its own account. Subject to the provisions of Section 2.3(f)(iii), the Swing Lender shall not make and shall not be obligated to make any Swing Loan if the Swing Lender has actual knowledge that (A) one or more of the applicable conditions precedent set forth in Section 3 will not be satisfied on the requested Funding Date for the applicable Borrowing, or (B) the requested Borrowing would exceed the Excess Availability on such Funding Date. The Swing Lender shall not otherwise be required to determine whether the applicable conditions precedent set forth in Section 3 have been satisfied on the Funding Date applicable thereto prior to making any Swing Loan. The Swing Loans shall be secured by Liens granted under the Loan Documents, constitute Revolving Loans and Obligations, and bear interest at the rate applicable from time to time to Revolving Loans that are Base Rate Loans.

(d) [**Reserved**].

(e) **Making of Revolving Loans.**

(i) In the event that a Swing Lender refuses to or is not obligated to make a Swing Loan, then after receipt of a request for a Borrowing pursuant to Section 2.3(a), Agent shall notify the Lenders by telecopy, telephone, email, or other electronic form of transmission, of the requested Borrowing; such notification to be sent on the Business Day that is one (1) Business Day prior to the requested Funding Date (or, in the case of a request for a Loan delivered on the requested Funding Date, no later than 1:00 p.m. on the requested Funding Date). If Agent has notified the Lenders of a requested Borrowing on the Business Day that is one (1) Business Day prior to the Funding Date (or, in the case of a request for a Loan delivered on the requested Funding Date), then each Lender shall make the amount of such Lender's Pro Rata Share of the requested Borrowing available to Agent in immediately available funds, to the Agent's Account, not later than 3:00 p.m., in the case of any Loan requested to be funded on the Funding Date, or 10:00 a.m., in the case of any other request, in each case, on the Business Day that is the requested Funding Date. After Agent's receipt of the proceeds of such Revolving Loans from the Lenders, Agent shall make the proceeds thereof available to applicable Borrowers on the applicable Funding Date by transferring immediately available funds equal to such proceeds received by Agent to the Designated Account; provided, that, subject to the provisions of Sections 2.3(f)(iii) and 2.3(f)(iv), no Lender shall have an obligation to make any Revolving Loan, if (1) one or more of the applicable conditions precedent set forth in Section 3.3 are not satisfied on the requested Funding Date for the applicable Borrowing unless such condition has been waived, or (2) the requested Borrowing would exceed the Excess Availability on such Funding Date.

(ii) Unless Agent receives notice from a Lender prior to 9:30 a.m. on the Business Day that is the requested Funding Date relative to a requested Borrowing as to which Agent has notified the Lenders of a requested Borrowing that such Lender will not make available as and when required hereunder to Agent for the account of the applicable Borrowers the amount of that Lender's Pro Rata Share of the Borrowing, Agent may assume that each Lender has made or will make such amount

available to Agent in immediately available funds on the Funding Date and Agent may (but shall not be so required), in reliance upon such assumption, make available to the applicable Borrowers a corresponding amount. If, on the requested Funding Date, any Lender shall not have remitted the full amount that it is required to make available to Agent in immediately available funds and if Agent has made available to the applicable Borrowers such amount on the requested Funding Date, then such Lender shall make the amount of such Lender's Pro Rata Share of the requested Borrowing available to Agent in immediately available funds, to the Agent's Account, no later than 10:00 a.m. on the Business Day that is the first Business Day after the requested Funding Date (in which case, the interest accrued on such Lender's portion of such Borrowing for the Funding Date shall be for Agent's separate account). If any Lender shall not remit the full amount that it is required to make available to Agent in immediately available funds as and when required hereby and if Agent has made available to Borrowers such amount, then that Lender shall be obligated to immediately remit such amount to Agent, together with interest at the Defaulting Lender Rate for each day until the date on which such amount is so remitted. A notice submitted by Agent to any Lender with respect to amounts owing under this Section 2.3(e)(ii) shall be conclusive, absent manifest error. If the amount that a Lender is required to remit is made available to Agent, then such payment to Agent shall constitute such Lender's Revolving Loan for all purposes of this Agreement. If such amount is not made available to Agent on the Business Day following the Funding Date, Agent will notify Borrowers of such failure to fund and, within one (1) Business Day after receipt of such notice, the Borrowers shall pay such amount to Agent for Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Revolving Loans composing such Borrowing.

(f) **Protective Advances and Optional Overadvances.**

(i) Any contrary provision of this Agreement or any other Loan Document notwithstanding, but subject to Section 2.3(f)(iv), at any time after the occurrence and during the continuance of a Default or an Event of Default, or that any of the other applicable conditions precedent set forth in Section 3.3 are not satisfied, Agent hereby is authorized by the Borrowers and the Lenders, from time to time, in Agent's Permitted Discretion, to make Tranche A Revolving Loans that are Base Rate Loans to, or for the benefit of, the Borrowers, on behalf of the Revolving Lenders, that Agent, in its Permitted Discretion, deems necessary or desirable (1) to preserve or protect the Collateral, or any portion thereof, or (2) to enhance the collectability or likelihood of repayment of the Obligations, so long as such Tranche A Revolving Loans do not cause Revolver Usage to exceed the Maximum Revolver Amount (the Revolving Loans described in this Section 2.3(f)(i) shall be referred to as "Protective Advances"). The Revolving Lenders shall participate on a pro rata basis in the Protective Advances outstanding from time to time. Required Lenders may at any time revoke Agent's authority to make further Protective Advances by written notice to Agent. Agent shall use reasonable efforts to notify Parent of the existence of any Protective Advance on or about the date when made (it being understood that the failure to provide such notification to Parent shall have no effect on such Protective Advance).

(ii) Any contrary provision of this Agreement or any other Loan Document notwithstanding, but subject to Section 2.3(f)(iv), if there is an Overadvance at any time, the excess amount shall be payable by the Borrowers within one (1) Business Day after receipt of demand from Agent, but all such Revolving Loans shall nevertheless constitute Obligations of the Borrowers secured by the applicable Collateral of the Loan Parties and entitled to all benefits of the Loan Documents. Agent may require the Revolving Lenders to honor requests for Overadvance Loans and to forbear from requiring the Borrowers to cure an Overadvance, (a) when no other Event of Default is known to the Agent, as long as (i) the Overadvance does not continue for more than 30 consecutive days (and no Overadvance may exist for at least five (5) consecutive days thereafter before further Overadvance Loans are required), and (ii) the Overadvance is not known by Agent to exceed 5.0% of the Maximum Revolver Amount and (b) regardless of whether an Event of Default exists, if Agent discovers an Overadvance not previously known by it to exist, as long as from the date of such discovery the Overadvance is not increased and does not continue for more than 30 consecutive days. In no event shall Overadvance Loans be required that would cause (x) Revolver Usage (including for this purpose, the aggregate principal amount of Overadvance Loans) to exceed the aggregate Revolver Commitments or (y) any Revolving Lenders' Pro Rata Share of Revolver Usage (including, for this purpose, the aggregate

principal amount of Overadvance Loans) to exceed its Revolver Commitment. Any funding of an Overadvance Loan or sufferance of an Overadvance shall not constitute a waiver by Agent or Lenders of the Event of Default caused thereby. Agent shall use reasonable efforts to notify Parent of the existence of any Overadvance on or about the date when made (it being understood that the failure to provide such notification to Parent shall have no effect on such Overadvance).

(iii) Each Protective Advance and each Overadvance (each, an "Extraordinary Advance") shall be deemed to be a Revolving Loan hereunder, except that no Extraordinary Advance shall be eligible to be a LIBOR Rate Loan and, prior to Settlement therefor, all payments on the Extraordinary Advances shall be payable to Agent solely for its own account. The Extraordinary Advances shall be repayable within one (1) Business Day of demand thereof, secured by the Liens granted under the Loan Documents, constitute Obligations hereunder, and bear interest at the rate applicable from time to time to Revolving Loans that are Base Rate Loans.

(iv) Notwithstanding anything contained in this Agreement or any other Loan Document to the contrary, no Extraordinary Advance may be made by Agent if such Extraordinary Advance would cause the aggregate principal amount of Extraordinary Advances outstanding to exceed an amount equal to 10% of the Maximum Revolver Amount.

(v) The provisions of this Section 2.3(f) are for the exclusive benefit of Agent, Swing Lender, and the Lenders and are not intended to benefit Borrowers (or any other Loan Party) in any way.

(g) **Settlement.**

(i) Obligations. It is agreed that each Revolving Lender's funded portion of the Revolving Loans is intended by the Revolving Lenders to equal, at all times, such Lender's Pro Rata Share of the outstanding Revolving Loans. Such agreement notwithstanding, the Agent, the Swing Lender, and the other Revolving Lenders agree (which agreement shall not be for the benefit of Borrowers) that in order to facilitate the administration of this Agreement and the other Loan Documents, Settlement among the Revolving Lenders as to the Revolving Loans, the Swing Loans, and the Extraordinary Advances shall take place on a periodic basis in accordance with the following provisions:

(A) Agent shall request settlement ("Settlement") with the Revolving Lenders on a weekly basis, or on a more frequent basis if so determined by Agent in its sole discretion (1) on behalf of the Swing Lender, with respect to the outstanding Swing Loans; provided that if any Tranche B Facility exists at such time, Swing Loans shall be settled as Tranche A Revolving Loans unless the outstanding principal amount of Tranche B Revolving Loans is less than the Tranche B Line Cap, in which case up to an amount equal to the Tranche B Line Cap minus the outstanding principal amount of Tranche B Revolving Loans of such Revolving Loans shall be settled as Tranche B Revolving Loans, and the remaining amount of such Revolving Loans shall be settled as Tranche A Revolving Loans, (2) for itself, with respect to the outstanding Extraordinary Advances, and (3) with respect to the Borrowers' or any of their Subsidiaries' payments or other amounts received, as to each by notifying the Revolving Lenders by telecopy, telephone, email or other electronic form of transmission, of such requested Settlement, no later than 2:00 p.m. on the Business Day immediately prior to the date of such requested Settlement (the date of such requested Settlement being the "Settlement Date"). Such notice of a Settlement Date shall include a summary statement of the amount of outstanding Revolving Loans, Swing Loans, and Extraordinary Advances for the period since the prior Settlement Date. Subject to the terms and conditions contained herein (including Section 2.3(i)): (y) if the amount of the Revolving Loans (including Swing Loans, and Extraordinary Advances) made by a Revolving Lender that is not a Defaulting Lender exceeds such Revolving Lender's Pro Rata Share of the Revolving Loans (including Swing Loans, and Extraordinary Advances) as of a Settlement Date, then Agent shall, by no later than 12:00 p.m. on the Settlement Date, transfer in immediately available funds to a Deposit Account of such Revolving Lender (as such Revolving Lender may designate), an amount such that each such Revolving Lender shall, upon receipt of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Swing Loans, and Extraordinary Advances), and (z) if the amount of the

Revolving Loans (including Swing Loans, and Extraordinary Advances) made by a Revolving Lender is less than such Lender's Pro Rata Share of the Revolving Loans (including Swing Loans, and Extraordinary Advances) as of a Settlement Date, such Revolving Lender shall no later than 12:00 p.m. on the Settlement Date transfer in immediately available funds to Agent's Account, an amount such that each such Revolving Lender shall, upon transfer of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Swing Loans and Extraordinary Advances). Such amounts made available to Agent under clause (z) of the immediately preceding sentence shall be applied against the amounts of the Swing Loans or Extraordinary Advances and, together with the portion of such Swing Loans or Extraordinary Advances representing the Swing Lender's Pro Rata Share thereof, shall constitute Revolving Loans of such Lenders. If any such amount is not made available to Agent by any Revolving Lender on the Settlement Date applicable thereto to the extent required by the terms hereof, Agent shall be entitled to recover for its account such amount on demand from such Revolving Lender together with interest thereon at the Defaulting Lender Rate.

(B) In determining whether a Revolving Lender's balance of the Revolving Loans, Swing Loans, and Extraordinary Advances is less than, equal to, or greater than such Revolving Lender's Pro Rata Share of the Revolving Loans, Swing Loans, and Extraordinary Advances as of a Settlement Date, Agent shall, as part of the relevant Settlement, apply to such balance the portion of payments actually received in good funds by Agent with respect to principal, interest, fees payable by the Borrowers and allocable to the Revolving Lenders hereunder, and proceeds of Collateral securing the Obligations.

(C) Between Settlement Dates, Agent, to the extent Extraordinary Advances or Swing Loans are outstanding, may pay over to Agent or the Swing Lender, as applicable, any payments or other amounts received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to the Extraordinary Advances or Swing Loans. Between Settlement Dates, Agent, to the extent no Extraordinary Advances or Swing Loans are outstanding, may pay over to the Swing Lender any payments or other amounts received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to the Swing Lender's Pro Rata Share of the Revolving Loans. If, as of any Settlement Date, payments or other amounts of Parent and its Subsidiaries received since the then immediately preceding Settlement Date have been applied to the Swing Lender's Pro Rata Share of the Revolving Loans other than to Swing Loans, as provided for in the previous sentence, the Swing Lender shall pay to Agent for the accounts of the Revolving Lenders, and Agent shall pay to the Revolving Lenders (other than a Defaulting Lender if Agent has implemented the provisions of Section 2.3(i)), to be applied to the outstanding Revolving Loans of such Revolving Lenders, an amount such that each such Revolving Lender shall, upon receipt of such amount, have, as of such Settlement Date, its Pro Rata Share of the Revolving Loans. During the period between Settlement Dates, the Swing Lender with respect to Swing Loans, Agent with respect to Extraordinary Advances, and each Revolving Lender with respect to the Revolving Loans other than Swing Loans and Extraordinary Advances, shall be entitled to interest at the applicable rate or rates payable under this Agreement on the daily amount of funds deployed by the Swing Lender, Agent, or the Revolving Lenders, as applicable.

(ii) Anything in this Section 2.3(g) to the contrary notwithstanding, in the event that a Lender is a Defaulting Lender, Agent shall be entitled to refrain from remitting settlement amounts to the Defaulting Lender and, instead, shall be entitled to elect to implement the provisions set forth in Section 2.3(i).

(h) **Notation.** Agent, as a non-fiduciary agent for Borrowers, shall maintain a register (consistent with the Register required pursuant to Section 13.1(h)) showing the principal amount of the Revolving Loans owing to each Lender, including the Swing Loans owing to the Swing Lender, and Extraordinary Advances owing to Agent, and the interests therein of each Lender, from time to time and such register shall, absent manifest error, conclusively be presumed to be correct and accurate.

(i) **Defaulting Lenders.**

(i) Generally. Notwithstanding the provisions of Section 2.4(b)(iv), Agent shall not be obligated to transfer to a Defaulting Lender any payments made by Borrowers (or any of them) to Agent for the Defaulting Lender's benefit or any proceeds of Collateral that would otherwise be remitted hereunder to the Defaulting Lender, and, in the absence of such transfer to the Defaulting Lender, Agent shall transfer any such payments (A) first, to the Swing Lender to the extent of any Swing Loans that were made by the Swing Lender and that were required to be, but were not, paid by the Defaulting Lender; provided that if any Tranche B Facility exists at such time, Swing Loans shall be treated as Tranche A Revolving Loans unless the outstanding principal amount of Tranche B Revolving Loans is less than the Tranche B Line Cap, in which case up to an amount equal to the Tranche B Line Cap minus the outstanding principal amount of Tranche B Revolving Loans of such Revolving Loans shall be treated as Tranche B Revolving Loans, and the remaining amount of such Revolving Loans shall be treated as Tranche A Revolving Loans, (B) second, to Issuing Banks, to the extent of the portion of a Letter of Credit Disbursement that was required to be, but was not, paid by the Defaulting Lender, (C) third, to each Non-Defaulting Lender ratably in accordance with their Revolver Commitments (but, in each case, only to the extent that such Defaulting Lender's portion of a Revolving Loan (or other funding obligation) was funded by such other Non-Defaulting Lender), (D) to a suspense account maintained by Agent, the proceeds of which shall be retained by Agent and may be made available to be re-advanced to or for the benefit of the Borrowers (upon the request of Borrowers and subject to the conditions set forth in Section 3.3) as if such Defaulting Lender had made its portion of Revolving Loans (or other funding obligations) hereunder, and (E) from and after the date on which all other Obligations have been paid in full, to such Defaulting Lender in accordance with tier (M) of Section 2.4(b)(iv). Subject to the foregoing, Agent may hold and, in its discretion, re-lend to the Borrowers for the account of such Defaulting Lender the amount of all such payments received and retained by Agent for the account of such Defaulting Lender. Solely for the purposes of voting or consenting to matters with respect to the Loan Documents (including the calculation of Pro Rata Share in connection therewith) and for the purpose of calculating the fee payable under Section 2.10(b), such Defaulting Lender shall be deemed not to be a "Lender" and such Lender's Revolver Commitments shall be deemed to be zero; provided, that the foregoing shall not apply to any of the matters governed by Section 14.1(a)(i) through (iv) and (xii). The provisions of this Section 2.3(i) shall remain effective with respect to such Defaulting Lender until the earlier of (y) the date on which all of the Non-Defaulting Lenders, Agent, Issuing Banks, and Borrowers shall have waived, in writing, the application of this Section 2.3(i) to such Defaulting Lender, or (z) the date on which such Defaulting Lender makes payment of all amounts that it was obligated to fund hereunder, pays to Agent all amounts owing by Defaulting Lender in respect of the amounts that it was obligated to fund hereunder, and, if requested by Agent, provides adequate assurance of its ability to perform its future obligations hereunder (on which earlier date, so long as no Event of Default has occurred and is continuing, any remaining cash collateral held by Agent pursuant to Section 2.3(i)(ii) shall be released to the Borrowers). The operation of this Section 2.3(i) shall not be construed to increase or otherwise affect the Revolver Commitment of any Lender, to relieve or excuse the performance by such Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by any Borrower of its duties and obligations hereunder to Agent, Issuing Banks, or to the Lenders other than such Defaulting Lender. Any failure by a Defaulting Lender to fund amounts that it was obligated to fund hereunder shall constitute a material breach by such Defaulting Lender of this Agreement and shall entitle Borrowers, at their option, upon written notice to Agent, to arrange for a substitute Lender to assume the Revolver Commitment of such Defaulting Lender, such substitute Lender to be reasonably acceptable to Agent. In connection with the arrangement of such a substitute Lender, the Defaulting Lender shall have no right to refuse to be replaced hereunder, and agrees to execute and deliver a completed form of Assignment and Acceptance in favor of the substitute Lender (and agrees that it shall be deemed to have executed and delivered such document if it fails to do so) subject only to being paid its share of the outstanding Obligations (other than Bank Product Obligations, but including (1) all interest, fees, and other amounts that may be due and payable in respect thereof, and (2) an assumption of its Pro Rata Share of its participation in the applicable Letters of Credit); provided, that, subject to Section 18.15, any such assumption of the Revolver Commitment of such Defaulting Lender shall not be deemed to constitute a waiver of any of the Lender Group's or Borrowers' rights or remedies against any such Defaulting Lender arising out of or in relation to such failure to fund. In the event of a direct conflict between the priority provisions of this Section 2.3(i) and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together

and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.3(i) shall control and govern.

(ii) Revolving Lenders as Defaulting Lenders. If any Swing Loan or Letter of Credit is outstanding at the time that a Revolving Lender becomes a Defaulting Lender then:

(A) such Defaulting Lender's Swing Loan Exposure and Letter of Credit Exposure shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares but only to the extent (x) the sum of all Non-Defaulting Lenders' Revolving Loan Exposures *plus* such Defaulting Lender's Swing Loan Exposure and Letter of Credit Exposure does not exceed the total of all Non-Defaulting Lenders' Revolver Commitments, (y) no Non-Defaulting Lender's Pro Rata Share of Revolver Usage exceeds its Revolver Commitment; provided that no Tranche A Revolving Lender shall be required to fund or participate in Tranche A Revolving Loans in excess of its Tranche A Revolver Commitment and no Tranche B Revolving Lender shall be required to fund or participate in Tranche B Revolving Loans in excess of its Tranche B Revolver Commitment and (z) the conditions set forth in Section 3.3 are satisfied at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, the Borrowers shall within one (1) Business Day following notice by the Agent (x) first, prepay such Defaulting Lender's Swing Loan Exposure (after giving effect to any partial reallocation pursuant to clause (A) above) and (y) second, cash collateralize such Defaulting Lender's Letter of Credit Exposure (after giving effect to any partial reallocation pursuant to clause (A) above), pursuant to a cash collateral agreement to be entered into in form and substance reasonably satisfactory to the Agent, for so long as such Letter of Credit Exposure is outstanding; provided, that the Borrowers shall not be obligated to cash collateralize any Defaulting Lender's Letter of Credit Exposure if such Defaulting Lender is also an Issuing Bank;

(C) if the Borrowers cash collateralize any portion of such Defaulting Lender's Letter of Credit Exposure pursuant to this Section 2.3(i)(ii), the Borrowers shall not be required to pay any Letter of Credit Fees to Agent for the account of such Defaulting Lender pursuant to Section 2.6(b) with respect to such cash collateralized portion of such Defaulting Lender's Letter of Credit Exposure during the period such Letter of Credit Exposure is cash collateralized;

(D) to the extent the Letter of Credit Exposure of the Non-Defaulting Lenders is reallocated pursuant to this Section 2.3(i)(ii), then the Letter of Credit Fees payable to the Non-Defaulting Lenders pursuant to Section 2.6(b) shall be adjusted in accordance with such Non-Defaulting Lenders' Letter of Credit Exposure;

(E) to the extent any Defaulting Lender's Letter of Credit Exposure is neither cash collateralized nor reallocated pursuant to this Section 2.3(i)(ii), then, without prejudice to any rights or remedies of any Issuing Bank or any Revolving Lender hereunder, all Letter of Credit Fees that would have otherwise been payable to such Defaulting Lender under Section 2.6(b) with respect to such portion of such Letter of Credit Exposure shall instead be payable to the applicable Issuing Bank until such portion of such Defaulting Lender's Letter of Credit Exposure is cash collateralized or reallocated;

(F) so long as any Revolving Lender is a Defaulting Lender, the Swing Lender shall not be required to make any Swing Loan and no Issuing Bank shall be required to issue, amend, or increase any Letter of Credit, in each case, to the extent (x) the Defaulting Lender's Pro Rata Share of such Swing Loans or Letter of Credit cannot be reallocated pursuant to this Section 2.3(i)(ii) or (y) the Swing Lender or Issuing Banks, as applicable, have not otherwise entered into arrangements reasonably satisfactory to the Swing Lender or Issuing Banks, as applicable, and the Borrowers to eliminate the Swing Lender's or Issuing Banks' risk with respect to the Defaulting Lender's participation in Swing Loans or Letters of Credit; and

(G) Agent may release any cash collateral provided by the Borrowers pursuant to this Section 2.3(i)(ii) to any Issuing Bank and such Issuing Bank may apply any such cash collateral to the payment of such Defaulting Lender's Pro Rata Share of any Letter of Credit Disbursement that is not reimbursed by the Borrowers pursuant to Section 2.11(d).

(iii) [Reserved].

(j) **Independent Obligations.** All Revolving Loans (other than Swing Loans and Extraordinary Advances) shall be made by the Lenders contemporaneously and in accordance with their Pro Rata Shares. The obligations of the Lenders under this Agreement to make Loans and to fund participations in Letters of Credit, Swing Loans and Extraordinary Advances are several (and not joint and several). It is understood that (i) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Revolving Loan (or other extension of credit) hereunder, nor shall any Revolver Commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (ii) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

2.4 Payments; Reductions of Commitments; Prepayments.

(a) **Payments by Borrowers.**

(i) Except as otherwise expressly provided herein, all payments by the Borrowers (or any of them) shall be made to the Agent's Account designated for the currency of the applicable payment and shall be made in immediately available funds, no later than 1:30 p.m. on the date specified herein. Any payment received by Agent later than 1:30 p.m. shall be deemed to have been received (unless Agent, in its sole discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(ii) Unless Agent receives notice from the Borrowers (or any of them) prior to the date on which any payment is due to the Lenders (or any of them) that such Borrowers will not make such payment in full as and when required, Agent may assume that such Borrowers have made (or will make) such payment in full to Agent on such date in immediately available funds and Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrowers (or any of them) do not make such payment in full to Agent on the date when due, each Lender severally shall repay to Agent on demand such amount distributed to such Lender, together with interest thereon at the Defaulting Lender Rate for each day from the date such amount is distributed to such Lender until the date repaid.

(b) **Apportionment and Application.**

(i) So long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all principal and interest payments received by Agent shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the portion of the Obligations to which such payments relate held by each Lender) and all payments of fees and expenses received by Agent (other than fees or expenses that are for Agent's separate account or for the separate account of Issuing Banks) shall be apportioned ratably among the Lenders having a Pro Rata Share of the type of Revolver Commitment or portion of the Obligation to which a particular fee or expense relates.

(ii) Subject to Section 2.4(b)(vii) and Section 2.4(d), all payments to be made hereunder by the Borrowers shall be remitted to Agent and all such payments, and all proceeds of Collateral securing the Obligations received by Agent, shall be applied, so long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, subject to the Intercreditor Agreement, to reduce the balance of the Revolving Loans

outstanding and, thereafter, to the Borrowers (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

(iii) [Reserved].

(iv) At any time that an Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, subject to the Intercreditor Agreement, all payments remitted to Agent by the Borrowers and all proceeds of Collateral securing the Obligations received by Agent shall be applied as follows:

(A) first, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents in respect of the Obligations, until paid in full,

(B) second, to pay any fees then due to Agent under the Loan Documents in respect of the Obligations until paid in full,

(C) third, ratably to pay interest due in respect of all Protective Advances until paid in full,

(D) fourth, ratably to pay the principal of all Protective Advances until paid in full,

(E) fifth, ratably to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Revolving Lenders or Issuing Banks under the Loan Documents, until paid in full,

(F) sixth, ratably to pay any fees then due to any of the Revolving Lenders or Issuing Banks under the Loan Documents until paid in full,

(G) seventh, ratably to pay interest accrued in respect of the Swing Loans until paid in full,

(H) eighth, ratably to pay the principal of all Swing Loans until paid in full,

(I) ninth, to Agent, to be held by Agent, for the benefit of the Issuing Banks (and for the ratable benefit of each of the Revolving Lenders that have an obligation to pay to Agent, for the account of the Issuing Banks, a share of each Letter of Credit Disbursement in connection with each Letter of Credit), as cash collateral in an amount up to the sum of 103% of the Letter of Credit Usage (to the extent permitted by applicable law, such cash collateral shall be applied to the reimbursement of any Letter of Credit Disbursement as and when such disbursement occurs and, if a Letter of Credit expires undrawn, the cash collateral held by Agent in respect of such Letter of Credit shall, to the extent permitted by applicable law, be reapplied pursuant to this Section 2.4(b)(iv), beginning with tier (A) hereof),

(J) tenth, ratably to pay interest accrued in respect of the Tranche A Revolving Loans under the Tranche A Facility (other than U.S. Protective Advances) until paid in full,

(K) eleventh,

i. ratably to pay the principal of all Tranche A Revolving Loans under the Tranche A Facility until paid in full, and

ii. ratably up to the amount of the most recently established Pari Secured Hedge Reserves (after taking into account any amounts previously paid pursuant to this

clause ii during the continuation of the applicable Application Event), to a. the Hedge Providers with Pari Secured Hedge Obligations based upon amounts then certified by the applicable Hedge Provider to Agent (in form and substance satisfactory to Agent and in accordance with Section 18.5) to be due and payable to such Hedge Providers on account of Pari Secured Hedge Obligations, and b. with any balance to be paid to Agent, to be held by Agent, for the ratable benefit of the applicable Hedge Providers, as cash collateral (which cash collateral may be released by Agent to the applicable Hedge Provider and applied by such Hedge Provider to the payment or reimbursement of any amounts due and payable with respect to Pari Secured Hedge Obligations owed to the applicable Hedge Provider as and when such amounts first become due and payable and, if and at such time as all such Pari Secured Hedge Obligations are paid or otherwise satisfied in full, the cash collateral held by Agent in respect of such Pari Secured Hedge Obligations shall be reapplied pursuant to this Section 2.4(b)(iv), beginning with tier (A) hereof),

(L) twelfth, ratably to pay interest accrued in respect of the Tranche B Revolving Loans under the Tranche B Facility until paid in full,

(M) thirteenth, ratably to pay the principal of all Tranche B Revolving Loans under the Tranche B Facility until paid in full, and

(N) fourteenth, to pay any other Obligations other than Obligations owed to Defaulting Lenders (including being paid, ratably to the Bank Product Providers on account of all amounts then due and payable in respect of Bank Product Obligations (other than Pari Secured Hedge Obligations) based upon amounts then certified by the applicable Bank Product Providers to Agent (in form and substance reasonably satisfactory to Agent and in accordance with Section 18.5), with any balance to be paid to Agent, to be held by Agent, for the ratable benefit of the Bank Product Providers, as cash collateral (which cash collateral may be released by Agent to the applicable Bank Product Provider and applied by such Bank Product Provider to the payment or reimbursement of any amounts due and payable with respect to Bank Product Obligations owed to the applicable Bank Product Provider as and when such amounts first become due and payable and, if and at such time as all such Bank Product Obligations are paid or otherwise satisfied in full, the cash collateral held by Agent in respect of such Bank Product Obligations shall be reapplied pursuant to this Section 2.4(b)(iv), beginning with tier (A) hereof),

(O) fifteenth, ratably to pay any Obligations owed to Defaulting Lenders; and

(P) sixteenth, to the Borrowers (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

Notwithstanding anything to the contrary herein, the parties hereto agree that the unpaid principal of the Pari Secured Hedging Obligations (i.e., the termination payments that are due and payable thereunder after taking into account the effect of any legally enforceable netting arrangements (the "Net Termination Payments")) shall be paid, ratably with the unpaid principal of Revolving Loans, pursuant to clause (K) above; provided that if on the date of any application of cash or proceeds in accordance with this Section 2.4(b)(iv), the aggregate Net Termination Payments due and payable with respect to such Pari Secured Hedge Obligations exceeds an amount equal to (x) $25,000,000, minus (y) the aggregate amount of Pari Secured Hedge Obligations previously paid pursuant to this Section 2.4(b)(iv) ((x) minus (y), the "Available Hedge Amount" at such date), then: (1) the Obligations payable pursuant to clause (K)(ii) shall be the Net Termination Payments due and payable with respect to Pari Secured Hedge Obligations in an aggregate amount equal to the Available Hedge Amount at such date (which Available Hedge Amount shall represent and be comprised of a ratable portion (the "Permitted Ratable Portion") of the Net Termination Payments due and payable with respect to each Pari Secured Hedge Obligation), and (2) the portion of the termination payments due and payable (or that would be due and payable assuming a termination on such date of determination) with respect to each Pari Secured Hedge Obligation that is in excess of the Permitted Ratable Portion referred to in clause (1) (and is therefore not paid ratably with the unpaid principal of Revolving Loans pursuant to clause (K)) shall, for all purposes of this Section 2.4(b)(iv), be treated as and deemed to be Obligations of

a Bank Product Provider payable under clause (L) above, and shall be paid, ratably with the all other Obligations, pursuant to clause (L) above.

(v) [Reserved].

(vi) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from each Lender in writing, such funds as it may be entitled to receive, subject to a Settlement delay as provided in Section 2.3(g).

(vii) In each instance, so long as no Application Event has occurred and is continuing, Section 2.4(b)(iv) shall not apply to any payment made by the Borrowers (or any of them) to Agent and specified by such Borrowers to be for the payment of specific Obligations then due and payable (or prepayable) under any provision of this Agreement or any other Loan Document.

(viii) For purposes of Section 2.4(b)(iv), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, irrespective of whether any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(ix) In the event of a direct conflict between the priority provisions of this Section 2.4 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, if the conflict relates to the provisions of Section 2.3(i) and this Section 2.4, then the provisions of Section 2.3(i) shall control and govern, and if otherwise, then the terms and provisions of this Section 2.4 shall control and govern.

(c) **Reduction of Commitments.** The Revolver Commitments shall terminate on the Maturity Date. Borrowers may reduce the Revolver Commitments of either Class, without premium or penalty, to an amount not less than the sum of (A) the Revolver Usage of such Class as of such date, plus (B) the principal amount of all Revolving Loans of such Class not yet made as to which a request has been given by Borrowers under Section 2.3(a), plus (C) the amount of all Letters of Credit of such Class not yet issued as to which a request has been given by Borrowers pursuant to Section 2.11(a). Each such reduction shall be in an amount which is not less than $5,000,000 (unless the Revolver Commitments are being reduced to zero and the amount of the Revolver Commitments in effect immediately prior to such reduction are less than $5,000,000), shall be made by providing not less than five (5) Business Days prior written notice to Agent or such shorter period as the Agent may agree in its reasonable discretion, and shall be irrevocable; provided that such notice of termination may state that such notice is conditioned upon the effectiveness of other credit facilities or the closing of one or more securities offerings or other transactions, in which case such notice may be revoked by Borrowers (by notice to Agent from Parent on or prior to the specified effective date) if such condition is not satisfied. Once reduced, the Revolver Commitments may not be increased. Each such reduction of the Revolver Commitments shall reduce the Revolver Commitments of each Revolving Lender proportionately in accordance with its ratable share thereof.

(d) **Optional Prepayments.** The Borrowers may prepay the principal of any Revolving Loan at any time in whole or in part, without premium or penalty (provided that no Tranche B Revolving Loan may be prepaid unless, prior to or simultaneously with such prepayment, all outstanding Tranche A Revolving Loans are repaid in full) upon not less than (x) three (3) Business Days prior written notice to Agent, in the case of LIBOR Rate Revolving Loan and (y) same day written notice to Agent, in the case of Base Rate Revolving Loans (each such notice to be irrevocable), provided that such notice may state that such notice is conditioned upon the effectiveness of other credit facilities or the closing of one or more securities offerings or other transactions, in which case such notice may be revoked by the Borrowers (by notice to Agent from Parent on or prior to the specified effective date) if such condition is

not satisfied; provided, further that no such notice shall be required during a Cash Dominion Trigger Period.

(e) **Mandatory Prepayments.**

(i) If, at any time and subject to Section 1.7(d), the Tranche A Revolver Usage on such date exceeds (A) the Tranche A Borrowing Base reflected in the Borrowing Base Certificate most recently delivered by Borrowers (and, in the case of the Tranche A Borrowing Base reflected in the Borrowing Base Certificate delivered on the Closing Date, subject to the last paragraph of the definition of "Tranche A Borrowing Base") to Agent, *less* the aggregate amount of reserves, if any, established by Agent under Section 2.1(a) after the date of such Borrowing Base Certificate or (B) the Maximum Revolver Amount, then the Borrowers shall, within one (1) Business Day, prepay the Obligations in accordance with Section 2.4(f) in an aggregate amount equal to the amount of such excess.

(ii) At any time during a Cash Dominion Trigger Period, the Agent shall have the right, subject to Section 2.4(b)(iv), to distribute and apply on a daily basis all amounts held in the Dominion Account to prepay the Obligations in accordance with Section 2.4(f).

(iii) If, at any time and subject to Section 1.7(d), the Tranche B Revolving Loan Exposure on such date exceeds the Tranche B Line Cap then in effect, such excess shall (A) to the extent that the conditions to a Tranche A Revolving Loan in the amount of such excess under Section 3.3 are satisfied at such time, be deemed drawn under the Tranche A Facility pursuant to the Line Cap then in effect and (B) to the extent that the conditions to a Tranche A Revolving Loan in the amount of such excess under Section 3.3 are not satisfied at such time, give rise to a Reserve against the Tranche A Line Cap then in effect in an amount equal to such excess, and if the result causes the Tranche A Revolving Usage to exceed the Tranche A Line Cap then in effect the Borrowers shall immediately after demand, apply an amount equal to such excess to prepay the Loans and any interest accrued thereon, first, repay or prepay Swing Loans, second, repay or prepay Tranche A Revolving Borrowings, third, replace or Cash Collateralize outstanding Letters of Credit in an amount sufficient to eliminate such excess, and fourth, repay or prepay Tranche B Revolving Borrowings.

(f) **Application of Payments.** Each prepayment pursuant to Section 2.4(e)(i), Section 2.4(e)(i) and Section 2.4(e)(iii) shall, (A) so long as no Application Event shall have occurred and be continuing, be applied, first, to the outstanding principal amount of the Tranche A Revolving Loans until paid in full, second, to cash collateralize the Letters of Credit in an amount equal to the sum of (x) 103% of the Letter of Credit Usage that is denominated in Dollars, and (y) 103% of the Letter of Credit Usage that is denominated in an Agreed Currency other than Dollars and third, to the outstanding Tranche B Revolving Loans, and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.4(b)(iv).

(g) **Generally**. Any mandatory prepayments required under Section 2.4(d) shall not result in a permanent reduction of the Revolver Commitments. All prepayments made pursuant to Section 2.4(d) or Section 2.4(d) shall be accompanied by accrued and unpaid interest on the amount so prepaid.

2.5 Promise to Pay; Promissory Notes.

(a) The Borrowers agree to pay the Lender Group Expenses of Agent, the Issuing Banks, and the Revolving Lenders on the earlier of (1) the first day of the month following the date on which the applicable Lender Group Expenses were first incurred and invoiced or (2) the date on which demand therefor is made by Agent (it being acknowledged and agreed that any charging of such costs, expenses or Lender Group Expenses to the applicable Loan Account pursuant to the provisions of Section 2.6(d) shall be deemed to constitute a demand for payment thereof for the purposes of this subclause (ii)). The Borrowers promise to pay all of the Obligations (including principal, interest, premiums, if any, fees, costs,

(b) [Reserved].

(c) Any Lender may request that any portion of its Revolver Commitments or the Revolving Loans made by it be evidenced by one or more promissory notes. In such event, the Borrowers shall execute and deliver to such Lender or its registered assigns the requested promissory notes payable to such Lender in a form furnished by Agent and reasonably satisfactory to such Borrowers. Thereafter, the portion of the Revolver Commitments and Revolving Loans evidenced by such promissory notes and interest thereon shall at all times be represented by one or more promissory notes in such form payable to the payee named therein or its registered assigns.

2.6 Interest Rates and Letter of Credit Fee: Rates, Payments, and Calculations.

(a) **Interest Rates.** Except as provided in Section 2.6(c), all Obligations (except for undrawn Letters of Credit) that have been charged to the applicable Loan Account pursuant to the terms hereof shall bear interest as follows:

(i) if the relevant Obligation is a Revolving Loan that is a LIBOR Rate Loan, at a per annum rate equal to the LIBOR Rate plus the Applicable Margin, and

(ii) if the relevant Obligation is a Revolving Loan that is a Base Rate Loan, at a per annum rate equal to the Base Rate plus the Applicable Margin.

(b) **Letter of Credit Fees.** The Borrowers shall pay Agent (for the ratable benefit of the Revolving Lenders), a Letter of Credit fee (the "Letter of Credit Fee") (which fee shall be in addition to the fronting fees and commissions, other fees, charges and expenses set forth in Section 2.11(l)) that shall accrue at a per annum rate equal to the Tranche A LIBOR Rate Margin times the undrawn amount of all outstanding Letters of Credit.

(c) **Default Rate.** Upon the occurrence and during the continuation of an Event of Default,

(i) the overdue Obligations shall bear interest at a per annum rate equal to two (2) percentage points above the per annum rate otherwise applicable hereunder, and

(ii) the overdue Letter of Credit Fees shall be increased to two (2) percentage points above the per annum rate otherwise applicable hereunder.

Interest at the above referenced rate (the "Default Rate") shall be payable upon demand.

(d) **Payment.**

(i) Except to the extent provided to the contrary in Section 2.4(g), Section 2.10, Section 2.11(l), and Section 2.13(a), (A) all interest, all Letter of Credit Fees, all Unused Line Fees and all other fees payable hereunder or under any of the other Loan Documents shall be due and payable, in arrears, on the first day of each quarter and on the Maturity Date, (B) [reserved], and (C) all costs and expenses payable hereunder or under any of the other Loan Documents, and all Lender Group Expenses shall be due and payable on the earlier of (x) the first day of the month following the date on which the applicable costs, expenses, or Lender Group Expenses were first incurred and invoiced, or (y) the date on which demand therefor is made by Agent (it being acknowledged and agreed that any charging of such costs, expenses or Lender Group Expenses to the applicable Loan Account pursuant to the provisions of the following clause (ii) shall be deemed to constitute a demand for payment thereof for the purposes of this subclause (y)).

(ii) The Borrowers hereby authorize Agent, from time to time during any Cash Dominion Trigger Period, with prior notice to the Borrowers that the Agent is exercising its rights

under this Section 2.6(d)(ii) (provided that after delivery of such notice, no additional notice shall be required during such Cash Dominion Trigger Period), to charge to the Loan Account (A) on the first day of each quarter, all interest accrued during the prior quarter on the Revolving Loans hereunder, (B) on the first day of each quarter, all Letter of Credit Fees accrued or chargeable hereunder during the prior quarter, (C) as and when due and payable, all fees and costs provided for in Section 2.10(a) or (c), (D) on the first day of each quarter, the Unused Line Fee accrued during the prior quarter pursuant to Section 2.10(b), (E) as and when due and payable, all other fees payable hereunder or under any of the other Loan Documents, (F) as and when due and payable, the fronting fees and all commissions, other fees, charges and expenses provided for in Section 2.11(l), (G) as and when due and payable, all other Lender Group Expenses of Agent, the Issuing Banks, and the Revolving Lenders, and (H) as and when due and payable all other payment obligations payable under any Loan Document or any Bank Product Agreement (including any amounts due and payable to the Bank Product Providers in respect of Bank Products). All amounts (including interest, fees, costs, expenses, Lender Group Expenses, or other amounts payable hereunder or under any other Loan Document or under any Bank Product Agreement) charged to the Loan Account shall thereupon constitute Revolving Loans hereunder, shall constitute Obligations hereunder, and shall initially accrue interest at the rate then applicable to Revolving Loans that are Base Rate Loans (unless and until converted into LIBOR Rate Loans in accordance with the terms of this Agreement).

(e) **Computation.** All interest and fees chargeable under the Loan Documents shall be computed on the basis of a 360-day year or, in the case of Base Rate Loans (or any fees or expenses based on the Base Rate), on the basis of a 365-day year or 366-day year, as applicable, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue. In the event the Base Rate is changed from time to time hereafter, the rates of interest hereunder based upon the Base Rate automatically and immediately shall be increased or decreased by an amount equal to such change in the Base Rate.

(f) **Intent to Limit Charges to Maximum Lawful Rate.** In no event shall the interest rate or rates payable under this Agreement, *plus* any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Borrowers and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, that, anything contained herein to the contrary notwithstanding, if such rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, ipso facto, as of the date of this Agreement, the Borrowers are and shall be liable only for the payment of such maximum amount as is allowed by law, and payment received from any Borrowers in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

2.7 Crediting Payments. The receipt of any payment item by Agent shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to the Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrowers shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into the Agent's Account on a Business Day on or before 1:30 p.m. If any payment item is received into the Agent's Account on a non-Business Day or after 1:30 p.m. on a Business Day (unless Agent, in its sole discretion, elects to credit it on the date received), it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day.

2.8 Designated Accounts. Agent is authorized to make the Revolving Loans, and Issuing Bank is authorized to issue the Letters of Credit, under this Agreement based upon electronic or other instructions received from anyone purporting to be an Authorized Person or, without instructions, if pursuant to Section 2.6(d)(ii). The Borrowers agree to establish and maintain the Designated Account with the Designated Account Bank for the purpose of receiving the proceeds of the Revolving Loans

requested by the Borrowers and made by Agent or the Revolving Lenders hereunder. Unless otherwise agreed by Agent and the Borrowers, any Revolving Loan or Swing Loan requested by the Borrowers and made by Agent or the Revolving Lenders hereunder shall be made to the Designated Account.

2.9 Maintenance of Loan Account; Statements of Obligations. Agent shall maintain an account on its books in the name of the Borrowers (the "Loan Account") on which the Borrowers will be charged with all Revolving Loans (including Extraordinary Advances and Swing Loans) made by Agent, the Swing Lender, or the Revolving Lenders to the Borrowers or for the Borrowers' account, the Letters of Credit issued or arranged by any Issuing Bank for the Borrowers' account, and with all other payment Obligations hereunder or under the other Loan Documents, including, accrued interest, fees and expenses, and Lender Group Expenses. In accordance with Section 2.7, the Loan Account will be credited with all payments received by Agent from the Borrowers or for the Borrowers' account. Agent shall make available to the Borrowers monthly statements regarding the Loan Account, including the principal amount of the Revolving Loans, interest accrued hereunder, fees accrued or charged hereunder or under the other Loan Documents, and a summary itemization of all charges and expenses constituting Lender Group Expenses accrued hereunder or under the other Loan Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between the Borrowers and the Lender Group unless, within 30 days after Agent first makes such a statement available to the Borrowers, the Borrowers shall deliver to Agent written objection thereto describing the error or errors contained in such statement.

2.10 Fees

(a) **Agent Fees.** The Borrowers shall pay to Agent, for the account of Agent, the "ABL Agency Fee" set forth in Section 1 of the Fee Letter, which ABL Agency Fee shall be earned, due and payable to Agent quarterly in advance commencing on the Closing Date and on the first calendar day of the month after each quarter thereafter for so long as this Agreement is in effect.

(b) **Unused Line Fees.** The Borrowers shall pay to Agent, for the ratable account of the Revolving Lenders, an unused line fee (the "Unused Line Fee") in an amount equal to the Applicable Unused Line Fee Percentage per annum times the result of (i) the aggregate amount of the Revolver Commitments, less (ii) the average amount of the Revolver Usage during the immediately preceding quarter (or portion thereof), which Unused Line Fee shall be due and payable, in arrears, on the first day of each quarter from and after the Closing Date up to the first day of the quarter prior to the date on which the Obligations are paid in full and on the date on which the Obligations are paid in full.

(c) **Field Examination and Other Fees.** The Borrowers shall pay to Agent, Agent's then standard field examination, appraisal, and valuation fees and charges (including charges of its internal examination and appraisal groups), as and when incurred or chargeable, the fees or charges paid or incurred by Agent (including allocated costs of employees of Agent) to perform field examinations of Parent or its Subsidiaries, to establish electronic collateral reporting systems, to appraise the Collateral, or any portion thereof, or to assess Parent's or its Subsidiaries' business valuation; provided, that so long as no Event of Default and no Field Examination/Appraisal Triggering Event shall have occurred and be continuing, the Borrowers shall not be obligated to reimburse Agent for more than one (1) field examination, one (1) appraisal of the Collateral consisting of inventory, one (1) appraisal of the Collateral consisting of equipment, and one (1) business valuation during any calendar year; provided, further that (i) if a Field Examination/Appraisal Triggering Event occurs in any calendar year, the limits in the immediately preceding proviso shall each be increased to two (2) and (ii) during the existence and continuance of an Event of Default, the limits in the immediately preceding proviso shall each be increased to four (4).

2.11 Letters of Credit.

(a) Subject to the terms and conditions of this Agreement, upon the request of the Borrowers made in accordance herewith, during the period from the Closing Date until the Letter of Credit Expiration Date, each Issuing Bank agrees to issue a requested Letter of Credit for the account of the

Borrowers (which issuance, subject to Section 2.11(h), may be for an Account Party), it being agreed that each Issuing Bank shall only be required to issue standby Letters of Credit unless it otherwise agrees (in its sole discretion). By submitting a request to an Issuing Bank for the issuance of a Letter of Credit, the Borrowers shall be deemed to have requested that such Issuing Bank issue the requested Letter of Credit. Each request for the issuance of a Letter of Credit, or the amendment, renewal, or extension of any outstanding Letter of Credit, shall be irrevocable and shall be made in writing by an Authorized Person and delivered to the applicable Issuing Bank via telefacsimile or other electronic method of transmission reasonably acceptable to such Issuing Bank and at least three (3) Business Days (or such shorter period as agreed by the applicable Issuing Bank) in advance of the requested date of issuance, amendment, renewal, or extension. Each such request shall be in form and substance reasonably satisfactory to such Issuing Bank and (i) shall specify (A) the amount and applicable Agreed Currency of such Letter of Credit, (B) the date of issuance, amendment, renewal, or extension of such Letter of Credit, (C) the proposed expiration date of such Letter of Credit, (D) the name and address of the beneficiary of the Letter of Credit, and (E) such other information (including, the conditions to drawing, and, in the case of an amendment, renewal, or extension, identification of the Letter of Credit to be so amended, renewed, or extended) as shall be reasonably necessary to prepare, amend, renew, or extend such Letter of Credit, and (ii) shall be accompanied by such Issuer Documents as Agent or such Issuing Bank may reasonably request or require, to the extent that such requests or requirements are consistent with the Issuer Documents that such Issuing Bank generally requests for Letters of Credit in similar circumstances. The applicable Issuing Bank's records of the content of any such request will be conclusive, absent manifest error. Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit related thereto, whether or not such maximum face amount is in effect at such time.

(b) No Issuing Bank shall issue a Letter of Credit if any of the following would result after giving effect to the requested issuance:

(i) the Letter of Credit Usage would exceed the Letter of Credit Sublimit, or the aggregate undrawn amount of all outstanding Letters of Credit issued by such Issuing Bank would exceed the Letter of Credit Sublimit with respect to such Issuing Bank,

(ii) the Letter of Credit Usage would exceed the Maximum Revolver Amount less the sum of the outstanding principal amount of Revolving Loans (including Swing Loans) at such time,

(iii) the Letter of Credit Usage would exceed the Tranche A Borrowing Base at such time less the sum of the outstanding principal amount of Tranche A Revolving Loans (including Swing Loans) at such time, or

(iv) the expiration date of such requested Letter of Credit would occur after the earlier to occur of the date that is 12 months after the date of issuance of such Letter of Credit and the Letter of Credit Expiration Date, unless such Issuing Bank and the Agent have approved such expiration date (it being understood that the obligation of Revolving Lenders to fund participations in Letters of Credit shall expire immediately following the Maturity Date (for this purpose, pursuant to clause (a) of the definition thereof)).

In addition, no Issuing Bank shall issue or be obligated to issue any Letter of Credit if it has actual knowledge that one or more of the applicable conditions precedent set forth in Section 3 is not satisfied on the requested Funding Date. On the Maturity Date, the Borrowers shall provide Letter of Credit Collateralization to Agent (or make other arrangements acceptable to the applicable Issuing Bank) to be held as security for Borrowers' reimbursement obligations in respect of drawings that may subsequently occur under issued and outstanding Letters of Credit.

(c) In the event there is a Defaulting Lender as of the date of any request for the issuance of a Letter of Credit, no Issuing Bank shall be required to issue or arrange for such Letter of

Credit to the extent (i) the Defaulting Lender's Letter of Credit Exposure with respect to such Letter of Credit may not be reallocated pursuant to Section 2.3(i)(ii), or (ii) such Issuing Bank has not otherwise entered into arrangements reasonably satisfactory to it and the Borrowers to eliminate such Issuing Bank's risk with respect to the participation in such Letter of Credit of the Defaulting Lender, which arrangements may include the Borrowers cash collateralizing such Defaulting Lender's Letter of Credit Exposure in accordance with Section 2.3(i)(ii). Additionally, no Issuing Bank shall have any obligation to issue a Letter of Credit if (A) any order, judgment, or decree of any Governmental Authority or arbitrator shall, by its terms, purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any law applicable to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit or request that such Issuing Bank refrain from the issuance of letters of credit generally or such Letter of Credit in particular, (B) the issuance of such Letter of Credit would violate one or more policies of such Issuing Bank applicable to letters of credit generally, or (C) if amounts demanded to be paid under any Letter of Credit will or may not be in an Agreed Currency.

(d) Any Issuing Bank (other than Bank of America or any of its Affiliates) shall notify Agent in writing no later than the Business Day immediately following the Business Day on which such Issuing Bank receives a request for issuance of any Letter of Credit. The applicable Issuing Bank will not issue any requested Letter of Credit if it receives written notice from the Agent (with a copy to Parent) that the proposed Letter of Credit would cause an Overadvance to occur. Each Letter of Credit shall be in form and substance reasonably acceptable to the applicable Issuing Bank, including the requirement that the amounts payable thereunder must be payable in an Agreed Currency. If an Issuing Bank makes a payment under a Letter of Credit, the Borrowers shall pay to Agent an amount equal to the applicable Letter of Credit Disbursement in the same currency as such Letter of Credit (i) within one (1) Business Day after such Letter of Credit Disbursement in the case of Letters of Credit denominated in Dollars and (ii) within two (2) Business Days after such Letter of Credit Disbursement in the case of Letters of Credit denominated in an Agreed Currency other than Dollars is made and, in the absence of such payment, the amount of such Letter of Credit Disbursement (or, in the case of a Letter of Credit Disbursement in an Agreed Currency other than Dollars, the Agreed Currency Equivalent of such Letter of Credit Disbursement) immediately and automatically shall be deemed to be a Revolving Loan hereunder (notwithstanding any failure to satisfy any condition precedent set forth in Section 3) and, initially, shall bear interest at the rate then applicable to Revolving Loans that are Base Rate Loans. If a Letter of Credit Disbursement is deemed to be a Revolving Loan hereunder, the Borrowers' obligation to pay the amount of such Letter of Credit Disbursement to the applicable Issuing Bank shall be automatically converted into an obligation to pay the resulting Revolving Loan. Promptly following receipt by Agent of any payment from the Borrowers pursuant to this paragraph, Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to Section 2.11(e) to reimburse the applicable Issuing Bank, then to such Revolving Lenders and such Issuing Bank as their interests may appear.

(e) Promptly following receipt of a notice of a Letter of Credit Disbursement pursuant to Section 2.11(d), each Revolving Lender agrees to fund its Pro Rata Share of any Revolving Loan deemed made pursuant to Section 2.11(d) on the same terms and conditions as if the Borrowers had requested the amount thereof as a Revolving Loan and Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Revolving Lenders; provided that in the case of Letters of Credit denominated in an Agreed Currency other than Dollars, each Revolving Lender shall fund in Dollars its Pro Rata Share of the amount equal to the Agreed Currency Equivalent of such Letter of Credit Disbursement amount. By the issuance of a Letter of Credit (or an amendment, renewal, or extension of a Letter of Credit) and without any further action on the part of any Issuing Bank or the Revolving Lenders, the applicable Issuing Bank shall be deemed to have granted to each Revolving Lender, and each Revolving Lender shall be deemed to have purchased, a participation in each Letter of Credit issued by such Issuing Bank, in an amount equal to its Pro Rata Share of such Letter of Credit, and each such Revolving Lender agrees to pay to Agent, for the account of such Issuing Bank, such Revolving Lender's Pro Rata Share of any Letter of Credit Disbursement made by such Issuing Bank under the applicable Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to Agent, for the account of the applicable Issuing Bank,

such Revolving Lender's Pro Rata Share of each Letter of Credit Disbursement made by such Issuing Bank and not reimbursed by the Borrowers on the date due as provided in Section 2.11(d), or of any reimbursement payment that is required to be refunded (or that Agent or the applicable Issuing Bank elects, based upon the advice of counsel, to refund) to the Borrowers for any reason. Each Revolving Lender acknowledges and agrees that its obligation to deliver to Agent, for the account of the applicable Issuing Bank, an amount equal to its respective Pro Rata Share of each Letter of Credit Disbursement pursuant to this Section 2.11(e) shall be absolute and unconditional and such remittance shall be made notwithstanding the occurrence or continuation of an Event of Default or Default or the failure to satisfy any condition set forth in Section 3.

(f) Each Borrower agrees to indemnify, defend and hold harmless each member of the Lender Group (including each Issuing Bank and its branches, Affiliates, and correspondents) and each such Person's respective directors, officers, employees, attorneys and agents (each, including each Issuing Bank, a "Letter of Credit Related Person") (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of one counsel in each relevant jurisdiction (and, solely in the case of an actual or perceived conflict of interest, one additional counsel to each group of affected persons similarly situated) and all other reasonable and documented costs and out-of-pocket expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), which may be incurred by or awarded against any Letter of Credit Related Person (other than any Taxes that are governed by Section 17, or Excluded Taxes) (the "Letter of Credit Indemnified Costs"), and which arise out of or in connection with, or as a result of this Agreement, any Letter of Credit, any Issuer Document, or any Drawing Document referred to in or related to any Letter of Credit, or any action or proceeding arising out of any of the foregoing (whether administrative, judicial or in connection with arbitration); in each case, including that resulting from the Letter of Credit Related Person's own negligence (other than resulting from such Person's bad faith or willful misconduct or constituting gross negligence); provided, however, that such indemnity shall not be available to any Letter of Credit Related Person claiming indemnification to the extent that such Letter of Credit Indemnified Costs may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the bad faith, gross negligence or willful misconduct of the Letter of Credit Related Person claiming indemnity. This indemnification provision shall survive termination of this Agreement and all Letters of Credit.

(g) The liability of each Issuing Bank (or any other Letter of Credit Related Person) under, in connection with or arising out of any Letter of Credit (or pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to direct damages suffered by the Borrowers that result from such Issuing Bank's bad faith, gross negligence or willful misconduct in (i) honoring a presentation under a Letter of Credit that on its face does not at least substantially comply with the terms and conditions of such Letter of Credit, (ii) failing to honor a presentation under a Letter of Credit that strictly complies with the terms and conditions of such Letter of Credit or (iii) retaining Drawing Documents presented under a Letter of Credit. Each Issuing Bank shall be deemed to have acted with due diligence and reasonable care if such Issuing Bank's conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement. The Borrowers' aggregate remedies against each Issuing Bank and any Letter of Credit Related Person for wrongfully honoring a presentation under any Letter of Credit or wrongfully retaining honored Drawing Documents shall in no event exceed the aggregate amount paid by the Borrowers to the applicable Issuing Bank in respect of the honored presentation in connection with such Letter of Credit under Section 2.11(d), plus interest at the rate then applicable to Base Rate Loans hereunder.

(h) The Borrowers are responsible for the final text of the Letter of Credit as issued by any Issuing Bank, irrespective of any assistance such Issuing Bank may provide such as drafting or recommending text or by such Issuing Bank's use or refusal to use text submitted by the Borrowers. Prior to the issuance of a Letter of Credit, the Borrowers understand that the final form of any Letter of Credit may be subject to such revisions and changes as are deemed necessary or appropriate by the applicable Issuing Bank, and the Borrowers hereby consent to such revisions and change so long as they are (1) not materially different from the application executed in connection therewith and (2) are in accordance with

international standard banking practice. The Borrowers are solely responsible for the suitability of the Letter of Credit for the Borrowers' purposes. If the Borrowers request any Issuing Bank to issue a Letter of Credit for an affiliated or unaffiliated third party (an "Account Party"), (i) such Account Party shall have no rights against such Issuing Bank; (ii) the Borrowers shall be responsible for the application and obligations under this Agreement; and (iii) communications (including notices) related to the respective Letter of Credit shall be among such Issuing Bank and the Borrowers. The Borrowers will examine the copy of the Letter of Credit and any other document sent by each Issuing Bank in connection therewith and shall promptly notify such Issuing Bank (not later than three (3) Business Days following the Borrowers' receipt of documents from such Issuing Bank) of any non-compliance with the Borrowers' instructions and of any discrepancy in any document under any presentment or other irregularity. The Borrowers understand and agree that no Issuing Bank is required to extend the expiration date of any Letter of Credit for any reason. With respect to any Letter of Credit containing an "automatic amendment" to extend the expiration date of such Letter of Credit for additional consecutive periods of 12 months (but in no event shall the expiration date extend beyond the Letter of Credit Expiration Date unless such Issuing Bank and the Agent have approved such expiration date (it being understood that the obligation of Revolving Lenders to fund participations in Letters of Credit shall expire immediately following the Maturity Date (for this purpose, pursuant to clause (a) of the definition thereof)), any Issuing Bank, in its sole and absolute discretion, may give notice of nonrenewal of such Letter of Credit and, if the Borrowers do not at any time want such Letter of Credit to be renewed, the Borrowers will so notify Agent and the applicable Issuing Bank at least 30 calendar days (or such later date as agreed to by the applicable Issuing Bank) before such Issuing Bank is required to notify the beneficiary of such Letter of Credit or any advising bank of such nonrenewal pursuant to the terms of such Letter of Credit.

(i) The Borrowers' reimbursement and payment obligations under this Section are absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever, provided, however, that subject to Section 2.11(g) above, the foregoing shall not release any Issuing Bank from such liability to the Borrowers as may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction against such Issuing Bank following reimbursement or payment of the obligations and liabilities, including reimbursement and other payment obligations, of the Borrowers to such Issuing Bank arising under, or in connection with, this Section 2.11 or any Letter of Credit.

(j) Without limiting any other provision of this Agreement, each Issuing Bank and each other Letter of Credit Related Person (if applicable) shall not be responsible to the Borrowers for, and no Issuing Bank's rights and remedies against the Borrowers and the obligation of the Borrowers to reimburse each Issuing Bank for each drawing under each Letter of Credit shall be impaired by:

(i) honor of a presentation under any Letter of Credit that on its face substantially complies with the terms and conditions of such Letter of Credit, even if the Letter of Credit requires strict compliance by the beneficiary;

(ii) honor of a presentation of any Drawing Document that appears on its face to have been signed, presented or issued (A) by any purported successor or transferee of any beneficiary or other Person required to sign, present or issue such Drawing Document or (B) under a new name of the beneficiary;

(iii) acceptance as a draft of any written or electronic demand or request for payment under a Letter of Credit, even if non-negotiable or not in the form of a draft or notwithstanding any requirement that such draft, demand or request bear any or adequate reference to a Letter of Credit;

(iv) the identity or authority of any presenter or signer of any Drawing Document or the form, accuracy, genuineness or legal effect of any Drawing Document (other than the applicable Issuing Bank's determination that such Drawing Document appears on its face substantially to comply with the terms and conditions of a Letter of Credit);

(v) acting upon any instruction or request relative to a Letter of Credit or requested a Letter of Credit that an Issuing Bank in good faith believes to have been given by a Person authorized to give such instruction or request;

(vi) any errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document (regardless of how sent or transmitted) or for errors in interpretation of technical terms or in translation or any delay in giving or failing to give notice to the Borrowers;

(vii) any acts, omissions or fraud by, or the insolvency of, any beneficiary, any nominated person or entity or any other Person or any breach of contract between any beneficiary and any Borrower or any of the parties to the underlying transaction to which the Letter of Credit relates;

(viii) assertion or waiver of any provision of the ISP or UCP that primarily benefits an issuer of a Letter of Credit, including any requirement that any Drawing Document be presented to it at a particular hour or place;

(ix) payment to any presenting bank (designated or permitted by the terms of the applicable Letter of Credit) claiming that it rightfully honored or is entitled to reimbursement or indemnity under Standard Letter of Credit Practice applicable to it;

(x) acting or failing to act as required or permitted under Standard Letter of Credit Practice applicable to where Issuing Bank has issued, confirmed, advised or negotiated such Letter of Credit, as the case may be;

(xi) honor of a presentation after the expiration date of any Letter of Credit notwithstanding that a presentation was made prior to such expiration date and dishonored by the applicable Issuing Bank if subsequently Issuing Bank or any court or other finder of fact determines such presentation should have been honored;

(xii) dishonor of any presentation that does not strictly comply or that is fraudulent, forged or otherwise not entitled to honor; or

(xiii) honor of a presentation that is subsequently determined by the applicable Issuing Bank to have been made in violation of international, federal, state or local restrictions on the transaction of business with certain prohibited Persons.

(k) [Reserved.]

(l) The Borrowers shall pay immediately upon demand to Agent for the account of the applicable Issuing Bank as non-refundable fees, commissions, and charges (it being acknowledged and agreed that any charging of such fees, commissions, and charges to the Loan Account pursuant to the provisions of Section 2.6(d)(ii) shall be deemed to constitute a demand for payment thereof for the purposes of this Section 2.11(l)): (1) a fronting fee which shall be imposed by the applicable Issuing Bank upon the issuance of each Letter of Credit of 0.125% per annum of the face amount thereof, which fee shall be payable quarterly in arrears, on the first day of each quarter, and on maturity, *plus* (2) any and all other customary commissions, fees and charges then in effect imposed by, and any and all reasonable and documented out-of-pocket expenses incurred by, the applicable Issuing Bank, or by any adviser, confirming institution or entity or other nominated person, relating to Letters of Credit, at the time of issuance of any Letter of Credit and upon the occurrence of any other activity with respect to any Letter of Credit (including, transfers, assignments of proceeds, amendments, drawings, extensions or cancellations) which charges shall be paid as and when incurred.

(m) If by reason of (x) any Change in Law, or (y) compliance by any Issuing Bank or any other member of the Lender Group with any direction, request, or requirement (irrespective of whether having the force of law) of any Governmental Authority or monetary authority including, Regulation D of the Board of Governors as from time to time in effect (and any successor thereto):

(i) any reserve, deposit, or similar requirement is or shall be imposed or modified in respect of any Letter of Credit issued or caused to be issued hereunder or hereby, or

(ii) there shall be imposed on any Issuing Bank or any other member of the Lender Group any other condition regarding any Letter of Credit, or

(iii) there shall be imposed on any member of the Lender Group or Agent any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto,

and the result of the foregoing is to increase, directly or indirectly, the cost to any Issuing Bank or any other member of the Lender Group of issuing, making, participating in, or maintaining any Letter of Credit or to reduce the amount receivable in respect thereof, then, and in any such case, Agent may, at any time within 180 days after the additional cost is incurred or the amount received is reduced, notify the Borrowers, and the Borrowers shall pay within 30 days after demand therefor, such amounts as Agent may specify to be necessary to compensate the applicable Issuing Bank or any other member of the Lender Group for such additional cost or reduced receipt, together with interest on such amount from the date of such demand until payment in full thereof at the rate then applicable to Base Rate Loans hereunder; provided, that (a) the Borrowers shall not be required to provide any compensation pursuant to this Section 2.11(m) for any such amounts incurred more than 180 days prior to the date on which the demand for payment of such amounts is first made to the Borrowers, and (b) if an event or circumstance giving rise to such amounts is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof. The determination by Agent of any amount due pursuant to this Section 2.11(m), as set forth in a certificate setting forth the calculation thereof in reasonable detail, shall, in the absence of manifest or demonstrable error, be final and conclusive and binding on all of the parties hereto.

(n) Unless otherwise expressly agreed by the applicable Issuing Bank and the Borrowers when a Letter of Credit is issued, (i) the rules of the ISP and the UCP shall apply to each standby Letter of Credit, and (ii) the rules of the UCP shall apply to each commercial Letter of Credit.

(o) In the event of a direct conflict between the provisions of this Section 2.11 and any provision contained in any Issuer Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.11 shall control and govern.

(p) The provisions of this Section 2.11 shall survive the termination of this Agreement and the repayment in full of the Obligations with respect to any Letters of Credit that remain outstanding thereafter.

(q) Notwithstanding anything to the contrary contained herein, any Issuing Bank may, upon thirty (30) days' notice to the Borrowers and the Lenders, resign as an Issuing Bank; provided that on or prior to the expiration of such 30-day period with respect to such resignation, the relevant Issuing Bank shall have identified a successor Issuing Bank reasonably acceptable to the Borrowers willing to accept its appointment as successor Issuing Bank. In the event of any such resignation of an Issuing Bank, the Borrowers shall be entitled to appoint from among the Lenders willing to accept such appointment a successor Issuing Bank hereunder; provided that no failure by the Borrowers to appoint any such successor shall affect the resignation of the relevant Issuing Bank, as the case may be, except as expressly provided above. If an Issuing Bank resigns as an Issuing Bank, it shall retain all the rights and obligations of an Issuing Bank hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an Issuing Bank and all obligations with respect thereto.

(r) Each Existing Letter of Credit shall be assumed by the Borrowers and deemed a Letter of Credit issued hereunder for account of the Borrowers for all purposes under this Agreement without need for any further action by the Borrowers or any other Person, and shall be subject to and governed by the terms and conditions of this Agreement. On the Second Amendment Effective Date, each Existing Letter of Credit, to the extent outstanding, shall automatically and without further action by the parties thereto be deemed converted to Letters of Credit issued pursuant to this Section 2.11 for the account of the Borrowers and subject to the provisions hereof.

2.12 [Reserved].

2.13 LIBOR Option.

(a) **Interest and Interest Payment Dates.** In lieu of having interest charged at the rate based upon the Base Rate, the Borrowers shall have the option, subject to Section 2.13(b) below (the "LIBOR Option") to have interest on all or a portion of the Revolving Loans be charged (whether at the time when made (unless otherwise provided herein), upon conversion from a Base Rate Loan to a LIBOR Rate Loan, or upon continuation of a LIBOR Rate Loan as a LIBOR Rate Loan) at a rate of interest based upon the LIBOR Rate. Interest on LIBOR Rate Loans shall be payable on the earliest of (i) the last day of the Interest Period applicable thereto; provided, that, subject to the following clauses (ii) and (iii), in the case of any Interest Period greater than three (3) months in duration, interest shall be payable at three (3) month intervals after the commencement of the applicable Interest Period and on the last day of such Interest Period), (ii) the date on which all or any portion of the Obligations are accelerated pursuant to the terms hereof, or (iii) the date on which this Agreement is terminated pursuant to the terms hereof. On the last day of each applicable Interest Period, unless Borrowers have properly exercised the LIBOR Option with respect thereto, the interest rate applicable to such LIBOR Rate Loan automatically shall convert to the rate of interest then applicable to Base Rate Loans of the same type hereunder. At any time that an Event of Default has occurred and is continuing, at the written election of the Required Lenders, no Borrower shall have the option to request that any Revolving Loans bear interest at a rate based upon the LIBOR Rate.

(b) **LIBOR Election.**

(i) Borrowers may, at any time and from time to time, so long as no Event of Default has occurred and is continuing, and the Required Lenders have not elected pursuant to Section 2.13(a) to prohibit LIBOR Rate Loans, elect to exercise the LIBOR Option by notifying Agent prior to 11:00 a.m. at least three (3) Business Days prior to the commencement of the proposed Interest Period (the "LIBOR Deadline"). Notice of Borrowers' election of the LIBOR Option for a permitted portion of the Revolving Loans and an Interest Period pursuant to this Section shall be made by delivery to Agent of a LIBOR Notice received by Agent before the LIBOR Deadline, or by electronic notice received by Agent before the LIBOR Deadline (to be confirmed by delivery to Agent of a LIBOR Notice received by Agent prior to 5:00 p.m. on the same day). Promptly upon its receipt of each such LIBOR Notice, Agent shall provide a copy thereof to each of the affected Lenders. Each LIBOR Notice shall be irrevocable and binding on the Borrowers.

(ii) In connection with each LIBOR Rate Loan, each Borrower of such Revolving Loan shall indemnify, defend, and hold Agent and the Lenders harmless against any actual loss, cost, or expense incurred by Agent or any Lender as a result of (A) the payment of any principal of any applicable LIBOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (B) the conversion of any LIBOR Rate Loan other than on the last day of the Interest Period applicable thereto, or (C) the failure to borrow, convert, continue or prepay any LIBOR Rate Loan on a date that is not the last day of the Interest Period or the date otherwise specified in any LIBOR Notice delivered pursuant hereto (such losses, costs, or expenses, "Funding Losses"). A certificate of Agent or a Lender delivered to the Borrowers setting forth in reasonable detail any amount or amounts that Agent or such Lender is entitled to receive pursuant to this Section 2.13 shall be conclusive absent manifest error. The Borrowers shall pay such amount to Agent or the Lender, as applicable, within 30 days of the date of their receipt of such certificate. If a payment of any LIBOR Rate

Loan on a day other than the last day of the applicable Interest Period would result in a Funding Loss, Agent may, in its sole discretion at the request of the Borrowers, hold the amount of such payment as cash collateral in support of the Obligations until the last day of such Interest Period and apply such amounts to the payment of the applicable LIBOR Rate Loan on such last day, it being agreed that Agent has no obligation to so defer the application of payments to any LIBOR Rate Loan and that, in the event that Agent does not defer such application, the Borrowers shall be obligated to pay any resulting Funding Losses.

(iii) Unless Agent, in its sole discretion, agrees otherwise, Borrowers shall have not more than ten (10) LIBOR Rate Loans in effect at any given time. Borrowers may only exercise the LIBOR Option for proposed LIBOR Rate Loans of at least $1,000,000 (and integral multiples of $500,000 in excess thereof).

(c) **Conversion.** The Borrowers may convert LIBOR Rate Loans to Base Rate Loans at any time; provided, that in the event that LIBOR Rate Loans are converted or prepaid on any date that is not the last day of the Interest Period applicable thereto, including as a result of any prepayment through the required application by Agent of any payments or proceeds of Collateral in accordance with Section 2.4(b) or for any other reason, including early termination of the term of this Agreement or acceleration of all or any portion of the Obligations pursuant to the terms hereof, each Borrower of such Revolving Loans shall indemnify, defend, and hold Agent and the Lenders and their Participants harmless against any and all Funding Losses in accordance with Section 2.13(b)(ii).

(d) **Special Provisions Applicable to LIBOR Rate.**

(i) The LIBOR Rate may be adjusted by Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any eurodollar deposits or increased costs, in each case, due to changes in applicable law occurring subsequent to the commencement of the then applicable Interest Period, including any Changes in Law (including any Changes in Laws relating to Taxes, other than Indemnified Taxes, which shall be governed by Section 17, and Excluded Taxes) and changes in the reserve requirements imposed by the Board of Governors, which additional or increased costs would increase the cost of funding or maintaining loans bearing interest at the LIBOR Rate. In any such event, the affected Lender shall give Borrowers and Agent notice of such a determination and adjustment and Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, Borrowers may, by notice to such affected Lender (A) require such Lender to furnish to Borrowers a statement setting forth in reasonable detail the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (B) repay the LIBOR Rate Loans of such Lender with respect to which such adjustment is made (together with any amounts due under Section 2.13(b)(ii)).

(ii) If any Lender determines that any applicable law has made it unlawful for any Lender to make, maintain or fund LIBOR Rate Loans, or to determine or charge interest rates based upon the LIBOR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the applicable interbank market, then, on notice thereof by such Lender to Parent through Agent, any obligation of such Lender to make or continue LIBOR Rate Loans or to convert Base Rate Loans to LIBOR Rate Loans, shall be suspended until such Lender notifies Agent and Parent that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrowers shall, upon demand from such Lender (with a copy to Agent), prepay or convert all such LIBOR Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBOR Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBOR Rate Loans. Upon any such prepayment or conversion, each Borrower shall also pay accrued interest on the amount of Loans so prepaid or converted.

(iii) If the Required Lenders determine that for any reason in connection with any request for a LIBOR Rate Loan or a conversion to or continuation thereof that (a) deposits are not

being offered to banks in the applicable offshore interbank market for the applicable amount and Interest Period of such LIBOR Rate Loan, (b) adequate and reasonable means do not exist for determining the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Rate Loan, or (c) the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such LIBOR Rate Loan, Agent will promptly so notify Parent and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBOR Rate Loans shall be suspended until Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, Parent (on behalf of the Borrowers) may revoke any pending request for a Borrowing of, conversion to or continuation of LIBOR Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

(iv) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if Agent determines (which determination shall be conclusive absent manifest error), or Parent or the Required Lenders notify Agent (with, in the case of the Required Lenders, a copy to Parent) that Parent or the Required Lenders (as applicable) have determined, that:

(A) adequate and reasonable means do not exist for ascertaining the LIBOR Rate for any ~~requested~~ Interest Period hereunder or any other tenors of the LIBOR Rate, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(B) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over Agent or such administrator has made a public statement identifying a specific date after which the LIBOR Rate or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Agent, that will continue to provide the LIBOR Rate after such specific date (such specific date, the "Scheduled Unavailability Date"), ~~or~~

(C) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over such administrator has made a public statement announcing that all Interest Periods and other tenors of the LIBOR Rate are no longer representative,

(D) ~~(C)~~ syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace the LIBOR Rate,

then, in the case of clauses (A) through (C) above, on a date and time determined by Agent (any such date, "LIBOR Replacement Date"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and shall occur reasonably promptly upon the occurrence of any of the events or circumstances under clauses (A), (B) or (C) above and, solely with respect to clause (B) above, no later than the Scheduled Unavailability Date, the LIBOR Rate will be replaced hereunder and under the other Loan Documents with, subject to the proviso below, the first available alternative set forth in the order below for any payment period for interest calculated that can be determined by Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document ("LIBOR Successor Rate"; and any such rate before giving effect to the Related Adjustment, "Pre-Adjustment Successor Rate"):

(x) Term SOFR plus the Related Adjustment; and

(y) SOFR plus the Related Adjustment;

and in the case of clause (D) above, Agent and Borrower may amend this Agreement solely for the purpose of replacing the LIBOR Rate under this Agreement and the other Loan Documents in accordance with the definition of "LIBOR Successor Rate" and such amendment will become effective at 5:00 p.m. on the fifth Business Day after Agent shall have notified Lenders and Borrower of the occurrence of the

circumstances described in clause (D) above unless, prior to such time, Required Lenders have delivered to Agent written notice that such Required Lenders object to the implementation of a LIBOR Successor Rate pursuant to such clause; provided, that if Agent determines that Term SOFR has become available, is administratively feasible for Agent and would have been identified as the Pre-Adjustment Successor Rate in accordance with the foregoing if it had been so available at the time that the LIBOR Successor Rate then in effect was so identified, and notifies Borrower and Lenders of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than 30 days after the date of such notice, the Pre-Adjustment Successor Rate shall be Term SOFR and the LIBOR Successor Rate shall be Term SOFR plus the relevant Related Adjustment.

Agent will promptly (in one or more notices) notify Borrower and Lenders of (x) any occurrence of any of the events, periods or circumstances under clauses (A) through (D) above, (y) a LIBOR Replacement Date, and (z) the LIBOR Successor Rate. Any LIBOR Successor Rate shall be applied in a manner consistent with market practice; provided, that to the extent such market practice is not administratively feasible for Agent, such LIBOR Successor Rate shall be applied in a manner as otherwise reasonably determined by Agent. Notwithstanding anything else herein, if at any time any LIBOR Successor Rate as so determined would otherwise be less than 0.25%, the LIBOR Successor Rate will be deemed to be 0.25% for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a LIBOR Successor Rate, Agent will have the right to make LIBOR Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such LIBOR Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided, that with respect to any such amendment effected, Agent shall post each such amendment implementing such LIBOR Successor Rate Conforming Changes to Borrower and Lenders reasonably promptly after such amendment becomes effective.

If events or circumstances of the type described in clauses (A) through (C) above have occurred with respect to the LIBOR Successor Rate then in effect, then the successor rate thereto shall be determined in accordance with the definition of "LIBOR Successor Rate."

~~then, reasonably promptly after~~Notwithstanding anything to the contrary herein, (a) after any such determination by Agent or receipt by Agent of any such notice described under Section 2.13(d)(IV)(A) through (C), as applicable, ~~Agent and Parent may amend this Agreement to replace the LIBOR Rate with (x) one or more SOFR Based Rates or (y) an~~if Agent determines that none of the LIBOR Successor Rates is available on or prior to the LIBOR Replacement Date, (ii) if the events or circumstances described in Section 2.13(d)(IV)(D) have occurred but none of the LIBOR Successor Rates is available, or (iii) if the events or circumstances of the type described in Section 2.13(d)(IV)(A) through (C) have occurred with respect to the LIBOR Successor Rate then in effect and Agent determines that none of the LIBOR Successor Rates is available, then in each case, Agent and Borrower may amend this Agreement solely for the purpose of replacing LIBOR or any then current LIBOR Successor Rate in accordance with this Section at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with another alternate benchmark rate~~,~~ giving due consideration to any evolving or then existing convention for similar ~~Dollar~~U.S. dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including any Related Adjustments and any other mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar ~~Dollar~~U.S. dollar denominated syndicated credit facilities for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service as selected by ~~the~~ Agent from time to time in its reasonable discretion and may be periodically updated~~ (the "Adjustment;" and~~. For the avoidance of doubt, any such proposed rate~~, a "~~ and adjustments shall constitute a LIBOR Successor Rate~~") and any~~. Any such amendment shall become effective at 5:00 p.m. ~~(New York time)~~ on the fifth Business Day after Agent shall have posted such proposed amendment to ~~all~~ Lenders and ~~Parent~~Borrower unless, prior to such time, ~~Lenders comprising the~~ Required Lenders have delivered to Agent written notice that such Required Lenders ~~(A) in the case of an amendment to replace the LIBOR Rate with a rate described in clause (x), object to the Adjustment;~~

~~or (B) in the case of an amendment to replace the LIBOR Rate with a rate described in clause (y),~~ object to such amendment~~; provided that for the avoidance of doubt, in the case of clause (A), the Required Lenders shall not be entitled to object to any SOFR Based Rate contained in any such amendment. Such LIBOR Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Agent, such LIBOR Successor Rate shall be applied in a manner as otherwise reasonably determined by the Agent.~~.

If, at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, no LIBOR Successor Rate has been determined in accordance with Section 2.13(d)(IV) and the circumstances under ~~clause~~ 2.13(d)(IV)(A) or (C) above exist or the Scheduled Unavailability Date has occurred (as applicable), Agent will promptly so notify ~~Parent~~Borrower and ~~each Lender~~Lenders. Thereafter, (~~x~~a) the obligation of ~~the~~ Lenders to make or maintain LIBOR ~~Rate~~ Loans shall be suspended (to the extent of the affected LIBOR ~~Rate~~ Loans ~~or~~, Interest Periods~~)~~, interest payment dates or payment periods), and (~~y~~b) the LIBOR ~~Rate~~ component shall no longer be utilized in determining ~~the~~ Base Rate, until the LIBOR Successor Rate has been determined in accordance with Section 2.13(d)(IV). Upon receipt of such notice, ~~any~~ Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of LIBOR ~~Rate~~ Loans (to the extent of the affected ~~LIBOR Rate~~ Loans ~~or~~, Interest Periods, interest payment dates or payment periods) or, failing that, will be deemed to have converted such request into a request for ~~a Borrowing of~~ Base Rate Loans (subject to the foregoing clause (~~y~~b) ~~of this paragraph) in the amount specified therein~~).
~~Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.~~

~~In connection with the implementation of a LIBOR Successor Rate, the Agent will have the right to make LIBOR Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such LIBOR Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement.~~

(e) **No Requirement of Matched Funding.** Anything to the contrary contained herein notwithstanding, neither Agent, nor any Lender, nor any of their Participants, is required actually to acquire eurodollar deposits to fund or otherwise match fund any Obligation as to which interest accrues at the LIBOR Rate.

2.14 Capital Requirements.

(a) If, after the date hereof, any Issuing Bank or any Lender determines that (1) any Change in Law regarding capital or reserve requirements for banks or bank holding companies, or (2) compliance by such Issuing Bank or such Lender, or their respective parent bank holding companies, with any guideline, request or directive of any Governmental Authority regarding capital adequacy or liquidity requirements (whether or not having the force of law), has the effect of reducing the return on such Issuing Bank's, such Lender's, or such holding companies' capital as a consequence of such Issuing Bank's or such Lender's commitments hereunder to a level below that which such Issuing Bank, such Lender, or such holding companies could have achieved but for such Change in Law or compliance (taking into consideration such Issuing Bank's, such Lender's, or such holding companies' then existing policies with respect to capital adequacy or liquidity requirements and assuming the full utilization of such entity's capital) by any amount deemed by such Issuing Bank or such Lender to be material, then such Issuing Bank or such Lender may notify Borrowers and Agent thereof. Following receipt of such notice, the Borrowers agree to pay such Issuing Bank or such Lender on demand the amount of such reduction or return of capital as and when such reduction is determined, payable within 30 days after presentation by such Issuing Bank or such Lender of a statement in the amount and setting forth in reasonable detail such Issuing Bank's or such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, such Issuing Bank or such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of such Issuing Bank or any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Issuing Bank's or such

Lender's right to demand such compensation; provided that no Borrower shall be required to compensate an Issuing Bank or a Lender pursuant to this Section for any reductions in return incurred more than 180 days prior to the date that such Issuing Bank or such Lender notifies Borrowers of such Change in Law giving rise to such reductions and of such Lender's intention to claim compensation therefor; provided further that if such claim arises by reason of the Change in Law that is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If Issuing Bank or any Lender requests additional or increased costs referred to in Section 2.11(m), or Section 2.13(d)(i) or amounts under Section 2.14(a) or sends a notice under Section 2.13(d)(ii) relative to changed circumstances (such Issuing Bank or Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.11(m), Section 2.13(d)(i) or Section 2.14(a), as applicable, or would eliminate the illegality or impracticality of funding or maintaining LIBOR Rate Loans and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. Borrowers agree to pay all reasonable out-of-pocket costs and expenses incurred by such Affected Lender in connection with any such designation or assignment. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrowers' obligation to pay any future amounts to such Affected Lender pursuant to Section 2.11(m), Section 2.13(d)(i) or Section 2.14(a), as applicable, or to enable the Borrowers to obtain LIBOR Rate Loans, then Borrowers (without prejudice to any amounts then due to such Affected Lender under Section 2.11(m), Section 2.13(d)(i) or Section 2.14(a), as applicable) may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.11(m), Section 2.13(d)(i) or Section 2.14(a), as applicable, or indicates that it is no longer unlawful or impractical to fund or maintain LIBOR Rate Loans, may designate a different Issuing Bank or substitute a Lender, in each case, reasonably acceptable to Agent to purchase the Obligations owed to such Affected Lender and such Affected Lender's commitments hereunder (a "Replacement Lender"), and if such Replacement Lender agrees to such purchase, such Affected Lender shall assign to the Replacement Lender its Obligations and commitments, and upon such purchase by the Replacement Lender, which such Replacement Lender shall be deemed to be "Issuing Bank" or a "Lender" (as the case may be) for purposes of this Agreement and such Affected Lender shall cease to be "Issuing Bank" or a "Lender" (as the case may be) for purposes of this Agreement.

(c) Notwithstanding anything herein to the contrary, the protection of Sections 2.11(m), 2.13(d), and 2.14 shall be available to each Issuing Bank and each Lender (as applicable) regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, judicial ruling, judgment, guideline, treaty or other change or condition which shall have occurred or been imposed, so long as it shall be customary for issuing banks or lenders affected thereby to comply therewith. Notwithstanding any other provision herein, neither any Issuing Bank nor any Lender shall demand compensation pursuant to this Section 2.14 if it shall not at the time be the general policy or practice of such Issuing Bank or such Lender (as the case may be) to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

2.15 Joint and Several Liability.

(a) Each Borrower is accepting joint and several liability for the Obligations hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Lender Group under this Agreement, for the mutual benefit, directly and indirectly, of each Borrower and, with respect to Letters of Credit, their Subsidiaries, and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations.

(b) Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers,

with respect to the payment and performance of all of the Obligations (including any Obligations arising under this Section 2.15), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them.

(c) If and to the extent that any Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligation until such time as all of the Obligations are paid in full.

(d) The Obligations of each Borrower under the provisions of this Section 2.15 constitute the absolute and unconditional, full recourse Obligations of each Borrower enforceable against each Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of the provisions of this Agreement (other than this Section 2.15(d)) or any other circumstances whatsoever.

(e) Except as otherwise expressly provided in this Agreement, each Borrower hereby waives notice of acceptance of its joint and several liability with respect to the other Borrowers, notice of any Revolving Loans or Letters of Credit issued under or pursuant to this Agreement, notice of the occurrence of any Default, Event of Default, or of any demand for any payment under this Agreement, notice of any action at any time taken or omitted by Agent or Lenders under or in respect of any of the Obligations, any requirement of diligence or to mitigate damages and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement (except as otherwise provided in this Agreement). Each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by Agent or Lenders at any time or times in respect of any default by any Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by Agent or Lenders in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any Borrower. Without limiting the generality of the foregoing, each Borrower assents to any other action or delay in acting or failure to act on the part of any Agent or Lender with respect to the failure by any Borrower to comply with any of its respective Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 2.15 afford grounds for terminating, discharging or relieving any Borrower, in whole or in part, from any of its Obligations under this Section 2.15, it being the intention of each Borrower that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of each Borrower under this Section 2.15 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each Borrower under this Section 2.15 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any other Borrower or any Agent or Lender.

(f) Each Borrower represents and warrants to Agent and Lenders that such Borrower is currently informed of the financial condition of Borrowers and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Obligations. Each Borrower further represents and warrants to Agent and Lenders that such Borrower has read and understands the terms and conditions of the Loan Documents. Each Borrower hereby covenants that such Borrower will continue to keep informed of the Borrowers' financial condition and of all other circumstances which bear upon the risk of nonpayment or nonperformance of the Obligations.

(g) The provisions of this Section 2.15 are made for the benefit of Agent, each member of the Lender Group, each Bank Product Provider, and their respective successors and assigns, and may be enforced by it or them from time to time against any or all Borrowers (to the extent provided in this Section 2.15) as often as occasion therefor may arise and without requirement on the part of Agent, any member of the Lender Group, any Bank Product Provider, or any of their successors or assigns first

to marshal any of its or their claims or to exercise any of its or their rights against any Borrower or to exhaust any remedies available to it or them against any Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 2.15 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by Agent or any Lender upon the insolvency, bankruptcy or reorganization of any Borrower, or otherwise, the provisions of this Section will forthwith be reinstated in effect, as though such payment had not been made.

(h) Each Borrower hereby agrees that it will not enforce any of its rights of contribution or subrogation against any other Borrower with respect to any liability incurred by it hereunder or under any of the other Loan Documents, any payments made by it to Agent or Lenders with respect to any of the Obligations or any collateral security therefor until such time as all of the Obligations have been paid in full in cash. Any claim which any Borrower may have against any other Borrower with respect to any payments to any Agent or any member of the Lender Group hereunder or under any of the Bank Product Agreements are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior payment in full in cash of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization or other similar proceeding under the laws of any jurisdiction relating to any Borrower, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be paid in full in cash before any payment or distribution of any character, whether in cash, securities or other property, shall be made to any other Borrower therefor.

(i) Each Borrower hereby agrees that after the occurrence and during the continuance of any Event of Default, upon notice from the Agent, such Borrower will not demand, sue for or otherwise attempt to collect any indebtedness of any other Borrower owing to such Borrower until the Obligations shall have been paid in full in cash. If, notwithstanding the foregoing sentence, such Borrower shall collect, enforce or receive any amounts in respect of such indebtedness, such amounts shall be collected, enforced and received by such Borrower as trustee for Agent, and such Borrower shall deliver any such amounts to Agent for application to the Obligations in accordance with Section 2.4(b).

2.16 Incremental Borrowings.

(a) Increases of the Revolver Commitments. The Borrowers may at any time or from time to time after the Closing Date, by notice from the Parent to the Agent (whereupon the Agent shall promptly deliver a copy to each of the Lenders), request one or more incremental Tranche A Revolver Commitments (each an "Upsize Incremental Commitment" and all of them, collectively, the "Upsize Incremental Commitments" and any such loans thereunder, the "Upsize Incremental Loans"). Each tranche of Upsize Incremental Commitments shall be in an aggregate principal amount that is not less than $10,000,000; provided that such amount may be less than $10,000,000 if such amount represents all remaining availability under the limit set forth in the next sentence. Any such increase in Tranche A Revolver Commitments may increase the Letter of Credit Sublimit subject to the consent of the Agent and the applicable Issuing Bank; provided that any such increase in the Letter of Credit Sublimit shall be provided by an Issuing Bank reasonably acceptable to the Agent and the Parent and no Issuing Bank at the time shall have any obligation to provide such increase. Notwithstanding anything to the contrary herein, the aggregate principal amount of the Upsize Incremental Commitments shall not exceed $~~400,000,000~~500,000,000 after the Second Amendment Effective Date less the aggregate principal amount of all Foreign Subsidiary Incremental Commitments which have been provided pursuant to Section 2.16(c). The Upsize Incremental Loans (i) shall rank *pari passu* in right of payment and of security with the Loans and (ii) shall be implemented by way of increase of the Tranche A Revolver Commitments and, except as to arrangement, underwriting or similar fees, shall be on terms identical to the existing Tranche A Revolver Commitments, including the Applicable Margin and any other pricing matter related to the Tranche A Revolver Commitments; provided that the OID or up-front fees (if any) applicable to any Upsize Incremental Loans will be determined by the Borrowers and the Lenders and/or Additional Lenders providing such Upsize Incremental Commitments and Upsize Incremental Loans. As a condition precedent to such an increase, (i) no Default or Event of Default shall exist on the date of the

effectiveness of any Incremental Amendment (or would exist after giving effect thereto), (ii) the representations and warranties contained in the Loan Documents shall be accurate in all material respects before and after the effectiveness of any Incremental Amendment referred to below; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided, further, that, any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates, (iii) all fees and expenses owing in respect of any such Incremental Amendment to the Agent and the Lenders and/or Additional Lenders providing the Upsize Incremental Commitments thereunder shall have been paid and (iv) the Borrowers shall have delivered all customary agreements, certificates, opinions and other customary documents reasonably requested by the Agent. No Lender shall have any obligation, express or implied, to offer to provide any Upsize Incremental Commitments.

(b) Adjustment of Tranche A Revolving Loans for Increases of the Tranche A Revolver Commitment. Each Tranche A Revolving Lender that is acquiring an Upsize Incremental Commitment on the effective date of any Incremental Amendment shall (i) make a Tranche A Revolving Loan, the proceeds of which will be used to prepay the Tranche A Revolving Loans of the other Tranche A Revolving Lenders immediately prior to such effective date and (ii) automatically and without further act be deemed to have assumed a portion of the other Tranche A Revolving Lenders' participations hereunder in outstanding Letters of Credit and Swing Loan reimbursement obligations, so that, after giving effect thereto, the Tranche A Revolving Loans and Letter of Credit and Swing Loan reimbursement obligations outstanding are held by the Tranche A Revolving Lenders pro rata based on their Tranche A Revolver Commitments after giving effect to such Incremental Amendment. If there is a new borrowing of Tranche A Revolving Loans on the effective date of any Upsize Incremental Amendment, the Tranche A Revolving Lenders after giving effect to such Incremental Amendment shall make such Tranche A Revolving Loans in accordance with Section 2.1.

(c) Foreign Subsidiary Incremental Facilities. The Borrowers may at any time or from time to time after the Closing Date, by notice from the Parent to the Agent (whereupon the Agent shall promptly deliver a copy to each of the Lenders), request one or more additional asset-based revolving loan facilities be established hereunder (each a "Foreign Subsidiary Incremental Facility", the commitments of the lenders thereunder, the "Foreign Subsidiary Incremental Commitment" any such loans thereunder, the "Foreign Subsidiary Incremental Loans") and/or that any then-existing Foreign Subsidiary Incremental Commitments be increased, in each case, denominated in Dollars or another currency agreed to by the Agent and the Foreign Subsidiary Lenders providing such Foreign Subsidiary Incremental Facility and in a minimum amount of $25,000,000, or in increments of $10,000,000 in excess thereof; provided that, in each case, (i) the aggregate principal amount of Foreign Subsidiary Incremental Commitments established pursuant to this clause (c) shall not exceed $100,000,000 less, to the extent in excess of ~~$300,000,000~~400,000,000, the aggregate principal amount of Upsize Incremental Commitments made pursuant to Section 2.16(a) greater than ~~$300,000,000~~400,000,000; (ii) the borrowers of such Foreign Subsidiary Incremental Facilities (the "Foreign Subsidiary Borrowers") shall be wholly-owned Subsidiaries of Parent that are organized under the laws of Canada, England & Wales, the Netherlands, Germany or such other jurisdiction as agreed to by the Agent and the Lenders providing such Foreign Subsidiary Incremental Loans (or, in each case, any state, province or territory thereof, as applicable) (provided that for the avoidance of doubt, such Foreign Subsidiary Borrower shall not be required to become a Guarantor with respect to any Loan); (iii) the borrowing base established for any such Foreign Subsidiary Incremental Facility (including the definitions and components thereof) will be reasonably acceptable to the Agent; (iv) the Agent and Foreign Subsidiary Lenders providing such Foreign Subsidiary Incremental Facility will have received on or prior to the effectiveness of such Foreign Subsidiary Incremental Facility customary field examinations and appraisals, in form and substance reasonably satisfactory to the Agent and such Foreign Subsidiary Lenders, of the Foreign Subsidiary Borrowers' assets that will be included in the borrowing base for such Foreign Subsidiary Incremental Facility; (v) the advance rates with respect to the collateral of the Foreign Subsidiary Borrowers (the "Foreign Subsidiary Collateral") under any such Foreign Subsidiary Incremental Facility shall be no higher than the advance rates applicable to the Tranche A Revolving Loans; (vi) the Foreign Subsidiary Lenders that provide such Foreign Subsidiary Incremental Facility shall benefit from a first-priority perfected

security interest in the Foreign Subsidiary Collateral for such Foreign Subsidiary Incremental Facility pursuant to documentation reasonably satisfactory to the Agent; it being agreed that no Lender (other than a Foreign Subsidiary Lender in its capacity as such) will benefit from any security interest in the Foreign Subsidiary Collateral; (vii) any such Foreign Subsidiary Incremental Facility (x) may benefit from a guaranty from the Borrowers and the Guarantors which guaranty may be secured by the Collateral on a junior basis to the Liens securing the Obligations of the Lender Group (other than any Foreign Subsidiary Lender) or (y) to the extent requested by the Borrowers or the Agent, such Foreign Subsidiary Incremental Facility may benefit from a guaranty from the Borrower and the Guarantors which guaranty may be secured by the Collateral on a *pari passu* basis with the Liens securing the Obligations of the Lender Group and, in the event such Foreign Subsidiary Incremental Facility is secured on a *pari passu* basis with the Liens securing the Obligations of the Lender Group, (A) each Lender (including each Foreign Subsidiary Lender) shall enter into a customary loss sharing agreement in form and substance reasonably acceptable to the Agent and the Supermajority Lenders or (B) the post-enforcement "waterfall" under Section 2.4(b)(iv) shall be amended such that the proceeds of the Collateral of the Loan Parties organized in the United States (or any state or territory thereof) are applied to the Foreign Subsidiary Borrower's Obligations only after the other Obligations have been paid in full; (viii) the maturity date of any such Foreign Subsidiary Incremental Facility will be the Maturity Date; (ix) each Foreign Subsidiary Borrower shall have appointed a process agent that is a Person incorporated or organized under the laws of the United States of America, any state thereof or in the District of Columbia; (x) no Default or Event of Default shall have occurred and be continuing or shall occur as a result of such establishment or increase in Foreign Subsidiary Incremental Facilities, as applicable; (xi) the representations and warranties contained in the Loan Documents shall be accurate in all material respects (or in all respects with respect to any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language) before and after such establishment or increase in Foreign Subsidiary Incremental Facilities, as applicable; (xii) prior to the date of such establishment or increase, each Lender shall have received written notice from Agent of the aggregate principal amount of such requested Foreign Subsidiary Incremental Facility or increase thereto, as applicable; (xiii) notwithstanding anything to the contrary in this Agreement or any of the other Loan Documents, (a) the Obligations of the Foreign Subsidiary Borrowers under this Agreement or any of the other Loan Documents shall be separate and distinct from the Obligations of any Loan Party organized in the United States including, without limitation, the Parent, and shall be expressly limited to the Obligations of each applicable Foreign Subsidiary Borrower, (b) the liability of any Foreign Subsidiary Borrower for the payment and performance of its covenants, representations and warranties or obligations (payment or otherwise) set forth in this Agreement and the other Loan Documents shall be several from but not joint with the Obligations of the Parent and any other Loan Party organized in the United States, and (c) the Foreign Subsidiary Collateral, or any other credit support provided by the Foreign Subsidiary Borrowers, shall not secure or be applied in satisfaction, by way of payment, prepayment, or otherwise, of all or any portion of the Obligations of the Parent and any other Loan Party organized in the United States; and (xiv) the Borrowers shall, and shall cause their applicable Subsidiaries (including any applicable Foreign Subsidiary Borrowers) to, execute and deliver such documents, opinions, certificates, instruments or information (including any "know your customer" information and any Beneficial Ownership Regulation information reasonably requested by the Agent or any Lender (through the Agent)) and take such other actions as may be reasonably requested by Agent in connection with such establishment or increase, as applicable. Any request under this Section 2.16(c) shall be submitted by the Borrowers to Agent (and Agent shall forward copies to the Lenders), specify the proposed effective date and the amount of each such requested Foreign Subsidiary Incremental Facility or increase thereto, as applicable, and be accompanied by an officer's certificate of the Borrowers stating that (x) no Default or Event of Default exists or will occur as a result of such establishment or increase(s), as applicable and (y) the representations and warranties contained in the Loan Documents are accurate in all material respects (or in all respects with respect to any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language) before and after the such establishment or increase(s), as applicable. The Borrowers may also specify any fees offered to those Lenders and/or Additional Lenders (the "Foreign Subsidiary Lenders") that agree to provide such Foreign Subsidiary Incremental Facilities or increases thereto, as applicable, which fees may be variable based upon the amount by which any such Foreign Subsidiary Lender is willing to increase the principal amount of its Foreign Subsidiary Incremental Commitments and/or provide a new Foreign Subsidiary Incremental Facility, as applicable. No Lender shall have any obligation, express or implied, to offer to provide any

Foreign Subsidiary Incremental Facility or to increase its existing Foreign Subsidiary Incremental Commitments.

(d) Incremental Amendments. Each notice from the Parent pursuant to Section 2.16(a) or (c) shall set forth the requested amount and proposed terms of the relevant Incremental Commitments and Incremental Loans. Incremental Commitments and Incremental Loans may be made by any existing Lender (it being understood that no existing Lender will have an obligation to make a portion of any Incremental Commitment or Incremental Loan) or by any Additional Lender that is an Eligible Transferee reasonably acceptable to the Agent and, in the case of any Upsize Incremental Commitments, each Issuing Bank (each such consent not to be unreasonably withheld, delayed or conditioned). Incremental Commitments shall become effective under this Agreement pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrowers, each Lender agreeing to provide such Incremental Commitment, if any, each Additional Lender, if any, the Agent and, if applicable, the Issuing Bank. The Incremental Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Agent and the Parent, to effect the provisions of this Section 2.16. The effectiveness of (and, in the case of any Incremental Amendment for an Incremental Loan, the Borrowing under) any Incremental Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 3.3. The Borrowers shall use the proceeds of the Incremental Loans for any purpose not prohibited by this Agreement.

This Section 2.16 shall supersede any provisions in Section 14.1 to the contrary.

2.17 Tranche B Exchange Offer.

(a) Notwithstanding anything to the contrary in this Agreement, subject to the terms of this Section 2.17, the Borrowers may at any time and from time to time (but no more than twice during the term of this Agreement) when no Default or Event of Default then exists or would result immediately after giving effect thereto request that Revolver Commitments, together with any related outstandings, be converted into a Tranche B Facility in an aggregate amount to be agreed between the Borrowers and the Agent not to exceed $~~150,000,000~~225,000,000 during the term of this Agreement (a "Tranche B Exchange"). In order to establish any Tranche B Facility, the Borrowers shall provide a notice to the Agent (who shall provide a copy of such notice to each of the Lenders) (a "Tranche B Exchange Offer") setting forth the proposed terms of the Tranche B Revolver Commitments to be established, which shall (x) be identical as offered to each Lender (including as to fees payable, if any) and (y) be on the terms set forth herein relating to the Tranche B Facility and such other terms as may be agreed by Agent and the Borrowers.

(b) The Borrowers shall provide the Tranche B Exchange Offer at least ten (10) Business Days prior to the date on which Lenders are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Agent, in each case acting reasonably to accomplish the purposes of this Section 2.17. No Lender shall have any obligation to agree to participate in any Tranche B Exchange Offer. Any Lender wishing to participate in the Tranche B Exchange Offer shall notify the Agent on or prior to the date specified in such Tranche B Exchange Offer of the amount of its existing Tranche A Revolver Commitments which it requests be converted into Tranche B Revolver Commitments. Any Lender that does not respond to the Tranche B Exchange Offer on or prior to the date specified therein shall be deemed to have rejected such Tranche B Exchange Offer. In the event that the aggregate principal amount of existing Tranche A Revolver Commitments of Lenders accepting such Tranche B Exchange Offer exceeds the amount of Tranche B Revolver Commitments requested, existing Tranche A Revolver Commitments shall be converted to Tranche B Revolver Commitments on a pro rata basis based on the aggregate principal amount of Tranche A Revolving Loans included in each such Tranche B Exchange Offer.

(c) Tranche B Revolver Commitments shall be established pursuant to an amendment to this Agreement among the Borrowers, Agent and each Tranche B Revolving Lender

providing Tranche B Revolver Commitments thereunder which shall be consistent with the provisions set forth in Section 2.17(a) above (but which shall not require the consent of any other Lender). Such amendment shall include such changes as the Agent and the Borrowers shall deem necessary or desirable to clarify the administration of the Tranche B Facility and the Tranche B Borrowing Base hereunder in a manner consistent with this Agreement, including to amend the definition of Line Cap herein to include the aggregate amount of the Tranche A Borrowing Base and the Tranche B Borrowing Base, to amend the definition of Excess Availability herein to include the Tranche B Borrowing Base in the calculation of Excess Availability, to calculate an aggregate Borrowing Base where appropriate and any related changes. The Agent shall promptly notify each Lender as to the effectiveness of such amendment. Upon the effectiveness of such amendment, the establishment of any Tranche B Revolver Commitments shall result in a permanent Dollar-for-Dollar decrease in the Tranche A Revolver Commitments. If amounts are outstanding under the Tranche A Facility at the time of establishment of a Tranche B Facility, such amounts up to the Tranche B Line Cap shall be deemed outstanding under the newly-established Tranche B Facility, and only the excess over the applicable Tranche B Line Cap shall be deemed thereafter outstanding under the Tranche A Facility. The Lenders under the Tranche A Facility and Tranche B Facility will be required to make such payments and reallocations to one another as the Agent shall see fit in order to effect this reallocation, as a condition to the effectiveness of any amendment instituting a Tranche B Facility.

(d) With respect to any Tranche B Exchange consummated by the Borrowers pursuant to this Section 2.17, such exchange shall not constitute voluntary or mandatory payments or prepayments for purposes of this Agreement or an incremental borrowing. The Agent and the Lenders hereby consent to each such exchange and the other transactions contemplated by this Section 2.17 and hereby waive the requirements of any provision of this Agreement or any other Loan Document that may otherwise prohibit any transaction contemplated by this Section 2.17; provided that such consent shall not be deemed to be an acceptance of the Tranche B Exchange Offer. Notwithstanding anything to the contrary in this Agreement, no Tranche B Exchange shall be consummated if a Default or Event of Default exists or would result immediately after giving effect thereto.

This Section 2.17 shall supersede any provisions in Section 14.1 (other than clauses (a)(xi) and (c) thereof) to the contrary.

2.18 Tranche A Exchange Offer.

(a) Notwithstanding anything to the contrary in this Agreement, subject to the terms of this Section 2.18, the Borrowers may at any time and from time to time (but no more than twice during the term of this Agreement) when no Default or Event of Default then exists request or would result immediately after giving effect thereto that up to the full amount of the Tranche B Revolver Commitments, together with any related outstandings, be converted into Tranche A Revolver Commitments (a "Tranche A Exchange"); provided that after giving effect to any such Tranche A Exchange, the aggregate amount of the Tranche A Revolver Usage then outstanding would not exceed the Tranche A Line Cap. In order to effect the Tranche A Exchange, the Borrowers shall provide a notice to the Agent (who shall provide a copy of such notice to each of the Lenders) (a "Tranche A Exchange Offer").

(b) The Borrowers shall provide the Tranche A Exchange Offer at least ten (10) Business Days prior to the date on which Lenders are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Agent, in each case acting reasonably to accomplish the purposes of this Section 2.18. No Lender shall have any obligation to agree to participate in any Tranche A Exchange Offer. Any Lender wishing to participate in the Tranche A Exchange Offer shall notify the Agent on or prior to the date specified in such Tranche A Exchange Offer of the amount of its existing Tranche B Revolver Commitments which it requests be converted into Tranche A Revolver Commitments. Any Lender that does not respond to the Tranche A Exchange Offer on or prior to the date specified therein shall be deemed to have rejected such Tranche A Exchange Offer. In the event that the aggregate principal amount of existing Tranche B Revolver Commitments of Lenders accepting such Tranche A Exchange Offer exceeds the amount of Tranche A Revolver Commitments requested, existing Tranche B Revolver Commitments shall be converted to Tranche A Revolver

Commitments on a pro rata basis based on the aggregate principal amount of Tranche B Revolving Loans included in each such Tranche A Exchange Offer.

(c) Any such Tranche A Exchange shall be established pursuant to an amendment to this Agreement among the Borrowers, Agent and each Tranche B Revolving Lender participating in the Tranche A Exchange which shall be consistent with the provisions set forth in Section 2.18(a) above (but which shall not require the consent of any other Lender). Such amendment shall include such changes as the Agent and the Borrowers shall deem necessary or desirable to clarify the administration of the Tranche A Facility or the Tranche B Facility and the Tranche A Borrowing Base or the Tranche B Borrowing Base hereunder in a manner consistent with this Agreement. The Agent shall promptly notify each Lender as to the effectiveness of such amendment. Upon the effectiveness of such amendment, the Tranche A Exchange shall result in a permanent Dollar-for-Dollar decrease in the Tranche B Revolver Commitments. If amounts are outstanding under the Tranche B Facility at the time of the Tranche A Exchange, such amounts up to the applicable Tranche A Line Cap shall be deemed outstanding under the Tranche A Facility. The Lenders under the Tranche A Facility and Tranche B Facility will be required to make such payments and reallocations to one another as the Agent shall see fit in order to effect this reallocation, as a condition to the effectiveness of any amendment instituting the Tranche A Exchange.

(d) With respect to any Tranche A Exchange consummated by the Borrowers pursuant to this Section 2.18, such exchange shall not constitute voluntary or mandatory payments or prepayments or an incremental borrowing for purposes of this Agreement. The Agent and the Lenders hereby consent to each such exchange and the other transactions contemplated by this Section 2.18 and hereby waive the requirements of any provision of this Agreement or any other Loan Document that may otherwise prohibit any transaction contemplated by this Section 2.18; provided that such consent shall not be deemed to be an acceptance of the Tranche A Exchange Offer. Notwithstanding anything to the contrary in this Agreement, no Tranche A Exchange shall be consummated if a Default or Event of Default exists or would result after giving effect thereto.

This Section 2.18 shall supersede any provisions in Section 14.1 (other than clauses (a)(xi) and (c) thereof) to the contrary.

3. CONDITIONS; TERM OF AGREEMENT.

3.1 Conditions Precedent to the Closing Date. The effectiveness of this Agreement and the obligation of each Lender to make the initial extensions of credit on the Closing Date as provided for under this Agreement is subject to the fulfillment, to the satisfaction (or waiver) of Agent and each Lender, of each of the conditions precedent set forth on Schedule 3.1 (the delivery of a Lender's signature page to this Agreement being conclusively deemed to be its satisfaction or waiver of the conditions precedent).

3.2 [Reserved].

3.3 Conditions Precedent to all Extensions of Credit. The obligation of the Lender Group (or any member thereof) to make any Revolving Loans hereunder (or to extend any other credit hereunder) at any time after the Closing Date shall be subject to the following conditions precedent:

(a) the representations and warranties of Parent and its Subsidiaries contained in this Agreement or in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of such extension of credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date);

(b) no Default or Event of Default shall have occurred and be continuing on the date of such extension of credit, nor shall immediately result from the making thereof;

(c) after giving effect to any extension of credit, (i) in the case of Tranche A Revolving Loans, the Tranche A Revolver Usage shall not exceed the Tranche A Line Cap and (ii) in the case of Tranche B Revolving Loans, the Tranche B Revolver Usage shall not exceed the Tranche B Line Cap; and

(d) such extension of credit shall not conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any Material Indebtedness and the Borrower shall be deemed to represent and warrant that such extension of credit is permitted under all Material Indebtedness.

Each request for an extension of credit submitted by a Borrower shall be deemed to be a representation and warranty that the conditions specified in this Section 3.3 have been satisfied on and as of the date of the applicable credit extension.

3.4 Maturity. This Agreement shall continue in full force and effect for a term ending on the Maturity Date.

3.5 Effect of Maturity.

(a) On the Maturity Date, all commitments of the Lender Group to provide additional credit hereunder shall automatically be terminated and all of the Obligations immediately shall become due and payable without notice or demand and the Borrowers shall be required to repay all of the Obligations in full.

(b) No termination of the obligations of any member of the Lender Group (other than payment in full of the Obligations and termination of the Revolver Commitments) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document. Except as otherwise set forth herein or in the other Loan Documents, Agent's Liens in the Collateral securing the Obligations shall continue to secure the Obligations and shall remain in effect until all Obligations have been paid in full and the Revolver Commitments have been terminated, at which time Agent will, at Borrowers' sole expense, execute and deliver any termination statements, lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Agent's or such Lender's, as applicable, Liens in the Collateral securing the Obligations.

3.6 Early Termination by Borrowers. Borrowers have the option, at any time upon five (5) Business Days prior written notice to Agent, to terminate this Agreement and terminate the Revolver Commitments hereunder by repaying to Agent all of the Obligations in full. The foregoing notwithstanding, (a) Borrowers may rescind termination notices relative to proposed payments in full of the Obligations with the proceeds of third party Indebtedness or other transactions if the closing for such issuance or incurrence or other transaction does not happen on or before the date of the proposed termination (in which case, a new notice shall be required to be sent in connection with any subsequent termination), and (b) Borrowers may extend the date of termination at any time with the consent of Agent (which consent shall not be unreasonably withheld or delayed).

3.7 Conditions Subsequent. The obligation of the Lender Group (or any member thereof) to continue to make Revolving Loans (or otherwise extend credit hereunder) is subject to the fulfillment, on or before the date applicable thereto (unless such date is extended, in writing (including via electronic transmission), by Agent, which Agent may do without obtaining the consent of the other members of the Lender Group), of the conditions subsequent set forth on Schedule 3.7 (the failure by Borrowers to so perform or cause to be performed such conditions subsequent as and when required by the terms thereof, shall constitute an Event of Default).

4. REPRESENTATIONS AND WARRANTIES.

4.1 Due Organization and Qualification; Subsidiaries.

(a) Each Loan Party (i) is duly organized or incorporated and existing and in good standing (where applicable) under the laws of the jurisdiction of its organization or incorporation, (ii) is qualified to do business in any state where the failure to be so qualified would reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite corporate or other organizational power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.1(b) is a complete and accurate description, as of the Closing Date, of the authorized Equity Interests of each Borrower (other than Parent), by class, and, as of the Closing Date, a description of the number of shares of each such class that are issued and outstanding. No Borrower (other than Parent) is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Equity Interests or any security convertible into or exchangeable for any of its Equity Interests.

(c) Set forth on Schedule 4.1(c), is, as of the Closing Date, a complete and accurate list of the Loan Parties' direct and indirect Subsidiaries, showing: (i) in the case of direct subsidiaries, the number of shares of each class of common and preferred Equity Interests authorized for each of such Subsidiaries, and (ii) the percentage of the outstanding shares of each such class owned directly or indirectly by Parent. All of the outstanding Equity Interests of each such Subsidiary has been validly issued and is fully paid and non-assessable (to the extent such concept is applicable).

(d) Except as set forth on Schedule 4.1(d), there are no subscriptions, options, warrants, or calls relating to any shares of any Subsidiaries' Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument.

4.2 Due Authorization; No Conflict.

(a) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party have been duly authorized by all necessary corporate or organizational action on the part of such Loan Party.

(b) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party do not and will not (i) violate any material provision of federal, state, or local law or regulation applicable to any Loan Party or its Subsidiaries, the Governing Documents of any Loan Party or its Subsidiaries, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any Material Contract of any Loan Party or its Subsidiaries where any such conflict, breach or default would individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (iv) require any approval of any holder of Equity Interests of a Loan Party or any approval or consent of any Person under any Material Contract of any Loan Party, other than (x) consents or approvals that have been obtained and that are still in force and effect or (y) except, in the case of a Material Contract, for consents or approvals, the failure to obtain would not individually or in the aggregate reasonably be expected to cause a Material Adverse Effect.

4.3 Governmental Consents. The execution, delivery, and performance by each Loan Party of the Loan Documents to which such Loan Party is a party and the consummation of the transactions contemplated by the Loan Documents do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority, except for (i) registrations, consents, approvals, notices, or other actions that have been obtained and that are still in force and

effect, and (ii) filings and recordings with respect to the Collateral to be made, or otherwise delivered to Agent for filing or recordation.

4.4 Binding Obligations; Perfected Liens.

(a) Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective 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.

(b) Subject to Section 3.7, Section 5.11, Section 5.12 and Section 5.16, Agent's Liens in the Collateral (other than, for the avoidance of doubt, Excluded Property) are validly created and perfected, upon the filing of financing statements, the filing of as-extracted filings, the recordation of the intellectual property security agreements and the execution of Control Agreements, in each case, in the appropriate filing offices, and, in the case of ABL Priority Collateral, first priority Liens, subject only to Permitted Liens.

4.5 Title to Assets; No Encumbrances. Each of the Loan Parties and its Subsidiaries has (a) good, sufficient and legal title to (in the case of fee interests in Real Property), (b) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property), all of their respective assets that are material or necessary for the conduct of their business, taken as a whole, and reflected in their most recent financial statements delivered pursuant to Section 5.1, in each case except for assets disposed of since the date of such financial statements to the extent permitted hereunder. All of such assets are free and clear of Liens except for Permitted Liens.

4.6 Litigation. Except as set forth on Schedule 4.6, there are no actions, suits, or proceedings pending or, to the knowledge of any Borrower, threatened in writing against a Loan Party or any of its Subsidiaries that either individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect. Since the Closing Date, there has been no change in the status of the actions, suits or proceedings set forth on Schedule 4.6 that, either individually or in the aggregate, has resulted in, or would reasonably be expected to materially increase the likelihood of, a Material Adverse Effect.

4.7 Compliance with Laws. No Loan Party nor any of its Subsidiaries (a) is in violation of any applicable laws, rules, regulations, executive orders, or codes (including Environmental Laws) that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any Governmental Authority, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

4.8 Financial Statements; No Material Adverse Effect. The audited financial statements relating to the Parent and its Subsidiaries as of December 31, 2016, December 31 2017, December 31, 2018 and December 31, 2019 that have been delivered by the Parent to Agent have been prepared in all material respects in accordance with GAAP and present fairly in all material respects, the Parent's and its Subsidiaries' consolidated financial condition as of the date thereof and results of operations for the period then ended. Since December 31, 2019, no event, circumstance, or change has occurred that has or would reasonably be expected to result in a Material Adverse Effect with respect to the Loan Parties and their Subsidiaries.

4.9 Solvency.

(a) Each Borrower, individually, is Solvent and the Parent and its Subsidiaries, taken as a whole, are Solvent.

(b) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.10 Employee Benefits.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) each Loan Party, each of its Subsidiaries and each of their ERISA Affiliates has complied with ERISA, the IRC and all applicable laws regarding each Employee Benefit Plan; (ii) each Employee Benefit Plan is, and has been, maintained in substantial compliance with ERISA, the IRC, all applicable laws and the terms of each such Employee Benefit Plan; (iii) no liability to the PBGC (other than for the payment of current premiums which are not past due) by any Loan Party or its Subsidiaries or the ERISA Affiliates has been incurred or is reasonably expected by any Loan Party or its Subsidiaries or the ERISA Affiliates to be incurred with respect to any Pension Plan; (iv) no Notification Event exists or has occurred in the past six (6) years; and (v) there exists no Unfunded Pension Liability with respect to any Pension Plans.

(b) With respect to any scheme or arrangement mandated by a government other than the United States and with respect to each employee benefit plan maintained or contributed to by any Loan Party that is not subject to United States laws (such schemes, arrangements and employee benefit plans, collectively, "Foreign Plans"), none of the following events or conditions exists and is continuing that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect: (i) non-compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders, (ii) failure to be maintained, where required, in good standing with applicable regulatory authorities, (iii) non-compliance with any obligation of any Loan Party or its Subsidiaries in connection with the termination or partial termination of, or withdrawal from, any such Foreign Plan, (iv) any Lien on the property of any Loan Party or its Subsidiaries in favor of a Governmental Authority as a result of any action or inaction regarding such a Foreign Plan, (v) for each such Foreign Plan which is a funded or insured plan, failure to be funded or insured on an ongoing basis to the extent required by applicable non-U.S. law (using actuarial methods and assumptions which are consistent with the valuations last filed with the applicable Governmental Authorities) or (vi) any pending or threatened disputes that, to the knowledge of the Loan Party or any of its Subsidiaries, would reasonably be expected to result in liability to any Loan Party or any Subsidiaries.

(c) Each Borrower represents and warrants as of the Closing Date that such Borrower is not and will not be using Plan Assets of one or more Plans in connection with the Loans, the Letters of Credit or the Revolver Commitments.

4.11 Environmental Condition. Except as set forth on Schedule 4.11 or for any matters that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, (a) to each Borrower's knowledge, no Loan Party's nor any of its Subsidiaries' properties or assets has ever been used by a Loan Party, its Subsidiaries, or by previous owners or operators in the disposal of, or to produce, store, handle, treat, release, or transport, any Hazardous Materials, where such disposal, production, storage, handling, treatment, release or transport was in violation of any applicable Environmental Law, (b) to each Borrower's knowledge, no Loan Party's nor any of its Subsidiaries' properties or assets have ever been listed on the National Priorities List, CERCLIS or any similar state or local list of Hazardous Materials disposal sites pursuant to any Environmental Law, and (c) no Loan Party nor any of its Subsidiaries nor any of their respective facilities or operations is subject to any Environmental Liability or to any outstanding written order, consent decree, negotiated agreements or settlement agreement with any Person relating to any violation of Environmental Law or Environmental Liability.

4.12 Complete Disclosure. All factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry) furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents, and all other such factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry) hereafter furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided. The Projections delivered to Agent on December 3, 2019 represent, and as of the date on which any other Projections are delivered to Agent, such additional Projections, were prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable by the Parent at the time made and at the time so furnished (it being understood that such Projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and their Subsidiaries, and no assurances can be given that such Projections will be realized, and although reflecting Borrowers' good faith estimate, projections or forecasts based on methods and assumptions which Borrowers believed to be reasonable at the time such Projections were prepared, are not to be viewed as facts, and that actual results during the period or periods covered by the Projections may differ materially from projected or estimated results).

4.13 Sanctions, PATRIOT Act, and FCPA. To the extent applicable, each Loan Party and each Subsidiary of a Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, the International Emergency Economic Powers Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act of 2001) (the "Patriot Act"), and (c) anti-corruption laws applicable to such Loan Party or such Subsidiary, including the United States Foreign Corrupt Practices Act of 1977, as amended ("FCPA").

4.14 [Reserved.]

4.15 Payment of Taxes. Except as otherwise permitted under Section 5.5, all Tax returns and reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed, and all Taxes due and payable and all assessments, fees and other governmental charges upon a Loan Party and its Subsidiaries and upon their respective assets, income, businesses and franchises that are due and payable have been paid when due and payable, except, in each case, (x) to the extent such Taxes or assessments are being contested by such Loan Party or such Subsidiary diligently, in good faith, and by appropriate proceedings, and provided adequate provisions in accordance with GAAP has been made therefor, or (y) where the failure to file or pay would not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, no Loan Party knows of any proposed tax assessment against a Loan Party or any of its Subsidiaries, except for any tax assessment that would not reasonably be expected to have a Material Adverse Effect.

4.16 Margin Stock. No Loan Party or any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the loans made to Borrowers will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors.

4.17 Governmental Regulation. No Loan Party or any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party or any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18 OFAC. No Loan Party or any of its Subsidiaries is in violation in any material respect of any of the country or list based economic and trade sanctions administered and enforced by OFAC or any other Sanctions. No Loan Party nor any of its Subsidiaries, nor to the knowledge of any Loan Party, any director, officer, employee, agent, or affiliate of any Loan Party or their Subsidiaries, (a) is, or is owned or controlled by Persons that are, Sanctioned Persons or Sanctioned Entities, (b) has its assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities.

4.19 Employee and Labor Matters. There is (a) no unfair labor practice complaint pending or, to the knowledge of any Loan Party or Subsidiary, threatened against any Loan Party or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan Party or any of its Subsidiaries which arises out of or under any collective bargaining agreement, (b) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party or its Subsidiaries or (c) to the knowledge of any Loan Party or its Subsidiaries, no union representation question existing with respect to the employees of any Loan Party or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of Parent or its Subsidiaries, in each case in clause (a) through (c) above, which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. None of any Loan Party or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied and which would reasonably be expected to have a Material Adverse Effect. The hours worked and payments made to employees of any Loan Party and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from any Loan Party or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Parent, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

4.20 [Reserved.]

4.21 [Reserved.]

4.22 Eligible Accounts. As to each Account that is identified by Borrowers as an Eligible Account in the most recent Borrowing Base Certificate submitted to Agent, such Account is not excluded as ineligible by virtue of one or more of the excluding criteria (other than any Agent-discretionary criteria) set forth in the definition of Eligible Accounts.

4.23 Eligible Inventory and Eligible Equipment. As to each item of Inventory that is identified by Borrowers as Eligible Inventory in the most recent Borrowing Base Certificate submitted to Agent and as to each item of Equipment that is identified by Borrowers as Eligible Equipment in the most recent Borrowing Base Certificate submitted to Agent, such Inventory or Equipment (as the case may be) is not excluded as ineligible by virtue of one or more of the excluding criteria (other than any Agent-discretionary criteria) set forth in the definition of Eligible Inventory or Eligible Equipment (as the case may be).

4.24 Material Contracts. Except for matters which, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, each Material Contract (other than those that have expired at the end of their normal terms) (a) is in full force and effect and is binding upon and enforceable against the applicable Loan Party or its Subsidiary and, to each Borrower's knowledge, each other Person that is a party thereto in accordance with its terms, and (b) is not in default due to the action or inaction of the applicable Loan Party or its Subsidiary.

4.25 Inventory and Equipment Records. Each Loan Party keeps correct and accurate records itemizing and describing the type, quality and quantity of its Inventory and Equipment and the book value thereof, in each case, consistent with past practice, except with respect to Inventory, which shall be determined on a "first-in, first-out" basis.

4.26 EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

5. AFFIRMATIVE COVENANTS.

Each Borrower covenants and agrees that, until termination of all of the Revolver Commitments and payment in full of the Obligations:

5.1 Financial Statements, Reports, Certificates. Borrowers (i) will deliver to Agent (with copies to any Lender, if so requested by such Lender) each of the financial statements, reports, and other items set forth on Schedule 5.1 no later than the times specified therein, (ii) [reserved], (iii) agree to maintain a system of accounting that enables Borrowers to produce financial statements in accordance with GAAP in all material respects, and (iv) agree that they will, and will cause each other Loan Party to, (A) keep a reporting system that shows all additions, sales, claims, returns, and allowances with respect to their and their Subsidiaries' sales, and (B) maintain their billing systems and practices substantially as in effect as of the Closing Date and shall only make material modifications thereto with notice to, and with the consent of, Agent. The requirements of this Section 5.1 may be satisfied by notice to the Agent that such documents required to be delivered pursuant to this Section 5.1 (to the extent included on Form 10-K or Form 10-Q) have been filed with the SEC.

5.2 Reporting. Borrowers (a) will deliver to Agent (with copies to any Lender, if so requested by such Lender) each of the reports set forth on Schedule 5.2 at the times specified therein (including weekly reporting of the Borrowing Base during an Increased Borrowing Base Reporting Period, as more fully set forth in Schedule 5.2), and (b) agree to use commercially reasonable efforts in cooperation with Agent to facilitate and implement a system of electronic collateral reporting in order to provide electronic reporting of each of the items set forth on Schedule 5.2. All calculations of Availability in any Borrowing Base Certificate shall be made by the Parent and certified by a financial officer of the Parent; provided that the Agent may from time to time review and adjust any such calculation in consultation with the Parent to the extent the calculation is not made in accordance with this Agreement or does not accurately reflect the Reserves.

5.3 Existence. Except as otherwise permitted under Section 6.3 or Section 6.4, each Borrower will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect such Person's (a) valid existence and good standing (where applicable) in its jurisdiction of organization or incorporation except with respect to any Subsidiary that is not a Loan Party, as would not reasonably be expected to result in a Material Adverse Effect and, (b) except as would not reasonably be expected to result in a Material Adverse Effect, good standing (where applicable) with respect to all other jurisdictions in which it is qualified to do business and any rights, franchises, permits, licenses, accreditations, authorizations, or other approvals material to their businesses.

5.4 Maintenance of Properties. Except as otherwise permitted under Section 6.3 or Section 6.4 or the shutdown, winding down, idling, placing on care and maintenance or other similar transaction related to a mine, plant or facility, the Loan Parties and their Subsidiaries, taken as a whole,

will maintain and preserve its assets that are necessary and material for its business, taken as a whole, in good working order and condition, ordinary wear, tear, casualty, and condemnation and Permitted Dispositions excepted.

5.5 Taxes. Each Loan Party will, and will cause each of its Subsidiaries to, pay in full before delinquency or before the expiration of any extension period all material governmental assessments and Taxes imposed, levied, or assessed against it, or any of its assets or in respect of any of its income, businesses, or franchises, except (i) to the extent that the validity of such governmental assessment or Tax is the subject of a Permitted Protest or (ii) to the extent such failure to pay would not reasonably be expected to result in a Material Adverse Effect.

5.6 Insurance. Each Loan Party will, and will cause each of its Subsidiaries to, at Loan Parties' expense, (a) maintain insurance respecting each Loan Party and its Subsidiaries' assets wherever located, covering liabilities, losses or damages as are customarily insured against by other Persons engaged in same or similar businesses and similarly situated and located. All such policies of insurance shall be with financially sound and reputable insurance companies and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located. All property insurance policies covering the Collateral are subject to the Intercreditor Agreement, to be made payable to Agent for the benefit of Agent and the Lenders, as their interests may appear, in case of loss, pursuant to a standard loss payable endorsement with a standard noncontributory "lender" or "secured party" clause and are to contain such other provisions as Agent may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Agent, with the loss payable (but only in respect of Collateral) or additional insured, as applicable, endorsements (it being understood that Agent shall not be named an additional insured with respect to liability insurance) in favor of Agent and shall provide for not less than 30 days (ten (10) days in the case of non-payment) prior written notice to Agent of the exercise of any right of cancellation or such other terms reasonably acceptable to the Agent in its Permitted Discretion. If any Loan Party or its Subsidiaries fails to maintain such insurance, Agent may arrange for such insurance, but at Loan Parties' expense and without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Upon the occurrence and during the continuance of an Event of Default, subject to the Intercreditor Agreement, Agent shall have the right to elect to file claims under any property and general liability insurance policies in respect of the Collateral, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

5.7 Inspection.

(a) Each Loan Party will, and will cause each of its Subsidiaries to, permit Agent, any Lender, and each of their respective duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with its Responsible Officers, at such reasonable times and intervals as Agent or any Lender, as applicable, may designate and, so long as no Event of Default has occurred and is continuing, with reasonable prior notice to Borrowers and during regular business hours, provided that the Loan Parties shall only be obligated to reimburse Agent for one (1) inspection and visit in any fiscal year so long as no Event of Default has occurred and is continuing.

(b) Each Loan Party will, and will cause each of its Subsidiaries to, permit Agent and each of its duly authorized representatives or agents to conduct field examinations, appraisals and valuations, with expenses for such field examinations, appraisals and valuations being subject to Section 2.10(c), at such reasonable times and intervals as Agent may designate in its Permitted Discretion and, so long as no Event of Default has occurred and is continuing, with reasonable prior notice to Borrowers and during regular business hours. So long as no Event of Default has occurred and

is continuing, Agent agrees to provide Borrowers with a copy of the report for any inventory or equipment appraisal upon request by Borrowers so long as (i) such report exists, (ii) the third person employed by Agent to perform such valuation consents to such disclosure, and (iii) Borrowers execute and deliver to Agent a non-reliance letter reasonably satisfactory to Agent.

5.8 Compliance with Laws. Each Borrower will, and will cause each of its Subsidiaries to, (a) comply with the requirements of all applicable laws, rules, regulations (including OFAC and anti-corruption laws applicable to such Borrower or such Subsidiary, including FCPA), and orders of any Governmental Authority, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect and (b) maintain in effect and enforce policies and procedures designed, in each case, in their reasonable business judgment, to ensure compliance by each Borrower and its Subsidiaries and their respective directors, officers, employees and agents with OFAC, FCPA, other applicable anti-corruption laws, other applicable anti-money laundering laws and other laws applicable to Sanctioned Persons.

5.9 Environmental. Except as would not reasonably be expected to result in a Material Adverse Effect, each Borrower will, and will cause each of its Subsidiaries to:

(a) comply with Environmental Laws; and

(b) take any Remedial Action required to abate any release of which any Borrower has knowledge of a Hazardous Material in violation of any Environmental Law from or onto property owned or operated by any Borrower or its Subsidiaries or resulting from the business of any Borrower or any of its Subsidiaries, to the extent required by applicable Environmental Law.

5.10 [Reserved.]

5.11 Formation of Subsidiaries. Each Borrower will, at the time that any Loan Party forms any direct or indirect Subsidiary (other than any such Subsidiary that is an Excluded Subsidiary) or acquires any direct or indirect Subsidiary after the Closing Date (other than any such Subsidiary that is an Excluded Subsidiary), within 30 days of such formation or acquisition (or such later date as permitted by Agent in its sole discretion) (a) cause such new Subsidiary to provide to Agent a joinder to the Guaranty and Security Agreement, together with such other security agreements and any applicable Additional Documents (as defined below)), as well as appropriate financing statements, all in form and substance reasonably satisfactory to Agent (including being sufficient to grant Agent a Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary (excluding any Excluded Property), in each case consistent with the Loan Documents executed on the Closing Date), (b) provide, or cause the applicable Loan Party to provide, to Agent a pledge agreement (or an addendum to the Guaranty and Security Agreement) and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary to the extent not constituting Excluded Property in form and substance reasonably satisfactory to Agent, provided, that, for the avoidance of doubt, not more than 65% of the total outstanding voting Equity Interest of any first tier Subsidiary of a Loan Party that is a CFC or a FSHCO (but none of the Equity Interest of any Subsidiary of such CFC or FSHCO) shall be required to be pledged, (c) if such new Subsidiary is to be a Borrower, cause such new Subsidiary to provide the documentation set forth in Section 2.2(a), and (d) if requested by the Agent, provide to Agent all other documentation, including one or more opinions of counsel reasonably satisfactory to Agent, which, in its Permitted Discretion, is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 5.11 shall constitute a Loan Document. Notwithstanding the foregoing, Section 5.12 below or anything contained herein or in any other Loan Document to the contrary, it is understood and agreed that to the extent that the Fixed Asset Priority Collateral Agent is satisfied with or agrees to any deliveries in respect of any asset or property (other than ABL Priority Collateral), Agent shall be deemed to be satisfied with such deliveries to the extent substantially the same as those delivered to the Fixed Asset Priority Collateral Agent and the Loan Parties

shall not be required to deliver any Additional Documents with respect thereto. So long as the Intercreditor Agreement is in effect, a Loan Party may satisfy its obligations hereunder and under the other Loan Documents to deliver Collateral that constitutes Fixed Asset Priority Collateral to Agent by delivering such Collateral that constitutes Fixed Asset Priority Collateral to the Fixed Asset Priority Collateral Agent or its agent, designee or bailee.

5.12 Further Assurances. Each Borrower will, and will cause each of the other Loan Parties to, at any time upon the reasonable request of Agent, subject to the terms of the Intercreditor Agreement and Section 5.11 and Section 18, execute or deliver to Agent any and all financing statements, security agreements, as-extracted collateral filings, pledges, assignments, opinions of counsel and all other documents (the "Additional Documents") that Agent may reasonably request in form and substance reasonably satisfactory to Agent, to create, perfect, and continue to perfect Agent's Liens in all Collateral of each Loan Party (whether now owned or hereafter arising or acquired, tangible or intangible in each case, to the extent not constituting Excluded Property) to the extent not constituting Excluded Property. Each of the parties hereto hereby agree that that the Collateral shall not include any real property or interest therein (other than as-extracted collateral interests) and to the extent any Liens, mortgages or other filings have been made with respect thereto, each Lender hereby authorizes the Agent to take such actions and make such filings as necessary or advisable to release or terminate any such Lien, mortgage or other filing (it being understood that all as-extracted collateral filings will remain in place). Other than as contemplated by Section 2.16(c), no action in any non-U.S. jurisdiction shall be required in order to create or perfect any security interest in favor of the Agent.

5.13 Lender Meetings. Parent will, within 90 days after the close of each fiscal year of Parent, at the request of Agent or of the Required Lenders and upon reasonable prior notice, hold a meeting (at a mutually agreeable location and time or, at the option of Agent, by conference call) with all Lenders who choose to attend such meeting at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of Parent and its Subsidiaries and the Projections presented for the current fiscal year of Parent.

5.14 ~~[Reserved]~~AMUSA Accounts.

(a) The Loan Parties shall transfer on each Business Day all funds that pertain to Accounts included in the Borrowing Base that are held in any Collection Accounts (as defined in the Transition Agreement) to a Blocked Account.

(b) Until the earlier of (x) the date that each Collection Account constitutes a Blocked Account, (y) termination of the Transition Agreement and (z) the entering into an intercreditor agreement among Ester Finance Technologies, the Agent and certain of the Borrowers in form reasonably satisfactory to the Agent (any such date, the "Transition Agreement End Date"), the Borrowers shall deliver to the Agent a weekly report of the (i) the identity of the Receivables (as defined in the Transition Agreement) to which all prior collections under the Transition Agreement relate, including, without limitation, whether such Receivables are Sold Receivables or Unsold Receivables (each as defined in the Transition Agreement) and (ii) the outstanding amount of Sold Receivables.

(c) The Borrowers shall provide the Agent with prompt notice of (i) any Servicing Termination Event (as defined in the Transition Agreement), (ii) the Borrowers knowledge of the exercise by the Purchaser of its rights under any Existing Collection Account Agreement, and (iii) the occurrence of the Cliffs USA Release Date or the Cliffs Ontario Release Date (each as defined in the Transition Agreement).

(d) If any Borrower has knowledge of the exercise by the Purchaser of its rights under any Existing Collection Account Agreement, it shall (i) designate, in accordance with the Transition Agreement, a Blocked Account into which any funds held in any Collection Accounts that pertain to Accounts included in the Borrowing Base will be transferred and provide notice to the Agent of the occurrence of such designation and (ii) require that the Purchaser (as defined in the Transition

Agreement) transfer proceeds related to Unsold Receivables into a Blocked Account as frequently as reasonably practical.

(e) The Borrowers shall use commercially efforts to, on or prior to January 31, 2021 (with extensions available in the Agent's reasonable discretion), (i) terminate the Existing Collection Transition Agreement (as defined in the Transition Agreement) in respect of Account No. 927641589 and (ii) release any restrictions in respect of such Account that would prevent the Agent from obtaining a Control Agreement.

(f) Upon the request of the Agent, the Borrower shall use commercially reasonable efforts to enter into an intercreditor agreement among Ester Finance Technologies, the Agent and certain of the Borrowers in form reasonably satisfactory to the Agent.

5.15 Compliance with ERISA and the IRC. Each Borrower will, and will cause each of its Subsidiaries to, comply with the provisions of ERISA and the IRC applicable to employee benefit plans as defined in Section 3(3) of ERISA and the laws applicable to any Foreign Plan, except to the extent any failure to comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

5.16 Cash Management.

(a) Accounts.

(i) Schedule 5.16 sets forth all Deposit Accounts and securities accounts, including all lockbox accounts and Dominion Accounts maintained by the Loan Parties, as of the Closing Date.

(ii) Within 90 days after the Closing Date or after the acquisition or establishment of a lockbox, Deposit Account or securities account (or, in each case, such longer period as the Agent may agree in its sole discretion), each Loan Party shall take all actions necessary to obtain a Control Agreement from each applicable lockbox servicer or depository bank over each Deposit Account and securities account set forth on Schedule 5.16 (other than Excluded Accounts), establishing Agent's control (within the meaning of the Code) and Lien in each such Deposit Account and securities account, which may only be exercised by Agent during any Cash Dominion Trigger Period, requiring immediate deposit of all remittances received in the lockbox, Deposit Account or and securities account to a Dominion Account designated by Agent, and waiving offset rights of such servicer or bank, except for customary administrative charges; provided that if such Control Agreements with respect to all such Deposit Accounts and securities account maintained as of the Closing Date that are not obtained within 90 days after the Closing Date (or such longer period that the Agent may agree in its sole discretion), each Loan Party shall immediately transfer all funds in such Deposit Accounts and securities account to a Blocked Account subject to a Control Agreement. Each Loan Party shall be the sole account holder of each Deposit Account and securities account and shall not allow any other Person (other than the Agent and the applicable depositary bank) to have control over any such Deposit Account and securities account (other than Excluded Accounts) or any deposits therein. Each Loan Party shall promptly notify the Agent of any opening or closing of a Deposit Account or securities account (other than an Excluded Account) and, subject to compliance with this clause (ii), shall not open any Deposit Account, lockbox or securities account (other than an Excluded Account) unless such Deposit Account, lockbox or securities account is a Blocked Account.

(iii) If a Blocked Account is not maintained with Bank of America, Agent may, during any Cash Dominion Trigger Period, require immediate and daily transfer of all funds in such account to a Blocked Account maintained with Bank of America or to a Dominion Account.

(b) [Reserved].

(c) Proceeds of Collateral. Within 90 days after the Closing Date (or such longer period as the Agent may agree in its sole discretion), each Loan Party shall request in writing and otherwise take all necessary steps to ensure that all payments on Accounts or otherwise relating to ABL Priority Collateral are made directly to a Blocked Account (or a lockbox relating to a Blocked Account). If any Loan Party receives cash or payment items with respect to any ABL Priority Collateral, it shall hold same in trust for Agent and promptly (not later than three (3) Business Days thereafter) deposit same into a Blocked Account.

6 NEGATIVE COVENANTS.

Each Borrower covenants and agrees that, until termination of all of the Revolver Commitments and payment in full of the Obligations:

6.1 Indebtedness. Each Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2 Liens. Each Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

6.3 Restrictions on Fundamental Changes. Each Borrower will not, and will not permit any of its Subsidiaries to,

(a) other than in order to consummate a Permitted Acquisition, Permitted Investment or Permitted Disposition, enter into any merger, consolidation, or amalgamation, except for (i) any merger, consolidation or amalgamation between Loan Parties, provided, that (x) if such transaction involves a Borrower, a Borrower must be the surviving entity of any such transaction; provided that if a U.S. Borrower shall merge, consolidate or amalgamate with a Foreign Subsidiary Borrower, such U.S. Borrower shall be the surviving Borrower, (y) Parent must be the surviving entity of any such transaction to which it is a party and (z) in the case of any transaction involving a Loan Party, a Loan Party must be the surviving entity of such transaction, (ii) any merger, consolidation or amalgamation among a Loan Party and a Subsidiary that is not a Loan Party so long a Loan Party is the surviving entity of any such transaction or such surviving Subsidiary becomes a Loan Party concurrently with such merger, consolidation or amalgamation, and (iii) any merger, consolidation or amalgamation among Subsidiaries (that are not a Loan Party) of any Borrower; or

(b) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for (i) the liquidation, winding up or dissolution of any Subsidiary (other than a Loan Party) so long as such dissolution, winding up or liquidation, as applicable, would not reasonably be expected to have a Material Adverse Effect or (ii) the liquidation or dissolution of a Loan Party (other than Parent) so long as all of the assets (including any interest in any Equity Interests) of such liquidating or dissolving Loan Party are transferred to a Loan Party that is not liquidating or dissolving.

6.4 Disposal of Assets. Other than Permitted Dispositions, each Borrower will not, and will not permit any of its Subsidiaries to, convey, sell, lease, license, assign, transfer, or otherwise dispose of any of its or their assets.

6.5 Nature of Business. Each Borrower will not, and will not permit any of its Subsidiaries to change in any material respect the general nature of their business, taken as a whole, from the general nature of the business as of the Closing Date; provided, that the foregoing shall not prevent any Borrower and its Subsidiaries from (i) engaging in any business that is reasonably related, complementary or ancillary thereto or (ii) disposing of any business pursuant to a Permitted Disposition.

6.6. Prepayments and Amendments. Each Borrower will not, and will not permit any of its Subsidiaries to:

(a) except in connection with the Transactions or any Refinancing Indebtedness permitted by Section 6.1,

(i) optionally prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of any Borrower or its Subsidiaries consisting of Indebtedness permitted under clauses (f), (p), (q), (t), (u), (v), (z) or (aa) of the definition of Permitted Indebtedness, or any other Indebtedness with an outstanding amount greater than $25,000,000 that is secured by Liens on the Collateral that rank junior to the Liens on the Collateral securing the Obligations, in all such cases, prior to the maturity date applicable to such Indebtedness, except (A) any prepayment, redemption, defeasance, purchase or other acquisition with Qualified Equity Interests so long as at the time of such prepayment, redemption, defeasance, purchase or other acquisition no Default or Event of Default has occurred and is continuing or would result therefrom, (B) any prepayment, redemption, defeasance, purchase or other acquisition with the net cash proceeds of an issuance of Qualified Equity Interests within 60 days of such issuance (or such later date as agreed to by the Agent in its sole discretion)) so long as (1) at the time of such prepayment, redemption, defeasance, purchase or other acquisition no Default or Event of Default has occurred and is continuing or would result therefrom and (2) the net cash proceeds of such issuance of Qualified Equity Interests are maintained in a segregated Deposit Account subject to the "control" of the Agent until the earlier of (a) application toward such prepayment, redemption, defeasance, purchase or other acquisition and (b) the date that is 60 days after such issuance, (C) any prepayment, redemption, defeasance, purchase or other acquisition so long as, at the time of such prepayment, redemption, defeasance, purchase or other acquisition, no Default or Event of Default has occurred and is continuing or would result therefrom and either (1) the Payment Conditions are satisfied at such time or (2) for each of the 30 consecutive days immediately preceding such prepayment, redemption, defeasance, purchase or other acquisition, and both before and after giving effect to such prepayment, redemption, defeasance, purchase or other acquisition, (x) no Loans are outstanding and (y) Liquidity is at least $500,000,000; provided, further that the foregoing conditions under this clause (C) shall not be required to be satisfied with respect to prepayments, redemptions, defeasances, purchases or other acquisitions of any such Indebtedness in an aggregate principal amount (for all such prepayments, redemptions, defeasances, purchases or other acquisitions) of up to the greater of (x) $~~100,000,000~~200,000,000 and (y) 1.5% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such prepayment for which financial statements have been delivered to the Agent, during the term of this Agreement and (D) any prepayment, redemption, defeasance, purchase or other acquisition of the Convertible Notes with Qualified Equity Interests; provided that this Section 6.6(a)(i) shall not apply to any prepayment, redemption, defeasance, purchase, or other acquisition of the Convertible Notes to the extent such event or condition occurs as a result of (x) the satisfaction of a conversion contingency pursuant to the Convertible Notes (as in effect on the date hereof) or the exercise by a holder of the Convertible Notes of a conversion right resulting from the satisfaction of a conversion contingency pursuant to the Convertible Notes (as in effect on the date hereof) (it being understood that any such prepayment, redemption, defeasance, purchase, or other acquisition of the Convertible Notes made in cash in reliance on this clause (x) shall be subject to satisfaction of the Payment Conditions at the time thereof, other than prepayments, redemptions, defeasances, purchases or other acquisitions (i) of less than $~~30,000,000~~60,000,000 in the aggregate during the term of this Agreement, or (ii) paid in lieu of fractional shares)) or (y) a required repurchase under the Convertible Notes; provided further that nothing in this Section 6.6 shall prohibit the payment of Indebtedness permitted under this Agreement at the time of the final maturity of the obligations under such Indebtedness, or

(ii) make any payment on account of Indebtedness that has been contractually subordinated in right of payment to the Obligations if such payment is not permitted at such time under the subordination terms and conditions, or

(b) except in connection with the Transactions or any Refinancing Indebtedness permitted by Section 6.1, directly or indirectly, amend, modify, or change any of the terms or provisions of:

(i) any agreement, instrument, document, indenture, or other writing evidencing or concerning Permitted Indebtedness permitted under clauses (f), (p), (q), (t), (u), (v), (z) or (aa) of the definition of Permitted Indebtedness (A) if such Indebtedness could not have been incurred (including as Refinancing Indebtedness) on such terms (without limiting clause (ii) below) or (B) if such amendment, modification or change could reasonably be expected to affect the interests of the Lenders adversely in any material respect, or

(ii) the Governing Documents of any Loan Party or any of its Subsidiaries, the Existing Senior Notes, the Convertible Notes or the Senior Secured Notes, in each case if the effect thereof, either individually or in the aggregate, would reasonably be expected to be materially adverse to the interests of the Lenders.

6.7 Restricted Payments. Each Borrower will not, and will not permit any of its Subsidiaries to make any Restricted Payment; provided, that, so long as it is permitted by law and the Governing Documents of such Borrower or its Subsidiaries,

(a) the Borrowers and their respective Subsidiaries may make Restricted Payments to purchase, redeem or otherwise acquire or retire any Equity Interests pursuant to a management or employee benefit plan in an aggregate amount not to exceed the greater of (x) $~~50,000,000~~100,000,000 and (y) 0.75% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such Restricted Payment for which financial statements have been delivered to the Agent, per fiscal year,

(b) Parent and each Subsidiary may declare and make dividend payments or other distributions payable solely in Equity Interests (other than Disqualified Equity Interests),

(c) (i) any Borrower may make Restricted Payments to another Borrower, (ii) any Subsidiary that is not a Borrower may make Restricted Payments to any Borrower or any Guarantor, (iii) any Subsidiary that is not a Loan Party may make Restricted Payments to any other Subsidiary and (iv) any Borrower (other than Parent) or any Subsidiary may make any Restricted Payments to its parent entity (or, if such Subsidiary is a non-wholly owned Subsidiary, to its parent entities on a pro rata basis based on its parents' relative ownership interests),

(d) [Reserved],

(e) in addition to the foregoing, Parent may make any other Restricted Payments so long as (i) the Payment Conditions are satisfied at the time declared and (ii) until such time as such Restricted Payment is made, a Reserve has been established by Agent in an amount equal to the Restricted Payment so declared; provided, that, so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the foregoing conditions shall not be required to be satisfied with respect to Restricted Payments in an aggregate principal amount of up to the greater of (x) $~~50,000,000~~100,000,000 and (y) 0.75% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such prepayment for which financial statements have been delivered to the Agent, during any fiscal year, and

(f) Parent may make Restricted Payments of the type described in clauses (b) and (c) of the definition thereof so long as (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) for each of the 30 consecutive days immediately preceding such Restricted Payment, and both before and after giving effect to such Restricted Payment, (A) no Loans are outstanding, and (B) Liquidity is not less than $500,000,000.

6.8 Accounting Methods. Each Borrower will not, and will not permit any of its Subsidiaries to modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP or, except to the extent that such modification or change would impact the calculation of the Fixed Charge Coverage Ratio or the Borrowing Base (or any component definition of any of the foregoing), such modification or change of its method of accounting is permitted by GAAP, or in the case

of any Subsidiary or any Borrower (other than Parent), in order to conform the fiscal year of such Subsidiary or Borrower to the fiscal year of the Parent (or other than changes to conform to the accounting methodology used by the Parent on the Closing Date)).

6.9 Investments. Each Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, make or acquire any Investment except for Permitted Investments.

6.10 Transactions with Affiliates. Each Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction with any Affiliate of any Borrower or any of its Subsidiaries except for:

(a) transactions or a series of related transactions between such Borrower or its Subsidiaries, on the one hand, and any Affiliate of such Borrower or its Subsidiaries, on the other hand, so long as such transactions (i) are no less favorable, taken as a whole, to such Borrower or its Subsidiaries, as applicable, than would be obtained in an arm's-length transaction with a non-Affiliate or (ii) have been approved by a majority of the disinterested members of the Parent's board of directors,

(b) so long as it has been approved by such Borrower's or its applicable Subsidiary's board of directors (or comparable governing body) in accordance with applicable law, any indemnity provided for the benefit of directors (or comparable managers) of such Borrower or its applicable Subsidiary,

(c) the payment of reasonable compensation, severance, or employee benefit arrangements to employees, officers, and outside directors of such Borrower and its Subsidiaries in the ordinary course of business,

(d) transactions permitted by Section 6.1, Section 6.3, Section 6.7 or Section 6.9,

(e) the Joint Venture Agreements and any transactions contemplated therein,

(f) transactions or a series of related transactions among the Parent or any of its wholly-owned Subsidiaries on the one hand and the Parent or any of its wholly-owned Subsidiaries on the other hand, so long as such transactions or series of related transactions (w) involve aggregate payments or consideration of less than $25,000,000 for such transaction or series of related transactions, (x) are among Loan Parties, (y) are among non-Loan Party Subsidiaries or (z) are, when taken as a whole, no less favorable to the Loan Parties than could be obtained on an arms-length terms with a non-Affiliate, and

(g) to the extent the Payment Conditions are satisfied at the time of, and after giving pro forma effect to, such transactions, otherwise on terms determined in the reasonable business judgment of Parent.

6.11 Use of Proceeds.

(a) Each Borrower will not, and will not permit any of its Subsidiaries to, use the proceeds of any loan made hereunder for any purpose other than working capital, general corporate purposes including, without limitation, the repayment of indebtedness, Capital Expenditures, Restricted Payments and Permitted Investments, in each case, to the extent not prohibited by the terms hereof; provided that, on the Closing Date, the amount of Revolving Loans incurred shall not exceed $800,000,000 and the proceeds thereof shall be used to (i) pay the fees, costs, and expenses incurred in connection with this Agreement and the other Loan Documents and (ii) consummate the Closing Date Refinancing; provided, further, that no part of the proceeds of the loans made to Borrowers will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors.

(b) No part of the proceeds of the Loans made or Letters of Credit issued hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the FCPA, Anti-Money Laundering Laws or any other applicable anti-corruption laws.

(c) No proceeds of any Loan made or Letters of Credit issued hereunder will be used, directly or indirectly, by any Loan Party or Subsidiary thereof to fund any operations in or with, finance any investments or activities in or with, or make any payments to, a Sanctioned Person or a Sanctioned Entity or otherwise result in a violation of any Sanctions.

7 FINANCIAL COVENANT.

Each Borrower covenants and agrees that, until termination of all of the Revolver Commitments and payment in full of the Obligations, commencing on the date on which a Financial Covenant Period begins and measured as of the end of the fiscal quarter immediately preceding the date on which a Financial Covenant Period first begins and as of each fiscal quarter end thereafter during such Financial Covenant Period, the Parent and its Subsidiaries on a consolidated basis will have a Fixed Charge Coverage Ratio, measured on a quarter-end basis, of at least 1.00:1.00 for the 12-month period ending as of the end of each fiscal quarter.

8 EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

8.1 Payments. If Borrowers (or any of them) fail to pay when due and payable, or when declared due and payable, (a) all or any portion of the Obligations consisting of interest, fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts (other than any portion thereof constituting principal) constituting Obligations (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), and such failure continues for a period of five (5) Business Days, (b) all or any portion of the principal of the Loans, or (c) any amount payable to any Issuing Bank in reimbursement of any drawing under a Letter of Credit;

8.2 Covenants. If any Loan Party or any of its Subsidiaries:

(a) fails to perform or observe any covenant or other agreement contained in any of (i) Sections 3.7, 5.1, 5.2, 5.3 (solely if any Borrower is not validly existing or in good standing (to the extent such concept is applicable) in its jurisdiction of organization or incorporation), Section 5.6, Section 5.7(a), Section 5.11, Section 5.12, Section 5.13, Section 5.14 or Section 5.16 of this Agreement, (ii) Section 6 of this Agreement ~~or~~ (iii) Section 7 of this Agreement or (iv) Section 3(f) of the Second Amendment;

(b) fails to perform or observe any covenant or other agreement contained in this Agreement, or in any of the other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 8 (in which event such other provision of this Section 8 shall govern), and such failure continues for a period of 30 days after the earlier of (i) the date on which such failure shall first become known to any Responsible Officer of any Borrower or (ii) the date on which written notice thereof is given to Borrowers by Agent;

8.3 Judgments. If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of $150,000,000 or more (except to the extent covered by insurance pursuant to which the insurer has not denied coverage) is entered or filed against a Loan Party or any of

its Subsidiaries, or with respect to any of their respective assets, and either i) there is a period of 60 consecutive days at any time after the entry of any such judgment, order, or award during which (1) the same is not discharged, satisfied, vacated, or bonded pending appeal, or (2) a stay of enforcement thereof is not in effect, or ii) enforcement proceedings are commenced upon such judgment, order, or award;

8.4 Voluntary Bankruptcy, etc. If an Insolvency Proceeding is commenced by a Loan Party or any of its Significant Subsidiaries;

8.5 Involuntary Bankruptcy, etc. If an Insolvency Proceeding is commenced against a Loan Party or any of its Significant Subsidiaries and any of the following events occur: (a) such Loan Party or such Significant Subsidiary consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within 60 calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Significant Subsidiary, or (e) an order for relief shall have been issued or entered therein;

8.6 Default Under Other Agreements. If there is a default in one or more agreements to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to a Loan Party's or any of its Subsidiaries' Indebtedness (other than any letter of credit fully secured by cash or Cash Equivalents) involving an aggregate amount of $150,000,000 or more, and such default (a) occurs at the final maturity of the obligations thereunder, or (b) results in a right by such third Person, irrespective of whether exercised, to accelerate the maturity of such Loan Party's or its Subsidiary's obligations thereunder;

8.7 Representations, etc. If any warranty, representation, certificate, statement, or Record made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof;

8.8 Security Documents. If the Guaranty and Security Agreement, or any other Loan Document that purports to create a Lien or guaranty of Obligations, shall, for any reason, fail or cease to create a valid and perfected Lien or guaranty (as applicable) on a material portion of the Collateral or guarantees (as applicable) covered thereby (or a Loan Party shall so assert), except for a failure or cessation (a) pursuant to the terms hereof or thereof or (b) as the result of an action or failure to act on the part of Agent;

8.9 Loan Documents. The validity or enforceability of any Loan Document shall at any time for any reason (other than solely as the result of an action or failure to act on the part of Agent) be declared to be null and void, or a proceeding shall be commenced by a Loan Party or its Subsidiaries, or by any Governmental Authority having jurisdiction over a Loan Party, seeking to establish the invalidity or unenforceability thereof, or a Loan Party shall deny that such Loan Party has any liability or obligation purported to be created under any Loan Document;

8.10 Change in Control. A Change in Control shall occur, whether directly or indirectly; or

8.11 ERISA and Pension Events. The occurrence of any of the following events: (a) any Loan Party or any of its Subsidiaries or the ERISA Affiliates fails to make full payment within 30 days when due of all amounts which any Loan Party or any of its Subsidiaries or the ERISA Affiliates is required to pay as contributions, installments, or otherwise to or with respect to a Pension Plan or Multiemployer Plan, and such failure, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect, (b) an accumulated funding deficiency or funding shortfall occurs or exists, whether or not waived, with respect to any Pension Plan, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect, (c) a Notification Event, which, individually or in the aggregate, would

reasonably be expected to result in a Material Adverse Effect, (d) any Loan Party or any of its Subsidiaries or their ERISA Affiliates completely or partially withdraws from one or more Multiemployer Plans and (i) incurs Withdrawal Liability, (ii) requires payment in any one (1) calendar year, or (iii) fails to make any Withdrawal Liability payment when due, which in each case of (i), (ii) and (iii), individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect, or (e) the existence of any facts or circumstances with respect to the Employee Benefit Plans in the aggregate that results in or is likely to result in a Material Adverse Effect.

9. **RIGHTS AND REMEDIES.**

9.1 Rights and Remedies. Upon the occurrence and during the continuation of an Event of Default, Agent may, and, at the instruction of the Required Lenders, shall (in each case under clauses (a) or (b) by written notice to Borrowers), in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by applicable law, do any one or more of the following:

(a) (i) declare the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loans and all other Obligations (other than the Bank Product Obligations), whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and the Borrowers shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by each Borrower, and (ii) direct Borrowers to provide (and Borrowers agree that upon receipt of such notice Borrowers will provide) Letter of Credit Collateralization to Agent to be held as security for Borrowers' reimbursement obligations for drawings that may subsequently occur under issued and outstanding Letters of Credit;

(b) declare the Revolver Commitments terminated, whereupon the Revolver Commitments shall immediately be terminated together with (i) any obligation of any Revolving Lender to make Revolving Loans, (ii) the obligation of the Swing Lender to make Swing Loans, and (iii) the obligation of any Issuing Bank to issue Letters of Credit; and

(c) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents, under applicable law, or in equity.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 8.4 or Section 8.5, in addition to the remedies set forth above, without any notice to Borrowers or any other Person or any act by the Lender Group, the Revolver Commitments shall automatically terminate and the Obligations (other than the Bank Product Obligations), inclusive of the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loans and all other Obligations (other than the Bank Product Obligations), whether evidenced by this Agreement or by any of the other Loan Documents, shall automatically become and be immediately due and payable and the Borrowers shall be obligated to repay all of such Obligations in full (including the Borrowers being obligated to provide (and the Borrowers agree that they will provide) (1) Letter of Credit Collateralization to Agent to be held as security for Borrowers' reimbursement obligations in respect of drawings that may subsequently occur under issued and outstanding Letters of Credit and (2) Bank Product Collateralization to be held as security for Borrowers' or their Subsidiaries' obligations in respect of outstanding Bank Products), without presentment, demand, protest, or notice or other requirements of any kind, all of which are expressly waived by each Borrower.

9.2 Remedies Cumulative. The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

10 **WAIVERS; INDEMNIFICATION.**

10.1 Demand; Protest; etc. Each Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which any Borrower may in any way be liable.

10.2 The Lender Group's Liability for Collateral. Each Borrower hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Borrowers.

10.3 Indemnification. Subject to Section 2.15, each Borrower shall pay, indemnify, defend, and hold the Agent-Related Persons and the Lender-Related Persons (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable and documented fees and disbursements of counsel (limited to one primary counsel and one local counsel in each relevant jurisdiction for all Indemnified Persons, taken as a whole, and, solely in the case of an actual or perceived conflict of interest, one additional counsel to each group of Indemnified Persons similarly situated) and one environmental consultant and all other reasonable and documented out-of-pocket costs and expenses incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery (provided that Borrowers shall not be liable for costs and expenses (including attorneys' fees) of any Lender (other than Bank of America) incurred in advising, structuring, drafting, reviewing, administering or syndicating the Loan Documents), enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of Parent's and its Subsidiaries' compliance with the terms of the Loan Documents (provided, that the indemnification in this clause (a) shall not extend to (i) disputes solely between or among the Lenders that do not involve any acts or omissions of any Loan Party, or (ii) disputes solely between or among the Lenders and their respective Affiliates that do not involve any acts or omissions of any Loan Party; it being understood and agreed that the indemnification in this clause (a) shall extend to Agent (but not the Lenders) relative to disputes between or among Agent on the one hand, and one or more Lenders, or one or more of their Affiliates, on the other hand, (b) with respect to any actual or prospective investigation, litigation, or proceeding related to this Agreement, any other Loan Document, the making of any Loans or issuance of any Letters of Credit hereunder, or the use of the proceeds of the Loans or the Letters of Credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with or arising out of any presence or release of Hazardous Materials giving rise to liability or for which any Lender is required to incur costs at, on, under, to or from the business or any assets or properties currently or formerly owned, leased or operated by any Loan Party or any of its Subsidiaries or any Environmental Liabilities related in any way to the Loan Parties or any of their Subsidiaries or the business or any such assets or properties of any Borrower or any of its Subsidiaries (each and all of the foregoing, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, no Borrower shall have any obligation to any Indemnified Person under this Section 10.3 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the bad faith, gross negligence or willful misconduct by such Indemnified Person or its officers, directors, employees, attorneys, or agents. This provision shall survive the termination of this Agreement and the repayment in full of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which Borrowers were required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrowers with

respect thereto. This Section 10.3 shall not apply to (x) any Taxes or any costs attributable to Taxes that are governed by Section 17, or (y) any Excluded Taxes or any costs attributable to Excluded Taxes. WITHOUT LIMITATION, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION (OTHER THAN A GROSSLY NEGLIGENT ACT OR OMISSION OR TO THE EXTENT CONSTITUTING BAD FAITH OR WILLFUL MISCONDUCT) OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON.

11. **NOTICES**.

Unless otherwise provided in this Agreement, all notices or demands relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, or electronic mail (at such email addresses as a party may designate in accordance herewith). In the case of notices or demands to any Borrower or Agent, as the case may be, they shall be sent to the respective address set forth below:

If to any Borrower: c/o **CLEVELAND-CLIFFS INC.**
200 Public Square #3300
Cleveland, Ohio 44114
Attn: James Graham
Email: james.graham@clevelandcliffs.com

With a copy to:

Cleveland-Cliffs Inc.
200 Public Square #3300
Cleveland, Ohio 44114
Attn: Keith Koci
Email: Keith.Koci@clevelandcliffs.com

If to Agent: **BANK OF AMERICA, N.A.**
~~135 S. LaSalle St., Suite 925~~
110 N. Wacker Drive
IL4-110-08-03
Chicago, IL ~~60604~~60606
Attn: Thomas Herron
Tel No.: 312-992-6107
Email: thomas.h.herron@bofa.com

If to Issuing Bank: To Agent

If to any Lender: At such address as such Lender may designate in writing to the Agent from time to time or via the Platform

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. Each notice shall be effective only (a) if given by email transmission, when transmitted to the applicable email address, if confirmation of receipt is received; (b) if given by mail, three (3) Business Days after deposit in the mail, with first-class postage pre-paid, addressed to the applicable address; or (c) if given by personal delivery, when duly delivered to the notice address with receipt acknowledged. Any written communication that is not sent in conformity with the foregoing provisions shall nevertheless be effective on the date actually received by the noticed party. Any notice received by Parent shall be deemed received by all Borrowers. Electronic

communications (including e-mail, messaging and websites) may be used only in a manner reasonably acceptable to Agent and, unless otherwise agreed by Agent, only for routine communications, such as delivery of administrative matters and distribution of Loan Documents. Agent makes no assurance as to the privacy or security of electronic communications. Voice mail shall not be effective notices under the Loan Documents.

12. **CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.**

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH BORROWER AND EACH MEMBER OF THE LENDER GROUP WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 12(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH BORROWER AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH BORROWER AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL

JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY PARTY HERETO AGAINST ANY LOAN PARTY, THE AGENT, THE SWING LENDER, ANY OTHER LENDER, ISSUING BANK, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OR LOSSES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH PARTY HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR; PROVIDED THAT NOTHING HEREIN SHALL LIMIT THE BORROWERS' OBLIGATIONS TO INDEMNIFY THE AGENT-RELATED PERSONS AND THE LENDER-RELATED PERSONS AS REQUIRED UNDER, AND SUBJECT TO, SECTION 10.3.

13. **ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.**

13.1 Assignments and Participations.

(a) (i) Subject to the conditions set forth in clause (a)(ii) below, any Lender may assign and delegate all or any portion of its rights and duties under the Loan Documents (including the Obligations owed to it and its Revolver Commitments) to one or more assignees so long as such prospective assignee is an Eligible Transferee (each, an "Assignee"), with the prior written consent (such consent not be unreasonably withheld or delayed) of:

(A) Borrowers; provided, that no consent of Borrowers shall be required (1) if an Event of Default has occurred and is continuing, or (2) in connection with an assignment to a Person that is a Lender or an Affiliate (other than natural persons) of a Lender; provided further, that Borrowers shall be deemed to have consented to a proposed assignment unless they object thereto by written notice to Agent within five (5) Business Days after having received notice thereof; and

(B) Agent and each Issuing Bank; provided, that no consent of Agent or any Issuing Bank shall be required in connection with an assignment to a Person that is a Lender or an Affiliate (other than natural persons) of a Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) [Reserved,]

(B) no assignment may be made, (i) to a Competitor, or (ii) to a natural person,

(C) no assignment may be made to a Loan Party or an Affiliate of a Loan Party,

(D) the amount of the Revolver Commitments and the other rights and obligations of the assigning Lender hereunder and under the other Loan Documents subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to Agent) shall be in a minimum amount (unless waived by Agent) of $5,000,000 (except such minimum amount shall not apply to (1) an assignment or delegation by any Lender to any other Lender, an Affiliate of any Lender, or a Related Fund of such Lender or (2) a group of new Lenders, each of which is an Affiliate of each other or a Related Fund of such new Lender to the extent that the aggregate amount to be assigned to all such new Lenders is at least $5,000,000) or (3) in the case of an assignment of the entire remaining amount of the assigning Lender's Revolver Commitment and/or Obligations at the time owing to it),

(E) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement,

(F) the parties to each assignment shall execute and deliver to Agent an Assignment and Acceptance; provided, that Borrowers and Agent may continue to deal solely and directly with the assigning Lender in connection with the interest so assigned to an Assignee until written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Borrowers and Agent by such Lender and the Assignee,

(G) unless waived by Agent, the assigning Lender or Assignee has paid to Agent, for Agent's separate account, a processing fee in the amount of $3,500, and

(H) the assignee, if it is not a Lender, shall deliver to Agent an administrative questionnaire in a form approved by Agent (the "Administrative Questionnaire").

(b) From and after the date that Agent receives the executed Assignment and Acceptance, records it in the Register, and if applicable, receives payment of the required processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, subject to Agent's recording of the Assignment and Acceptance in the Register as required by Section 13.1(h), shall be a "Lender" and shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assigning Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 10.3) and be released from any future obligations under this Agreement (and in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement and the other Loan Documents, such Lender shall cease to be a party hereto and thereto); provided, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 18.9(a).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto, (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other Loan Document furnished pursuant hereto, (iii) such Assignee confirms that it has received a copy of this Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such Assignee will, independently and without reliance upon Agent, such assigning Lender or any other Lender, and based

on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, (v) such Assignee appoints and authorizes Agent to take such actions and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent, by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, and (vi) such Assignee agrees that it will perform all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Immediately upon Agent's receipt of the required processing fee, if applicable, and delivery of notice to the assigning Lender pursuant to Section 13.1(b), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Revolver Commitments arising therefrom. The Revolver Commitment allocated to each Assignee shall reduce such Revolver Commitments of the assigning Lender pro tanto.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons that is an Eligible Transferee and is not a Competitor (a "Participant") participating interests in all or any portion of its Obligations, its Revolver Commitment, and the other rights and interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other Loan Documents and the Participant receiving the participating interest in the Obligations, the Revolver Commitments, and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other Loan Documents and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrowers, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the other Loan Documents (it being understood that the documentation required under Section 17.2 shall be delivered to the participating Lender), (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other Loan Document would (A) extend the final maturity date of the Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the Obligations hereunder in which such Participant is participating (excluding the imposition of the Default Rate), (C) release all or substantially all of the Collateral or guaranties (except to the extent expressly provided herein or in any of the Loan Documents) supporting the Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender (other than a waiver of default interest), or (E) decreases the amount or postpones the due dates of scheduled principal repayments or prepayments payable to such Participant through such Lender, (v) no participation shall be sold to a natural person, (vi) no participation shall be sold to a Loan Party or an Affiliate of a Loan Party, and (vii) all amounts payable by Borrowers hereunder shall be determined as if such Lender had not sold such participation. The rights of any Participant only shall be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to the other Lenders, Agent, Borrowers, the Collateral, or otherwise in respect of the Obligations. Notwithstanding the preceding sentence, the Borrower agrees that each Participant shall be entitled to the benefits of Section 17 (Withholding Taxes) (subject to the requirements and limitations therein, including the requirements under Section 17.2 (Forms and Exemptions) (it being understood that the documentation required under Section 17.2 shall be delivered to the Lender granting the participation only) and Section 2.14, in each case to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (a) of this Section 13.1; provided that such Participant (A) agrees to be subject to the provisions of Sections 14.2 (Replacement of Certain Lenders) as if it were an assignee under paragraph (a) of this Section 13.1; and (B) shall not be entitled to receive any greater payment under Section 17 (Withholding Taxes) or Section 2.14, with respect to any participation, than its Originating Lender would have been entitled to receive, except to the extent such entitlement to receive a

greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation or any grant of a security interest in, or pledge of, its rights under and interest in this Agreement, a Lender may, subject to the provisions of Section 18.9, disclose all documents and information which it now or hereafter may have relating to any Borrower and its Subsidiaries and their respective businesses.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement in favor of any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Bank or U.S. Treasury Regulation 31 CFR §203.24 or any other central bank, and such Federal Reserve Bank or such central bank, as applicable, may enforce such pledge or security interest in any manner permitted under applicable law.

(h) Agent (as a non-fiduciary agent on behalf of Borrowers) shall maintain, or cause to be maintained, a register (the "Register") on which it enters the name and address of each Lender as the registered owner of the Loans (and the principal amount thereof and stated interest thereon) held by such Lender (each, a "Registered Loan"). A Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each registered note shall expressly so provide) and any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any evidencing the same), Borrowers, the Agent and the Lenders shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary.

(i) In the event that a Lender sells participations in the Registered Loan, such Lender, as a non-fiduciary agent on behalf of Borrowers, shall maintain (or cause to be maintained) a register on which it enters the name and address of all participants in the Registered Loans held by it (and the principal amount (and stated interest thereon) of the portion of such Registered Loans that is subject to such participations) (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or participations in Letters of Credit and Swing Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or participation in a Letter of Credit or Swing Loan is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. A Registered Loan (and the registered note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register. The conclusiveness of the Participant Register shall be subject to the qualification "absent manifest error".

(j) Agent shall make a copy of the Register (and each Lender shall make a copy of its Participant Register to the extent it has one) available for review by Borrowers from time to time as Borrowers may reasonably request.

13.2 Successors. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, that no Borrower may assign this Agreement or any other Loan Document or any rights or duties hereunder or thereunder without the Lenders' prior written consent and any prohibited assignment shall be absolutely void ab initio. No consent to assignment by the Lenders shall release any Borrower from its Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 13.1 and, except as expressly required pursuant to Section 13.1, no consent or approval by any Borrower is required in connection with any such assignment.

14. **AMENDMENTS; WAIVERS.**

14.1 Amendments and Waivers.

(a) No amendment, waiver or other modification of any provision of this Agreement or any other Loan Document (other than Bank Product Agreements or the Fee Letter), and no consent with respect to any departure by any Borrower therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by Agent at the written request of the Required Lenders) and the Loan Parties that are party thereto and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given; provided that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto, do any of the following:

(i) increase the amount of or extend the expiration date of any Revolver Commitment of any Lender or amend, modify, or eliminate the last sentence of Section 2.4(c),

(ii) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,

(iii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan Document (except in connection with the waiver of applicability of Section 2.6(c) (which waiver shall be effective with the written consent of the Required Lenders)),

(iv) amend, modify, or eliminate this Section or any provision of this Agreement providing for consent or other action by all Lenders,

(v) amend, modify, or eliminate Section 3.1 or 3.3,

(vi) amend, modify, or eliminate Section 15.9 or 15.10,

(vii) other than as permitted by Section 15.9, release Agent's Lien in and to all or substantially all of the Collateral,

(viii) amend, modify, or eliminate the definitions of "Required Lenders", "Supermajority Lenders" or "Pro Rata Share", or amend or modify the percentage set forth in any other provision of any Loan Document (including this Section 14.1) specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder,

(ix) contractually subordinate any of Agent's Liens on the ABL Priority Collateral,

(x) other than in connection with a merger, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents, or if such Person constitutes an Excluded Subsidiary, release any Borrower or any Guarantor from any obligation for the payment of money or consent to the assignment or transfer by any Borrower or any Guarantor of any of its rights or duties under this Agreement or the other Loan Documents if such release would release all or substantially all of the guarantees provided thereunder,

(xi) amend, modify, or eliminate any of the provisions of Section 2.4(b)(i), (ii) or (iv) or Section 2.4(d) or (f), or

(xii) amend, modify, or eliminate any of the provisions of Section 13.1 (1) with respect to assignments to, or participations with, Persons who are Loan Parties or their Affiliates or (2) in a manner which further restricts assignments by Lenders thereunder.

(b) No amendment, waiver, modification, or consent shall amend, modify, waive, or eliminate,

(i) the definition of, or any of the terms or provisions of, the Fee Letter, without the written consent of Agent and Borrowers (and shall not require the written consent of any of the Lenders),

(ii) any provision of Section 15 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Borrowers, and the Required Lenders;

(c) No amendment, waiver, modification, elimination, or consent shall amend, modify, or eliminate (i) the definition of Borrowing Base, Tranche A Borrowing Base or Tranche B Borrowing Base (or any of the defined terms (including the definitions of Eligible Accounts, Eligible Inventory, Eligible Investment Grade Accounts and Eligible Equipment) that are used in any such definition) to the extent that any such change results in more credit being made available to the Borrowers based upon any Borrowing Base, but not otherwise, the last paragraph of Section 2.1(a), (ii) the definition of ~~Maximum Revolver Amount, (iii) the definition of~~ "ABL Priority Collateral" contained in the Intercreditor Agreement, (iii) Section 4.01 of the Intercreditor Agreement or (~~v~~iv) the Tranche B Line Cap in a manner that would increase clause (a) thereof above $~~150,000,000~~225,000,000, in each case, without the written consent of Agent, Borrowers, and the Supermajority Lenders;

(d) [Reserved];

(e) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive any provision of this Agreement or the other Loan Documents pertaining to any Issuing Bank, or any other rights or duties of any Issuing Bank under this Agreement or the other Loan Documents, without the written consent of such Issuing Bank, Agent, Borrowers, and the Required Lenders;

(f) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive any provision of this Agreement or the other Loan Documents pertaining to the Swing Lender, or any other rights or duties of the Swing Lender under this Agreement or the other Loan Documents, without the written consent of such Swing Lender, Agent, Borrowers, and the Required Lenders; and

(g) Anything in this Section 14.1 to the contrary notwithstanding, (i) any amendment, modification, elimination, waiver, consent, termination, or release of, or with respect to, any provision of this Agreement or any other Loan Document that relates only to the relationship of the Lender Group among themselves, and that does not affect the rights or obligations of any Borrower, shall not require

consent by or the agreement of any Loan Party, (ii) any amendment, waiver, modification, elimination, or consent of or with respect to any provision of this Agreement or any other Loan Document may be entered into without the consent of, or over the objection of, any Defaulting Lender other than any of the matters governed by Section 14.1(a)(i) through (iv) that affect such Lender and (iii) Agent and Parent shall be permitted to amend any provision of this Agreement or any other Loan Document (and such amendment shall become effective without any further action or consent of any other party to any Loan Document) if Agent and Parent shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any such provision.

(h) Notwithstanding the foregoing, the Agent and the Borrowers may enter into an Incremental Amendment in accordance with Section 2.16, and the Agent and the Borrowers may enter into an amendment pursuant to Section 2.13(d), Section 2.17 and Section 2.18, and, in any case, such document shall be effective to amend the terms of this Agreement and the other applicable Loan Documents, in each case without any further action or consent of any other party to any Loan Documents except as otherwise required by such Section.

14.2 Replacement of Certain Lenders

(a) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders but not of all Lenders or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 17, then Borrowers, at their sole cost and expense (including any assignment fees), upon at least five (5) Business Days prior irrevocable notice, may permanently replace any Lender that failed to give its consent, authorization, or agreement (a "Non-Consenting Lender") or any Lender that made a claim for compensation (a "Tax Lender") with one or more Replacement Lenders, and the Non-Consenting Lender or Tax Lender, as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Non-Consenting Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than 15 Business Days after the date such notice is given.

(b) Prior to the effective date of such replacement, the Non-Consenting Lender or Tax Lender, as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Non-Consenting Lender or Tax Lender, as applicable, being repaid in full its share of the outstanding Obligations (without any premium or penalty of any kind whatsoever, but including (i) all interest, fees and other amounts that may be due in payable in respect thereof, and (ii) an assumption of its Pro Rata Share of participations in the Letters of Credit). If the Non-Consenting Lender or Tax Lender, as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name or and on behalf of the Non-Consenting Lender or Tax Lender, as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Non-Consenting Lender or Tax Lender, as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Non-Consenting Lender or Tax Lender, as applicable, shall be made in accordance with the terms of Section 13.1. Until such time as one or more Replacement Lenders shall have acquired all of the Obligations, the Revolver Commitments, and the other rights and obligations of the Non-Consenting Lender or Tax Lender, as applicable, hereunder and under the other Loan Documents, the Non-Consenting Lender or Tax Lender, as applicable, shall remain obligated to make the Non-Consenting Lender's or Tax Lender's, as applicable, Pro Rata Share of Revolving Loans and to purchase a participation in each Letter of Credit, in an amount equal to its Pro Rata Share of participations in such Letters of Credit.

14.3 No Waivers; Cumulative Remedies. No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be

effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by Parent and Borrowers of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

15. **AGENT.**

15.1 Appointment, Authority and Duties of Agent.

(a) Appointment and Authority. Each Lender appoints and designates Bank of America as Agent under all Loan Documents. Agent may, and each Lender authorizes Agent to, enter into all Loan Documents to which Agent is intended to be a party and accept the Guaranty and Security Agreement. Any action taken by Agent in accordance with the provisions of the Loan Documents, and the exercise by Agent of any rights or remedies set forth therein, together with all other powers reasonably incidental thereto, shall be authorized by and binding upon all Lenders (an Bank Product Providers). Without limiting the generality of the foregoing, Agent shall have the sole and exclusive authority to (a) act as the disbursing and collecting agent for Lenders with respect to all payments and collections arising in connection with the Loan Documents; (b) execute and deliver as Agent each Loan Document, including any intercreditor or subordination agreement, and accept delivery of each Loan Document; (c) act as collateral agent for the Lenders for purposes of perfecting and administering Liens under the Loan Documents, and for all other purposes stated therein; (d) manage, supervise or otherwise deal with Collateral; and (e) take any Enforcement Action or otherwise exercise any rights or remedies with respect to any Collateral or under any Loan Documents, applicable law or otherwise. Agent alone shall be authorized to determine eligibility and applicable advance rates under the Borrowing Base, whether to impose or release any reserve, or whether any conditions to funding or issuance of a Letter of Credit have been satisfied, which determinations and judgments, if exercised in good faith, shall exonerate Agent from liability to any Lender, Bank Product Provider or other Person for any error in judgment.

(b) **Duties**. The title of "Agent" is used solely as a matter of market custom and the duties of Agent are administrative in nature only. The Agent shall not have any duties except those expressly set forth in the Loan Documents, and in no event does Agent have any agency, fiduciary or implied duty to or relationship with any Lender, Bank Product Provider or other Person by reason of any Loan Document or related transaction. The conferral upon Agent of any right shall not imply a duty to exercise such right, unless instructed to do so by Lenders in accordance with this Agreement.

(c) **Agent Professionals**. The Agent may perform its duties through agents and employees. The Agent may consult with and employ Agent Professionals, and shall be entitled to act upon, and shall be fully protected in any action taken in good faith reliance upon, any advice given by an Agent Professional. The Agent shall not be responsible for the negligence or misconduct of any agents, employees or Agent Professionals selected by it with reasonable care.

(d) **Instructions of Required Lenders**. The rights and remedies conferred upon Agent under the Loan Documents may be exercised without the necessity of joining any other party, unless required by applicable law. In determining compliance with a condition for any action hereunder, including satisfaction of any condition in Section 3, Agent may presume that the condition is satisfactory to a Lender and Bank Product Provider unless Agent has received written notice to the contrary from such Lender or Bank Product Provider before Agent takes the action. Agent may request instructions from Required Lenders or other Lenders or Bank Product Providers with respect to any act (including the failure to act) in connection with any Loan Documents or Collateral, and may seek assurances to its reasonable satisfaction from Lenders or Bank Product Providers of their indemnification obligations against Applicable Claims that could be incurred by Agent. Agent may refrain from any act until it has received such instructions or assurances, and shall not incur liability to any Person by reason of so

refraining. Instructions of Required Lenders shall be binding upon all Lenders (and Bank Product Providers), and no Lender (or Bank Product Provider) shall have any right of action whatsoever against Agent as a result of Agent acting or refraining from acting pursuant to instructions of Required Lenders. Notwithstanding the foregoing, instructions by and consent of specific parties shall be required to the extent provided in Section 14.1. In no event shall Agent be required to take any action that it determines in its discretion is contrary to applicable law or any Loan Documents or could subject any Agent-Related Person to liability.

15.2 Liability of Agent. The Agent shall not be liable to any Lender or Bank Product Provider for any action taken or omitted to be taken under the Loan Documents, except for losses directly and solely caused by its bad faith, gross negligence or willful misconduct. The Agent shall not assume any responsibility for any failure or delay in performance or any breach by any Loan Party, Lender or Bank Product Provider of any obligations under the Loan Documents. The Agent shall not make any express or implied representation, warranty or guarantee to Lenders or Bank Product Providers with respect to any Obligations, Collateral, Liens, Loan Documents or Loan Party. No Agent-Related Person shall be responsible to Lender (and Bank Product Providers) for any recitals, statements, information, representations or warranties contained in any Loan Documents or Borrower Materials; the execution, validity, genuineness, effectiveness or enforceability of any Loan Documents; the genuineness, enforceability, collectability, value, sufficiency, location or existence of any Collateral, or the validity, extent, perfection or priority of any Lien therein; the validity, enforceability or collectability of any Obligations; or the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of any Loan Party or Account Debtor. No Agent-Related Person shall have any obligation to any Lender or Bank Product Provider to ascertain or inquire into the existence of any Default or Event of Default, the observance by any Loan Party of any terms of the Loan Documents, or the satisfaction of any conditions precedent contained in any Loan Documents.

15.3 Reliance by Agent. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any certification, notice or other communication (including those by telephone, telex, telegram, telecopy or e-mail) believed by it to be genuine and correct and to have been signed, sent or made by the proper Person. The Agent shall have a reasonable and practicable amount of time to act upon any instruction, notice or other communication under any Loan Document, and shall not be liable for any delay in acting.

15.4 Notice of Default or Event of Default. Agent shall not be deemed to have knowledge of any Default or Event of Default, or of any failure to satisfy any conditions in Section 3, unless it has received written notice from a Borrower or Required Lenders specifying the occurrence and nature thereof. If any Lender acquires knowledge of a Default, Event of Default or failure of such conditions, it shall promptly notify Agent and the other Lenders thereof in writing. Each Lender (and Bank Product Provider) agrees that, except as otherwise provided in any Loan Documents or with the written consent of Agent and Required Lenders, it will not take any Enforcement Action, accelerate Obligations (other than Bank Product Obligations) or assert any rights relating to any Collateral.

15.5 Due Diligence and Non-Reliance. Each Lender acknowledges and agrees that it has, independently and without reliance upon Agent or any other Lenders, and based upon such documents, information and analyses as it has deemed appropriate, made its own credit analysis of each Loan Party and its own decision to enter into this Agreement and to fund Loans and participate in Letters of Credit hereunder. Each Lender (and Bank Product Provider) has made such inquiries as it feels necessary concerning the Loan Documents, Collateral and Loan Parties. Each Lender (and Bank Product Provider) acknowledges and agrees that the other Lenders (and Bank Product Providers) have made no representations or warranties concerning any Loan Party, any Collateral or the legality, validity, sufficiency or enforceability of any Loan Documents or Obligations. Each Lender (and Bank Product Provider) will, independently and without reliance upon any other Lender (or Bank Product Provider), and based upon such financial statements, documents and information as it deems appropriate at the time, continue to

make and rely upon its own credit decisions in making Loans and participating in Letters of Credit, and in taking or refraining from any action under any Loan Documents. Except for notices, reports and other information expressly requested by a Lender, Agent shall have no duty or responsibility to provide any Lender (or Bank Product Provider) with any notices, reports or certificates furnished to Agent by any Loan Party or any credit or other information concerning the affairs, financial condition, business or properties of any Loan Party (or any of its Affiliates) which may come into possession of any Agent-Related Person.

15.6 Indemnification. EACH LENDER (AND BANK PRODUCT PROVIDER) SEVERALLY SHALL INDEMNIFY AND HOLD HARMLESS AGENT-RELATED PERSONS AND ISSUING BANK INDEMNITEES, TO THE EXTENT NOT REIMBURSED BY LOAN PARTIES (AND WITHOUT LIMITING THEIR OBLIGATION TO DO SO), ON A PRO RATA BASIS, AGAINST ALL APPLICABLE CLAIMS THAT MAY BE INCURRED BY OR ASSERTED AGAINST ANY SUCH INDEMNIFIED PERSON, PROVIDED THAT ANY APPLICABLE CLAIM AGAINST AN AGENT-RELATED PERSON RELATES TO OR ARISES FROM ITS ACTING AS OR FOR AGENT (IN THE CAPACITY OF AGENT); PROVIDED THAT NO LENDER SHALL BE REQUIRED TO INDEMNIFY ANY AGENT-RELATED PERSON OR ISSUING BANK INDEMNITEE FOR APPLICABLE CLAIMS THAT A COURT OF COMPETENT JURISDICTION HAS FINALLY DETERMINED TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH AGENT-RELATED PERSON OR ISSUING BANK INDEMNITEE. In Agent's discretion, it may reserve for any Applicable Claims made against an Agent-Related Person or Issuing Bank Indemnitee, and may satisfy any judgment, order or settlement relating thereto, from proceeds of Collateral prior to making any distribution of Collateral proceeds to Lenders (and Bank Product Providers). If Agent is sued by any receiver, trustee or other Person for any alleged preference or fraudulent transfer, then any monies paid by Agent in settlement or satisfaction of such proceeding, together with all interest, costs and expenses (including attorneys' fees) incurred in the defense of same, shall be promptly reimbursed to Agent by each Lender (and Bank Product Provider) to the extent of its Pro Rata Share.

15.7 Individual Capacities. As a Lender, Bank of America shall have the same rights and remedies under the Loan Documents as any other Lender, and the terms "Lenders", "Required Lenders", "Supermajority Lenders" or any similar term shall include Bank of America in its capacity as a Lender. Agent, Lenders and their Affiliates may accept deposits from, lend money to, provide Bank Products to, act as financial or other advisor to, and generally engage in any kind of business with, Loan Parties and their Affiliates, as if they were not Agent or Lenders hereunder, without any duty to account therefor to any Lender (or Bank Product Provider). In their individual capacities, Agent, Lenders and their Affiliates may receive information regarding Loan Parties, their Affiliates and their Account Debtors (including information subject to confidentiality obligations), and shall have no obligation to provide such information to any Lender (or Bank Product Provider).

15.8 Successor Agent.

(a) Resignation; Successor Agent. Agent may resign at any time by giving at least 30 days written notice thereof to Lenders and Borrowers. Required Lenders may appoint a successor to replace the resigning Agent, which successor shall be (a) a Lender or an Affiliate of a Lender; or (b) a financial institution reasonably acceptable to Required Lenders and, in either case, provided no Event of Default exists, reasonably acceptable to Borrowers. If no successor agent is appointed prior to the effective date of Agent's resignation, then Agent may appoint a successor agent that is a financial institution acceptable to it (which shall be a Lender unless no Lender accepts the role) or in the absence of such appointment, Required Lenders shall on such date assume all rights and duties of Agent hereunder, provided that Agent shall consult with Parent prior to such appointment. Upon acceptance by any successor Agent of its appointment hereunder, such successor Agent shall thereupon succeed to and become vested with all the powers and duties of the retiring Agent without further act. On the effective date of its resignation, the retiring Agent shall be discharged from its duties and obligations hereunder in its capacity as Agent but shall continue to have all rights and protections under the Loan Documents with respect to actions taken or omitted to be taken by it while Agent, including the indemnification set forth in Sections 15.6 and 10.3, and all rights and protections under this Section 15. Any successor to Bank of

America by merger or acquisition of stock or this loan shall continue to be Agent hereunder without further act on the part of any Lender (or Bank Product Provider) or Loan Party.

(b) Co-Collateral Agent. If appropriate under applicable law, Agent may appoint a Person to serve as a co-collateral agent or separate collateral agent under any Loan Document. Each right, remedy and protection intended to be available to Agent under the Loan Documents shall also be vested in such agent. Lenders (and Bank Product Providers) shall execute and deliver any instrument or agreement that Agent may request to effect such appointment. If any such agent shall die, dissolve, become incapable of acting, resign or be removed, then all the rights and remedies of the agent, to the extent permitted by applicable law, shall vest in and be exercised by Agent until appointment of a new agent.

15.9 Agreements Regarding Collateral and Borrower Materials.

(a) Lien Releases; Care of Collateral. Lenders (and Bank Product Providers) authorize Agent to release any Lien with respect to any Collateral (a) upon payment in full of the Obligations (other than unasserted contingent obligations); (b) that is the subject of a disposition or Lien that Borrowers certify in writing is a Permitted Disposition or any other disposition permitted by the Loan Documents or a Permitted Lien entitled to priority over Agent's Liens (and Agent may rely conclusively on any such certificate without further inquiry); (c) that does not constitute a material part of the Collateral; (d) that is owned by a Loan Party if such Loan Party becomes an Excluded Subsidiary; (e) if required or permitted under the terms of any other Loan Documents, including any intercreditor agreement, or (f) subject to Section 14.1, with the consent of Required Lenders. Lenders (and Bank Product Providers) authorize Agent to subordinate its Liens to any Permitted Purchase Money Indebtedness or other Lien entitled to priority hereunder. The Agent shall not have any obligation to assure that any Collateral exists or is owned by a Loan Party, or is cared for, protected or insured, nor to assure that Agent's Liens have been properly created, perfected or enforced, or are entitled to any particular priority, nor to exercise any duty of care with respect to any Collateral.

(b) Possession of Collateral. Agent, Lenders and Bank Product Providers appoint each Lender as agent (for the benefit of Lender (and Bank Product Providers)) for the purpose of perfecting Liens in any Collateral held or controlled by such Lender, to the extent such Liens are perfected by possession or control. If any Lender obtains possession or control of any Collateral, it shall notify Agent thereof and, promptly upon Agent's request, deliver such Collateral to Agent or otherwise deal with it in accordance with Agent's instructions.

(c) Agent shall promptly provide to Lenders, when complete, any field examination, audit, appraisal report or valuation prepared for Agent with respect to any Loan Party or Collateral ("Report") and other Borrower Materials received pursuant to Schedule 5.1 or 5.2. Reports and other Borrower Materials may be made available to Lenders by providing access to them on the Platform, but Agent shall not be responsible for system failures or access issues that may occur from time to time. Each Lender agrees (a) that Reports are not intended to be comprehensive audits or examinations, and that Agent or any other Person performing an audit or examination will inspect only limited information and will rely significantly upon Borrowers' books, records and representations; (b) that Agent makes no representation or warranty as to the accuracy or completeness of any Borrower Materials and shall not be liable for any information contained in or omitted from any Borrower Materials, including any Report; and (c) to keep all Borrower Materials confidential in accordance with Section 18.9(a). Each Lender shall indemnify and hold harmless Agent and any other Person preparing a Report from any action such Lender may take as a result of or any conclusion it may draw from any Borrower Materials, as well as from any Applicable Claims arising as a direct or indirect result of Agent furnishing same to such Lender, via the Platform or otherwise.

15.10 Ratable Sharing.

(a) If any Lender obtains any payment or reduction of any Obligation, whether through set-off or otherwise, in excess of its ratable share of such Obligation, such Lender shall forthwith purchase from Lenders (and Bank Product Providers) participations in the affected Obligation as are necessary to share the excess payment or reduction on a pro rata basis or in accordance with Section 2.4(b)(iv). If any of such payment or reduction is thereafter recovered from the purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest. Notwithstanding the foregoing, if a Defaulting Lender obtains a payment or reduction of any Obligation, it shall immediately turn over the full amount thereof to Agent for application under Section 2.3(i) and it shall provide a written statement to Agent describing the Obligation affected by such payment or reduction. No Lender shall set off against an Agent Account without Agent's prior consent.

15.11 Remittance of Payments and Collections.

(a) Remittances Generally. All payments by any Lender to Agent shall be made by the time and on the day set forth in this Agreement, in immediately available funds. If no time for payment is specified or if payment is due on demand by Agent and request for payment is made by Agent by 1:00 p.m. on a Business Day, payment shall be made by Lender not later than 3:00 p.m. on such day, and if request is made after 1:00 p.m., then payment shall be made by 11:00 a.m. on the next Business Day. Payment by Agent to any Lender (or Bank Product Provider) shall be made by wire transfer, in the type of funds received by Agent. Any such payment shall be subject to Agent's right of offset for any amounts due from such payee under the Loan Documents.

(b) Failure to Pay. If any Lender (or Bank Product Provider) fails to pay any amount when due by it to Agent pursuant to the terms hereof, such amount shall bear interest, from the due date until paid in full, at the greater of the Federal Funds Rate or the rate determined by Agent as customary for interbank compensation for two (2) Business Days and thereafter at the Default Rate for Base Rate Loans. In no event shall Borrowers be entitled to credit for any interest paid by a Lender (or Bank Product Provider) to Agent, nor shall a Defaulting Lender be entitled to interest on amounts held by Agent pursuant to Section 2.3(i).

(c) Recovery of Payments. If Agent pays an amount to a Lender (or Bank Product Provider) in the expectation that a related payment will be received by Agent from a Loan Party and such related payment is not received, then Agent may recover such amount from the Lender (or Bank Product Provider). If Agent determines that an amount received by it must be returned or paid to a Loan Party or other Person pursuant to applicable law or otherwise, then Agent shall not be required to distribute such amount to any Lender (or Bank Product Provider). If any amounts received and applied by Agent to Obligations held by a Lender (or Bank Product Provider) are later required to be returned by Agent pursuant to applicable law, such Lender (or Bank Product Provider) shall pay to Agent, on demand, its share of the amounts required to be returned.

15.12 Titles. Each Lender, other than Bank of America, that is designated in connection with this credit facility as a "Joint Lead Arranger" or "Joint Bookrunner" of any kind shall have no right or duty under any Loan Documents other than those applicable to all Lenders, and shall in no event have any fiduciary duty to any Lender (or any Bank Product Provider).

15.13 Bank of Product Providers. Each Bank Product Provider, by delivery of a notice (including by way of delivery of a Bank Product Provider Agreement) to Agent of a Bank Product, agrees to be bound by the Loan Documents, including Section 2.4(b)(iv), Section 18.5, Section 18.9(c) and Section 15. Each Bank Product Provider shall indemnify and hold harmless Agent-Related Persons, to the extent not reimbursed by Loan Parties, against all Applicable Claims that may be incurred by or asserted against any Agent-Related Person in connection with such provider's Bank Product Obligations.

15.14 No Third Party Beneficiaries. This Section 15 is an agreement solely among Lender (and Bank Product Providers) and Agent, and shall survive payment in full of the Obligations. This Section 15

does not confer any rights or benefits upon Borrowers or any other Person. As between Borrowers and Agent, any action that Agent may take under any Loan Documents or with respect to any Obligations shall be conclusively presumed to have been authorized and directed by Lenders (and Bank Product Providers).

16. **[RESERVED]**

17. **WITHHOLDING TAXES.**

17.1 Payments. All payments made by any Loan Party hereunder or under any note or other Loan Document will be made without setoff, counterclaim, or other defense. In addition, all such payments will be made free and clear of, and without deduction or withholding for, any Taxes, except as required by applicable law. If any applicable law requires any deduction or withholding of an Indemnified Tax, then the applicable Loan Party agrees (subject to Section 2.15 of this Agreement) to pay the full amount of such Indemnified Taxes and such additional amounts as may be necessary so that every payment of all amounts due under this Agreement, any note, or Loan Document, including any amount paid pursuant to this Section 17.1 after withholding or deduction for or on account of any Indemnified Taxes, will not be less than the amount provided for herein. The applicable Loan Party will furnish to Agent as promptly as possible after the date the payment of any Indemnified Tax is due pursuant to applicable law, certified copies of Tax receipts evidencing such payment by the applicable Loan Party. The applicable Loan Party agrees to timely pay any present or future stamp, value added or documentary taxes or any other excise or property taxes, charges, or similar levies that arise from any payment made hereunder or from the execution, delivery, performance, recordation, or filing of, or otherwise with respect to this Agreement or any other Loan Document in accordance with applicable law, except any such taxes with respect to Agent, any Lender, Participant or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder imposed as a result of a present or former connection between such Agent, Lender, Participant or such other recipient and the jurisdiction imposing such tax that are taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 14.2).

17.2 Exemptions.

(a) Any Lender or Participant that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Agreement or any other Loan Document shall deliver to Agent and Parent (or, in the case of a Participant, to the Lender granting the participation only), at the time or times prescribed by applicable law and at the time or times reasonably requested by Agent or Parent, such properly completed and executed documentation reasonably requested by Agent or Parent or prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender or Participant, if reasonably requested by Agent or Parent, shall deliver to Agent and Parent (or, in the case of a Participant, to the Lender granting the participation only) such other documentation prescribed by applicable law or reasonably requested by Agent or Parent as will enable Agent or Parent to determine whether or not such Lender or Participant is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 17.2(c) and paragraphs (a)(i) through (a)(iv) of this Section 17.2(a)) shall not be required if in the Lender's or the Participant's reasonable judgment such completion, execution or submission would subject such Lender or Participant to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender or Participant. Without limiting the generality of the foregoing:

(i) if such Lender or Participant is entitled to claim an exemption from United States withholding Tax pursuant to the portfolio interest exception under Sections 881(c) or 871(h) of the IRC (the "Portfolio Interest Exemption"), (A) a statement of the Lender or Participant (a "Tax Status Certificate"), signed under penalty of perjury, in form and substance reasonably satisfactory to Agent and

Parent that it is not (1) a "bank" as described in Section 881(c)(3)(A) of the IRC, (2) a 10 percent (10.0%) shareholder of Parent (within the meaning of Section 881(c)(3)(B) of the IRC), or (3) a controlled foreign corporation related to Borrowers within the meaning of Section 881(c)(3)(C) of the IRC, and (B) a properly completed and executed IRS Form W-8BEN or W-8BEN-E, as applicable, or Form W-8IMY (with proper attachments);

(ii) if such Lender or Participant is entitled to claim an exemption from, or a reduction of, withholding Tax under a United States tax treaty, a properly completed and executed copy of IRS Form W-8BEN or W-8BEN-E, as applicable;

(iii) if such Lender or Participant is entitled to claim that interest paid under this Agreement is exempt from United States withholding Tax because it is effectively connected with a United States trade or business of such Lender, a properly completed and executed copy of IRS Form W-8ECI;

(iv) if such Lender or Participant is entitled to claim that interest paid under this Agreement is exempt from United States withholding Tax because such Lender or Participant serves as an intermediary, a properly completed and executed copy of IRS Form W-8IMY (with proper attachments);

(v) where such Lender or Participant is a partnership (for U.S. federal income tax purposes) or otherwise not a beneficial owner (e.g., where such Lender has sold a participation), IRS Form W-8IMY accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-9 (or, in each case, any successor thereto) and all required supporting documentation from each beneficial owner, as applicable (including, where one or more of the underlying beneficial owner(s) is claiming the benefits of the Portfolio Interest Exemption, a Tax Status Certificate of such beneficial owner(s) (provided that, if the Lender is a partnership and not a participating Lender, the Tax Status Certificate from the beneficial owner(s) may be provided by such Lender on behalf of the beneficial owner(s))); or

(vi) a properly completed and executed copy of any other form or forms, including IRS Form W-9, as may be required under the IRC or other laws of the United States as a condition to exemption from, or reduction of, United States withholding or backup withholding Tax.

(b) Any Lender or Participant that is not a United States person within the meaning of Section 7701(a)(3) of the IRC shall, to the extent it is legally entitled to do so, deliver to Agent and Parent (or, in the case of a Participant, to the Lender granting the participation only) (in such number of copies as shall be requested by the recipient) on or about the date on which such Lender or Participant becomes a Lender or Participant under this Agreement (and from time to time thereafter upon the reasonable request of Agent or Parent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Agent or Parent to determine the withholding or deduction required to be made.

(c) Each Lender or Participant shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms (or promptly notify Agent and Parent in writing that such Lender or Participant is not legally eligible to do so) and to notify promptly Agent and Parent (or, in the case of a Participant, the Lender granting the participation only) of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(d) If a payment made to a Lender or Participant under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender or Participant were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender shall deliver to Parent and the Agent, or, in the case of

a Participant, to the Lender granting the participation, at the time or times prescribed by law and at such time or times reasonably requested by Parent or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by Parent or the Agent as may be necessary for Parent and the Agent to comply with their obligations under FATCA and to determine that such Lender or Participant has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 17.2(d), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

17.3 Reductions.

(a) If a Lender or a Participant is subject to an applicable withholding Tax, Borrowers or Agent (or, in the case of a Participant, the Lender granting the participation) may withhold from any payment to such Lender or such Participant an amount equivalent to the applicable withholding Tax. If the forms or other documentation required by Section 17.2(a) or 17.2(c) are not delivered to Agent and Parent (or, in the case of a Participant, to the Lender granting the participation), then Agent or Borrowers (or, in the case of a Participant, to the Lender granting the participation) may withhold from any payment to such Lender or such Participant not providing such forms or other documentation an amount equivalent to the applicable withholding Tax.

(b) Each Loan Party shall (subject to Section 2.15 of this Agreement) indemnify Lender or Agent, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 17) payable or paid by such Lender or Agent or required to be withheld or deducted from a payment due from or on account of any obligation of any Loan Party to such Lender or Agent and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the applicable Loan Party by such Lender (with a copy to Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(c) Each Lender shall severally indemnify Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 17) attributable to such Lender (but only to the extent that any Loan Party has not already indemnified Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.1(i) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Agent to the Lender from any other source against any amount due to the Agent under this Section 17.3(c).

17.4 Refunds. If Agent or a Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes for which it has received additional amounts pursuant to this Section 17, so long as no Default or Event of Default has occurred and is continuing, it shall pay over such refund to the applicable Loan Party (but only to the extent of payments made, or additional amounts paid, by the applicable Loan Party under this Section 17 with respect to Taxes giving rise to such a refund), net of all out-of-pocket expenses of Agent or such Lender and without interest (other than any interest paid by the applicable Governmental Authority with respect to such a refund); provided, that the applicable Loan Party, upon the request of Agent or such Lender, agrees to repay the

amount paid over to the applicable Loan Party (*plus* any penalties, interest or other charges imposed by the applicable Governmental Authority, other than such penalties, interest or other charges imposed as a result of the bad faith, willful misconduct or gross negligence of Agent hereunder) to Agent or such Lender in the event Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 17.4, in no event will the Agent or Lender be required to pay any amount to a Loan Party pursuant to this Section 17.4 the payment of which would place Agent or Lender in a less favorable net after-Tax position than the Lender or Agent would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. Notwithstanding anything in this Agreement to the contrary, this Section 17.4 shall not be construed to require Agent or any Lender to make available its Tax returns (or any other information which it deems confidential) to the applicable Loan Party or any other Person.

18. **GENERAL PROVISIONS.**

18.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by each Borrower, Agent and each Lender whose signature is provided for on the signature pages hereof.

18.2 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

18.3 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or any Borrower, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

18.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

18.5 Bank Product Providers.

(a) Each Bank Product Provider in its capacity as such shall be deemed a third party beneficiary hereof and of the provisions of the other Loan Documents for purposes of any reference in a Loan Document to the parties for whom Agent is acting. Agent hereby agrees to act as agent for such Bank Product Providers and, by virtue of entering into a Bank Product Agreement, the applicable Bank Product Provider shall be automatically deemed to have appointed Agent as its agent and to have accepted the benefits of the Loan Documents. It is understood and agreed that the rights and benefits of each Bank Product Provider under the Loan Documents consist exclusively of such Bank Product Provider's being a beneficiary of the Liens and security interests (and, if applicable, guarantees) granted to Agent and the right to share in payments and collections out of the Collateral as more fully set forth herein. In addition, each Bank Product Provider, by virtue of entering into a Bank Product Agreement, shall be automatically deemed to have agreed that Agent shall have the right, but shall have no obligation, to establish, maintain, relax, or release reserves in respect of the Bank Product Obligations and that if reserves are established there is no obligation on the part of Agent to determine or insure whether the amount of any such reserve is appropriate or not. In connection with any such distribution of payments or proceeds of Collateral, Agent shall be entitled to assume no amounts are due or owing to any Bank Product Provider unless such Bank Product Provider has provided a written certification (setting forth a reasonably detailed calculation) to Agent as to the amounts that are due and owing to it and such written certification is received by Agent a reasonable period of time prior to the making of such distribution. Agent shall have no obligation to calculate the amount due and payable with respect to any Bank Products, but may rely upon the written certification of the amount due and payable from the applicable

Bank Product Provider. In the absence of an updated certification, Agent shall be entitled to assume that the amount due and payable to the applicable Bank Product Provider is the amount last certified to Agent by such Bank Product Provider (including in any Bank Product Provider Agreement) as being due and payable (less any distributions made to such Bank Product Provider on account thereof). The Borrowers may obtain Bank Products from any Bank Product Provider, although Borrowers are not required to do so. Each Borrower acknowledges and agrees that no Bank Product Provider has committed to provide any Bank Products and that the providing of Bank Products by any Bank Product Provider is in the sole and absolute discretion of such Bank Product Provider. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, no provider or holder of any Bank Product shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of such agreements or products or the Obligations owing thereunder, nor shall the consent of any such provider or holder be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Loan Documents, including as to any matter relating to the Collateral or the release of Collateral or Guarantors.

(b) At any time prior to or within ten (10) days after the date of the provision of the applicable Bank Product to the Borrowers or their Subsidiaries, or in the case of a Bank Product in effect on the ~~Closing~~Second Amendment Effective Date, at least ~~five~~two (~~5~~2) Business Days prior to the ~~Closing~~Second Amendment Effective Date, if the applicable Borrower or Subsidiary and the applicable Bank Product Provider desire that the monetary obligations in respect of such Bank Product Agreement be treated as "Bank Product Obligations" or, in the case of transactions under a Hedge Agreement, "Pari Secured Hedge Obligations" hereunder with rights in respect of payment of proceeds of the Collateral in accordance with the waterfall provisions set forth in Section 2.4(b)(iv), the applicable Bank Product Provider shall provide to the Agent an executed Bank Product Provider Agreement (to be acknowledged by the Agent) that specifies, (i) with respect to each Bank Product Provider Agreement that is a Hedge Agreement, whether such Hedge Agreement is to be a "Pari Secured Hedge Agreement" and treated as *pari passu* in priority of payment with the principal outstanding of the Revolving Loans in accordance with clause (K) of the waterfall provisions set forth in Section 2.4(b)(iv), so long as such Hedge Agreement is with any counterparty that is a Hedge Provider at the time such Hedge Agreement is entered into and (ii) the maximum amount of Bank Product Obligations to be secured by the Collateral as of the date of such Bank Product Provider Agreement (which maximum amount may be updated by further notice from the applicable Bank Product Provider to the Agent from time to time). If, in any Bank Product Provider Agreement, the applicable Hedge Provider shall fail to include that a Hedge Agreement shall constitute a Pari Secured Hedge Agreement, then such Hedge Agreement shall not constitute a Pari Secured Hedge Agreement and shall be afforded the priority of payment of proceeds of the Collateral under Section 2.4(b)(iv)(L) of the waterfall provisions. If, at any time, a Revolving Lender ceases to be a Revolving Lender under the Agreement, then, from and after the date on which it ceases to be a Revolving Lender thereunder, neither it nor any of its Affiliates shall constitute Bank Product Providers and the obligations with respect to Bank Product Agreements entered into with such former Revolving Lender or any of its Affiliates shall no longer constitute Bank Product Obligations and, if applicable, Pari Secured Hedge Obligations. If, at any time, the aggregate marked to market exposure of Pari Secured Hedge Obligations exceeds the Available Hedge Amount, then the portion of the marked to market exposure of each Pari Secured Hedge Obligation that is in excess of the Available Hedge Amount shall, for all purposes of Section 2.4(b)(iv), be treated as and deemed to be Obligations of a Bank Product Provider payable under clause (L) of Section 2.4(b)(iv) and shall be paid in accordance with the last paragraph of Section 2.4(b)(iv).

18.6 Debtor-Creditor Relationship. The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between the members of the Lender Group, on the one hand, and the Loan Parties, on the other hand, by virtue of any Loan Document or any transaction

contemplated therein. Each Lender and their affiliates may have economic interests that conflict with those of the Borrower.

18.7 Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document mutatis mutandis.

18.8 Revival and Reinstatement of Obligations; Certain Waivers. If any member of the Lender Group or any Bank Product Provider repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such member of the Lender Group or such Bank Product Provider in full or partial satisfaction of any Obligation or on account of any other obligation of any Loan Party under any Loan Document or any Bank Product Agreement, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any applicable law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "Voidable Transfer"), or because such member of the Lender Group or Bank Product Provider elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group or Bank Product Provider elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys' fees of such member of the Lender Group or Bank Product Provider related thereto, (1) the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and immediately be revived, reinstated, and restored and will exist and (2) Agent's Liens securing such liability shall be effective, revived, and remain in full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (a) Agent's Liens shall have been released or terminated or (b) any provision of this Agreement shall have been terminated or cancelled, Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Loan Party in respect of such liability or any Collateral securing such liability.

18.9 Confidentiality.

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that material, non-public information regarding Parent and its Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and, to employees, directors and officers of any member of the Lender Group (the Persons in this clause (i) and clause (ii) below, "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group (including the Bank Product Providers) and any of their attorneys for and other advisors, accountants, auditors and consultants to any member of the Lender Group and to employees, directors and officers on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, provided that any such Person shall have agreed to receive such information hereunder subject to the terms of this Section 18.9, (iii) as may be required by

regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided that (x) prior to any disclosure under this clause (iv), the disclosing party agrees to provide Borrowers with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to Borrowers pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under this clause (iv) shall be limited to the portion of the Confidential Information as may be required by such statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrowers, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, provided, that, (x) prior to any disclosure under this clause (vi) the disclosing party agrees to provide Borrowers with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Borrowers pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representatives), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement, provided that prior to receipt of Confidential Information any such assignee, participant, or pledgee shall have agreed in writing to receive such Confidential Information either subject to the terms of this Section 18.9 or pursuant to confidentiality requirements substantially similar to those contained in this Section 18.9 (and such Person may disclose such Confidential Information to Persons employed or engaged by them as described in clause (i) above), (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents; provided, that, prior to any disclosure to any Person (other than any Loan Party, Agent, any Lender, any of their respective Affiliates, or their respective counsel) under this clause (x) with respect to litigation involving any Person (other than any Borrower, Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide Borrowers with prior written notice thereof, and (x) in connection with, and to the extent reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any other Loan Document. In addition, the Agent and the Lenders may disclose the existence of this Agreement and publicly available information about this Agreement to (i) any actual or prospective direct or indirect counterparty (or its advisors) to any swap or derivative transaction relating to the Borrowers or (ii) market data collectors, similar service providers to the lending industry, and service providers to the Agent and the Lenders in connection with the administration and management of this Agreement.

(b) Anything in this Agreement to the contrary notwithstanding, Agent may disclose customary information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or in its marketing or promotional materials, with such information to consist of deal terms and other information customarily found in such publications or marketing or promotional materials and may otherwise use the name, logos, and other insignia of any Borrower or the other Loan Parties and the Revolver Commitments provided hereunder in any "tombstone" or other advertisements, on its website or in other marketing materials of the Agent.

(c) The Loan Parties hereby acknowledge that Agent or its Affiliates may make available to the Lenders materials or information provided by or on behalf of Borrowers hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, SyndTrak or another similar electronic system (the "Platform") and certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a "Public Lender"). The Loan Parties shall be deemed to have authorized Agent and its Affiliates and the Lenders to treat Borrower Materials marked "PUBLIC" or otherwise at any time filed with the SEC as not containing any material non-public information with respect to the Loan Parties or their securities for purposes of United States federal and state securities laws. All Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as

"Public Investor" (or another similar term). Agent and its Affiliates and the Lenders shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" or that are not at any time filed with the SEC as being suitable only for posting on a portion of the Platform not marked as "Public Investor" (or such other similar term).

18.10 Survival. All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent, Issuing Bank, or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of, or any accrued interest on, any Loan or any fee or any other amount payable under this Agreement is outstanding or unpaid or any Letter of Credit is outstanding and so long as the Revolver Commitments have not expired or been terminated.

18.11 Patriot Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies Borrowers that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of each Borrower and other information that will allow such Lender to identify each Borrower in accordance with the Patriot Act. In addition, if Agent is required by law or regulation or internal policies to do so, it shall have the right to periodically conduct i) Patriot Act searches, OFAC/PEP searches, and customary individual background checks for the Loan Parties and ii) OFAC/PEP searches and customary individual background checks for the Loan Parties' senior management and key principals, and each Borrower agrees to cooperate in respect of the conduct of such searches and further agrees that the reasonable costs and charges for such searches shall constitute Lender Group Expenses hereunder and be for the account of Borrowers.

18.12 Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof. The foregoing to the contrary notwithstanding, all Bank Product Agreements, if any, are independent agreements governed by the written provisions of such Bank Product Agreements, which will remain in full force and effect, unaffected by any repayment, prepayments, acceleration, reduction, increase, or change in the terms of any credit extended hereunder, except as otherwise expressly provided in such Bank Product Agreement.

18.13 Parent as Agent for Borrowers. Each Borrower hereby irrevocably appoints Parent as the borrowing agent and attorney-in-fact for all Borrowers (the "Administrative Borrower") which appointment shall remain in full force and effect unless and until Agent shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower i) to provide Agent with all notices with respect to Revolving Loans and Letters of Credit obtained for the benefit of any Borrower and all other notices and instructions under this Agreement and the other Loan Documents (and any notice or instruction provided by Administrative Borrower shall be deemed to be given by Borrowers hereunder and shall bind each Borrower), ii) to receive notices and instructions from members of the Lender Group (and any notice or instruction provided by any member of the Lender Group to the Administrative Borrower in accordance with the terms hereof shall be deemed to have been given to each Borrower), iii) to take such action as the Administrative Borrower deems appropriate on its behalf to obtain Revolving Loans and Letters of Credit and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement and (d) execute and deliver any amendments, consents, waivers or other instruments related to this Agreement and the other Loan Documents on behalf of such Borrower and any such amendment, consent, waiver or other instrument shall be binding upon and enforceable against such other Borrower to the same extent as if

made directly by such Borrower (but Agent shall be entitled to require execution thereof by all Borrowers). It is understood that the handling of the Loan Account and Collateral in a combined fashion, as more fully set forth herein (and subject to the terms herein), is done solely as an accommodation to the Borrowers in order to utilize the collective borrowing powers of the Borrowers in the most efficient and economical manner and at their request, and that Lender Group shall not incur liability to any Borrower as a result hereof. Each Borrower expects to derive benefit, directly or indirectly, from the handling of the Loan Account and the Collateral in a combined fashion, as more fully set forth herein (and subject to the terms herein), since the successful operation of each Borrower is dependent on the continued successful performance of the integrated group. To induce the Lender Group to do so, and in consideration thereof, each Borrower hereby jointly and severally agrees to indemnify each member of the Lender Group and holds each member of the Lender Group harmless against any and all liability, expense, loss or claim of damage or injury, made against the Lender Group by any Borrower or by any third party whosoever, arising from or incurred by reason of (i) the handling of the Loan Account and Collateral securing the Obligations as herein provided, or (ii) the Lender Group's relying on any instructions of the Administrative Borrower, except that the Borrowers will have no liability to the relevant Agent-Related Person or Lender-Related Person under this Section 18.13 with respect to any liability that has been finally determined by a court of competent jurisdiction to have resulted solely from the bad faith, gross negligence or willful misconduct of such Agent-Related Person or Lender-Related Person, as the case may be.

18.14 Judgment Currency. If for the purpose of obtaining judgment in any court it is necessary to convert an amount due hereunder in the currency in which it is due (the "Original Currency") into another currency (the "Second Currency"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the Agent could purchase in the New York foreign exchange market, the Original Currency with the Second Currency on the date two (2) Business Days preceding that on which judgment is given. Each Obligor agrees that its obligation in respect of any Original Currency due from it hereunder shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following the date the Agent receives payment of any sum so adjudged to be due hereunder in the Second Currency, the Agent may, in accordance with normal banking procedures, purchase, in the New York foreign exchange market, the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased or could have been so purchased is less than the amount originally due in the Original Currency, each Obligor agrees as a separate obligation and notwithstanding any such payment or judgment to indemnify the Agent against such loss. The term "rate of exchange" in this Section 18.14 means the Spot Rate at which the Agent, in accordance with normal practices, is able on the relevant date to purchase the Original Currency with the Second Currency, and includes any premium and costs of exchange payable in connection with such purchase.

18.15 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge

institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

As used herein, the following terms have the following meanings:

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

18.16 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using Plan Assets of one or more Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that the Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and

performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

(c) For purposes of this Section 18.16, the following terms shall have the meanings assigned here:

(i) "Commitments" means the Incremental Commitments and the Revolver Commitments.

(ii) "PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

18.17 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Hedge Agreement or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 18.17, the following terms have the following meanings:

(i) "BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

(ii) "Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

(iii) "Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

(iv) "QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

18.18 Application of Sanctions Provisions to the Loan Parties. Sections 4.7, 4.13, 4.18 and 5.8 shall only apply to any of the Loan Parties, any Subsidiary, any Affiliate or any broker or other agent of any Loan Party which is bound by any Anti-Boycott Regulations insofar as the giving of and compliance with such representations, warranties, covenants and undertakings do not and will not result in a violation of or conflict with, or liability under any Anti-Boycott Regulations.

19. **INTERCREDITOR AGREEMENT**

The terms of this Agreement and the other Loan Documents (other than the Intercreditor Agreement), any Lien granted to the Agent pursuant to any Loan Document and the exercise of any right or remedy by the Agent hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any inconsistency between the provisions of this Agreement and the Loan Documents (other than the Intercreditor Agreement), on the one hand, and the Intercreditor Agreement, on the other hand, the provisions of the Intercreditor Agreement shall supersede the provisions of this Agreement and the Loan Documents (other than the Intercreditor Agreement). Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, all rights and remedies of the Agent (and the Lender Group) shall be subject to the terms of the Intercreditor Agreement, and until the Discharge of Fixed Asset Obligations (as defined in the Intercreditor Agreement), (i) except for express requirements of this Agreement, no Loan Party shall be required hereunder or under any other Loan Document to take any action in respect of the Fixed Asset Priority Collateral that is inconsistent with such Loan Party's obligations under the Senior Secured Notes Documents except if otherwise provided in the Intercreditor Agreement and (ii) any obligation of any Loan Party hereunder or under any other Loan Document with respect to the delivery or control of any Fixed Asset Priority Collateral, the novation of any lien on any certificate of title, bill of lading or other document, the giving of any notice to any bailee or other Person, the provision of voting rights or the obtaining of any consent of any Person, in each case in respect of any Fixed Asset Priority Collateral shall be deemed to be satisfied if such Loan Party complies with the requirements of the similar provision of the applicable Senior Secured Notes Document.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

BORROWER

CLEVELAND-CLIFFS INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as Agent and as a Lender

By: _____
Name:
Title:

[_____]
By: _____
Name:
Title:

If second signature is needed:

By: _____
Name:
Title:

SCHEDULE 1.1

As used in the Agreement, the following terms shall have the following definitions:

"2024 Senior Secured Notes" means those certain 4.875% Senior Secured Notes due 2024 issued by Parent on December 19, 2017 in the initial aggregate principal amount of $400,000,000.

"2024 Senior Secured Notes Indenture" means the Indenture, dated as of December 19, 2017 , governing the 2024 Senior Secured Notes, by and among Parent, as issuer, the guarantors from time to time party thereto, and U.S. Bank National Association, as trustee and first lien notes collateral agent.

"2025 Senior Secured Notes" means those certain 9.875% Senior Secured Notes due 2025 issued by Parent on April 17, 2020 in the initial aggregate principal amount of $400,000,000 and on April 24, 2020 in the additional aggregate principal amount of $555,159,000.

"2025 Senior Secured Notes Indenture" means the Indenture, dated as of April 17, 2020, governing the 2025 Senior Secured Notes, by and among Parent, as issuer, the guarantors from time to time party thereto, and U.S. Bank National Association, as trustee and first lien notes collateral agent.

"2026 Senior Secured Notes" means those certain 6.75% Senior Secured Notes due 2026, issued by Parent on the Closing Date in the initial aggregate principal amount of $725,000,000 and on June 19, 2020 in the additional aggregate principal amount of $120,000,000.

"2026 Senior Secured Notes Indenture" means the Indenture dated as of March 13, 2020, governing the 2026 Senior Secured Notes, by and among Parent, as issuer, the guarantors from time to time party thereto, and U.S. Bank National Association, as trustee and first lien notes collateral agent.

"ABL Priority Collateral" has the meaning specified therefor in the Intercreditor Agreement.

"Account" means an account (as that term is defined in the Code).

"Account Debtor" means any Person who is obligated on an Account, chattel paper, or a general intangible.

"Account Party" has the meaning specified therefor in Section 2.11(h) of this Agreement.

"Accounting Change" means any change in accounting principles required or permitted by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions).

"Acquired Indebtedness" means Indebtedness of a Person whose assets or Equity Interests are acquired by Parent or any of its Subsidiaries in a Permitted Acquisition; provided, that such Indebtedness (a) was in existence prior to the date of such Permitted Acquisition, (b) was not incurred in connection with, or in contemplation of, such Permitted Acquisition and (c) is not revolving Indebtedness of a Subsidiary that is not an Excluded Subsidiary.

"Acquisition" means (a) the purchase or other acquisition by a Person or its Subsidiaries of all or substantially all of the assets of (or any division or business line of) any other Person (other than of a Subsidiary), or (b) the purchase or other acquisition (whether by means of a merger, consolidation, or otherwise) by a Person or its Subsidiaries of all or substantially all of the Equity Interests of any other Person (other than of a Subsidiary).

"Additional Borrower" means any wholly-owned Subsidiary of Parent organized in the United States that becomes a Borrower after the Closing Date pursuant to Section 2.2.

"Additional Documents" has the meaning specified therefor in Section 5.12 of the Agreement.

"Additional Lender" means, at any time, any bank, other financial institution or institutional investor that, in any case, is not an existing Lender, that is an Eligible Transferee and that agrees to provide any portion of any Incremental Commitments in accordance with Section 2.16; provided that each Additional Lender shall be subject to the approval of the Agent and, in the case of an Upsize Incremental Commitment, each Issuing Bank (such approval not to be unreasonably withheld, delayed or conditioned), in each case to the extent any such consent would be required from the Agent and such Issuing Bank, as applicable, under Section 13.1 for an assignment of Revolver Commitments to such Additional Lender.

"Adjustment" has the meaning specified in Section 2.13(d)(iv) of this Agreement.

"Administrative Borrower" has the meaning specified therefor in Section 18.13 of the Agreement.

"Administrative Questionnaire" has the meaning specified therefor in Section 13.1(a)(ii)(H) of this Agreement.

"Affected Lender" has the meaning specified therefor in Section 2.14(b) of the Agreement.

"Affiliate" means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests, by contract, or otherwise; provided, that, for purposes of the definition of Eligible Accounts and Section 6.10 of the Agreement: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, and (b) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person.

"Agent" has the meaning specified therefor in the preamble to the Agreement.

"Agent Professionals" attorneys, accountants, appraisers, auditors, business valuation experts, environmental engineers or consultants, turnaround consultants, and other professionals and experts retained by Agent.

"Agent-Related Persons" means Agent, together with its Affiliates, officers, directors, employees, attorneys, and agents.

"Agent's Account" means the Deposit Account of Agent that has been designated as such, in writing, by Agent to Borrowers and the Lenders.

"Agent's Liens" means the Liens granted by any Loan Party to Agent under the Loan Documents and securing the Obligations (or any portion thereof).

"Aggregate Borrowing Base" means on any date of determination, the sum of the Tranche A Borrowing Base, plus the Tranche B Borrowing Base.

"Agreed Currency" means (a) Dollars, (b) Canadian Dollars, (c) Pounds Sterling, (d) Euros, (e) Japanese Yen, (f) Swiss Francs and (g) any other currency approved in writing by the Agent and the applicable Issuing Bank that is freely traded and exchangeable into Dollars.

"Agreed Currency Equivalent" means, at any time, with respect to any amount denominated in an Agreed Currency other than Dollars, the equivalent amount thereof in the applicable Agreed Currency, as determined by Agent on the basis of the Spot Rate for the purchase of such Agreed Currency with Dollars.

"Agreement" means the Asset-Based Revolving Credit Agreement to which this Schedule 1.1 is attached, as may be amended, restated, supplemented or otherwise modified from time to time.

"AK IRBs" means those certain bonds issued pursuant to (i) the Trust Indenture, dated as of February 1, 2012, between the City of Rockport, Indiana and Wells Fargo Bank, National Association, as trustee, (ii) the Trust Indenture, dated as of February 1, 2012, between the Ohio Air Quality Development Authority and Wells Fargo Bank, National Association, as trustee, (iii) the Trust Indenture, dated as of February 1, 2012, between the Butler County Industrial Development Authority and Wells Fargo Bank, National Association, as trustee, and (iv) the Indenture of Trust by and between the Ohio Air Quality Development Authority and U.S. Bank National Association, as trustee, dated as of June 1, 2004, and any Refinancing Indebtedness with respect thereto.

"AK Steel Acquisition" means the direct or indirect acquisition by the Parent of 100% of the equity interests of the Target pursuant to the AK Steel Acquisition Agreement.

"AK Steel Acquisition Agreement" means the Agreement and Plan of Merger, dated as of December 2, 2019, among the Parent, Pepper Merger Sub Inc. and the Target, together with all schedules, exhibits and annexes thereto without giving effect to any amendment, waiver or supplement thereto that would cause clause (a) of Schedule 3.1 to fail to be satisfied.

"AK Steel Acquisition Agreement Representations" means the representations and warranties made by or on behalf of the Target in the AK Steel Acquisition Agreement as are material to the interests of the Lenders or the Joint Lead Arrangers (in their capacities as such), but only to the extent that Parent (or any of its Affiliates) has the right to terminate its obligations (or to refuse to consummate the AK Steel Acquisition) under the AK Steel Acquisition Agreement as a result of a breach of any of such representations and warranties.

"Alternative Borrowing Base Amount" means the amount equal to the aggregate of (x) the amount of (A) the "U.S. Borrowing Base" (as defined in the Existing Syndicated Facility Agreement) as set forth in the most recently delivered "Borrowing Base Certificate" delivered to Bank of America, N.A., as administrative agent, under and pursuant to the Existing Syndicated Facility Agreement, minus (B) the "Eligible Accounts" (as defined in the Existing Syndicated Facility Agreement) set forth in such Borrowing Base Certificate that are owed by an "Account Debtor" that is the Target or any of its Affiliates plus (y) the amount of (A) the "Tranche A Borrowing Base" (as defined in the Target ABL Credit Agreement) as set forth in the most recently delivered "Borrowing Base Certificate" delivered to Bank of America, N.A., as administrative agent, under and pursuant to the Target ABL Credit Agreement, minus (B) the "Eligible Accounts" (as defined in the Target ABL Credit Agreement) set forth in such Borrowing Base Certificate that are owed by an "Account Debtor" that is the Parent or any of its Affiliates.

"AM SA Receivables Facility" means the receivables facility of ArcelorMittal S.A. to which AMUSA was an originator under on and prior to the Second Amendment Effective Date.

"AMUSA" means ArcelorMittal USA LLC.

"AMUSA Acquisition" means the direct or indirect acquisition by Parent of 100% of the equity interests of AMUSA and certain of its subsidiaries pursuant to the AMUSA Acquisition Agreement.

"AMUSA Acquisition Agreement" means the Transaction Agreement, dated as of September 28, 2020, among Parent, AMUSA and ArcelorMittal S.A., an entity formed under the laws of Luxembourg.

"AMUSA Target Loan Parties" means AMUSA and each of its Domestic Wholly-Owned Subsidiaries (other than any Excluded Subsidiary).

"Anti-Boycott Regulations" means any anti-boycott laws or regulations applicable to a Loan Party or Subsidiary, including, without limitation, under section 7 of the German Foreign Trade Regulation (Außenwirtschaftsverordnung, "AWV") (in conjunction with sections 4, 19 paragraph 3 no. 1a) of the German Foreign Trade Act (Außenwirtschaftsgesetz) and section 81 paragraph 1 no. 1 AWV), any provision of Council Regulation (EC) 2271/96 and Commission Delegated Regulation (EC) No 2018/1100 and The Extraterritorial US Legislation (Sanctions against Cuba, Iran and Libya) (Protection of Trading Interests) Order 1996 of the United Kingdom (as amended, supplemented, varied or otherwise modified from time to time).

"APIO" means Cliffs Asia Pacific Iron Ore Pty Ltd ACN 001 892 995, a company incorporated under the laws of Australia.

"Applicable Claims" means all claims, liabilities, obligations, losses, damages, penalties, judgments, proceedings, interest, costs and expenses of any kind (including remedial response costs, reasonable and documented attorneys' fees and Lender Group Expenses) at any time (including after payment in full of the Obligations or replacement of Agent or any Lender) incurred by any Indemnified Person or asserted against any Indemnified Person by any Loan Party or other Person, in any way relating to (a) any Loans, Letters of Credit, Loan Documents, Borrower Materials, or the use thereof or transactions relating thereto, (b) any action taken or omitted in connection with any Loan Documents, (c) the existence or perfection of any Liens, or realization upon any Collateral, (d) exercise of any rights or remedies under any Loan Documents or applicable law, or (e) failure by any Loan Party to perform or observe any terms of any Loan Document, in each case including all costs and expenses relating to any investigation, litigation, arbitration or other proceeding (including an Insolvency Proceeding or appellate proceedings), whether or not the applicable Indemnified Person is a party thereto.

"Applicable Margin" means, as of any date of determination the applicable margin set forth in the following table that corresponds to the average daily Excess Availability for the most recently ended fiscal quarter; provided, that for the period from the ~~Closing~~Second Amendment Effective Date through the end of the first ~~two (2)~~ full fiscal ~~quarters~~quarter of the Borrowers ending after the ~~Closing~~Second Amendment Effective Date, the Applicable Margin shall be ~~no less than~~ the margin in the row styled "Level II":

Level	Average Daily Aggregate Excess Availability	Applicable Margin Relative to Base Rate Tranche A Revolving Loans (the "Tranche A Base Rate Margin")	Applicable Margin Relative to LIBOR Rate Tranche A Revolving Loans (the "Tranche A LIBOR Rate Margin")	Applicable Margin Relative to Base Rate Tranche B Revolving Loans (the "Tranche B Base Rate Margin")	Applicable Margin Relative to LIBOR Rate Tranche B Revolving Loans (the "Tranche B LIBOR Rate Margin")
I	≥ 66 2/3% of the Tranche A Line Cap	~~0.25~~0.50%	~~1.25~~1.50%	2.00%	3.00%
II	< 66 2/3% of Tranche A Line Cap	~~0.50~~0.75%	~~1.50~~1.75%	2.25%	3.25%

From and after the first full fiscal quarter ending after the Second Amendment Effective Date, the Tranche A Base Rate Margins and the Tranche A LIBOR Rate Margins in the rows styled "Level I" and "Level II" shall be reduced by 0.25% if the Consolidated Total Leverage Ratio as set forth in the most recent Compliance Certificate received by the Agent pursuant to Section 5.1 does not exceed 4.00 to 1.00; provided that, such reduction shall cease to exist if the Consolidated Total Leverage Ratio as set forth in the most recent Compliance Certificate received by the Agent pursuant to Section 5.1 has increased to 4.00 to 1.00 or greater. Except as set forth in the foregoing proviso, the Applicable Margin shall be re-determined quarterly (i) on the first day of the month following the date of delivery to Agent of the certified calculation of Excess Availability pursuant to Section 5.1 of the Agreement and (ii) on the first Business Day immediately following the date a Compliance Certificate is received by the Agent pursuant to Section 5.1. In the event that the information contained in any Borrowing Base Certificate is shown to be inaccurate, and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin actually applied for such Applicable Period, then (i) Borrowers shall immediately deliver to Agent a correct Borrowing Base Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined as if the correct Applicable Margin (as set forth in the table above) were applicable for such Applicable Period, and (iii) the Borrowers shall immediately deliver to Agent full payment in respect of the accrued additional interest as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by Agent to the affected Obligations. If (i) Borrowers fail to provide such certification when such certification is due, the Applicable Margin shall be set at the margin in the row styled "Level II" as of the first day of the month following the date on which the certification was required to be delivered until the date on which such certification is delivered (on which date (but not retroactively), without constituting a waiver of any Default or Event of Default occasioned by the failure to timely deliver such certification, the Applicable Margin shall be set at the margin based upon the calculations disclosed by such certification~~.~~ or (ii) Borrowers fail to deliver a Compliance Certificate when due, the Applicable Margin shall be set based solely on Average Daily Aggregate Excess Availability (for, the avoidance of doubt, without any reduction based upon a Consolidated Total Leverage Ratio) as of the first Business Day on which the Compliance Certificate was required to be delivered and was not delivered until the date on which a Compliance Certificate is delivered in accordance with Section 5.1.

"Applicable Unused Line Fee Percentage" means, as of any date of determination, the applicable percentage set forth in the following table that corresponds to the Average Revolver Usage of the Borrowers for the most recently completed quarter:

Level	Average Tranche A Revolver Usage	Applicable Unused Line Fee Percentage
I	≥ 50% of the Maximum Revolver Amount	0.250%
II	< 50% of the Maximum Revolver Amount	0.300%

The Applicable Unused Line Fee Percentage with respect to the Tranche B Revolving Loans shall be set forth in the following table that corresponds to the Average Revolver Usage of the Borrowers for the most recently completed quarter:

Level	Average Tranche B Revolver Usage	Applicable Unused Line Fee Percentage
I	≥ 50% of the Maximum Revolver Amount	0.250%
II	< 50% of the Maximum Revolver Amount	0.300%

The Applicable Unused Line Fee Percentage shall be re-determined on the first day of each quarter by Agent.

"Application Event" means the occurrence of (a) a failure by Borrowers (or any of them) to repay all of the Obligations in full on the Maturity Date, (b) an exercise by Agent or the Required Lenders of the remedies set forth in Section 9.1(a) or 9.1(b) or the automatic acceleration of the obligations as set forth in the last paragraph of Section 9.1 or (c) an Event of Default and the election by the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 2.4(b)(iv) of the Agreement.

"Approved Automotive Subsidiaries" means (x) any Mexican Subsidiary or Canadian Subsidiary of Ford Motor Company, General Motors Company, Toyota Motor Corporation or Fiat Chrysler Automobiles N.V., (y) any Mexican Subsidiary or Canadian Subsidiary of a Subsidiary of Honda Motor Co., Ltd. or Nissan Motor Co., Ltd. that is organized under the laws of the United States or any state of the United States or the District of Columbia and (z) any other Mexican Subsidiary or Canadian Subsidiary of an Account Debtor that is an automotive company, which Mexican Subsidiary or Canadian Subsidiary, in the case of this clause (z), shall be reasonably approved by the Agent in writing from time to time.

"Assignee" has the meaning specified therefor in Section 13.1(a) of the Agreement.

"Assignment and Acceptance" means an Assignment and Acceptance Agreement substantially in the form of Exhibit A-1 to the Agreement.

"Authorized Person" means any one of the individuals identified by written notice from Borrowers to Agent, as updated from time to time.

"Available Hedge Amount" has the meaning specified therefor in the last paragraph of Section 2.4(b)(iv) of the Agreement.

"Availability" means, as of any date of determination, the amount that the Borrowers are entitled to borrow as Revolving Loans under Section 2.1 of the Agreement (after giving effect to the then outstanding Revolver Usage); provided, that Availability on the Closing Date shall not exceed $800,000,000.

"Bank of America" means Bank of America, N.A., a national banking association.

"Bank Product" means any one or more of the following financial products or accommodations extended to a Borrower or its Subsidiaries by a Bank Product Provider: (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 a Borrower or its Subsidiaries with a Bank Product Provider in connection with the obtaining of any of the Bank Products.

"Bank Product Collateralization" means providing cash collateral (pursuant to documentation reasonably satisfactory to Agent) to be held by Agent for the benefit of the applicable Bank Product Providers (other than the Hedge Providers) in an amount reasonably determined by Agent in its Permitted Discretion or any other credit support acceptable by the Agent and the Bank Product Provider, in each case, as sufficient to satisfy the reasonably estimated credit exposure with respect to the then existing Bank Product Obligations owed to such Bank Product Providers (other than Hedge Obligations).

"Bank Product Obligations" means (a) all obligations, liabilities, reimbursement obligations, fees, or expenses owing by the Borrowers and their Subsidiaries to any Bank Product Provider 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 Hedge Obligations (including Pari Secured Hedge Obligations), and (c) all amounts that Agent or any Revolving Lender is obligated to pay to a Bank Product Provider as a result of Agent or such Revolving Lender purchasing participations from, or executing guarantees or indemnities or reimbursement obligations to, a Bank Product Provider with respect to the Bank Products provided by such Bank Product Provider to the Borrowers or their Subsidiaries; provided that in order for any item described in clauses (a), (b), or (c) above, as applicable, to constitute "Bank Product Obligations", if the applicable Bank Product Provider is any Person other than Bank of America or its Affiliates or any Bank Product Provider holding Existing Hedge Obligations, then the applicable Bank Product must have ~~been provided on or after the Closing Date (or, if in existence prior to the Closing Date, five (5) days prior to the Closing Date)~~provided and Agent shall have received a Bank Product Provider Agreement within ten (10) days (or such later date as Agent and Parent may agree) after the date of the provision of the applicable Bank Product to the Borrowers or their respective Subsidiaries (or, if such Bank Product Obligations are in existence prior to the Second Amendment Effective Date, two (2) Business Days prior to the Second Amendment Effective Date); provided further that the Bank Product Obligations shall not include any Excluded Swap Obligations.

"Bank Product Provider" means any Revolving Lender or any of its Affiliates, including each of the foregoing in its capacity, if applicable, as a Hedge Provider; provided, that no such Person (other than Bank of America or its Affiliates) shall constitute a Bank Product Provider with respect to a Bank Product unless and until Agent receives a Bank Product Provider Agreement from such Person and with respect to the applicable Bank Product within ten (10) days (or such later date as Agent and Parent may agree) (or, if in existence prior to the ~~Closing~~Second Amendment Effective Date, ~~five~~two (~~5~~2) ~~days~~Business Days prior to the ~~Closing~~Second Amendment Effective Date) after the provision of such Bank Product to the Borrowers or their respective Subsidiaries; provided, further, that if, at any time, a Revolving Lender ceases to be a Lender under the Agreement, then, from and after the date on which it ceases to be a Lender thereunder, neither it nor any of its Affiliates shall constitute Bank Product Providers and the obligations with respect to Bank Products provided by such former Revolving Lender or any of its Affiliates shall no longer constitute Bank Product Obligations.

"Bank Product Provider Agreement" means an agreement in substantially the form attached hereto as Exhibit B-2 to the Agreement or otherwise in form and substance reasonably satisfactory to Agent, duly executed by the applicable Bank Product Provider~~, the Parent,~~ and Agent.

"Bank Product Reserves" means, as of any date of determination, those reserves that Agent deems necessary or appropriate to establish (based upon the Bank Product Providers' determination of the liabilities and obligations of the Borrowers and their Subsidiaries in respect of Bank Product Obligations and certified to the Agent in accordance with Section 18.5) in respect of Bank Products then provided or outstanding (including, for the avoidance of doubt, any Pari Secured Hedge Reserves).

"Bankruptcy Code" means title 11 of the United States Code, as in effect from time to time.

"Base Rate" means the greatest of (a) the Federal Funds Rate *plus* ½%, (b) the LIBOR Rate (which rate shall be calculated based upon an Interest Period of one (1) month and shall be determined on a daily basis), *plus* ~~1.00~~1.25%, (c) the Prime Rate and (d) 1.00%. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Rate or the LIBOR Rate, as the case may be, shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Rate or the LIBOR Rate, as the case may be; provided that, if the LIBOR Rate is no longer available as set forth in Section 2.13, then Base Rate shall be determined without giving effect to clause (b) of this definition.

"Base Rate Loan" means each portion of the Loans that bears interest at a rate determined by reference to the Base Rate.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially similar in substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers included as Appendix A to the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" 31 C.F.R. § 1010.230, as amended from time to time.

"Benefit Plan" means an employee benefit plan as defined in Section 3(3) of ERISA (other than a Pension Plan or Multiemployer Plan) to which any Loan Party incurs or otherwise has any obligation or liability, contingent or otherwise.

"Blocked Account" means a deposit account that is subject to a Control Agreement.

"Board of Directors" means, as to any Person, the board of directors (or comparable managers) of such Person, or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

"Board of Governors" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrowers" means Cleveland-Cliffs Inc., an Ohio corporation, and each Additional Borrower.

"Borrower Materials" has the meaning specified therefor in Section 18.9(c) of the Agreement.

"Borrowing" means a borrowing consisting of Revolving Loans made on the same day by Lenders (or Agent on behalf thereof), or by a Swing Lender in the case of a Swing Loan, or by Agent in the case of an Extraordinary Advance.

"Borrowing Base" shall mean (a) with respect to the Tranche A Revolver Commitment, the Tranche A Borrowing Base and (b) with respect to any Tranche B Revolver Commitment, if any, the Tranche B Borrowing Base.

"Borrowing Base Certificate" means a certificate substantially in the form of Exhibit B-1.

"Business Day" means any day except Saturday, Sunday, or other day on which banks are authorized or required to close in the states of California or New York, except that if a determination of a Business Day shall relate to a LIBOR Rate Loan, the term "Business Day" also shall exclude any day on which banks are closed for dealings in Dollar deposits in the London interbank market.

"Canadian Dollars" means the lawful currency of Canada as in effect from time to time.

"Canadian Subsidiary" means, with respect to any Person, a Subsidiary of such Person that is organized under the laws of Canada.

"Capital Expenditures" means, with respect to any Person for any period, the amount of all expenditures by such Person and its Subsidiaries during such period that are capital expenditures as determined in accordance with GAAP, unless such expenditures are financed with Indebtedness incurred after the Closing Date that are not Loans.

"Capitalized Lease Obligation" means that portion of the obligations under a Capital Lease that is required to be capitalized in accordance with GAAP.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Cash Collateral Account" means a blocked, non-interest bearing deposit account at Bank of America or a financial institution selected by the Agent, in the name of the Parent and under the sole dominion and control of the Agent, and otherwise established in a manner reasonably satisfactory to the Agent.

"Cash Collateralize" means to pledge and deposit with or deliver to the Agent, for the benefit of the Agent, each applicable Issuing Bank, the Swing Lender or the Revolving Lenders, as collateral or other credit support for Letter of Credit Obligations, Obligations in respect of Swing Loans or obligations of Revolving Lenders to fund participations in respect of either thereof (as the context may require), (a) cash or deposit account balances or (b) if the Swing Lender or the applicable Issuing Bank benefiting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Swing Lender or the applicable Issuing Bank, as applicable. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Dominion Trigger Event" means (a) the occurrence and continuance of any Specified Event of Default or (b) the failure of the Borrowers to maintain Excess Availability of at least the greater of (x) $~~100,000,000~~175,000,000 and (y) 10% of the Line Cap.

"Cash Dominion Release Event" means Excess Availability is at least the greater of (a) $~~100,000,000~~175,000,000 and (b) 10% of the Line Cap for thirty (30) consecutive days and no Specified Event of Default is outstanding during such thirty (30) consecutive day period.

"Cash Dominion Trigger Period" means the period commencing with a Cash Dominion Trigger Event and ending with a Cash Dominion Release Event.

"Cash Equivalents" means (a) Domestic Cash Equivalents, and (b) Foreign Cash Equivalents.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other customary cash management arrangements.

"CFC" means a controlled foreign corporation (as that term is defined in the IRC).

"Change in Control" means that:

(a) 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 Parent 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 Equity Interests of Parent (or other securities convertible into such Equity Interests) representing 50% or more of the combined voting power of all Equity Interests of Parent entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Board of Directors of Parent;

(b) except in connection with a transaction permitted by Section 6.3 or 6.4, Borrowers fail to own and control, directly or indirectly, 100% of the Equity Interests of each other Loan Party (or if such Subsidiary becomes a Loan Party after the Closing Date, the amount owned and controlled, directly or indirectly, as of the date such Subsidiary becomes a Loan Party);

(c) [reserved]; or

(d) the occurrence of any "Change in Control" (or any similar or like term) as defined in any Senior Secured Notes Indenture, the Convertible Notes Indenture, any Existing Senior Notes Indenture or any indenture, agreement, note or similar document governing or evidencing Indebtedness that is outstanding in an aggregate principal amount of $100,000,000 or more.

"Change in Law" means the occurrence after the date of the Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided that notwithstanding anything in the Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Claims" has the meaning assigned to such term in Section 12(c).

"Class" (a) when used with respect to Lenders, shall refer to whether such Lender has a Loan or Commitment with respect to the Tranche A Facility or the Tranche B Facility, (b) when used with respect to Commitments, refers to whether such Commitments are Tranche A Revolving Commitments or Tranche B Revolving Commitments and (c) when used with respect to Loans or a Borrowing, refers to whether such Loans, or the Loans comprising such Borrowing, are Loans under the Tranche A Facility or Tranche B Facility.

"Closing Date" means the date on which Agent sends Borrowers a written notice that each of the conditions precedent set forth on Schedule 3.1 either have been satisfied or have been waived, which date is March 13, 2020.

"Closing Date Refinancing" means the prepayment and redemption in full of all Indebtedness and other outstanding obligations and liabilities under the Existing Syndicated Facility Agreement, the Target ABL Credit Agreement and the Target Senior Secured Notes and the termination, release and discharge of all Liens and guarantees granted by the Loan Parties and their respective Subsidiaries (including the Target and its Subsidiaries) in connection therewith.

"Code" means the New York Uniform Commercial Code, as in effect from time to time; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority, or remedies with respect to Agent's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

"Collateral" means all assets and interests in assets and proceeds thereof now owned or hereafter acquired by any Loan Party in or upon which a Lien is granted by such Person in favor of Agent or the Lenders under any of the Loan Documents.

"Collateral Access Agreement" means a landlord waiver, bailee letter, carrier agreement or acknowledgement agreement of any lessor, warehouseman, processor, carrier, consignee, or other Person (including any Joint Venture) in possession of, having a Lien upon, or having rights or interests in any Loan Parties' books and records, Equipment, or Inventory, in each case, in form and substance reasonably satisfactory to Agent.

"Commencement Date" has the meaning assigned to such term on Schedule 5.2.

"Commitment Letter" means that certain second amended and restated commitment letter, dated as of December 19, 2019, among the Joint Lead Arrangers and the Parent.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Competitor" means any Person which is a direct competitor of Borrowers or their Subsidiaries and is disclosed to the Agent in writing (which may be distributed by the Agent to the Lenders) prior to the Closing Date (as updated on or before the Second Amendment Effective Date) and such Person's parent entities, affiliates and subsidiaries, in each case, that are readily identifiable as such by virtue of their names; provided, that in connection with any assignment or participation, the Assignee or Participant with respect to such proposed assignment or participation that is an investment bank, a commercial bank, a finance company, a fund, or other Person which merely has an economic interest in any such direct competitor, and is not itself such a direct competitor of Borrowers or their Subsidiaries, shall not be deemed to be a direct competitor for the purposes of this definition.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C-1 to the Agreement delivered by the chief financial officer or other senior financial officer of Parent to Agent.

"Confidential Information" has the meaning specified therefor in Section 18.9(a) of the Agreement.

"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 Parent but which by its terms is renewable or extendable beyond 12 months from such date at the option of Parent) and (b) all goodwill, trade names, patents, unamortized debt discount and expense and any other like intangibles, in each case as set forth on the most recent consolidated balance sheet of Parent and computed in accordance with GAAP.

"Consolidated Total Assets" means, as to any Person as of any date of determination, all amounts that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of such Person as of such date of determination.

"Consolidated Total Debt" means, at any date, the aggregate principal amount of all (i) Indebtedness for borrowed money of Parent and its Subsidiaries at such date (including unreimbursed

obligations in respect of letters of credit but excluding undrawn letters of credit) and (ii) Indebtedness in respect of Capital Leases and purchase money obligations, in each case, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Leverage Ratio" means, as at the last day of any fiscal period, the ratio of (a) Consolidated Total Debt on such day to (b) EBITDA for such period.

"Control Agreement" means, with respect to any applicable deposit or securities account established by a Loan Party, an agreement, in form and substance reasonably satisfactory to the Agent, establishing Control (as defined in the Uniform Commercial Code) of such an account by the Agent and whereby the Person maintaining such account agrees to comply only with the instructions originated by the Agent without the further consent of any Loan Party.

"Convertible Notes" means those certain 1.50% Convertible Senior Notes due 2025 issued by Parent on December 19, 2017 in the initial aggregate principal amount of $316,250,000 and any additional Permitted Indebtedness which is convertible at the option of the Parent, into Qualified Equity Interests of the Parent permitted hereunder.

"Convertible Notes Documents" means the Convertible Notes, the Convertible Notes Indenture, and all other agreements, documents and instruments entered into now or in the future in connection with the Convertible Notes or the Convertible Notes Indenture.

"Convertible Notes Indenture" means the Indenture dated as of March 17, 2010 (as amended, supplemented or otherwise modified from time to time), governing the Convertible Notes, by and between Parent, as issuer, and U.S. Bank National Association, as trustee.

"Copyright Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

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

"Defaulting Lender" means any Lender that (a) has failed to fund any amounts required to be funded by it under the Agreement within two (2) Business Days of the date that it is required to do so under the Agreement (including the failure to make available to Agent amounts required pursuant to a Settlement or to make a required payment in connection with a Letter of Credit Disbursement), (b) notified Borrowers, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under the Agreement, (c) has made a public statement to the effect that it does not intend to comply with its funding obligations under the Agreement or under other agreements generally (as reasonably determined by Agent) under which it has committed to extend credit, (d) failed, within three (3) Business Days after written request by Agent, to confirm that it will comply with the terms of the Agreement relating to its obligations to fund any amounts required to be funded by it under the Agreement (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (d) upon receipt of such written confirmation by the Agent and the Borrower), (e) otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under the Agreement within two (2) Business Days of the date that it is required to do so under the Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent, (ii) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or (iii) has, or has a direct or indirect parent company that has, become the subject of a Bail-In Action (as defined in Section 18.15); provided, however that a Lender shall not be a Defaulting

Lender solely by virtue of (i) a Governmental Authority's ownership of an equity interest in such Lender or parent company unless the ownership provides immunity for such Lender from jurisdiction of courts within the United States or from enforcement of judgments or writs of attachment on its assets, or permits such Lender or Governmental Authority to repudiate or otherwise to reject such Lender's agreements or (ii) such Lender becoming subject to an Undisclosed Administration; provided, further, that a Lender shall not be deemed to be a Defaulting Lender under clauses (a), (b) or (c) if it has notified Agent and Parent in writing that it will not make a funding because a condition to funding (specifically identified in the notice) is not or cannot be satisfied.

"Default Rate" has the meaning specified therefor in Section 2.6(c) of the Agreement.

"Defaulting Lender Rate" means (a) for the first three (3) days from and after the date the relevant payment is due, the Base Rate, and (b) thereafter, (i) in the case of Tranche A Revolving Loans, the interest rate then applicable to Tranche A Revolving Loans that are Base Rate Loans (inclusive of the Tranche A Base Rate Margin applicable thereto) and (ii) in the case of Tranche B Revolving Loans, the interest rate then applicable to Tranche B Revolving Loans that are Base Rate Loans (inclusive of the Tranche B Base Rate Margin applicable thereto).

"Deposit Account" means any deposit account (as that term is defined in the Code).

"Designated Account" means the Deposit Account of Administrative Borrower designated as such, in writing, by Borrowers to Agent.

"Designated Account Bank" means a bank at which the Designated Account is located and that is located within the United States and has been designated as such, in writing, by Borrowers to Agent.

"Designated Non-Cash Consideration" means the fair market value of non-cash consideration received by any Loan Party in connection with a Permitted Disposition that is so designated as Designated Non-Cash Consideration pursuant to an officer's certificate delivered by Parent to Agent at least three (3) Business Days prior to the consummation of such Permitted Disposition (which certificate will set forth the basis for such valuation), less the amount of cash or Cash Equivalents, received in connection with a subsequent sale of or collection on such Designated Non-Cash Consideration.

"Designated Port" means each port, dock, marine terminal or similar location that is an Identified Location.

"Dilution Percent" means the percent, determined as of the end of the Loan Parties' most recent field examination, equal to (a) bad debt write-downs or write-offs, discounts, returns, promotions, credits, credit memos and other dilutive items with respect to active Accounts of the Loan Parties, divided by (b) active gross sales.

"Dilution Percentage" means at any time, one (1) percentage point (or fraction thereof) for each percentage point (or fraction thereof) by which the Dilution Percent for the Loan Parties exceeds five percent (5.0%).

"Dilution Reserve" means a reserve equal to the product of (x) the Dilution Percentage times (y) the value of all Eligible Accounts of the Loan Parties at such time.

"Disqualified Equity Interests" means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all

other Obligations that are accrued and payable and the termination of the Revolver Commitments), (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 181 days after the Maturity Date.

"Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any currency other than Dollars, the equivalent amount thereof in Dollars, as determined by Agent on the basis of the Spot Rate for the purchase of Dollars with such currency.

"Dollars" or "$" means United States dollars.

"Domestic Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one (1) year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one (1) year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within one (1) year from the date of acquisition thereof issued by any Lender or any other bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $1,000,000,000, (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and sur*plus* of not less than $1,000,000,000, having a term of not more than seven (7) days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six (6) months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above and (i) Investments of the type described in the "Cash Investment Policy" of Parent, dated as of April 30, 2019, together with any modifications thereto reasonably acceptable to the Agent.

"Dominion Account" a collection account at Bank of America in the United States over which Agent has exclusive control.

"Drawing Document" means any Letter of Credit or other document presented for purposes of drawing under any Letter of Credit.

"EBITDA" means, subject to Section 1.9 hereof, with respect to any fiscal period:

(a) Parent's consolidated net earnings (or loss),

minus

(b) without duplication, the sum of the following amounts of Parent for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) any extraordinary, unusual, or non-recurring gains,

(ii) interest income, and

(iii) exchange, translation or performance gains relating to any hedging transactions or foreign currency fluctuations,

plus

(c) without duplication, the sum of the following amounts of Parent for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) any non-cash extraordinary, unusual, or non-recurring losses,

(ii) Interest Expense,

(iii) Tax expense based on income, profits or capital, including federal, foreign, state, franchise and similar Taxes (and for the avoidance of doubt, specifically excluding any sales Taxes or any other Taxes held in trust for a Governmental Authority),

(iv) depreciation and amortization for such period,

(v) (A) with respect to any Permitted Acquisition after the Closing Date, costs, fees, charges, or expenses consisting of out-of-pocket expenses owed by Parent or any of its Subsidiaries to any Person for services performed by such Person in connection with such Permitted Acquisition incurred within 180 days of the consummation of such Permitted Acquisition, up to an aggregate amount (for all such items in this clause (v)) for such Permitted Acquisition not to exceed the greater of (x) $~~5,000,000~~10,000,000 and (y) 5.00% of the Purchase Price of such Permitted Acquisition and (B) with respect to the Transactions, costs, fees, charges, or expenses consisting of expenses owed by Parent or any of its Subsidiaries to any Person in connection with or resulting from the Transactions or the transactions related thereto,

(vi) (A) purchase accounting adjustments, including, without limitation, a dollar for dollar adjustment for that portion of revenue that would have been recorded in the relevant period had the balance of deferred revenue (unearned income) recorded on the closing balance sheet and before application of purchase accounting not been adjusted downward to fair value to be recorded on the opening balance sheet in accordance with GAAP purchase accounting rules; and (B) non-cash adjustments in accordance with GAAP purchase accounting rules under Statement of Financial Accounting Standards No. 805, in the event that such an adjustment is required by Parent's independent auditors, in each case, as determined in accordance with GAAP,

(vii) costs and expenses incurred during such period in connection with the restructuring of APIO, in an aggregate amount for all such costs and expenses incurred during such period not to exceed $10,000,000 for such period,

(viii) non-cash compensation expense (including deferred non-cash compensation expense), or other non-cash expenses or charges, arising from the sale or issuance of Equity Interests, the granting of stock options, and the granting of stock appreciation rights and similar arrangements (including any repricing, amendment, modification, substitution, or change of any such Equity Interests, stock option, stock appreciation rights, or similar arrangements) *minus* the amount of any such expenses or charges when paid in cash to the extent not deducted in the computation of net earnings (or loss),

(ix) one-time non-cash restructuring charges,

(x) non-cash exchange, translation, or performance losses relating to any hedging transactions or foreign currency fluctuations,

(xi) non-cash losses on sales of fixed assets or write-downs of fixed or intangible assets (excluding ABL Priority Collateral),

(xii) any non-cash loss, charge or expense (but only to the extent not relating to the ABL Priority Collateral),

(xiii) financing fees, costs, accruals, payments and expenses (including rationalization, legal, Tax, structuring and other costs and expenses and non-operating or non-recurring professional fees, costs and expenses related thereto), related to, to the extent permitted under this Agreement, any Permitted Investments, Permitted Dispositions (other than in the ordinary course of business), issuances of Equity Interests and issuances, amendments, modifications, refinancings or repayments of Permitted Indebtedness (in each case, regardless of whether or not consummated), and

(xiv) any severance, relocation, consolidation, closing, integration, facilities opening, business optimization, transition or restructuring costs, charges or expenses (including any costs or expenses associated with any expatriate), any signing, retention or completion bonuses; provided that the amount of costs, charges or expenses added back in reliance on this clause (c)(xiv) in any period may not exceed, together with Expected Cost Savings added back in reliance on clause (d) in such period, an amount equal to 20% of EBITDA for such period (calculated before giving effect to such add-backs or adjustments pursuant to this clause (c)(xiv) and clause (d)),

plus

(d) the full pro forma "run rate" cost savings, operating expense reductions, operational improvements and synergies (collectively, "Expected Cost Savings") (net of actual amounts realized) that are reasonably identifiable and factually supportable (in the good faith determination of Parent, as certified by a Responsible Officer of Parent in the Compliance Certificate required by Section 5.1 to be delivered in connection with the financial statements for such period) related to the Transactions, any Permitted Investment, Permitted Disposition, operating improvement, restructuring, cost savings initiative and/or any similar initiative (any such Permitted Investment, Permitted Disposition, operating improvement, restructuring, cost savings initiative and/or similar initiative, a "Cost Saving Initiative"), in each case, prior to, on or after the Closing Date; provided, that with respect to Cost Saving Initiatives under this clause (d), (1) substantial steps toward the action necessary to realize any such cost savings, operating expense reduction, operating improvement and/or synergy added back in reliance on this clause (d) with respect to the Transactions, any Permitted Investment, Permitted Disposition, operating improvement, restructuring, cost savings initiative and/or any similar initiative are expected to be taken within 18 months following the date on which Parent determines to take such action and (2) the amount of such Expected Cost Savings added back in reliance on clause (d) in any period shall not exceed, together with costs, charges or expenses added back in reliance on clause (c)(xiv) in such period, an amount equal to 20.0% of EBITDA for such period (calculated before giving effect to such add-backs or adjustments pursuant to this clause (d) and clause (c)(xiv)),

in each case, determined on a consolidated basis in accordance with GAAP.

"Eligible Accounts" means those Accounts created by a Loan Party in the ordinary course of its business, that arise out of such Loan Party's sale of goods or rendition of services, that comply with each of the representations and warranties respecting Eligible Accounts made in the Loan Documents, and that are not excluded as ineligible by virtue of one or more of the excluding criteria set forth below; provided, that such criteria may be revised from time to time by Agent in Agent's Permitted Discretion (subject to two (2) days' written notice to the Parent) to address the results of any field examination performed by (or on behalf of) Agent from time to time after the Closing Date. In determining the amount to be included,

Eligible Accounts shall be calculated net of customer deposits, unapplied cash, Taxes, discounts, credits, allowances, and rebates. Eligible Accounts shall not include the following:

(a) Accounts that (i) the Account Debtor has failed to pay within 120 days of original invoice date or (ii) are more than 60 days past due,

(b) Accounts owed by an Account Debtor (or its Affiliates) where 50% or more of all Accounts owed by that Account Debtor (or its Affiliates) are deemed ineligible under clause (a) above,

(c) Accounts with respect to which the Account Debtor is an Affiliate of any Loan Party or an employee or agent of any Loan Party or any Affiliate of any Loan Party; provided that the foregoing shall not apply to Accounts owed by partners in Joint Ventures, Eligible Customers or their respective Affiliates that constitute Affiliates to the extent that such Accounts were generated on terms that are no less favorable, taken as a whole, to such Loan Party than would be obtained in an arm's-length transaction with a non-Affiliate,

(d) Accounts arising in a transaction wherein goods are placed on consignment or are sold pursuant to a guaranteed sale, a sale or return, a sale on approval, a bill and hold, or any other terms by reason of which the payment by the Account Debtor may be conditional,

(e) Accounts that are not payable in Dollars,

(f) Accounts with respect to which the Account Debtor either (i) does not maintain its chief executive office in the United States or Canada (or any state or territory thereof), (ii) is not organized under the laws of the United States or Canada (or any state or territory thereof), or (iii) is the government of any foreign country or sovereign state, or of any state, province, municipality, or other political subdivision thereof, or of any department, agency, public corporation, or other instrumentality thereof, unless, in each case, either (x) the Account is supported by an irrevocable letter of credit reasonably satisfactory to Agent in its Permitted Discretion (as to form, substance, and issuer or domestic confirming bank) that has been delivered to Agent and is directly drawable by Agent, or (y) the Account is covered by credit insurance in form, substance, and amount, and by an insurer, reasonably satisfactory to Agent in its Permitted Discretion; provided that (i) Accounts whereby Hyundai Motor Company or Posco, or one of their respective subsidiaries organized in South Korea, is the Account Debtor, (ii) up to ~~$50,000,000~~75,000,000 of Accounts with respect to which the Account Debtor either maintains its chief executive office in an Eligible Country (or any territory thereof) or is organized under the laws of an Eligible Country or any political subdivision thereof, (iii) up to ~~$10,000,000~~20,000,000 of Accounts whereby a Subsidiary of ThyssenKrupp AG organized in Brazil is the Account Debtor, (iv) up to ~~$25,000,000~~50,000,000 of Accounts whereby an Approved Automotive Subsidiary is the Account Debtor and (v) up to ~~$25,000,000 of~~50,000,000 of Accounts of the Loan Parties taken as a whole, in each case, may be deemed to be Eligible Accounts if they do not satisfy this clause (f) so long as they satisfy the other eligibility criteria set forth in this definition,

(g) Accounts with respect to which the Account Debtor is either (i) the United States or any department, agency, or instrumentality of the United States (exclusive, however, of Accounts with respect to which Loan Parties have complied, to the reasonable satisfaction of Agent, with the Assignment of Claims Act, 31 U.S.C. §3727), or (ii) any state or municipality of the United States,

(h) Accounts with respect to which the Account Debtor is a creditor of a Loan Party, has or has asserted a right of recoupment or setoff, or has disputed its obligation to pay all or any portion of the Account, to the extent of such claim, right of recoupment or setoff, or dispute,

(i) Accounts with respect to an Account Debtor whose aggregate Accounts owing to the Loan Parties exceeds 25% of the aggregate Eligible Accounts (or such lower percentage as the Agent may establish for any such Account Debtor in its Permitted Discretion if the creditworthiness of such Account

Debtor deteriorates), but only to the extent of such excess; provided, that, in each case, the amount of Eligible Accounts that are excluded because they exceed the foregoing percentage shall be determined by Agent based on all of the otherwise Eligible Accounts prior to giving effect to any eliminations based upon the foregoing concentration limit,

(j) [reserved],

(k) Accounts with respect to which the Account Debtor is subject to an Insolvency Proceeding, is not, in the reasonable determination of Parent, Solvent, has gone out of business, or as to which any Loan Party has received notice of an imminent Insolvency Proceeding or a material impairment of the financial condition of such Account Debtor,

(l) Accounts, the collection of which, Agent, in its Permitted Discretion, believes to be doubtful, including by reason of the Account Debtor's financial condition,

(m) Accounts that are not subject to a valid and perfected first priority Agent's Lien, including accounts that arose from the sale of coal, iron ore or other as-extracted collateral (as defined in the Code) in the United States, if an as-extracted collateral filing in the applicable jurisdiction has not been filed for the benefit of the Agent with respect to the location of the mining operation and/or mineheads from which such coal, iron ore or other as-extracted collateral was extracted; provided that, in the event that any as-extracted collateral filing is not made within 30 days after the date of acquisition of an interest in the applicable location or minehead, any such Account covered by such filing shall not constitute an Eligible Account until the day that is 91 days after such as-extracted collateral filing is made,

(n) Accounts with respect to which (i) the goods giving rise to such Account have not been shipped and billed to the Account Debtor, or (ii) the services giving rise to such Account have not been performed and billed to the Account Debtor; *provided* that up to $50,000,000 of unbilled Accounts may be deemed to be Eligible Accounts if (x) any such Account has not been unbilled for more than 30 days, (y) the applicable goods have been shipped or the applicable services have been performed, as applicable, and (z) such Accounts satisfy the other eligibility criteria set forth in this definition,

(o) Accounts with respect to which the Account Debtor is a Sanctioned Person or Sanctioned Entity, or

(p) Accounts that represent the right to receive progress payments or other advance billings that are due prior to the completion of performance by the applicable Loan Party of the subject contract for goods or services, or

(q) Accounts owned by a target acquired in connection with a Permitted Acquisition or other Permitted Investment (other than the AMUSA Acquisition), until the completion of an appraisal and field examination with respect to such target, in each case, reasonably satisfactory to Agent (which appraisal and field examination may be conducted prior to the closing of such Permitted Acquisition); provided that Accounts that otherwise satisfy the other eligibility criteria set forth in this definition in an amount not to exceed, together with Inventory constituting Eligible Inventory pursuant to the proviso to clause (l) of such definition, 15% of the Aggregate Borrowing Base (as reported in the most recent Borrowing Base Certificate delivered to the Agent in accordance herewith) then in effect shall constitute Eligible Accounts until the earlier of (x) receipt by the Agent of an appraisal and field examination of such target and its assets that is reasonably satisfactory to the Agent and (y) the 90th calendar day following the consummation of the relevant Permitted Acquisition or other Permitted Investment.

"Eligible Contract" means a contract among a Loan Party, as seller, and one or more Eligible Customers, as buyer, relating to the sale of pellets and related products, including metallics, in the United States (i) whereby the applicable Loan Party retains title to the applicable pellets and related products, including metallics, Inventory until payment is made by the Eligible Customer in respect of such pellets

and related products, including metallics, Inventory and (ii) that provides for minimum purchases annually or a requirements contract of a quality of pellets and related products, including metallics, that is customized to the requirements of such Eligible Customer.

"Eligible Contract Inventory Location" means a location within the United States owned, leased or operated by an Eligible Customer where pellets and related products, including metallics, of a Loan Party is held prior to the passage of title of such Inventory from such Loan Party to the Eligible Customer pursuant to an Eligible Contract.

"Eligible Country" means each of the United Kingdom, Germany, Italy, the Netherlands, Singapore, Switzerland, Austria, any other member state of the European Union prior to May 1, 2014 and any other country approved by the Required Lenders in their sole discretion; provided, however, that upon 15 days' notice to Parent, Agent may, at its sole discretion, remove as an Eligible Country any country that does not have foreign currency ratings of "A" or better by S&P and "A2" or better by Moody's.

"Eligible Customer" means ~~ArcelorMittal USA, ArcelorMittal Dofasco Inc.,~~ Algoma Steel Inc., and their respective Subsidiaries and any other Person (including successors-in-interest of the foregoing) approved by the Agent in its Permitted Discretion.

"Eligible Equipment" means Equipment of a Loan Party that is Mobile Equipment, that complies with each of the representations and warranties respecting Eligible Equipment made in the Loan Documents, and that is not excluded as ineligible by virtue of one or more of the excluding criteria set forth below; provided, that such criteria may be revised from time to time by Agent in Agent's Permitted Discretion and subject to two (2) days' written notice to the Parent to address the results of any field examination or appraisal performed by Agent from time to time after the Closing Date. An item of Equipment shall not be included in Eligible Equipment if:

(a) a Loan Party does not have good, valid, and marketable title thereto,

(b) a Loan Party does not have actual and exclusive possession thereof (either directly or through a bailee or agent of a Borrower),

(c) it is not located at one of the Identified Locations located in the continental United States (or in-transit from one such location in the continental United States to another such location in the continental United States),

(d) it is in-transit to or from a location of a Loan Party (other than with respect to Equipment of the Loan Parties in-transit from one of the Identified Location located in the continental United States to another Identified Location located in the continental United States),

(e) it is located on real property leased by a Loan Party from a third party or with a bailee, in a contract warehouse or at the location of a Joint Venture, customer or other third party, in each case, unless (A) it is subject to a Collateral Access Agreement executed by the lessor, bailee, warehouseman, Joint Venture, customer or other third party, as the case may be or (B) with respect to Equipment located on leased real property, with a bailee or in a contract warehouse, it is the subject of Landlord Reserves,

(f) it is not subject to a valid and perfected first priority Agent's Lien,

(g) it (i) is not in good repair and normal operating condition, ordinary wear and tear excepted, in accordance with its intended use in the business of the Loan Parties, (ii) is out for repair, (iii) does not meet in all material respects all standards imposed by any Governmental Authority having regulatory authority over such Equipment, (iv) is substantially worn, damaged, defective or obsolete, or (v) constitutes furnishings, real property or fixtures,

(h) it constitutes spare parts inventory or "surplus" equipment,

(i) it is "subject to" (within the meaning of Section 9-311 of the Code) any certificate of title or comparable statute, or

(j) it was acquired in connection with a Permitted Acquisition or other Permitted Investment, until the completion of an appraisal and field examination of such Inventory, in each case, reasonably satisfactory to Agent (which appraisal and field examination may be conducted prior to the closing of such Permitted Acquisition or other Permitted Investment).

"Eligible Inventory" means Inventory of a Loan Party that complies with each of the representations and warranties respecting Eligible Inventory made in the Loan Documents, and that is not excluded as ineligible by virtue of one or more of the excluding criteria set forth below; provided, that such criteria may be revised from time to time by Agent in Agent's Permitted Discretion to address the results of any field examination or appraisal performed by Agent from time to time after the Closing Date. In determining the amount to be so included, Inventory shall be valued at the lower of cost or market on a monthly basis in connection with delivery of each monthly Borrowing Base Certificate and a basis consistent with Loan Parties' historical accounting practices. An item of Inventory shall not be included in Eligible Inventory if:

(a) a Loan Party does not have good, valid, and marketable title thereto,

(b) a Loan Party does not have ownership thereof,

(c) except with respect to up to $50,000,000 of Inventory owned by a Loan Party that is located in Canada, it is not located at an Identified Location located in the continental United States (or in-transit from one such location in the continental United States to another such location in the continental United States),

(d) [reserved],

(e) other than with regards to in-transit Inventory not deemed ineligible under clause (f) of this definition, it is located on real property leased by a Loan Party from a third party or with a bailee or in a contract warehouse or at the location of a Joint Venture, customer, processor or other third party, in each case, unless (i) either (A) it is subject to a Collateral Access Agreement executed by the lessor, bailee, warehouseman, Joint Venture, customer or other third party, as the case may be, (B) with respect to Inventory located on leased real property, with a bailee or in a contract warehouse, it is the subject of Landlord Reserves, or (C) it is located at an Eligible Contract Inventory Location, and (ii) other than with respect to Inventory at a location of a Joint Venture or customer or at an Eligible Contract Inventory Location or a Designated Port located in the United States, it is segregated or otherwise separately identifiable from goods of others, if any, on the premises,

(f) it is in-transit to a Designated Port on a carrier not owned by one of the Loan Parties unless Agent has received a Collateral Access Agreement with the applicable carrier with respect thereto; provided that, up to, when taken together with Inventory constituting Eligibility Inventory pursuant to the proviso in clause (g), $50,000,000 of such Inventory shall constitute Eligible Inventory so long as it satisfies the other eligibility criteria set forth in this definition, except that while any In-Transit Inventory Triggering Event has occurred and is continuing, the Agent may in its Permitted Discretion not include such Inventory as Eligible Inventory,

(g) it is the subject of a bill of lading or other document of title other than those delivered to Agent as to goods in-transit as set forth in clauses (c), (e) or (f) above; provided that, up to, when taken together with Inventory constituting Eligibility Inventory pursuant to the proviso in clause (f), $~~50,000,000~~100,000,000 of such Inventory shall constitute Eligible Inventory so long as it satisfies the

other eligibility criteria set forth in this definition, except that while any In-Transit Inventory Triggering Event has occurred and is continuing, the Agent may in its Permitted Discretion not include such Inventory as Eligible Inventory,

(h) it is not subject to a valid and perfected first priority Agent's Lien,

(i) it consists of goods returned or rejected by a Loan Party's customers,

(j) it consists of goods that are obsolete or slow moving, unmerchantable, restrictive or custom items, packaging, samples, manufacturing supplies, display items or bags, replacement parts and shipping materials, bill and hold goods, defective or damaged goods, "seconds", or Inventory acquired on consignment,

(k) it is subject to third party trademark, licensing or other proprietary rights, unless Agent is satisfied in its Permitted Discretion that such Inventory can be freely sold by Agent on and after the occurrence of an Event of a Default despite such third party rights,

(l) it was acquired in connection with a Permitted Acquisition or other Permitted Investment (other than the AMUSA Acquisition), until the completion of an appraisal and field examination of such Inventory, in each case, reasonably satisfactory to the Agent (which appraisal and field examination may be conducted prior to the closing of such Permitted Acquisition); provided that Inventory that otherwise satisfies the other eligibility criteria set forth in this definition in an amount not to exceed, together with Accounts constituting Eligible Accounts pursuant to the proviso to clause (q) of such definition, 15% of the Aggregate Borrowing Base (as reported in the most recent Borrowing Base Certificate delivered to the Agent in accordance herewith) then in effect shall constitute Eligible Inventory until the earlier of (x) receipt by the Agent of an appraisal and field examination of such Inventory that is reasonably satisfactory to the Agent and (y) the 90th calendar day following the consummation of the Permitted Acquisition or other Permitted Investment,

(m) it was acquired from a Sanctioned Person or Sanctioned Entity, or it does not meet all standards imposed by any Governmental Authority or constitutes Hazardous Materials,

(n) it constitutes work in process or raw material, other than (i) in the case of iron ore located in the United States, work in process that has been converted into concentrate, pellets or related products, including metallics, (ii) in the case of coal located in the United States, work in process and raw material and (iii) work in process and raw materials of the legacy business of the Target Loan Parties as consistent with the Alternative Borrowing Base, or

(o) to the extent mined by a Loan Party or was extracted from a location owned or leased by a Loan Party and, in either case, it constitutes coal, iron ore or other as-extracted collateral (as defined in the UCC) in the United States, unless an as-extracted collateral filing in the applicable jurisdiction has been filed for the benefit of the Agent with respect to the location of the mining operation and/or mineheads from which such coal, iron ore or other as-extracted collateral was extracted.

"Eligible Investment Grade Accounts" means, at any time, any Eligible Accounts in respect of which the Account Debtor has an Investment Grade Rating as of the date of delivery of the applicable Borrowing Base Certificate.

"Eligible Transferee" means (a) any Lender (other than a Defaulting Lender), any Affiliate of any Lender and any Related Fund of any Lender; (b) (i) a commercial bank organized under the laws of the United States or any state thereof, and having total assets in excess of $1,000,000,000; (ii) a savings and loan association or savings bank organized under the laws of the United States or any state thereof, and having total assets in excess of $1,000,000,000; (iii) a commercial bank organized under the laws of any other country or a political subdivision thereof; provided that (A) (x) such bank is acting through a branch

or agency located in the United States or (y) such bank is organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development or a political subdivision of such country, and (B) such bank has total assets in excess of $1,000,000,000; (c) any other entity (other than a natural person, Loan Party or an Affiliate of a Loan Party) that is an "accredited investor" (as defined in Regulation D under the Securities Act) that extends credit or buys loans as one of its businesses including insurance companies, investment or mutual funds and lease financing companies, and having total assets in excess of $1,000,000,000; and (d) any other Person (other than a natural person, Loan Party or Affiliate of a Loan Party) approved by Agent, each Issuing Bank and, so long as no Event of Default is continuing, Parent.

"Employee Benefit Plan" means any Benefit Plan, Multiemployer Plan or Pension Plan.

"Enforcement Action" any action to enforce any Obligations (other than Bank Product Obligations) or Loan Documents or to exercise any rights or remedies relating to any Collateral (whether by judicial action, self-help, notification of Account Debtors, setoff or recoupment, credit bid, action in a Loan Party's Insolvency Proceeding or otherwise) while an Event of Default exists.

"Environmental Action" means any written complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter, or other written communication from any Governmental Authority, or any third party involving violations of Environmental Laws or releases of Hazardous Materials at, on, under, to or from (a) any assets, properties and adjoining properties, or businesses or adjoining businesses of any Borrower, any Subsidiary of any Borrower, or, to the extent potentially giving rise to liability to any Borrower or any of their respective Subsidiaries, any of their predecessors in interest, or (b) any facilities which received Hazardous Materials generated by any Borrower, any Subsidiary of any Borrower, or, to the extent potentially giving rise to liability to any Borrower or any of their respective Subsidiaries, any of their predecessors in interest.

"Environmental Law" means any applicable federal, state, provincial, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, or rule of common law, in each case as amended, or any judicial or administrative order, consent decree or judgment, in each case, to the extent binding on any Borrower or its Subsidiaries, relating to protection of the environment, the generation, handling, storage, treatment, release or disposal of, or exposure to, hazardous or toxic materials, or the effect of the environment on human health, in each case as amended from time to time.

"Environmental Liabilities" means all liabilities, monetary obligations, losses, damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred or arising under any Environmental Law or as a result of any claim or demand relating to any Environmental Law, Environmental Action or Remedial Action required by any Governmental Authority or any third party.

"Equipment" means equipment (as that term is defined in the Code).

"Equity Interest" means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act), but excluding any debt securities convertible into, exchangeable for or referencing any of the foregoing, including without limitation the Convertible Notes (prior to any conversion thereof into Equity Interests).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statutes, and all regulations and guidance promulgated thereunder. Any reference to a specific

section of ERISA shall be deemed to be a reference to such section of ERISA and any successor statutes, and all regulations and guidance promulgated thereunder.

"ERISA Affiliate" means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of any Loan Party under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of any Loan Party under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which any Loan Party is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with any Loan Party and whose employees are aggregated with the employees of any Loan Party under IRC Section 414(o).

"Euro" means the single currency of the Participating Member States.

"Event of Default" has the meaning specified therefor in Section 8 of the Agreement.

"Excess Availability" means, as of any date of determination, (i) the Line Cap, *minus* (ii) the outstanding Revolver Usage.

"Exchange Act" means the Securities Exchange Act of 1934, as in effect from time to time.

"Excluded Accounts" has the meaning specified in the Guaranty and Security Agreement.

"Excluded Property" has the meaning specified therefor in the Guaranty and Security Agreement.

"Excluded Subsidiary" means (i) any direct or indirect Foreign Subsidiary of Parent, (ii) any non-Foreign Subsidiary if substantially all of its assets consist of the Voting Stock of one or more direct or indirect Foreign Subsidiaries of Parent, (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 Borrowers under the Loan 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 Closing Date or, with respect to any Subsidiary formed or acquired after the Closing Date or which became a Permitted Joint Venture after the Closing Date (and, in the case of any Subsidiary acquired after the Closing 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 or became a Permitted Joint Venture, (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 Borrowers under the Loan 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 Closing Date or, with respect to any Subsidiary formed or acquired after the Closing Date (and, in the case of any Subsidiary acquired after the Closing 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 Equity Interest 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) [reserved], and (ix) any Subsidiary of a Person described in the foregoing clauses (i), (ii), (iii), (iv), (v), (vi) or (vii), provided, in each case, that such Subsidiary has not guaranteed any Obligations of the Borrowers or guarantors under the Existing Senior Notes Documents.

"Excluded Swap Obligations" means with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty Obligations of such Person of, or the grant by such Person of a security interest to secure, such Swap Obligation (or any Guaranty Obligation thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof). If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty Obligation or security interest is or becomes illegal.

"Excluded Taxes" means with respect to Agent, any Lender, any Participant or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder, (i) any Tax imposed on (or measured by) the net income or net profits (however denominated) and franchise Taxes, in each case, (A) imposed as a result of such Agent, Lender, Participant or other recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision or taxing authority thereof) or (B) imposed as a result of a present or former connection between such Agent, Lender, Participant or other recipient and the jurisdiction or taxing authority imposing the Tax (other than any such connection arising solely from such Agent, Lender, Participant or other recipient having executed, delivered or performed its obligations or received payment under, or enforced its rights or remedies under this Agreement or any other Loan Document), (ii) any branch profits Taxes or backup withholding Taxes imposed by the United States or any similar Tax imposed by any other jurisdiction in which any Loan Party is located, (iii) Taxes resulting from a Lender's or a Participant's failure to comply with the requirements of Section 17.2 of this Agreement, (iv) any United States federal Taxes that would be imposed on amounts payable to a Lender pursuant to a law in effect at the time such Lender becomes a party to this Agreement (or designates a new lending office), except for (A) any amount that such Lender (or its assignor, if any) was previously entitled to receive pursuant to Section 17.1 of this Agreement, if any, with respect to such withholding Tax at the time such Lender became a party to this Agreement (or designated a new lending office), and (B) additional withholding Taxes that may be imposed after the time such Lender became a party to this Agreement (or designated a new lending office), as a result of a change in law, rule, regulation, order or other decision with respect to any of the foregoing by any Governmental Authority, and (v) any withholding Taxes imposed under FATCA.

"Existing Debt" means (a) the Existing Senior Notes, (b) the Senior Secured Notes, (c) the Convertible Notes, and (d) any other agreement, indenture or other instrument with respect to indebtedness for borrowed money (excluding capital leases) of the Loan Parties of more than $100,000,000.

"Existing Hedge Obligations" means the obligations or liabilities arising under, owing pursuant to, or existing in respect of the Hedge Agreements set forth on Schedule E-1, but only for so long as the counterpart constitutes a Hedge Provider hereunder.

"Existing Letters of Credit" means the letters of credit issued prior to the ~~Closing~~Second Amendment Effective Date pursuant to either the Existing Syndicated Facility Agreement or the Target ABL Credit Agreement and as set forth on Schedule E-2.

"Existing Senior Notes" means, collectively: (a) those certain 6.25% Senior Notes due 2040 issued by Parent on September 20, 2010 in the initial aggregate principal amount of $500,000,000 ~~and~~, (b) those certain 5.75% Senior Notes due 2025 issued by Parent on February 27, 2017 in the initial aggregate principal amount of $500,000,000 and on August 7, 2017 in the additional aggregate principal amount of $575,000,000 and (c) the Existing Target Senior Notes.

"Existing Senior Notes Documents" means the Existing Senior Notes, each Existing Senior Notes Indenture, and all other agreements, documents and instruments entered into now or in the future in connection with the Existing Senior Notes or any Existing Senior Notes Indenture.

"Existing Senior Notes Indenture" means any indenture governing any of the Existing Senior Notes.

"Existing Syndicated Facility Agreement" means that certain Amended and Restated Syndicated Facility Agreement, dated as of March 30, 2015 (as amended and restated as of February 28, 2018, and as further amended, supplemented or otherwise modified prior to the date hereof), among Parent, the other borrowers from time to time party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent.

"Existing Target Senior Notes" means, collectively: (a) those certain 7.625% Senior Notes due 2021 issued by AK Steel Corporation on September 16, 2014 in the initial aggregate principal amount of $430,000,000; (b) those certain 6.375% Senior Notes due 2025 issued by AK Steel Corporation on August 9, 2017 in the initial aggregate principal amount of $280,000,000; and (c) those certain 7.00% Senior Notes due 2027 issued by AK Steel Corporation on March 23, 2017 in the initial aggregate principal amount of $400,000,000.

"Extraordinary Advances" has the meaning specified therefor in Section 2.3(f)(iii) of the Agreement.

"FATCA" means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the IRC and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the IRC.

"FCPA" has the meaning assigned to such term in Section 4.13.

"Fee Letter" means that certain ~~second amended and restated fee letter, dated as of December 19, 2019, between Parent and the Joint Lead Arrangers~~Amended and Restated Fee Letter, dated as of October 12, 2020, among Agent, BofA Securities, Inc., Goldman Sachs Bank USA and Parent.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal to, for each day during such period, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three (3) Federal funds brokers of recognized standing selected by it.

"Field Examination/Appraisal Triggering Event" means any date on which Excess Availability is less than the greater of (a) 15% of the Line Cap, and (b) $~~125,000,000~~218,750,000.

"Financial Covenant Period" means a period which shall commence on any date of determination on which Excess Availability is less than the greater of (i) 10% of the Line Cap and (ii) $~~100,000,000~~175,000,000, and shall continue until Excess Availability is not less than the greater of (a) 10% of the Line Cap and (b) $~~100,000,000~~175,000,000 for a period of 60 consecutive days.

"First Amendment" means the First Amendment to this Agreement, dated as of the First Amendment Effective Date.

"First Amendment Effective Date" means March 27, 2020.

"Fixed Asset Priority Collateral" has the meaning specified therefor in the Intercreditor Agreement.

"Fixed Asset Priority Collateral Agent" has the meaning specified therefor in the Intercreditor Agreement.

"Fixed Charges" means, with respect to any fiscal period and with respect to Parent determined on a consolidated basis in accordance with GAAP but subject to Section 1.2, the sum, without duplication, of (a) Interest Expense accrued (other than (x) interest paid-in-kind, amortization of financing fees, and other non-cash Interest Expense and (y) make-whole payments, premiums or similar payments related to the prepayment or extinguishment of Indebtedness) during such period to the extent required to be paid in cash, (b) scheduled principal payments in respect of Funded Indebtedness that are required to be paid in cash during such period (excluding, for the avoidance of doubt, (w) any payments made with the proceeds of an equity issuance of Parent to the extent such proceeds are applied to any such principal payments in respect of Funded Indebtedness within one hundred eighty (180) days, (x) any mandatory or voluntary prepayments, (y) any payments made at the maturity of such Funded Indebtedness or (z) any payments made in connection with the Transactions or any Refinancing of such Funded Indebtedness), (c) all Restricted Payments paid in cash pursuant to Section 6.7(a) or (e) during such period and (d) all cash payments in connection with pensions or other post-retirement benefit obligations (only to the extent not otherwise deducted in the calculation of clause (a) of the definition of EBITDA as an expense on the Parent's income statement) in excess of $50,000,000.

"Fixed Charge Coverage Ratio" means, with respect to any fiscal period and with respect to Parent determined on a consolidated basis in accordance with GAAP subject to Section 1.9 hereof, the ratio of (a) (i) EBITDA for such period minus (ii) Capital Expenditures made (to the extent not already incurred in a prior period) or incurred during such period to the extent required to be paid in cash (except (x) any amounts related to capitalized interest with respect thereto, (y) any Capital Expenditures made or incurred after the Closing Date but on or prior to September 30, 2020 in an aggregate amount not to exceed $250,000,000 in connection with the Toledo, Ohio hot briquetted iron production plant or (z) those financed with Indebtedness (other than Revolving Loans) or proceeds of an equity issuance of Parent to the extent such proceeds are applied to finance such Capital Expenditures within one hundred eighty (180) days) minus (iii) federal, state and local income Taxes paid in cash during such period (net of federal, state and local Tax refunds received in cash during such period) (it being understood that the amount subtracted pursuant to this clause (iii) shall not be less than $0), to (b) Fixed Charges for such period. For purposes of calculating the items in clauses (a)(i), (a)(ii) and clause (b) above, such amounts for the fiscal quarter ending December 31, 2019 shall be $172,826,000, $80,584,000 and $253,901,000, respectively, for the fiscal quarter ending September 30, 2019 shall be $252,384,000, $75,037,000 and $104,688,000, respectively, and for the fiscal quarter ending June 30, 2019 shall be $417,220,000, $75,427,000 and $96,679,000, respectively, in each case, subject to adjustment on a pro forma basis for all transactions consummated after the date of this Agreement for which the Fixed Charge Coverage Ratio is tested on a pro forma basis and includes such period.

"Foreign Benefit Event" shall mean, with respect to any Foreign Plan, (a) the existence of unfunded liabilities in excess of the amount permitted under any applicable law, (b) the failure to make the required contributions or payments, under any applicable law, on or before the due date for such contributions or payments, (c) the receipt of a notice by a Governmental Authority relating to the intention to terminate any such Foreign Plan or to appoint a trustee or similar official to administer any such Foreign Plan, or alleging the insolvency of any such Foreign Plan, (d) the incurrence of any liability by any Loan Party or any Subsidiary under applicable law on account of the complete or partial termination of such Foreign Plan or the complete or partial withdrawal of any participating employer therein, or (e) the occurrence of any transaction that is prohibited under any applicable law and that could reasonably be expected to result in the incurrence of any liability by any Loan Party or any of its Subsidiaries, or the imposition on any Loan Party or any of its Subsidiaries of any fine, excise tax or penalty resulting from any noncompliance with any applicable law.

"Foreign Cash Equivalents" means (a) certificates of deposit, bankers' acceptances, or time deposits maturing within one (1) year from the date of acquisition thereof, in each case payable in an

Agreed Currency and issued by any bank organized under the laws of any Specified State and having at the date of acquisition thereof combined capital and surplus of not less than $1,000,000,000 (calculated at the then applicable Spot Rate), (b) Deposit Accounts maintained with any bank that satisfies the criteria described in clause (a) above, (c) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) and (b) above and (d) Investments of the type described in the "Cash Investment Policy" of Parent, dated as of April 30, 2019, together with any modifications thereto reasonably acceptable to the Agent.

"Foreign Plan" has the meaning specified in Section 4.10(b).

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

"Foreign Subsidiary Borrowers" has the meaning specified in Section 2.16(c).

"Foreign Subsidiary Collateral" has the meaning specified in Section 2.16(c).

"Foreign Subsidiary Incremental Commitment" has the meaning specified in Section 2.16(c).

"Foreign Subsidiary Incremental Facility" has the meaning specified in Section 2.16(c).

"Foreign Subsidiary Incremental Loans" has the meaning specified in Section 2.16(c).

"Foreign Subsidiary Lenders" has the meaning specified in Section 2.16(c).

"FSHCO" means a Subsidiary that is organized under the laws of the United States, any state thereof or the District of Columbia substantially all of the assets of which consist of Equity Interests of one or more CFCs or FSHCOs. For the avoidance of doubt, Cleveland-Cliffs International Holding Company shall be considered a FSHCO.

"Funded Indebtedness" means, as of any date of determination, all Indebtedness for borrowed money or letters of credit of Parent, determined on a consolidated basis in accordance with GAAP.

"Funding Date" means the date on which a Borrowing occurs.

"Funding Losses" has the meaning specified therefor in Section 2.13(b)(ii) of the Agreement.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, by-laws, articles of association, or other organizational documents of such Person.

"Governmental Authority" means the government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantor" means (a) each Subsidiary of each Borrower as of the Closing Date (other than any Excluded Subsidiary), and (b) each other Person that becomes a guarantor after the Closing Date pursuant to Section 5.11 of the Agreement.

"Guaranty and Security Agreement" means the guaranty and security agreement, dated as of the Closing Date, executed and delivered by each of the Borrowers and each of the Guarantors to Agent.

"Guaranty Obligations" means as to any Person (without duplication) any obligation of such Person guaranteeing any Indebtedness ("primary Indebtedness") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent: (i) to purchase any such primary Indebtedness or any property constituting direct or indirect security therefor; (ii) to advance or supply funds for the purchase or payment of any such primary Indebtedness or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary Indebtedness of the ability of the primary obligor to make payment of such primary Indebtedness; or (iv) otherwise to assure or hold harmless the owner of such primary Indebtedness against loss in respect thereof, provided, however, that the definition of Guaranty Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guaranty Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary Indebtedness in respect of which such Guaranty Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder).

"Hazardous Materials" means (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable Environmental Laws as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity", (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids or synthetic gas, (c) any explosives or any radioactive materials, and (d) asbestos in any form or electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

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

"Hedge Obligations" means any and all obligations or liabilities, whether absolute or contingent, due or to become due, now existing or hereafter arising, of the Borrowers and their Subsidiaries arising under, owing pursuant to, or existing in respect of Hedge Agreements entered into with one or more of the Hedge Providers, including without limitation, the Existing Hedge Obligations and the Pari Secured Hedge Obligations; provided, however, that the Hedge Obligations shall not include any Excluded Swap Obligations.

"Hedge Provider" means any Revolving Lender or any of its Affiliates; provided, that no such Person (other than Bank of America or its Affiliates) shall constitute a Hedge Provider unless and until Agent receives a Bank Product Provider Agreement from such Person and with respect to the applicable Hedge Agreement within ten (10) days (or such later date as the Agent shall agree) (or ~~five~~two (~~5~~2) Business Days prior to the ~~Closing~~Second Amendment Effective Date with respect to any Hedge Agreement existing on the ~~Closing~~Second Amendment Effective Date) after the execution and delivery of such Hedge Agreement with a Borrower or its Subsidiaries; provided further, that if, at any time, a Revolving Lender ceases to be a Revolving Lender under the Agreement, then, from and after the date on which it ceases to be a Revolving Lender thereunder, neither it nor any of its Affiliates shall constitute Hedge Providers and the obligations with respect to Hedge Agreements entered into with such former Revolving Lender or any of its Affiliates shall no longer constitute Hedge Obligations.

"Hedge Reserves" means, as of any date of determination, those reserves that Agent deems necessary or appropriate, in its Permitted Discretion and subject to the last paragraph of Section 2.1(a), to establish and maintain with respect to the Hedge Obligations of the Borrowers or their Subsidiaries secured by the Collateral.

"Identified Locations" means the locations identified on the most recently delivered location report provided pursuant to clause (m) of Schedule 5.2 of the Agreement or such other locations identified by the Borrowers to the Agent from time to time.

"Immaterial Subsidiary" means (a) the Persons identified on Schedule I-1 to this Agreement and (b) any other Subsidiary that, together with its Subsidiaries, does not have (i) Consolidated Total Assets in excess of 5.0% of the Consolidated Total Assets of Parent and its Subsidiaries on a consolidated basis as of the date of the most recent consolidated balance sheet of Parent or (ii) consolidated total revenues in excess 5.0% of the consolidated total revenues of Parent and its Subsidiaries on a consolidated basis for the most recently ended four (4) fiscal quarters for which internal financial statements of Parent 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 Parent and its Subsidiaries on a consolidated basis or (ii) consolidated total revenues in excess of 10.0% of the consolidated total revenues of Parent and its Subsidiaries on a consolidated basis. For the avoidance of doubt, no Borrower shall be an Immaterial Subsidiary.

"In-Transit Inventory Triggering Event" means any date on which Excess Availability is less than the greater of (a) 20% of the Line Cap, and (b) $~~300,000,000~~525,000,000.

"Increased Borrowing Base Reporting Period" has the meaning specified in Schedule 5.2.

"Incremental Amendment" has the meaning specified in Section 2.16(d).

"Incremental Commitment" means each Upsize Incremental Commitment and/or each Foreign Subsidiary Incremental Commitment, as the context requires.

"Incremental Loans" means the Upsize Incremental Loans and/or the Foreign Subsidiary Incremental Loans, as the context requires.

"Indebtedness" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers' acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business), (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation. For purposes of this definition, no obligation of AMUSA with respect to AM SA Receivables Facility shall constitute Indebtedness for purposes of this Agreement.

"Indemnified Liabilities" has the meaning specified therefor in Section 10.3 of the Agreement.

"Indemnified Person" has the meaning specified therefor in Section 10.3 of the Agreement.

"Indemnified Taxes" means, any Taxes other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

"Insolvency Proceeding" means with respect to any Person, (a) any proceeding, corporate action, procedure or step commenced or taken by or against that Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief, or (b) the appointment of a custodian, trustee, receiver, interim receiver, national receiver, receiver-manager, monitor, liquidator, administrator, judicial manager, administrative receiver, supervisor, compulsory manager, Controller or similar custodian for that Person or for substantially all of its assets.

"Intercompany Subordination Agreement" means an intercompany subordination agreement, dated as of the Closing Date, executed and delivered by each of the other Loan Parties and Agent.

"Intercreditor Agreement" means that certain ABL Intercreditor Agreement, dated as of December 19, 2017, between Agent and U.S. Bank National Association, as collateral agent in respect of the Senior Secured Notes and acknowledged and agreed to by the Loan Parties.

"Interest Expense" means, for any period, the aggregate of the interest expense of Parent for such period, determined on a consolidated basis in accordance with GAAP.

"Interest Period" means, with respect to each LIBOR Rate Loan, a period commencing on the date of the making of such LIBOR Rate Loan (or the continuation of a LIBOR Rate Loan or the conversion of a Base Rate Loan to a LIBOR Rate Loan) and ending one week thereafter, 1, 2, 3, or 6 months thereafter or, if agreed to by all Lenders, such shorter or longer period; provided, that (a) interest shall accrue at the applicable rate based upon the LIBOR Rate from and including the first day of each Interest Period to, but excluding, the day on which any Interest Period expires, (b) any Interest Period that would end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (c) with respect to an Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period), the Interest Period shall end on the last Business Day of the calendar month that is 1, 2, 3, 6 or 12 months after the date on which the Interest Period began, as applicable, and (d) Borrowers may not elect an Interest Period which will end after the Maturity Date.

"Inventory" means inventory (as that term is defined in the Code).

"Inventory/Equipment Reserves" means, as of any date of determination, (a) Landlord Reserves for locations of any Loan Parties, and (b) those reserves that Agent deems necessary or appropriate, in its Permitted Discretion and subject to the last paragraph of Section 2.1(a), to establish and maintain (including reserves for slow moving Inventory and Inventory shrinkage) with respect to Eligible Inventory or Eligible Equipment of the Loan Parties or the Maximum Revolver Amount.

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to directors, officers and employees of such Person made in the ordinary course of business, and (b) bona fide accounts receivable arising in the ordinary course of business), or acquisitions of Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. The amount of any Investment shall be the original cost of such Investment *plus* the cost of all additions thereto, without any

adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

"Investment Grade Rating" means, with respect to any Person, such Person's senior unsecured long-term non-credit-enhanced indebtedness has a rating equal to or higher than Baa3 (or the equivalent) by Moody's or a rating equal to or higher than BBB- (or the equivalent) by S&P.

"IRC" means the Internal Revenue Code of 1986, as amended.

"ISDA Definitions" means the 2006 ISDA Definitions (or successor definitional booklet for interest rate derivatives) published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time.

"ISP" means, with respect to any Letter of Credit, the International Standby Practices 1998 (International Chamber of Commerce Publication No. 590) and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued.

"Issuer Document" means, with respect to any Letter of Credit, a letter of credit application, a letter of credit agreement, or any other document, agreement or instrument entered into (or to be entered into) by a Borrower in favor of Issuing Bank and relating to such Letter of Credit.

"Issuing Bank" means Bank of America (or any of its Affiliates), Credit Suisse AG, Cayman Islands Branch (or any of its Affiliates), JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, Deutsche Bank AG New York Branch, Goldman Sachs Bank USA, PNC Bank, National Association, Citibank, N.A., Barclays Bank PLC, Citizens Bank, N.A., Regions Bank, The Huntington National Bank, Fifth Third Bank, National Association and each other Revolving Lender appointed by Parent and agreed by the Agent and such Revolving Lender, in their sole discretion, to become an Issuing Bank for the purpose of issuing Letters of Credit pursuant to Section 2.11 of the Agreement, and, in each case, their respective permitted successors and assigns. Each Issuing Bank shall be deemed to be a Lender and a Revolving Lender.

"Issuing Bank Indemnitees" means each Issuing Bank and its officers, directors, employees, Affiliates, agents and attorneys.

"Joint Book Runners" means BofA Securities, Inc., Credit Suisse Loan Funding LLC, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, Deutsche Bank Securities Inc., Goldman Sachs Bank USA, PNC Capital Markets LLC, Citigroup Global Markets Inc., Barclays Bank PLC, Citizens Capital Markets, Inc., Regions Capital Markets, The Huntington National Bank and Fifth Third Bank, National Association.

"Joint Lead Arrangers" means BofA Securities, Inc., Credit Suisse Loan Funding LLC, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, Deutsche Bank Securities Inc., Goldman Sachs Bank USA, PNC Capital Markets LLC, Citigroup Global Markets Inc., Barclays Bank PLC, Citizens Capital Markets, Inc., Regions Capital Markets, The Huntington National Bank and Fifth Third Bank, National Association.

"Joint Venture" means a corporation, partnership, limited liability company or other entity or organization that has voting Equity Interests directly or indirectly owned by Parent; provided, however, that none of the following shall be a Joint Venture hereunder: (i) any wholly-owned Subsidiary of Parent and (ii) any trade creditor or customer in which Parent or any of its Subsidiaries has made an Investment pursuant to clause (t) of the definition of Permitted Investments.

"Joint Venture Agreements" means, collectively any agreement which establishes a Joint Venture and any governing documents related thereto.

"Landlord Reserve" means, as to each location not owned by a Loan Party at which a Loan Party has Inventory of a type included in the Borrowing Base, Equipment of a type included in the Borrowing Base or books and records related to Accounts of a type included in the Borrowing Base or any such Inventory or Equipment located and as to which a Collateral Access Agreement has not been received by Agent, a reserve in an amount equal to the greater of (a) the number of months' rent for which the landlord, bailee or warehousemen will have, under applicable law, a Lien in the Inventory or Equipment of such Loan Party to secure the payment of rent or other amounts under the lease or other agreement relative to such location, or (b) with respect to a location where Inventory is located, six (6) months' rent and charges under the lease or other agreement relative to such location and with respect to a location where Equipment is located, 12 months' rent and charges under the lease or other agreement relative to such location.

"Lender" has the meaning set forth in the preamble to the Agreement, shall include each Tranche B Revolving Lender, Issuing Bank and the Swing Lender, and shall also include any other Person made a party to the Agreement pursuant to the provisions of Section 13.1 of the Agreement and "Lenders" means each of the Lenders or any one or more of them. For avoidance of doubt, each Additional Lender is a Lender to the extent any such Person has executed and delivered an Incremental Amendment and to the extent such Incremental Amendment shall have become effective in accordance with the terms hereof and thereof.

"Lender Group" means each of the Lenders (including each Tranche B Revolving Lender, Issuing Bank and the Swing Lender) and Agent, or any one or more of them.

"Lender Group Expenses" means all (a) reasonable and documented costs and out-of-pocket expenses (including insurance premiums), other than Excluded Taxes and Indemnified Taxes, required to be paid by any Borrower or its Subsidiaries under any of the Loan Documents that are paid, advanced, or incurred by Agent, (b) reasonable and documented out-of-pocket fees or charges paid or incurred by Agent in connection with the Lender Group's transactions with each Borrower and its Subsidiaries under any of the Loan Documents, including, photocopying, notarization, couriers and messengers, telecommunication, public record searches, filing fees, recording fees, publication, real estate surveys and environmental audits, (c) Agent's customary fees and charges imposed or incurred in connection with any background checks or OFAC/PEP searches related to any Borrower or its Subsidiaries, (d) Agent's customary fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of any Borrower (whether by wire transfer or otherwise), together with any out-of-pocket costs and expenses incurred in connection therewith, (e) customary charges imposed or incurred by Agent resulting from the dishonor of checks payable by or to any Loan Party, (f) reasonable and documented out-of-pocket costs and expenses paid or incurred by Agent to correct any default or enforce any provision of the Loan Documents, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (g) field examination, appraisal, and valuation fees and expenses of Agent related to any field examinations, appraisals, or valuation to the extent of the fees and charges (and up to the amount of any limitation) provided in Section 2.10 of the Agreement, (h) Agent's reasonable and documented costs and out-of-pocket expenses (including reasonable documented attorneys' fees and expenses) relative to third party claims or any other lawsuit or adverse proceeding paid or incurred, whether in enforcing or defending the Loan Documents or otherwise in connection with the transactions contemplated by the Loan Documents, Agent's Liens in and to the Collateral, or the Lender Group's relationship with any Borrower or any of its Subsidiaries, (i) Agent's reasonable and documented costs and out-of-pocket expenses (including reasonable and documented attorneys' fees and due diligence expenses) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating (including reasonable and documented costs and out-of-pocket expenses relative to CUSIP, DXSyndicate™, SyndTrak or other communication costs incurred in connection with a syndication of the loan facilities), or amending, waiving, or modifying the Loan Documents, and (j) Agent's and each Lender's reasonable and documented costs and out-of-pocket expenses (including reasonable and

documented attorneys', accountants', consultants', and other advisors' fees and expenses) incurred in terminating, enforcing (including attorneys', accountants', consultants', and other advisors' fees and expenses incurred in connection with a "workout," a "restructuring," or an Insolvency Proceeding concerning any Borrower or any of its Subsidiaries or in exercising rights or remedies under the Loan Documents), or defending the Loan Documents, irrespective of whether a lawsuit or other adverse proceeding is brought, or in taking any Enforcement Action or any Remedial Action with respect to the Collateral.

"Lender Group Representatives" has the meaning specified therefor in Section 18.9(a) of the Agreement.

"Lender-Related Person" means, with respect to any Lender, such Lender, together with such Lender's Affiliates, officers, directors, employees, attorneys, and agents.

"Letter of Credit" means a letter of credit (as that term is defined in the Code) issued by an Issuing Bank for the account of a Borrower pursuant to the Agreement, including, without limitation, the Existing Letters of Credit.

"Letter of Credit Collateralization" means either (a) providing cash collateral (pursuant to documentation reasonably satisfactory to Agent and the Issuing Bank, including provisions that specify that the Letter of Credit Fees and all commissions, fees, charges and expenses provided for in Section 2.11(l) of the Agreement (including any fronting fees) will continue to accrue while the Letters of Credit are outstanding) to be held by Agent for the benefit of the Revolving Lenders in an amount equal to the sum of (i) 103% of the then existing Letter of Credit Usage that is denominated in Dollars, and (ii) 103% of the then existing Letter of Credit Usage that is denominated in an Agreed Currency other than Dollars, (b) delivering to Agent documentation executed by all beneficiaries under the Letters of Credit, in form and substance reasonably satisfactory to Agent and Issuing Bank, terminating all of such beneficiaries' rights under the Letters of Credit, or (c) providing Agent with a standby letter of credit, in form and substance reasonably satisfactory to Agent, from a commercial bank acceptable to Agent (in its sole discretion) in an amount equal to the sum of (i) 103% of the then existing Letter of Credit Usage that is denominated in Dollars, and (ii) 103% of the then existing Letter of Credit Usage that is denominated in an Agreed Currency other than Dollars (it being understood that the Letter of Credit Fee and all fronting fees set forth in the Agreement will continue to accrue while the Letters of Credit are outstanding and that any such fees that accrue must be an amount that can be drawn under any such standby letter of credit).

"Letter of Credit Disbursement" means a payment made by any Issuing Bank pursuant to a Letter of Credit.

"Letter of Credit Expiration Date" shall mean the date which is five (5) Business Days prior to the Maturity Date (as determined pursuant to clause (a) of the definition thereof).

"Letter of Credit Exposure" means, as of any date of determination with respect to any Revolving Lender, such Revolving Lender's Pro Rata Share of the Letter of Credit Usage on such date.

"Letter of Credit Fee" has the meaning specified therefor in Section 2.6(b) of the Agreement.

"Letter of Credit Indemnified Costs" has the meaning specified therefor in Section 2.11(f) of the Agreement.

"Letter of Credit Related Person" has the meaning specified therefor in Section 2.11(f) of the Agreement.

"Letter of Credit Sublimit" means an amount equal to $555,000,000, which amount (i) shall be allocated in the following amounts: $170,000,000.00 to Bank of America (or any of its Affiliates),

$30,000,000.00 to Credit Suisse AG, Cayman Islands Branch (or any of its Affiliates), $45,000,000.00 to JPMorgan Chase Bank, N.A., $45,000,000.00 to Wells Fargo Bank, National Association, $30,000,000.00 to Deutsche Bank AG New York Branch, $30,000,000.00 to Goldman Sachs Bank USA, $55,000,000.00 to PNC Bank, National Association, $27,000,000.00 to Citibank, N.A., $21,000,000.00 to Barclays Bank PLC, $27,000,000.00 to Citizens Bank, N.A., $27,000,000.00 to Regions Bank, $21,000,000.00 to The Huntington National Bank and $27,000,000.00 to Fifth Third Bank, National Association and (ii) may be increased in connection with the incurrence of Incremental Commitments in accordance with Section 2.16(a) upon the agreement of (x) one or more existing Issuing Banks to increase their allocation of the Letter of Credit Sublimit or (y) one or more Additional Lenders appointed by Parent and agreed by the Agent and such Additional Lender, in their sole discretion, to become an Issuing Bank for the purpose of issuing Letters of Credit pursuant to Section 2.11 to provide such increase.

"Letter of Credit Usage" means, as of any date of determination, the aggregate undrawn amount of all outstanding Letters of Credit.

"LIBOR Deadline" has the meaning specified therefor in Section 2.13(b)(i) of the Agreement.

"LIBOR Notice" means a written notice substantially in the form of Exhibit L-1 to the Agreement.

"LIBOR Option" has the meaning specified therefor in Section 2.13(a) of the Agreement.

"LIBOR Rate" means the per annum rate of interest (rounded up, if necessary, to the nearest 1/100th of 1%) determined by Agent at or about 11:00 a.m. (London time) two (2) Business Days prior to an interest period, for a term equivalent to such period, equal to the London Interbank Offered Rate, or comparable or successor rate approved by Agent, as published on the applicable Reuters screen page (or other commercially available source designated by Agent from time to time); provided, that any such comparable or successor rate shall be applied by Agent, if administratively feasible, in a manner consistent with market practice (and, if any such rate is below zero, the LIBOR Rate shall be deemed to be zero); provided, further, that the LIBOR Rate shall in no event be less than ~~0.00~~0.25% per annum.

"LIBOR Rate Loan" means each portion of a Loan that bears interest at a rate determined by reference to the LIBOR Rate.

"LIBOR Replacement Date" has the meaning specified in Section 2.13(d)(iv) of this Agreement.

"LIBOR Screen Rate" means the LIBOR Rate quote on the applicable screen page that Agent designates to determine the LIBOR Rate (or such other commercially available source providing such quotations as designated by Agent from time to time).

"LIBOR Successor Rate" has the meaning specified in Section 2.13(d)(iv) of this Agreement.

"LIBOR Successor Rate Conforming Changes" ~~means,~~ with respect to any proposed LIBOR Successor Rate, means any conforming changes to the definition of Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of Business Day, timing of borrowing requests or prepayment, conversion or continuation notices, and length of look-back periods) as may be appropriate, in ~~the~~Agent's discretion ~~of Agent~~, to reflect the adoption and implementation of such LIBOR Successor Rate and to permit the administration thereof by Agent in a manner substantially consistent with market practice (or, if Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

"Limited Condition Transaction" means any Permitted Acquisition or other similar Investment that constitutes a Permitted Investment, in each case, whose consummation is not conditioned on the availability of, or on obtaining, third party financing.

"Line Cap" means, as of any date of determination, the lesser of (a) the Maximum Revolver Amount and (b) the Aggregate Borrowing Base as of such date.

"Liquidity" means, as of any date of determination, the sum of Excess Availability *plus* Qualified Cash held in an account agreed between Parent and Agent (and any successor account agreed by Parent and Agent) as of such date of determination, which account is subject to a Cash Collateral Account letter agreement between Bank of America and the Loan Party which is the holder of such account *plus* unrestricted cash in a Blocked Account.

"Loan" means any Revolving Loan, Tranche A Revolving Loan, Tranche B Revolving Loan, Swing Loan, Incremental Loan or Extraordinary Advance made (or to be made) hereunder.

"Loan Account" has the meaning specified therefor in Section 2.9 of the Agreement.

"Loan Documents" means the Agreement, the Control Agreements, the Copyright Security Agreement, any Borrowing Base Certificate, the Fee Letter, the Guaranty and Security Agreement, the Intercompany Subordination Agreement, the Intercreditor Agreement, any Issuer Documents, the Letters of Credit, the Patent Security Agreement, the Trademark Security Agreement, any Incremental Amendment, any note or notes executed by Borrowers in connection with the Agreement and payable to any member of the Lender Group, and any other instrument or agreement entered into, now or in the future, by any Borrower or any of its Subsidiaries and any member of the Lender Group in connection with the Agreement.

"Loan Party" means any Borrower or any Guarantor. "Loan Parties" means, collectively, the Borrowers and the Guarantors.

"Margin Stock" as defined in Regulation U of the Board of Governors as in effect from time to time.

"Material Adverse Effect" means (a) a material adverse effect in the business, operations, results of operations, assets, liabilities or financial condition of Borrowers and their Subsidiaries, taken as a whole, (b) a material impairment of Borrowers' and their Subsidiaries' ability, when taken as a whole, to perform their obligations under the Loan Documents to which they are parties or of the Lender Group's ability to enforce the Obligations or realize upon a material portion of the Collateral (other than as a result of as a result of an action taken or not taken that is solely in the control of Agent), or (c) a material impairment of the enforceability or priority of Agent's Liens with respect to all or a material portion of the Collateral.

"Material Contract" means, with respect to any Person, (a) any agreement, indenture or other instrument with respect to Existing Debt and (b) any contract or agreement, the loss of which would reasonably be expected to result in a Material Adverse Effect.

"Material Indebtedness" any agreement, indenture or other instrument with respect to Indebtedness for borrowed money of the Loan Parties of $150,000,000 or more.

"Maturity Date" means the earlier of (a) March 13, 2025 and (b) the date that is 91 days before the stated maturity date of any portion of the Existing Debt, if (in the case of this clause (b)) on such date the aggregate principal amount of all Existing Debt outstanding that would mature on or before such 91st day exceeds $100,000,000 (unless on and from such 91st day, and until such portion of the Existing Debt is either (i) less than $100,000,000 in the aggregate, or (ii) repaid, redeemed, defeased, extended or refinanced such that it matures 91 days after the Maturity Date set forth in clause (a), the Loan Parties have Qualified Cash in excess of such amount greater than $100,000,000 or have deposited such amount in excess of $100,000,000 with the trustee, agent or similar person with respect to such Existing Debt). References in the Agreement to "91 days after the Maturity Date" shall mean the Maturity Date as determined pursuant to clause (a) of this definition.

"Maximum Revolver Amount" means $~~2,000,000,000~~3,500,000,000, decreased by the amount of reductions in the Revolver Commitments made in accordance with Section 2.4(c) of the Agreement and as may be increased pursuant to Section 2.16.

"Mexican Subsidiary" means, with respect to any Person, a Subsidiary of such Person that is organized under the laws of Mexico.

"Mobile Equipment" means 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, graders, gondolas, flat cars, ore cars, shuttle cars, jenny cars, conveyors, locomotives, miners, other rail cars, and any other vehicles, mobile equipment and other equipment similar to any of the foregoing.

"Moody's" has the meaning specified therefor in the definition of Domestic Cash Equivalents.

"Multiemployer Plan" means any multiemployer plan within the meaning of Section 3(37) or 4001(a)(3) of ERISA with respect to which any Loan Party or any of its Subsidiaries or their respective ERISA Affiliates has an obligation to contribute or has any liability, contingent or otherwise or could be assessed Withdrawal Liability assuming a complete or partial withdrawal from any such multiemployer plan.

"Net Book Value" means, (i) with respect to Equipment, the net book value under GAAP (but net of delivery charges, sales tax, federal excise tax and other costs incidental to the purchase thereof) as reported by Borrowers to Agent; provided that for purposes of the calculation of the Borrowing Base, the Net Book Value of the Equipment shall not include (a) the portion of the value of the Equipment equal to the profit earned by any Affiliate of Parent on the sale thereof to any Loan Party, or (b) write-ups or write-downs in value with respect to currency exchange rates, (ii) with respect to Accounts, the net book value under GAAP and (iii) with respect to Inventory, the net book value under GAAP as reported by Borrowers to Agent.

"Net Orderly Liquidation Value" means, with respect to Equipment or Inventory, the orderly liquidation value of such Equipment or Inventory determined for each category of such Equipment or Inventory (but net of all associated costs and expenses of such liquidation) as specified in the most recent appraisal received by Agent from an appraisal company reasonably acceptable to Agent in its Permitted Discretion. With respect to Eligible Equipment, the Net Orderly Liquidation Value shall be determined as of the date of each Borrowing Base Certificate giving effect to depreciation and assuming that since the last appraisal the ratio of Net Book Value to Net Orderly Liquidation Value has remained constant.

"Net Termination Payments" has the meaning specified therefor in Section 2.4(b)(iv) of the Agreement.

"Non-Consenting Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"Non-Defaulting Lender" means each Lender other than a Defaulting Lender.

"Notification Event" means (a) the occurrence of a "reportable event" described in Section 4043 of ERISA for which the 30-day notice requirement has not been waived by applicable regulations issued by the PBGC with respect to a Pension Plan, (b) the withdrawal of any Loan Party or ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan or Multiemployer Plan by the PBGC, (e) any other event or condition that would constitute grounds under Sections 4042(a)(1)-(3) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, (f) the imposition of a Lien pursuant to the IRC or ERISA in connection with any Employee Benefit Plan or the existence of any facts or circumstances that would reasonably be expected to result in the imposition of a Lien, (g) the partial or complete withdrawal of any Loan Party or ERISA Affiliate from a Multiemployer Plan or the receipt of notification that a partial or complete withdrawal has occurred, (h) the reorganization or insolvency of a Multiemployer Plan under ERISA, (i) the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by the PBGC of proceedings to terminate or to appoint a trustee to administer a Multiemployer Plan under ERISA including the filing of a notice of reorganization, insolvency or termination (or treatment of a plan amendment as termination) under Section 4041A of ERISA, (j) any Pension Plan being in "at risk status" within the meaning of IRC Section 430(i), (k) receipt of notification by any Loan Party or ERISA Affiliate that any Multiemployer Plan being in "endangered status" or "critical status" within the meaning of IRC Section 432(b) or the determination that any Multiemployer Plan is insolvent within the meaning of Title IV of ERISA, (l) with respect to any Pension Plan, any Loan Party or ERISA Affiliate incurring a substantial cessation of operations within the meaning of ERISA Section 4062(e), (m) the failure of any Pension Plan to meet the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 or 430 of the IRC or Section 302 of ERISA), in each case, whether or not waived, (n) the filing of an application for a waiver of the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 or 430 of the IRC or Section 302 of ERISA) with respect to any Pension Plan, or (o) any event that results in or would reasonably be expected to result in a liability by a Loan Party pursuant to the excise tax provisions of the IRC relating to Employee Benefit Plans.

"Obligations" means (a) all loans (including the Revolving Loans (inclusive of Extraordinary Advances and Swing Loans)), debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), reimbursement or indemnification obligations with respect to Letters of Credit (irrespective of whether contingent), premiums, liabilities (including all amounts charged to the Loan Account pursuant to the Agreement), obligations (including indemnification obligations), fees, Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, and all covenants and duties of any other kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by the Agreement or any of the other Loan Documents 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, and including all interest not paid when due and all other expenses or other amounts that the Loan Parties are required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents, and (b) all Bank Product Obligations; provided, however, that the Obligations shall not include any Excluded Swap Obligations. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents include the obligation to pay (i) the principal of the Revolving Loans, (ii) interest accrued on the Revolving Loans, (iii) the amount necessary to reimburse any Issuing Bank for amounts paid or payable pursuant to Letters of Credit, (iv)

Letter of Credit commissions, fees (including fronting fees) and charges, (v) Lender Group Expenses, (vi) fees payable under the Agreement or any of the other Loan Documents, and (vii) indemnities and other amounts payable by any Loan Party under any Loan Document. Any reference in the Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"OID" means original issue discount.

"Originating Lender" has the meaning specified therefor in Section 13.1(e) of the Agreement.

"Overadvance" means, as of any date of determination, that the Revolver Usage is greater than any of the limitations set forth in Section 2.1(a) or Section 2.11, in each case subject to Section 1.7(d).

"Overadvance Loan" shall mean a Revolving Loan that is a Base Rate Loan made when an Overadvance exists or is caused by the funding thereof.

"Parent" has the meaning specified therefor in the preamble to the Agreement.

"Pari Secured Hedge Agreement" means each Hedge Agreement designated by the applicable Hedge Provider as a "Pari Secured Hedge Agreement" in a Bank Product Provider Agreement delivered to the Agent pursuant to Section 18.5(b); provided that no such designation shall be permitted if after giving effect thereto (and to the applicable Pari Secured Hedge Reserves), Excess Availability would be less than $0.

"Pari Secured Hedge Obligations" means all Hedge Obligations in respect of Pari Secured Hedge Agreements; provided that in order for any such Hedge Obligations to constitute "Pari Secured Hedge Obligations", if the applicable Hedge Provider is any Person other than Bank of America or its Affiliates, then Agent shall have received a Bank Product Provider Agreement with respect to the applicable Hedge Agreement within, (x) with respect to any Existing Hedge Obligations, ten (10) days (or such later date as the Agent shall agree) (or ~~five~~two (~~5~~2) Business Days prior to the ~~Closing~~Second Amendment Effective Date with respect to any Hedge Agreement existing on the ~~Closing~~Second Amendment Effective Date) of the ~~Closing~~Second Amendment Effective Date and (y) with respect to any Hedge Agreement entered into after the ~~Closing~~Second Amendment Effective Date, ten (10) days (or such later date as the Agent shall agree) after the date of the provision of the applicable Hedge Agreement to the Borrowers or their Subsidiaries.

"Pari Secured Hedge Reserves" means, as of any date of determination, those reserves that Agent deems necessary or appropriate to establish (based upon the Hedge Providers' determination of the liabilities and obligations of the Borrowers and their Subsidiaries in respect of Pari Secured Hedge Obligations and certified to the Agent in accordance with Section 18.5) in respect of Pari Secured Hedge Obligations then provided or outstanding.

"Participant" has the meaning specified therefor in Section 13.1(e) of the Agreement.

"Participant Register" has the meaning set forth in Section 13.1(i) of the Agreement.

"Participating Member State" means any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"Patent Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"Patriot Act" has the meaning specified therefor in Section 4.13 of the Agreement.

"Payment Conditions" means:

(a) with respect to any proposed transaction pursuant to clause (g) or clause (m) of the definition of Permitted Investments or clause (c) of the definition of Permitted Acquisitions, that (A) no Default or Event of Default has occurred and is continuing or would result therefrom and (B) (i) Borrowers' Excess Availability for each of the 30 consecutive days immediately preceding the date of such transaction, and both immediately before and immediately after giving effect to such transaction, is in excess of the greater of (I) $~~125,000,000~~218,750,000 and (II) 15% of the Line Cap or (ii) (1) Borrowers' Excess Availability for each of the 30 consecutive days immediately preceding the date of such transaction, and both immediately before and immediately after giving effect to such transaction, is in excess of the greater of (I) $~~100,000,000~~175,000,000 and (II) 10% of the Line Cap and (2) immediately after giving pro forma effect to such transaction, the Fixed Charge Coverage Ratio of Parent and its Subsidiaries is at least 1.00:1.00 as of the 12-month period ending as of the most recently ended fiscal quarter (calculated assuming that such transaction was consummated as of the end of such fiscal quarter); and

(b) with respect to any other proposed transaction, that (A) no Default or Event of Default has occurred and is continuing or would result therefrom and (B) (i) Borrowers' Excess Availability for each of the 30 consecutive days immediately preceding the date of such transaction, and both immediately before and immediately after giving effect to such transaction, is in excess of the greater of (I) $~~200,000,000~~350,000,000 and (II) 20% of the Line Cap or (ii) (1) Borrowers' Excess Availability for each of the 30 consecutive days immediately preceding the date of such transaction, and both immediately before and immediately after giving effect to such transaction, is in excess of the greater of (I) $~~125,000,000~~218,750,000 and (II) 15% of the Line Cap and (2) immediately after giving pro forma effect to such transaction, the Fixed Charge Coverage Ratio of Parent and its Subsidiaries is at least 1.00:1.00 as of the 12-month period ending as of the most recently ended fiscal quarter (calculated assuming that such transaction was consummated as of the end of such fiscal quarter).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor agency.

"Pension Plan" means any employee benefit plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV or Section 302 of ERISA or Sections 412 or 430 of the IRC sponsored, maintained, or contributed to by any Loan Party, Subsidiary or their respective ERISA Affiliates or to which any Loan Party, Subsidiary or their respective ERISA Affiliate has any liability, contingent or otherwise.

"Permitted Acquisition" means any Acquisition so long as:

(a) no Default or Event of Default shall have occurred and be continuing or would result from the consummation of the proposed Acquisition and the proposed Acquisition is consensual,

(b) for any Permitted Acquisition pursuant to which the aggregate purchase price is greater than $500,000,000, Borrowers have provided Agent with five (5) Business Days' (or such shorter period as Agent may agree) prior notice, and such information, including historical financial statements and projections, as Agent shall have reasonably requested (to the extent available),

(c) the Payment Conditions will be satisfied, and

(d) the subject assets or Equity Interests, as applicable, are being acquired directly by a Borrower or one of its Subsidiaries and, in connection therewith, the applicable Loan Party shall have complied with Section 5.11 or 5.12 of the Agreement, as applicable.

"Permitted Discretion" means a determination made in good faith based upon the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

"Permitted Dispositions" means:

(a) sales, abandonment, or other dispositions of any personal property or Real Property that, in the reasonable judgment of any Borrower or any of its Subsidiaries, has become obsolete, worn out or no longer used or useful or, except with respect to personal property included in the Borrowing Base, is surplus or has become uneconomic, in each case in the ordinary course of business and (ii) licenses, leases or subleases of Real Property or personal property in the ordinary course of business so long as such licenses, leases or subleases do not individually or in the aggregate interfere in any material respect with the ordinary conduct of the business of Borrowers and their Subsidiaries,

(b) sales of Inventory to buyers in the ordinary course of business,

(c) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of the Agreement or the other Loan Documents,

(d) the licensing or sublicensing of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business,

(e) the granting of Permitted Liens,

(f) the sale or discount, in each case without recourse, of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof,

(g) any involuntary loss, damage or destruction of property,

(h) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property,

(i) the licensing, leasing or subleasing of assets (other than Real Property) of any Borrower or its Subsidiaries in the ordinary course of business,

(j) the sale or issuance of Equity Interests (other than Disqualified Equity Interests) of Parent,

(k) the lapse or abandonment of registered patents, trademarks, copyrights and other intellectual property of any Borrower or any of its Subsidiaries to the extent that, in the reasonable judgment of such Borrower or Subsidiary, such intellectual property is not economically desirable in the conduct of its business,

(l) the making of Restricted Payments (in cash or stock) that are expressly permitted to be made pursuant to the Agreement,

(m) the making of Permitted Investments (in cash) or the consummation of a transaction permitted by Section 6.3,

(n) the sale, transfer, lease or other disposition of assets (i) from any Loan Party to another Loan Party, (ii) from any Subsidiary of any Borrower that is not a Loan Party to any Loan Party or any other Subsidiary of any Borrower, or (iii) from any Loan Party to a Subsidiary that is not a Loan Party, in the case of this clause (iii) only, in an aggregate amount not exceed the greater of (x) $~~50,000,000~~100,000,000 and (y) 0.75% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such disposition for which financial statements have been delivered to the Agent, during any fiscal year,

(o) dispositions of assets acquired by Borrowers and the Subsidiaries pursuant to a Permitted Acquisition consummated within 12 months of the date of the proposed disposition so long as (i) the consideration received for the assets to be so disposed is at least equal to the fair market value of such assets and for at least 75% cash, (ii) the assets to be so disposed are not necessary or economically desirable in connection with the business of Borrowers and their Subsidiaries, (iii) the assets to be so disposed are readily identifiable as assets acquired pursuant to the subject Permitted Acquisition and (iv) if any such assets consist of ABL Priority Collateral that are of a type included in the Borrowing Base and have a fair market value in excess of $~~50,000,000~~100,000,000, the Parent shall have delivered an updated Borrowing Base Certificate reflecting the disposition of those assets,

(p) sales or dispositions of assets as disclosed to the Agent in writing (which may be distributed by the Agent to the Lenders) prior to the Closing Date, provided that if any such assets consist of ABL Priority Collateral that are of a type included in the Borrowing Base and have a fair market value in excess of $~~50,000,000~~100,000,000, the Parent shall have delivered an updated Borrowing Base Certificate reflecting the disposition of those assets,

(q) sales or dispositions of assets not otherwise permitted in clauses (a) through (p) above or clauses (r) through (v) below so long as (i) made at fair market value for at least 75% cash, (ii) if any such assets consist of ABL Priority Collateral that are of a type included in the Borrowing Base and have a fair market value in excess of $~~50,000,000~~100,000,000, the Parent shall have delivered an updated Borrowing Base Certificate reflecting the disposition of those assets and (iii) the aggregate fair market value of all assets disposed of during any fiscal year would not exceed the greater of (x) $~~100,000,000~~200,000,000 and (y) 1.50% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such disposition for which financial statements have been delivered to the Agent,

(r) sales or dispositions of assets for fair market value and at least 75% cash so long as (i) the Payment Conditions are satisfied and (ii) if any such assets consist of ABL Priority Collateral that are of a type included in the Borrowing Base and have a fair market value in excess of $50,000,000, the Parent shall have delivered an updated Borrowing Base Certificate reflecting the disposition of those assets,

(s) ~~[reserved]~~transactions contemplated by the AMUSA Acquisition Agreement and the Transaction Documents (as defined therein),

(t) the direct or indirect sale or other disposition of Collateral by a Loan Party in connection with any Permitted Joint Venture; provided that such Loan Party receives consideration at least equal to the fair market value of the Collateral subject to the sale or other disposition (and, in the case of ABL Priority Collateral, for 100% cash), and

(u) sales or dispositions of assets in an aggregate amount not to exceed $~~10,000,000~~20,000,000 in any fiscal year;

provided that for purposes of clauses (o), (q), (r) and (t) above the following shall be deemed cash with respect to the disposition of assets (other than ABL Priority Collateral) (A) the repayment or assumption by the transferee of Indebtedness secured by Liens with a priority to the Liens securing the Obligations (other than Indebtedness incurred in contemplation of such disposition), (B) the repayment or assumption by the transferee of liabilities (as shown on the Parent's most recent balance sheet or in the notes thereto), other than liabilities that are subordinated in right of payment to the Obligations, (C) any securities, notes or other obligations received by any Loan Party that are, within 180 days of the disposition of such assets, converted by such Loan Party into cash or Cash Equivalents and (D) any Designated Non-Cash Consideration received by such Loan Party in such disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this proviso that has at that time not been converted into cash or Cash Equivalents not to

exceed the greater of (x) $~~150,000,000~~300,000,000 and (y) 2.25% of Consolidated Net Tangible Assets at the time of the receipt of such Designated Non-Cash Consideration (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

"Permitted Indebtedness" means:

(a) Indebtedness evidenced by the Agreement or the other Loan Documents,

(b) Indebtedness set forth on Schedule P-4 to the Agreement and any Refinancing Indebtedness in respect of such Indebtedness,

(c) Permitted Purchase Money Indebtedness in an aggregate amount outstanding at any time not to exceed the greater of (x) $~~825,000,000~~1,650,000,000 and (y) 12.50% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent, and any Refinancing Indebtedness in respect of such Indebtedness,

(d) endorsement of instruments or other payment items for deposit,

(e) Indebtedness (i) incurred in the ordinary course of business in respect of surety and appeal bonds, performance bonds, bid bonds, appeal bonds, reclamation bonds, completion guarantee and similar obligations, or any similar financial assurance obligations under Environmental Laws or worker's compensation laws or with respect to self-insurance obligations and (ii) consisting of guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions,

(f) (i) Indebtedness of any Borrower that is incurred in connection with a Permitted Acquisition solely for the purpose of consummating such Permitted Acquisition so long as (A) no Event of Default has occurred and is continuing or would result therefrom, (B) such Indebtedness is not incurred for working capital purposes, (C) such Indebtedness does not mature prior to the date that is 181 days after the Maturity Date, (D) such Indebtedness does not amortize until 181 days after the Maturity Date, (E) such Indebtedness does not provide for the payment of interest thereon in cash or Cash Equivalents other than current market interest, as determined by the Parent in its reasonable business judgment, (F) if such Indebtedness is secured (1) the Liens securing such Indebtedness shall be *pari passu* with or junior to the Liens securing the Senior Secured Notes (or if the Senior Secured Notes are no longer outstanding at such time, such Liens would have been *pari passu* with or junior to the Liens securing the Senior Secured Notes had the Senior Secured Notes been outstanding), (2) any Liens on ABL Priority Collateral shall be junior to the Liens on the ABL Priority Collateral securing the Obligations, (3) the Liens securing such Indebtedness are subject to an intercreditor agreement in form and substance reasonably satisfactory to Agent (it being agreed the form and substance of the Intercreditor Agreement is acceptable) and (4) on a pro forma basis after giving effect to such Indebtedness, the Parent's "Consolidated Secured Leverage Ratio" (as defined in each Senior Secured Notes Indenture as of the date hereof) does not exceed 3.00:1.00 and (G) on a pro forma basis after giving effect to such Indebtedness, Parent is in compliance with the financial covenant set forth in Section 7 of this Agreement (regardless of whether a Financial Covenant Period is then in effect), and (ii) any Refinancing Indebtedness in respect of such Indebtedness,

(g) Acquired Indebtedness in an aggregate principal amount not to exceed the greater of (x) $~~250,000,000~~500,000,000, and (y) 3.75% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent, outstanding at any one time and any Refinancing Indebtedness in respect thereof,

(h) Indebtedness (i) incurred in the ordinary course of business under performance, surety, statutory, or appeal bonds or guarantees, and completion guarantees (or obligations in respect of letters of credit related thereto in an amount not to exceed the greater of (x) $~~30,000,000~~60,000,000 and (y) 0.50% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent, outstanding at any one time) and (ii) in respect of letters of credit which are backstopped or supported by a Letter of Credit issued hereunder,

(i) Indebtedness owed to any Person (or their financing affiliates) providing property, casualty, liability, or other insurance to any Borrower or any of its Subsidiaries, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year or in connection with the financing of insurance premiums in the ordinary course of business,

(j) the incurrence by Parent or any of its Subsidiaries of Indebtedness under Hedge Agreements that are incurred for the bona fide purpose of hedging the interest rate, commodity, or foreign currency risks associated with Parent's and its Subsidiaries' operations and not for speculative purposes,

(k) Indebtedness incurred in the ordinary course of business in respect of credit cards, credit card processing services, debit cards, stored value cards, commercial cards (including so-called "purchase cards", "procurement cards" or "p-cards"), Cash Management Services, or other Bank Products,

(l) Guaranty Obligations in respect of Indebtedness otherwise permitted under this definition; provided that any guaranty by a Loan Party of Indebtedness of a Subsidiary that is not a Loan Party must be permitted by clause (q) of the definition of "Permitted Investment",

(m) contingent liabilities in respect of any indemnification obligation, adjustment of purchase price, non-compete, or similar obligation of any Loan Party or a Subsidiary incurred in connection with the consummation of one or more Permitted Acquisitions,

(n) Indebtedness composing Permitted Investments (other than clause (u)(i) of the definition thereof),

(o) Indebtedness incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business,

(p) Indebtedness of any Borrower or its Subsidiaries in respect of earn-outs owing to sellers of assets or Equity Interests to such Borrower or its Subsidiaries that is incurred in connection with the consummation of one or more Permitted Acquisitions and any Refinancing Indebtedness in respect of such Indebtedness,

(q) Indebtedness incurred in connection with any sale/leaseback transaction and any Refinancing Indebtedness in respect of such Indebtedness; provided, that such Indebtedness incurred from and after the Closing Date shall be in an aggregate principal amount not to exceed the greater of (x) $~~200,000,000~~400,000,000 and (y) 3.0% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent, at any time outstanding,

(r) customer advances for prepayment of sales,

(s) accrual of interest, accretion or amortization of original issue discount, or the payment of interest in kind, in each case, on Indebtedness that otherwise constitutes Permitted Indebtedness,

(t) Indebtedness evidenced by the Existing Senior Notes in an aggregate principal amount not to exceed the aggregate principal amount thereof outstanding on the Closing Date, and any Refinancing Indebtedness in respect thereof,

(u) (i) Indebtedness evidenced by the 2024 Senior Secured Notes in an aggregate principal amount not to exceed $400,000,000 at any one time outstanding and any Refinancing Indebtedness in respect thereof, (ii) Indebtedness evidenced by the 2025 Senior Secured Notes in an aggregate principal amount not to exceed $955,159,000 at any one time outstanding and any Refinancing Indebtedness in respect thereof, (iii) Indebtedness incurred under the 2026 Senior Secured Notes, in an aggregate principal amount not to exceed $~~725,000,000~~845,000,000 at any one time outstanding and any Refinancing Indebtedness in respect thereof and (~~iii~~iv) Indebtedness in an aggregate principal amount not to exceed the greater of (x) an amount equal to (1) $1,250,000,000 *minus* (2) the principal amount of Indebtedness incurred pursuant to clause (u)(i) and (u)(ii) above and (y) an amount that, on a pro forma basis upon giving effect the incurrence thereof, would not cause Parent's "Consolidated Secured Leverage Ratio" (as defined in each Senior Secured Notes Indenture as of the date hereof) to exceed 3.00:1.00 (and any Refinancing Indebtedness in respect of any such Indebtedness), so long as, in the case of this clause (~~iii~~iv), (A) if such Indebtedness is secured by the Collateral, (x) the Liens securing such Indebtedness shall be *pari passu* with or junior to the Liens securing the Senior Secured Notes (or if the Senior Secured Notes are no longer outstanding at such time, such Liens would have been *pari passu* with or junior to the Liens securing the Senior Secured Notes had the Senior Secured Notes been outstanding), (y) any Liens on ABL Priority Collateral shall be junior to the Liens on the ABL Priority Collateral securing the Obligations and (z) the Liens securing such Indebtedness are subject to an intercreditor agreement in form and substance satisfactory to Agent (it being agreed the form and substance of the Intercreditor Agreement is acceptable), (B) such Indebtedness does not mature prior to the date that is 181 days after the Maturity Date, (C) such Indebtedness does not amortize until 181 days after the Maturity Date, and (D) after giving effect to the incurrence of any such Indebtedness after the Closing Date, Parent is in compliance with the financial covenant set forth in Section 7 of this Agreement (regardless of whether a Financial Covenant Period is then in effect),

(v) any other unsecured Indebtedness incurred by any Borrower or any of its Subsidiaries so long as (i) no Default or Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (ii) such Indebtedness does not mature prior to the date that is 181 days after the Maturity Date, (iii) such Indebtedness does not amortize until 181 days after the Maturity Date and (iv) after giving effect to the incurrence of any such Indebtedness, Parent is in compliance with the financial covenant set forth in Section 7 of this Agreement (regardless of whether a Financial Covenant Period is then in effect); provided that conditions (ii) and (iii) above shall not be required to be satisfied with respect to Indebtedness in an aggregate principal amount not to exceed $~~100,000,000~~200,000,000 during the term of the Agreement,

(w) (i) Indebtedness of Excluded Subsidiaries listed on Schedule E-3 and any Refinancing Indebtedness in respect of such Indebtedness, and (ii) additional Indebtedness of Excluded Subsidiaries in an aggregate amount at any time outstanding not to exceed the greater of (x) $~~150,000,000~~300,000,000 and (y) 2.25% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent,

(x) [Reserved],

(y) Permitted Intercompany Advances and Contributions,

(z) Indebtedness evidenced by the Convertible Notes in an aggregate principal amount at any time outstanding not to exceed $316,250,000 and any Refinancing Indebtedness in respect thereof,

(aa) the AK IRBs, and

(bb) other Indebtedness in an aggregate amount at any time outstanding not to exceed the greater of (A) $~~1,000,000,000~~2,000,000,000 and (B) 15% of Consolidated Net Tangible Assets measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent, so long as in the case of this clause (bb), (i) such Indebtedness does not mature prior to the date that is 181 days after the Maturity Date, (ii) such Indebtedness does not amortize until 181 days after the Maturity Date and (iii) if such Indebtedness is secured, Liens securing such Indebtedness are permitted under clause (ff) of the definition of "Permitted Liens"; provided that conditions (i) and (ii) above shall not be required to be satisfied with respect to Indebtedness in an aggregate principal amount at any one time outstanding not to exceed $~~100,000,000~~200,000,000.

"Permitted Intercompany Advances and Contributions" means loans, advances or capital contributions made by (a) a Loan Party to another Loan Party, (b) [reserved], (c) a Subsidiary of a Borrower that is not a Loan Party to another Subsidiary of a Borrower that is not a Loan Party, (d) a Subsidiary of a Borrower that is not a Loan Party to a Loan Party, so long as the parties thereto are party to the Intercompany Subordination Agreement, (e) a Loan Party to a Joint Venture existing on the Closing Date and set forth on Schedule J-1 so long as such loans, advances or capital contributions are required by and made in accordance with the Joint Venture Agreements as in effect on the Closing Date and set forth on Schedule J-1, and (f) a Loan Party to a Joint Venture or Subsidiary that is not a Loan Party in an aggregate amount for this clause (f), which shall not exceed, together with all Investments made pursuant to clause (q) of the definition of Permitted Investments, the greater of (x) $~~400,000,000~~800,000,000 and (y) 6.0% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent, at any time outstanding.

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents,

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business,

(c) advances made in connection with purchases of goods or services in the ordinary course of business,

(d) Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an account debtor or upon the foreclosure or enforcement of any Lien in favor of a Loan Party or its Subsidiaries,

(e) Investments owned by any Loan Party or any of its Subsidiaries on the Closing Date in their respective Subsidiaries and other Investments set forth on Schedule P-1 to the Agreement,

(f) guarantees and other contingent liabilities permitted under the definition of Permitted Indebtedness (other than clause (n) thereof),

(g) Permitted Intercompany Advances and Contributions,

(h) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party or its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims,

(i) deposits of cash made in the ordinary course of business to secure performance of operating leases,

(j) loans and advances to employees, officers, and directors of a Borrower or any of its Subsidiaries for bona fide business purposes in the ordinary course of business,

(k) Permitted Acquisitions,

(l) acquisitions of property, plant and equipment to be used in the ordinary course of business,

(m) Investments so long as the Payment Conditions are satisfied at the time thereof,

(n) Investments resulting from entering into (i) Bank Product Agreements, or (ii) agreements relative to Indebtedness that is permitted under clause (j) of the definition of Permitted Indebtedness,

(o) equity Investments by any Loan Party in any Subsidiary of such Loan Party which is required by law to maintain a minimum net capital requirement or as may be otherwise required by applicable law,

(p) Investments held by a Person acquired in a Permitted Acquisition to the extent that such Investments were not made in contemplation of or in connection with such Permitted Acquisition and were in existence on the date of such Permitted Acquisition,

(q) so long as no Event of Default has occurred and is continuing or would result therefrom, any other Investments in an aggregate amount not to exceed the greater of (x) $~~200,000,000~~400,000,000 and (y) 3.0% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such Investment for which financial statements have been delivered to the Agent, during the term of the Agreement,

(r) Hedge Obligations incurred in the ordinary course of business and not for speculative purposes,

(s) mergers, consolidations or amalgamations permitted by Section 6.3,

(t) Investments in securities of trade creditors or customers in the ordinary course of business that are received (i) in settlement of bona fide disputes or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers or (ii) in the settlement of debts created in the ordinary course of business,

(u) Permitted Dispositions (other than in reliance on clause (m) thereof), and

(v) Investments in Joint Ventures existing as of the Closing Date and set forth on Schedule J-1 for the purpose of financing such entities' (i) operating expenses incurred in the ordinary course of business, (ii) reasonable Capital Expenditures and (iii) other reasonable obligations that are accounted for by the Parent and its Subsidiaries as increases in equity in such Joint Ventures.

"Permitted Joint Venture" means any Person at least 50% of the capital stock of which is owned by a Loan Party if (a) such Person is engaged in a business related to that of a Loan Party and (b) the Loan Party has the right to appoint at least half of the members of the Board of Directors (or equivalent governing body, including, without limitation, of the general partner of a limited partnership) of such Person.

"Permitted Liens" means

(a) Liens granted to, or for the benefit of, Agent to secure the Obligations or any portion thereof,

(b) Liens for unpaid Taxes, assessments, or other governmental charges or levies that either (i) are not yet delinquent by more than 30 days or which can thereafter be paid without penalties, or (ii) do not have priority over Agent's Liens with respect to the ABL Priority Collateral and the underlying Taxes, assessments, or charges or levies are the subject of Permitted Protests,

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.3 of the Agreement,

(d) Liens set forth on Schedule P-2 to the Agreement, any continuation or extension thereof; provided, that to qualify as a Permitted Lien, any such Lien described on Schedule P-2 to the Agreement shall only secure the Indebtedness that it secures on the Closing Date, and any Refinancing Indebtedness in respect thereof,

(e) the interests of lessors under operating leases and non-exclusive licensors under license agreements,

(f) purchase money Liens or the interests of lessors under Capital Leases to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) in the case of Permitted Purchase Money Indebtedness described in clauses (a) and (b) of the definition thereof, (A) such Lien attaches only to the asset purchased or acquired and the proceeds thereof, and (B) such Lien only secures the Indebtedness that was incurred to acquire the asset purchased or acquired or any Refinancing Indebtedness in respect thereof, and (ii) in the case of Permitted Purchase Money Indebtedness described in clauses (a) through (c) of the definition thereof, such Lien does not attach to ABL Priority Collateral (other than with respect to Permitted Purchase Money Indebtedness (and Refinancing Indebtedness in respect thereof) in an aggregate principal amount not to exceed the greater of (x) $~~250,000,000~~500,000,000 and (y) 3.75% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent, at any time outstanding secured by Mobile Equipment (and not any other ABL Priority Collateral) but only to the extent that Parent shall have delivered a notice to Agent clearly identifying the Mobile Equipment subject to such Lien prior to the granting of such Lien),

(g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, vendors', mechanics, materialmen, laborers, suppliers and other like Liens, incurred in the ordinary course of business, and which Liens either (i) are for sums not yet delinquent by more than 30 days, or (ii) are the subject of Permitted Protests,

(h) Liens on amounts pledged or deposited to secure any Borrower's and its Subsidiaries obligations in connection with worker's compensation, other unemployment insurance and similar legislation,

(i) Liens on amounts deposited to secure any Borrower's and its Subsidiaries obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business and not in connection with the borrowing of money,

(j) Liens on amounts deposited to secure any Borrower's and its Subsidiaries reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business,

(k) with respect to any Real Property, 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 Parent and its Subsidiaries,

(l) non-exclusive licenses of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business,

(m) Liens that are replacements of Permitted Liens to the extent that the original Indebtedness is the subject of permitted Refinancing Indebtedness and so long as the replacement Liens only encumber those assets that secured the original Indebtedness,

(n) rights of setoff, bankers' liens and other similar Liens upon deposits of funds in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such Deposit Accounts in the ordinary course of business,

(o) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under the definition of Permitted Indebtedness,

(p) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods,

(q) Liens solely on any cash earnest money deposits made by a Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement with respect to a Permitted Acquisition,

(r) Liens assumed by any Borrower or its Subsidiaries in connection with a Permitted Acquisition that secure Acquired Indebtedness; provided that, to the extent any Liens incurred under this clause (r) secures Acquired Indebtedness of a Loan Party in an aggregate principal outstanding (for all such transactions) of greater than $~~50,000,000~~100,000,000 and such Liens secures ABL Priority Collateral, then such Liens shall, within 120 days after the date of assumption thereof, be subject to an intercreditor agreement in form and substance reasonably satisfactory to Agent (it being agreed the form and substance of the Intercreditor Agreement is acceptable) providing that such Liens on ABL Priority Collateral are junior to the Liens on the ABL Priority Collateral securing the Obligations,

(s) Liens on the Collateral securing any Indebtedness permitted to be incurred pursuant to clause (f) or (u) of the definition of "Permitted Indebtedness" and Refinancing Indebtedness in respect thereof, so long as such Liens are subject to the Intercreditor Agreement or such intercreditor agreement in form and substance reasonably satisfactory to the Agent (it being agreed that the form of the Intercreditor Agreement is satisfactory),

(t) Liens in the nature of royalties, dedications 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 Indebtedness) entered into in the ordinary course of business,

(u) leases or subleases of properties, in each case entered into in the ordinary course of business so long as such leases or subleases do not, individually or in the aggregate, (i) interfere in any material respect with the ordinary conduct of the business of Borrowers or their respective Subsidiaries or (ii) materially impair the use or the value of the property subject thereto,

(v) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business in accordance with the past business practices of such Person, and any products or proceeds thereof to the extent covered by such Liens,

(w) the filing of UCC financing statements in connection with operating leases, consignment of goods or bailment agreements,

(x) Liens on assets of a Subsidiary that is not a Loan Party in favor of a Borrower or a Subsidiary of a Borrower,

(y) Liens created solely for the purpose of securing Indebtedness permitted by clause (q) of the definition of "Permitted Indebtedness"; provided that any such Liens attach only to the property being leased or acquired pursuant to such Indebtedness and do not encumber any other property (other than any products or proceeds thereof to the extent covered by such Liens),

(z) Liens on (i) letters of credit securing another standby letter of credit~~,~~ and (ii) cash or Cash Equivalents securing (x) reimbursement or counterindemnity obligations with respect to any standby letter of credit, or (y) any Hedge Obligations of the Parent or any of its Subsidiaries, as to which the aggregate amount of the obligations secured thereby does not exceed the greater of (x) $~~50,000,000~~100,000,000 and (y) 0.75% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent, at any time outstanding; provided that any such cash or Cash Equivalents shall be held in an Excluded Account not subject to the Agent's control (within the meaning of the Code),

(aa) Liens on the assets of Excluded Subsidiaries securing Indebtedness of Excluded Subsidiaries permitted under clause (w) of the definition of "Permitted Indebtedness",

(bb) Liens in the nature of royalties, dedications of reserves or similar rights or interests granted, taken subject to or otherwise imposed on properties consistent with normal practices in the mining industries and any precautionary UCC financing statement filings in respect of leases or consignment arrangements (and not any Indebtedness) entered into in the ordinary course of business,

(cc) [reserved],

(dd) Liens on assets or property not constituting Collateral in an amount not to exceed the greater of (x) $~~975,000,000~~1,950,000,000, and (y) 14.625% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent,

(ee) other Liens as to which the aggregate amount of the obligations secured thereby does not exceed the greater of (x) $~~200,000,000~~400,000,000 and (y) 3.0% of Consolidated Net Tangible Assets, measured as of the last day of the fiscal quarter ending prior to the date of such incurrence for which financial statements have been delivered to the Agent, at any time outstanding; provided, however, that no more than $~~15,000,000~~30,000,000 of such Liens permitted under this clause (ee) shall be secured by the ABL Priority Collateral, ~~and~~

(ff) Liens securing any Indebtedness permitted to be incurred pursuant to clause (bb) of the definition of "Permitted Indebtedness", so long as, if such Indebtedness is secured by the Collateral, (x) the Liens securing such Indebtedness shall be pari passu with or junior to the Liens securing the Senior Secured Notes (or if the Senior Secured Notes are no longer outstanding at such time, such Liens would have been pari passu with or junior to the Liens securing the Senior Secured Notes had the Senior Secured Notes been outstanding), (y) any Liens on ABL Priority Collateral shall be junior to the Liens on the ABL Priority Collateral securing the Obligations and (z) the Liens securing such Indebtedness are subject to the Intercreditor Agreement or such intercreditor agreement in form and substance reasonably satisfactory to the Agent (it being agreed that the form and substance of the Intercreditor Agreement is acceptable)~~.~~, and

(gg) any Liens on the assets of AMUSA in connection with the AM SA Receivables Facility.

"Permitted Protest" means the right of any Borrower or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), Taxes (other than payroll Taxes or Taxes that are the subject of a United States federal Tax lien), or rental payment, provided that (a) a reserve with respect to such obligation is established on such Borrower's or its Subsidiaries' books and records in such amount as is required under GAAP, (b) any such protest is instituted by such Borrower or its Subsidiary, as applicable, in good faith, and (c) with respect to any Lien on ABL Priority Collateral, Agent is satisfied in its Permitted Discretion that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of Agent's Liens on such ABL Priority Collateral.

"Permitted Purchase Money Indebtedness" means, as of any date of determination, (a) purchase money Indebtedness, including any such Indebtedness assumed in connection with a Permitted Acquisition, (b) Capitalized Lease Obligations, including any such obligations assumed in connection with a Permitted Acquisition, and (c) Indebtedness incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including any indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on such assets before the acquisition thereof, and any Refinancing Indebtedness thereof, provided that, with respect to the Indebtedness described in clause (c) of this definition ("Project Indebtedness"), (w) such Project Indebtedness is incurred before or within 180 days after such acquisition or the completion of such construction or improvement, (x) such Project Indebtedness shall be secured only by the property acquired, constructed or improved in connection with the incurrence of such Project Indebtedness, (y) with respect to such Project Indebtedness assumed in connection with a Permitted Acquisition, the amount of such Project Indebtedness shall not exceed 100% of the total consideration paid in connection with such Permitted Acquisition and (z) with respect to Project Indebtedness incurred to finance the acquisition of any fixed or capital assets, such Project Indebtedness shall constitute not more than 100% of the aggregate consideration paid with respect to such fixed or capital assets.

"Permitted Ratable Portion" has the meaning specified in Section 2.4(b)(iv).

"Person" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" subject to Section 4975 of the Code or (c) any Person whose assets include Plan Assets of any such "employee benefit plan" or "plan".

"Plan Assets" means "plan assets" within the meaning of U.S. Department of Labor Regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA.

"Platform" has the meaning specified therefor in Section 18.9(c) of the Agreement.

"Pounds Sterling" shall mean British Pounds Sterling or any successor currency in the United Kingdom.

"Pre-Adjustment Successor Rate" has the meaning specified in Section 2.13(d)(iv) of this Agreement.

"Prime Rate" the rate of interest announced by Bank of America from time to time as its prime rate. Such rate is set by Bank of America on the basis of various factors, including its costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some

loans, which may be priced at, above or below such rate. Any change in such rate publicly announced by Bank of America shall take effect at the opening of business on the day specified in the announcement.

"Pro Rata Share" means, as of any date of determination:

(a) with respect to a Lender's obligation to make all or a portion of the Revolving Loans, with respect to such Lender's right to receive payments of interest, fees, and principal with respect to the Revolving Loans, and with respect to all other computations and other matters related to the Revolver Commitments or the Revolving Loans, the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender by (ii) the aggregate Revolving Loan Exposure of all Lenders,

(b) with respect to a Lender's obligation to participate in the Letters of Credit, with respect to such Lender's obligation to reimburse any Issuing Bank, and with respect to such Lender's right to receive payments of Letter of Credit Fees, and with respect to all other computations and other matters related to the Letters of Credit, the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender by (ii) the aggregate Revolving Loan Exposure of all Lenders; provided, that if all of the Revolving Loans have been repaid in full and all Revolver Commitments have been terminated, but Letters of Credit remain outstanding, Pro Rata Share under this clause shall be determined as if the Revolver Commitments had not been terminated and based upon the Revolver Commitments as they existed immediately prior to their termination,

(c) [reserved],

(d) [reserved], and

(e) with respect to all other matters and for all other matters as to a particular Lender (including the indemnification obligations arising under Section 15.6 of the Agreement), the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender by (ii) the aggregate Revolving Loan Exposure of all Lenders, in any such case as the applicable percentage may be adjusted by assignments permitted pursuant to Section 13.1; provided, that if all of the Loans have been repaid in full, all Letters of Credit have been made the subject of Letter of Credit Collateralization, and all Revolver Commitments have been terminated, Pro Rata Share under this clause shall be determined as if the Revolving Loan Exposures had not been repaid, collateralized, or terminated and shall be based upon the Revolving Loan Exposures as they existed immediately prior to their repayment, collateralization, or termination.

"Projections" means Parent's forecasted (a) balance sheets, (b) profit and loss statements, and (c) cash flow statements, all prepared on a basis consistent with Parent's historical financial statements, together with appropriate supporting details and a statement of underlying assumptions.

"Protective Advances" has the meaning specified therefor in Section 2.3(f)(i) of the Agreement.

"Public Lender" has the meaning specified therefor in Section 18.9(c) of the Agreement.

"Purchase Price" means, with respect to any Acquisition, an amount equal to the aggregate consideration, whether cash, property or securities (including the fair market value of any Equity Interests of Parent issued in connection with such Acquisition), paid or delivered by a Borrower or one of its Subsidiaries in connection with such Acquisition (whether paid at the closing thereof or payable thereafter and whether fixed or contingent), but excluding therefrom (a) any cash of the seller and its Affiliates used to fund any portion of such consideration and (b) any cash or Cash Equivalents acquired in connection with such Acquisition.

"Qualified Cash" means, as of any date of determination, the amount of unrestricted cash and Cash Equivalents of the Loan Parties that is not identifiable proceeds of Collateral and that is held by Bank of America in the account referred to in the definition of Liquidity.

"Qualified Equity Interest" means and refers to any Equity Interests issued by Parent (and not by one or more of its Subsidiaries) that is not a Disqualified Equity Interest.

"Real Property" means, collectively, all right, title and interest in and to any and all the parcels of or interests in real property owned or leased by a person or as to which a person otherwise has a possessory interest (including by license or easement), together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures.

"Receivable Reserves" means, as of any date of determination, those reserves that Agent deems necessary or appropriate, in its Permitted Discretion and subject to the last paragraph of Section 2.1(a), to establish and maintain (including reserves for rebates, discounts, warranty claims, ~~and~~ returns or, until the Transition Agreement End Date, Accounts that are subject to the Transition Agreement not to exceed the amount of proceeds of such Account in a Collection Account (as defined in the Transition Agreement)) with respect to the Eligible Accounts of the Loan Parties or the Maximum Revolver Amount.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Refinancing Indebtedness" means refinancings, renewals, or extensions of Indebtedness so long as:

(a) such refinancings, renewals, or extensions do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, or extended, other than by the amount of premiums paid thereon and the fees and expenses incurred in connection therewith and by the amount of unfunded commitments with respect thereto,

(b) such refinancings, renewals, or extensions do not result in a shortening of the average weighted maturity (measured as of the refinancing, renewal, or extension) of the Indebtedness so refinanced, renewed, or extended, nor are they on terms or conditions that, taken as a whole, (i) are more burdensome in any material respect to the Parent or any of its Subsidiaries than the Indebtedness being refinanced as determined by Parent in its reasonable business judgment or (ii) are or could be expected to be materially adverse to the interests of the Lenders; provided that the Existing Senior Notes may be refinanced on substantially the same terms as the terms of the Senior Secured Notes,

(c) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension must include subordination terms and conditions that, when taken as a whole, as determined by Parent in its reasonable business judgment, are at least as favorable to the Lender Group as those that were applicable to the refinanced, renewed, or extended Indebtedness,

(d) the Indebtedness that is refinanced, renewed, or extended is not recourse to any Person that is liable on account of the Obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended; provided that the Existing Senior Notes may be refinanced on substantially the same terms as the terms of the Senior Secured Notes,

(e) [reserved], and

(f) if such Refinancing Indebtedness in respect of any Existing Senior Notes is secured, such Refinancing Indebtedness shall be secured on a junior priority basis with respect to the ABL Priority Collateral pursuant to an intercreditor agreement in form and substance reasonably acceptable to the Agent, it being agreed the form and substance of the Intercreditor Agreement is acceptable; provided that other than the Existing Senior Notes, no unsecured Indebtedness may be refinanced with secured Indebtedness.

"Register" has the meaning set forth in Section 13.1(h) of the Agreement.

"Registered Loan" has the meaning set forth in Section 13.1(h) of the Agreement.

"Related Adjustment" in determining any LIBOR Successor Rate, means the first relevant available alternative set forth in the order below that can be determined by Agent applicable to such LIBOR Successor Rate: (a) the spread adjustment, or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the relevant Pre-Adjustment Successor Rate (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto) and which adjustment or method (i) is published on an information service as selected by Agent from time to time in its reasonable discretion or (ii) solely with respect to Term SOFR, if not currently published, which was previously so recommended for Term SOFR and published on an information service acceptable to Agent; or (b) the spread adjustment that would apply (or has previously been applied) to the fallback rate for a derivative transaction referencing the ISDA Definitions (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto).

"Related Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York ~~for the purpose of recommending a benchmark rate to replace the LIBOR Rate in loan agreements similar to this Agreement~~.

"Remedial Action" means all actions required by Environmental Laws or a Governmental Authority taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a release or threatened release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other similar response actions with respect to Hazardous Materials required by Environmental Laws or a Governmental Authority.

"Replacement Lender" has the meaning specified therefor in Section 2.14(b) of the Agreement.

"Report" has the meaning specified therefor in Section 15.9(c) of this Agreement.

"Required Lenders" means, at any time, Lenders having or holding more than 50% of the aggregate Revolving Loan Exposure of all Lenders; provided, that the Revolving Loan Exposure of any Defaulting Lender shall be disregarded in the determination of the Required Lenders.

"Reserves" means, as of any date of determination, those reserves without duplication to Receivable Reserves, Bank Product Reserves, Dilution Reserves, Inventory/Equipment Reserves and Hedge Reserves that Agent deems necessary or appropriate, in its Permitted Discretion and subject to the last paragraph of Section 2.1(a), to establish and maintain (including reserves with respect to (a) sums that any Borrower or its Subsidiaries are required to pay under any Section of the Agreement or any other Loan Document (such as Taxes, assessments, insurance premiums, or, in the case of leased assets, rents or other amounts payable under such leases) and has failed to pay, and (b) amounts owing by any Borrower or its Subsidiaries to any Person to the extent secured by a Lien on, or trust over, any of the ABL Priority Collateral (other than a Permitted Lien), which Lien or trust, in the Permitted Discretion of

Agent likely would have a priority superior to the Agent's Liens in and to such item of the ABL Priority Collateral) with respect to the Borrowing Base or the Maximum Revolver Amount.

"Responsible Officer" shall mean any of the President, Chairman, Chief Executive Officer, Chief Operating Officer, Vice Chairman, any Executive Vice President, Chief Financial Officer, General Counsel, Chief Legal Officer, Treasurer or Assistant Treasurer, of Parent.

"Restricted Payment" means to (a) declare or pay any dividend or make any other payment or distribution, directly or indirectly, on account of Equity Interests issued by any Borrower or any of its Subsidiaries or to the direct or indirect holders of Equity Interests issued by such Borrower or such Subsidiary in their capacity as such (other than dividends or distributions payable in Qualified Equity Interests issued by Parent), (b) purchase, redeem, make any sinking fund or similar payment, or otherwise acquire or retire for value (including in connection with any merger or consolidation involving any Borrower or any of its Subsidiaries) any Equity Interests issued by any Borrower or any of its Subsidiaries, and (c) make any payment to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Equity Interests of any Borrower or any of its Subsidiaries now or hereafter outstanding.

"Revolver Commitment" means the Tranche A Revolver Commitment and the Tranche B Revolver Commitment, if any.

"Revolver Usage" means, as of any date of determination, the sum of (a) the amount of outstanding Revolving Loans (inclusive of Swing Loans and Protective Advances), *plus* (b) the amount of the Letter of Credit Usage.

"Revolving Lender" means a Lender that has a Revolver Commitment or that has an outstanding Revolving Loan.

"Revolving Loan Exposure" means, with respect to any Revolving Lender, as of any date of determination (a) prior to the termination of the Revolver Commitments, the amount of such Lender's Revolver Commitments, and (b) after the termination of the Revolver Commitments, the aggregate outstanding principal amount of the Revolving Loans of such Lender.

"Revolving Loans" means the Tranche A Revolving Loans and the Tranche B Revolving Loans.

"Sanctioned Entity" means (a) a country or territory or a government of a country, (b) an agency of the government of a country or territory, (c) an organization directly or indirectly owned or controlled by a country or territory or its government, (d) a Person located, organized, or resident in or determined to be resident in a country or territory, in each case, that is subject to a country-based sanctions program administered and enforced by OFAC, Her Majesty's Treasury of the United Kingdom, the European Union, or the United Nations Security Council.

"Sanctioned Person" means at any time, any Person listed in the Sanctions-related list of designated Persons maintained by the OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union State, or Her Majesty's Treasury of the United Kingdom, or any Person directly or indirectly owned 50% or more, by an such Persons.

"Sanctions" means individually and collectively, respectively, any and all economic sanctions, trade sanctions, financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes anti-terrorism laws and other sanctions laws, regulations or embargoes, including those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by OFAC, the U.S. Department of State or through any existing or future executive order, (b) the United Nations Security Council, (c) the European Union or any European Union member state, (d)

Her Majesty's Treasury of the United Kingdom, or (d) any other Governmental Authority with jurisdiction over any member of Lender Group or any Loan Party or any of their respective Subsidiaries or Affiliates.

"S&P" has the meaning specified therefor in the definition of Domestic Cash Equivalents.

"Scheduled Unavailability Date" has the meaning specified in Section 2.13(d)(iv) of this Agreement.

"SEC" means the United States Securities and Exchange Commission and any successor thereto.

"Second Amendment" means the Second Amendment to this Agreement, dated as of the Second Amendment Effective Date.

"Second Amendment Effective Date" means December 9, 2020.

"Securities Account" means a securities account (as that term is defined in the Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Senior Secured Notes" means, collectively: (a) the 2024 Senior Secured Notes; ~~and~~ (b) the 2025 Senior Secured Notes; and (c) the 2026 Senior Secured Notes, each as amended, supplemented or otherwise modified from time to time.

"Senior Secured Notes Documents" means the Senior Secured Notes, each Senior Secured Notes Indenture, and all other agreements, documents and instruments entered into now or in the future in connection with the Senior Secured Notes or any Senior Secured Notes Indenture.

"Senior Secured Notes Indenture" means each of: (a) the 2024 Senior Secured Notes Indenture; ~~and~~ (b) the 2025 Senior Secured Notes Indenture; and (c) the 2026 Senior Secured Notes Indenture, each as amended, supplemented or otherwise modified from time to time.

"Settlement" has the meaning specified therefor in Section 2.3(g)(i)(A) of the Agreement.

"Settlement Date" has the meaning specified therefor in Section 2.3(g)(i)(A) of the Agreement.

"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.

"SOFR**"** with respect to any ~~day~~Business Day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New ~~York's~~York's website (or any successor source) at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day and, in each case, that has been selected or recommended by the Relevant Governmental Body.

"SOFR-Based Rate" means SOFR or Term SOFR.

"Solvent" means, with respect to any Person as of any date of determination, that (a) at fair valuations, the sum of such Person's debts (including contingent liabilities) is less than all of such Person's assets, (b) such Person is not engaged or about to engage in a business or transaction for which the remaining assets of such Person are unreasonably small in relation to the business or

transaction or for which the property remaining with such Person is an unreasonably small capital, and (c) such Person has not incurred and does not intend to incur, or reasonably believe that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise), and (d) such Person is "solvent" or not "insolvent", as applicable within the meaning given those terms and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Event of Default" shall mean any Event of Default arising under Section 8.1, 8.2 (relating to a failure to deliver a Borrowing Base Certificate when required (after the applicable grace period) or a failure to comply with Section 5.16 or Section 7), 8.4, 8.5, or 8.7 (relating to misrepresentations related to the Tranche A Borrowing Base, the Tranche B Borrowing Base or the Aggregate Borrowing Base).

"Specified Representations" means the representations and warranties made in respect of the Borrower and its direct and indirect Subsidiaries (including, for the avoidance of doubt, the Target and its direct and indirect Subsidiaries) in Sections 4.1(a), 4.2 (other than, solely in the case of the Target and its Subsidiaries, 4.2(b)(ii) and in the case of the Parent and its Subsidiaries (excluding the Target and its Subsidiaries) solely with respect to Material Contracts governing Indebtedness related to borrowed money), 4.4(a), 4.4(b) (limited to creation, validity and perfection except as provided in the last paragraph of Schedule 3.1), 4.9 (after giving effect to the Transactions on the Closing Date), 4.13(b) and, solely with respect to the use of proceeds of the extensions of credit on the Closing Date, 4.13(a) and (c).

"Specified State" means any one of (a) Canada, (b) The Netherlands, (c) Luxembourg and (d) the United States of America.

"Spot Rate" means the exchange rate, as determined by Agent, that is applicable to conversion of one currency into another currency, which is (a) the exchange rate reported by Bloomberg (or other commercially available source designated by Agent) as of the end of the preceding business day in the financial market for the first currency; or (b) if such report is unavailable for any reason, the spot rate for the purchase of the first currency with the second currency as in effect during the preceding business day in Agent's principal foreign exchange trading office for the first currency.

"Standard Letter of Credit Practice" means, for any Issuing Bank, any domestic or foreign law or letter of credit practices applicable in the city in which such Issuing Bank issued the applicable Letter of Credit or, for its branch or correspondent, such laws and practices applicable in the city in which it has advised, confirmed or negotiated such Letter of Credit, as the case may be, in each case, (a) which letter of credit practices are of banks that regularly issue letters of credit in the particular city, and (b) which laws or letter of credit practices are required or permitted under ISP or UCP, as chosen in the applicable Letter of Credit.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity.

"Supermajority Lenders" means, at any time, Lenders having or holding collectively more than (x) 66 2/3% of the aggregate Tranche A Revolving Loan Exposure of all Lenders and (y) 66 2/3% of the aggregate Tranche B Revolving Loan Exposure of all Lenders; provided, that (a) the Revolving Loan Exposure of any Defaulting Lender shall be disregarded in the determination of the Supermajority Lenders, and (b) at any time there are two (2) or more Lenders with Revolving Loan Exposure of a given

Class, "Supermajority Lenders" must include at least two (2) Lenders in such Class (who are not Affiliates of one another).

"Swap Obligation" means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swing Lender" means Bank of America or any other Revolving Lender that, at the request of Borrowers and with the consent of Agent agrees, in such Revolving Lender's sole discretion, to become the Swing Lender under Section 2.3(c) of the Agreement.

"Swing Loan" has the meaning specified therefor in Section2.3(c) of the Agreement.

"Swing Loan Exposure" means, as of any date of determination with respect to any Lender, such Lender's Pro Rata Share of the Swing Loans on such date.

"Target" means AK Steel Holding Corporation, a Delaware corporation.

"Target ABL Credit Agreement" that certain Second Amended and Restated Loan and Security Agreement, dated as of September 13, 2017, among the Target, as borrower, the borrowing base guarantors party thereto, the lenders from time to time party thereto and Bank of America, N.A., as agent.

"Target Loan Parties" means AK Steel Holding Corporation and each of its Domestic Wholly-Owned Subsidiaries (other than any Excluded Subsidiary).

"Target Senior Secured Notes" means those certain 7.50% Senior Secured Notes due 2023 issued by AK Steel Corporation on June 20, 2016 in the initial aggregate principal amount of $380,000,000 and the indenture governing such notes.

"Taxes" means any taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto.

"Tax Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"Term SOFR" means the forward-looking term rate for any period that is approximately (as determined by ~~the~~ Agent) as long as any of the ~~periods contemplated by~~Interest Period options set forth in the definition of ~~the term "~~"Interest Period~~"~~" and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected by ~~the~~ Agent from time to time in its reasonable discretion.

"Trademark Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"Tranche A Base Rate Margin" has the meaning set forth in the definition of Applicable Margin.

"Tranche A Borrowing Base" means, as of any date of determination, the sum of:

(a) 85% of the amount of Eligible Accounts (other than Eligible Investment Grade Accounts) of the Loan Parties, *plus*

(b) 90% of Eligible Investment Grade Accounts of the Loan Parties~~;~~, *plus*

(c) *the lesser* of (i) the product of 80% multiplied by the value (calculated at the lower of cost or market on a basis consistent with Loan Parties' historical accounting practices) of Eligible Inventory of the Loan Parties at such time, and (ii) the product of 85% multiplied by the Net Orderly Liquidation Value of Eligible Inventory of the Loan Parties at such time, *plus*

(d) 65% of the Net Book Value of Accounts with respect to which the Account Debtor either maintains its chief executive office in the United States or is organized under the laws of the United States that are owned by the AMUSA Target Loan Parties, until the earlier of (x) 180 days calendar days (or such longer period agreed to by the Agent in its sole discretion) following the consummation of the AMUSA Acquisition and (y) completion of an appraisal and field examination with respect to such AMUSA Target Loan Party, in each case, reasonably satisfactory to Agent; plus

(e) 50% of the Net Book Value of Inventory owned by AMUSA Target Loan Parties, until the earlier of (x) 180 days calendar days (or such longer period agreed to by the Agent in its sole discretion) following the consummation of the AMUSA Acquisition and (y) completion of an appraisal and field examination with respect to such AMUSA Target Loan Party, in each case, reasonably satisfactory to Agent; plus

(~~d~~f) *the lesser* of (i) 100% of the Net Book Value of Eligible Equipment of the Loan Parties at such time, and (ii) 85% multiplied by the Net Orderly Liquidation Value of Eligible Equipment of the Loan Parties at such time; provided that this clause (~~d~~f) of the Tranche A Borrowing Base shall not account for more than ~~30~~10% of the availability created by the Tranche A Borrowing Base, *minus*

(g) the aggregate amount of reserves, if any, established by Agent under Section 2.1(a) of the Agreement.

"Tranche A Exchange" has the meaning specified therefor in Section 2.18 of the Agreement.

"Tranche A Exchange Offer" has the meaning specified therefor in Section 2.18 of the Agreement.

"Tranche A Facility" means the Tranche A Revolver Commitments of the Tranche A Revolving Lenders and the Loans and Letter of Credit Disbursements pursuant to those Commitments in accordance with the terms hereof.

"Tranche A LIBOR Rate Margin" has the meaning set forth in the definition of Applicable Margin.

"Tranche A Line Cap" means as of any date of determination, the lesser of (a) the Maximum Revolver Amount *minus* the Tranche B Revolver Commitment of all Lenders (if any) and (b) the Tranche A Borrowing Base as of such date.

"Tranche A Revolving Borrowing" means a Borrowing comprised of Tranche A Revolving Loans.

"Tranche A Revolver Commitment" means, with respect to each Tranche A Revolving Lender, its Tranche A Revolver Commitment, and, with respect to all Tranche A Revolving Lenders, their Tranche A Revolver Commitments, in each case as such Dollar amounts are set forth beside such Tranche A Revolving Lender's name under the applicable heading on Schedule C-1 to the Agreement or in the Assignment and Acceptance or Incremental Amendment pursuant to which such Tranche A Revolving Lender became a Tranche A Revolving Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to a Tranche B Exchange Offer or an assignment made in accordance with the provisions of Section 13.1 of the Agreement.

"Tranche A Revolver Usage" means, as of any date of determination, the sum of (a) the amount of outstanding Tranche A Revolving Loans (inclusive of Swing Loans and Protective Advances), *plus* (b) the amount of the Letter of Credit Usage.

"Tranche A Revolving Lender" means a Lender that has a Tranche A Revolver Commitment or that has an outstanding a Tranche A Revolving Loan.

"Tranche A Revolving Loan Exposure" means, with respect to any Tranche A Revolving Lender, as of any date of determination (a) prior to the termination of the Tranche A Revolver Commitments, the amount of such Lender's Tranche A Revolver Commitments, and (b) after the termination of the Tranche A Revolver Commitments, the aggregate outstanding principal amount of the Tranche A Revolving Loans of such Lender.

"Tranche A Revolving Loans" has the meaning specified therefor in Section 2.1(a) of the Agreement and includes any Letter of Credit Disbursement, as provided in Section 2.11(d) but shall not include Tranche B Revolving Loans.

"Tranche B Base Rate Margin" has the meaning set forth in the definition of Applicable Margin.

"Tranche B Borrowing" means a Borrowing comprised of Tranche B Revolving Loans under the Tranche B Facility.

"Tranche B Borrowing Base" means, as of any date of determination, the sum of:

(a) 5% of the amount of Eligible Accounts of the Loan Parties, *plus*

(b) 10% of the Net Orderly Liquidation Value of Eligible Inventory of the Loan Parties at such time, *minus*

(c) the aggregate amount of reserves, if any, established by Agent under Section 2.1(a) of the Agreement.

"Tranche B Exchange Offer" has the meaning specified therefor in Section 2.17 of the Agreement.

"Tranche B Facility" means the Tranche B Revolver Commitments of the Tranche B Revolving Lenders and the Tranche B Revolving Loans pursuant to those Tranche B Revolver Commitments resulting from a Tranche B Exchange Offer, if any.

"Tranche B LIBOR Rate Margin" has the meaning set forth in the definition of Applicable Margin.

"Tranche B Line Cap" means as of any date of determination, an amount equal to the lesser of (a) ~~$150,000,000~~the Tranche B Revolver Commitments and (b) the Tranche B Borrowing Base.

"Tranche B Revolver Commitment" means, with respect to each Tranche B Revolving Lender, its commitment under the Tranche B Facility to make Tranche B Revolving Loans up to the Tranche B Line Cap, and, with respect to all Tranche B Revolving Lenders, their commitments under the Tranche B Facility to make Tranche B Revolving Loans up to the Tranche B Line Cap, in each case, in such Dollar Amounts as are set forth beside such Tranche B Revolving Lender's name under the applicable heading on Schedule C-1 to the Agreement or in the Assignment and Acceptance pursuant to which such Tranche B Revolving Lender became a Tranche B Revolving Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to a Tranche A Exchange Offer or an assignment made in accordance with the provisions of Section 13.1 of the Agreement.

"Tranche B Revolving Lender" means any Lender hereunder that accepts a Tranche B Exchange Offer pursuant to Section 2.17 hereof and has a resulting Tranche B Revolver Commitment under the Tranche B Facility.

"Tranche B Revolving Loan Exposure" means, with respect to any Tranche B Revolving Lender, as of any date of determination (a) prior to the termination of the Tranche B Revolver Commitments, the amount of such Lender's Tranche B Revolver Commitments, and (b) after the termination of the Tranche B Revolver Commitments, the aggregate outstanding principal amount of the Tranche B Revolving Loans of such Lender.

"Tranche B Revolving Loans" means advances made to or at the instructions of the Borrowers pursuant to Section 2.3 hereof under the Tranche B Facility.

"Transactions" means (a) the execution and delivery of the Agreement, (b) the occurrence of the Closing Date, (c) the consummation of the AK Steel Acquisition, (d) the Closing Date Refinancing and (e) the payment of fees, costs and expenses incurred in connection with the foregoing transactions.

"Transition Agreement" means the Release and Transition Agreement dated December 8, 2020 among AMUSA, ArcelorMittal Ontario G.P., Ester Finance Technologies and Arcelormittal Treasury.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits 2007 Revision, International Chamber of Commerce Publication No. 600 and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued.

"Undisclosed Administration" means, in relation to a Lender or its direct or indirect parent company that is a solvent person, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian, or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction, if applicable law requires that such appointment not be disclosed.

"Unfunded Pension Liability" means, with respect to any Pension Plan at any time, the amount of any of its unfunded benefit liabilities as defined in Section 4001(a)(18) of ERISA.

"United States" and "U.S." mean the United States of America.

"Unused Line Fee" has the meaning specified therefor in Section 2.10(b) of the Agreement.

"Upsize Incremental Commitment" has the meaning specified in Section 2.16(a).

"Upsize Incremental Loans" has the meaning specified in Section 2.16(a).

"Voidable Transfer" has the meaning specified therefor in Section 18.8 of the Agreement.

"Withdrawal Liability" means liability with respect to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SCHEDULE 3.1

The effectiveness of the Agreement and the obligation of each Lender to make its initial extension of credit provided for in the Agreement is subject to the fulfillment, to the reasonable satisfaction of each Lender (the delivery of a signature page to the Agreement by a Lender being conclusively deemed to be its satisfaction or waiver of the following), of each of the following conditions precedent:

(a) The AK Steel Acquisition shall be consummated prior to or substantially contemporaneously with the initial Borrowing hereunder on the Closing Date in all material respects in accordance with the AK Steel Acquisition Agreement (in each case without any waiver, amendment, modification or supplement thereof by the Parent or any of its affiliates or any consent or election thereunder by the Parent or any of its affiliates (any one of the foregoing, a "Modification") that, in any such case, is material and adverse to the Lenders or the Joint Lead Arrangers (in either case, in their capacities as such) without the prior written consent of the Joint Lead Arrangers (not to be unreasonably withheld, conditioned or delayed) (it being understood and agreed that any Modification that results in a change to the definition of the term "Company Material Adverse Effect" or a change to, or waiver of, Section 5.1(f)(ii) of the AK Steel Acquisition Agreement (as in effect on December 2, 2019), in each case shall be deemed to be materially adverse to the Lenders and the Joint Lead Arrangers and any net increase in the aggregate amount of the cash consideration to be paid by the Parent in respect of the AK Steel Acquisition funded with the proceeds of any additional Indebtedness shall be deemed to be materially adverse to the Lenders and the Joint Lead Arrangers;

(b) The AK Steel Acquisition Agreement Representations shall be true and correct in all material respects and the Specified Representations shall be true and correct in all material respects (or, in each case, in all respects, if separately qualified by materiality) as of the date hereof (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date);

(c) Subject to Section 3.7 and the last paragraph of this Schedule 3.1, Liens on the Collateral shall have been granted to the Agent and the Agent shall have received (x) evidence that appropriate Uniform Commercial Code financing statements and as-extracted collateral filings have been (or, on the Closing Date, will be) duly filed in such office or offices as may be necessary or, in the opinion of Agent, desirable to perfect the Agent's Liens in and to the Collateral of the Loan Parties (including the Target Loan Parties), (y) certificates, notes or other instruments (if any) representing the Collateral required to be delivered pursuant to the Guaranty and Security Agreement and the Intercreditor Agreement, together with stock powers, note powers or other instruments of transfer (if any) with respect thereto endorsed in blank and (z) all other executed documents and instruments required by the Loan Documents to grant and perfect the Agent's Liens in the Collateral by the Loan Parties and, if applicable, be in proper form for filing;

(d) Agent shall have received each of the following documents (including, if applicable, any restatements or reaffirmations thereof), in form and substance reasonably satisfactory to Agent, duly executed and delivered, and each such document shall be in full force and effect:

1. this Agreement executed by each Borrower, Agent and each Lender;

2. the Guaranty and Security Agreement executed by the Loan Parties (including the Target Loan Parties);

3. the Copyright Security Agreement, the Patent Security Agreement and the Trademark Security Agreement, in each case, executed by the applicable Loan Parties (including the Target Loan Parties);

4. the Intercompany Subordination Agreement executed by the Loan Parties (including the Target Loan Parties) and the Agent;

5. a supplement to the Intercreditor Agreement designating this Agreement as an "ABL Credit Agreement" for the purposes of the Intercreditor Agreement executed by the Agent and the Borrowers;

6. an Additional Fixed Asset Designation and an Additional Fixed Asset Joinder (each as defined in the Intercreditor Agreement) with respect to the 2026 Senior Secured Notes; and

7. an Acknowledgement to the Intercreditor Agreement executed by the Target Loan Parties;

(e) Agent shall have received a certificate from the Secretary or a director of each Loan Party (including the Target Loan Parties) (i) attesting to the resolutions of such Loan Party's board of directors or equivalent governing body authorizing its execution, delivery, and performance of the Loan Documents to which it is a party, (ii) authorizing specific officers of such Loan Party to execute the Loan Documents to which it is a party, and (iii) attesting to the incumbency and signatures of such specific officers of such Loan Party;

(f) Agent shall have received copies of each Loan Party's (including the Target Loan Parties') Governing Documents, as amended, modified, or supplemented and in effect on the Closing Date, which Governing Documents shall be (i) certified by an officer, director, manager, or equivalent person, of such Loan Party, and (ii) with respect to Governing Documents that are charter documents, certified as of a recent date by an appropriate governmental official;

(g) Agent shall have received a certificate of status with respect to each Loan Party (including the Target Loan Parties) (where applicable, or such other customary functionally equivalent certificates, to the extent available in the applicable jurisdiction), such certificate to be issued by the appropriate officer of the jurisdiction of organization of such Loan Party, which certificate shall indicate that such Loan Party is in good standing in such jurisdiction;

(h) Agent shall have received a certificate of insurance, together with the endorsements thereto, as are required by Section 5.6 of the Agreement, the form and substance of which shall be reasonably satisfactory to Agent;

(i) Agent shall have received from Jones Day, special New York, Delaware, Ohio, Michigan and Minnesota counsel to the Loan Parties, an opinion addressed to the Agent and each of the Lenders and dated the Closing Date in form and substance reasonably satisfactory to the Agent;

(j) Agent shall have received a solvency certificate from the Chief Financial Officer (or other comparable financial officer) of the Parent substantially in the form of Exhibit D-1;

(k) The Closing Date Refinancing shall have been consummated prior to, or shall be made or consummated substantially concurrently with, the initial Borrowings on the Closing Date and, after giving effect to the consummation of the Transactions, the Parent and its Subsidiaries (including, without limitation, the Target and its Subsidiaries) shall have no

outstanding Disqualified Equity Interests or material indebtedness for borrowed money other than (a) Revolver Usage, provided, that Revolver Usage shall not exceed $800,000,000 *plus* the amount of the Letter of Credit Usage under the Existing Letters of Credit, (b) the 2024 Senior Secured Notes and the 2026 Senior Secured Notes, (c) the Existing Senior Notes (to the extent any such Existing Senior Notes are not exchanged pursuant to any exchange offers or refinanced with Refinancing Indebtedness on or before the Closing Date), (d) the Convertible Notes, (e) intercompany debt and intercompany preferred equity in existence on the Closing Date, (g) ordinary course working capital facilities in existence on the Closing Date, (h) overdraft, letter of credit and other banking facilities of the Parent and its Subsidiaries existing on December 2, 2019 entered into in the ordinary course of business and (i) ordinary course hedging arrangements in existence on the Closing Date;

(l) Agent (on behalf of the Lenders) shall have received (i)(x) audited consolidated balance sheets and related statements of income, comprehensive income, stockholder's equity and cash flows of each of the Parent and its consolidated Subsidiaries and the Target and its consolidated Subsidiaries for the fiscal years ended December 31, 2016, December 31, 2017 and December 31, 2018 and each subsequent fiscal year ended at least 60 days prior to the Closing Date and (y) unaudited consolidated balance sheets and related statements of income, comprehensive income and cash flows of each of the Parent and its consolidated Subsidiaries and the Target and its consolidated Subsidiaries for each fiscal quarter (other than any fourth fiscal quarter) ended after December 31, 2018 and at least 40 days prior to the Closing Date and (ii) a pro forma consolidated balance sheet and related pro forma consolidated statement of income of the Parent as of, and for the twelve-month period ending on, the last day of the most recently completed four-fiscal quarter period for which financial statements of the Parent pursuant to clause (x) above has been delivered, in each case prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of such income statement), without any requirement to reflect therein adjustments for purchase accounting;

(m) Borrowers shall have paid (i) all Lender Group Expenses incurred in connection with the transactions evidenced by the Agreement and the other Loan Documents and (ii) all fees required to be paid on the Closing Date pursuant to the Commitment Letter and Fee Letter and out-of-pocket expenses required to be paid on the Closing Date pursuant to the Commitment Letter shall, in each case to the extent invoices have been presented at least three (3) Business Days prior to the Closing Date, upon the initial extensions of credit on the Closing Date, have been paid;

(n) Agent shall have received an executed Borrowing Base Certificate, certifying as to the initial Borrowing Base or the Alternative Borrowing Base Amount (as applicable) on the Closing Date;

(o) Agent shall have received a certificate dated as of the Closing Date and signed by a Responsible Officer of the Parent, to the effect set forth in clauses (a) and (b) of this Schedule 3.1;

(p) [Reserved]; and

(q) Agent (on behalf of the Lenders) shall have received, at least three (3) Business Days prior to the Closing Date, all documentation and other information required by regulatory authorities under applicable "*know your customer*" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, that the Agent or any Lender has requested at least ten (10) Business Days prior to the Closing Date, including, if any Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to the Borrower.

Notwithstanding anything to the contrary herein, to the extent any Collateral (other than Collateral that may be perfected by (A) the filing of a UCC financing statement or (B) taking delivery and possession of stock (or other equity interest) certificates (other than any certificate issued by the Target) and related stock powers executed in blank with respect to the equity interests that constitute the Collateral (provided that certificates and stock powers in the possession of the collateral trustee in respect of the Senior Secured Notes shall be deemed delivered)) that cannot be delivered or a security interest therein cannot be created or perfected on the Closing Date after the Parent's use of commercially reasonable efforts to do so, then the creation and/or perfection of the security interest in such Collateral shall not constitute a condition precedent to the obligation of each Lender to make its initial extension of credit provided for in the Agreement on the Closing Date but, instead, may be accomplished at any time prior to the date that is 90 days after the Closing Date (with extensions available in the applicable Agent's reasonable discretion) or on any date set forth in Schedule 3.7.

~~SCHEDULE 3.7~~

~~[TO BE ATTACHED]~~

SCHEDULE 5.1

Deliver to Agent (with copies to any Lender, if so requested by such Lender) each of the financial statements, reports, or other items set forth below at the following times in a form reasonably satisfactory to Agent:

within 45 days after the end of each of Parent's fiscal quarters,	(a) an unaudited consolidated balance sheet, income statement, statement of cash flow, and statement of shareholder's equity covering Parent's and its Subsidiaries' operations during such period and compared to the prior period and plan, together with a corresponding discussion and analysis of results from management (or notice to the Administrative Agent that such discussion and analysis is in the Parent's Form 10-Q), and (b) a Compliance Certificate along with the underlying calculations, including the calculations to arrive at EBITDA, the Consolidated Total Leverage Ratio and Fixed Charge Coverage Ratio (whether or not required to be tested).
within 90 days after the end of each of Parent's fiscal years,	(c) consolidated financial statements of Parent and its Subsidiaries for each such fiscal year, audited by independent certified public accountants of national standing or otherwise reasonably acceptable to Agent and accompanied by an unqualified opinion (as defined in Section 1.2 of the Agreement), of such accountants to the effect that such audited financial statements have been prepared in accordance with GAAP (such audited financial statements to include a balance sheet, income statement, statement of cash flow, and statement of shareholder's equity, and, if prepared, such accountants' final letter to management), (d) unaudited consolidating financial statements of Parent and the other Loan Parties for each such fiscal year, and (e) a Compliance Certificate along with the underlying calculations, including the calculations to arrive at EBITDA, the Consolidated Total Leverage Ratio and Fixed Charge Coverage Ratio (whether or not required to be tested).
within 60 days after the end of each of Parent's fiscal years,	(f) copies of Parent's Projections, in a form reasonably satisfactory to Agent, in its Permitted Discretion, for the forthcoming three (3) years, year by year, and for the forthcoming fiscal year, fiscal quarter by fiscal quarter, certified by the chief financial officer or other senior financial officer of Parent as being prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable by Parent at the time made and at the time so furnished.
if and when filed by Parent,	(g) Form 10-Q quarterly reports, Form 10-K annual reports, and Form 8-K current reports, (h) any other filings made by Parent with the SEC, and (i) any other information that is provided by Parent to its shareholders generally.

within five (5) Business Days after any Borrower has knowledge of any event or condition that constitutes a Default or an Event of Default,	(j) notice of such event or condition and a statement of the curative action that Borrowers propose to take with respect thereto.
within five (5) Business Days after any Borrower has knowledge thereof,	(k) notice of all actions, suits, or proceedings brought by or against any Borrower or any of its Restricted Subsidiaries before any Governmental Authority which would reasonably be expected to result in a Material Adverse Effect.
promptly and in any event within 30 days after the filing thereof with the United States Department of Labor or other Governmental Authority,	(l) copies of each Schedule SB (Actuarial Information) to the Annual Report (Form 5500 Series) including, to the extent required, the related financial and actuarial statements and opinions and other supporting statements, certifications, schedules and information with respect to each Pension Plan.
promptly upon the request of Agent,	(m) (i) written notice of the commencement of any Environmental Action or receipt of any written notice that an Environmental Action will be filed against a Borrower or its Subsidiaries, in each case, to the extent such Environmental Action would reasonably be expected to result in a Material Adverse Effect, and (ii) written notice of a violation, citation, or other administrative order from a Governmental Authority, to the extent such violation, citation, or other administrative order would reasonably be expected to result in a Material Adverse Effect. (n) any other information reasonably requested relating to the financial condition of any Borrower or its Restricted Subsidiaries.
promptly after any Borrower has knowledge thereof,	(o) any loss of ABL Priority Collateral exceeding $50,000,000 covered by a Borrower's or a Borrower's Subsidiary's casualty or business interruption insurance; provided that during the continuance of an Event of Default or a Cash Dominion Trigger Period, the threshold included in this sentence shall be $25,000,000.

For the avoidance of doubt, each document described above may be delivered electronically pursuant to the terms of Section 5.1 or Section 11 of the Agreement.

SCHEDULE 5.2

Provide Agent (with copies to any Lender, if so requested by such Lender) with each of the documents set forth below at the following times in a form reasonably satisfactory to Agent:

monthly, within 20 days after the end of each fiscal month during each of Parent's fiscal years, or during any Increased Borrowing Base Reporting Period (as defined below), weekly (no later than Wednesday of each week as of and for the immediately preceding week),	(a) an executed Borrowing Base Certificate, (b) a detailed aging, by total, of Loan Parties' Accounts, together with a reconciliation and supporting documentation for any reconciling items noted, (c) a monthly Account roll-forward, in a format reasonably acceptable to Agent in its Permitted Discretion, tied to the beginning and ending account receivable balances of Loan Parties' general ledger, (d) notice of all material claims, offsets, or disputes asserted by Account Debtors with respect to Loan Parties' Accounts, (e) Inventory system/perpetual reports specifying the cost and the wholesale market value and Net Orderly Liquidation Value of each Loan Party's Inventory, by category, with additional detail showing additions to and deletions therefrom, (f) Equipment reports specifying the Net Book Value and Net Orderly Liquidation Value of each Loan Party's Mobile Equipment, with reasonable additional detail showing additions to and deletions therefrom, (g) a detailed calculation of Inventory and Equipment categories that are not eligible for the Borrowing Base, (h) a summary aging, by vendor, of Loan Parties and their Subsidiaries' accounts payable and any book overdraft and an aging, by vendor, of any held checks, and (i) a detailed report regarding Loan Parties' and their Subsidiaries' cash and Cash Equivalents, including an indication of which amounts constitute Qualified Cash (items (a) – (i) are referred to as the "Borrowing Base Materials").
promptly upon the request of Agent,	(j) other reasonably requested supporting documentation related to the Borrowing Base Materials.
monthly, within 30 days after the end of each fiscal month during each of Parent's fiscal years,	(k) a reconciliation of Accounts, trade accounts payable, Inventory and Mobile Equipment of Loan Parties' general ledger accounts to their monthly financial statements including any book reserves related to each category.
quarterly, within 45 days after the end of each fiscal quarter during each of Parent's fiscal years,	(l) a report regarding each Loan Party's and its Subsidiaries' accrued, but unpaid, ad valorem taxes. (m) a report setting forth the current location of Loan Parties' Inventory and Mobile Equipment included in the most recent Borrowing Base Certificate.
promptly, upon the reasonable request by Agent (but no more frequently than semi-annually),	(n) copies of material purchase orders and invoices for Inventory and Equipment of any Loan Party or its Subsidiaries and/or corresponding shipping and delivery documents and credit memos, in each case, together with corresponding supporting documentation. (o) such other reports as to the Collateral or the financial condition of any Loan Party and its Subsidiaries, as Agent may request in its Permitted Discretion, including intra-quarter updates as to the locations of Inventory and Mobile Equipment included in the most recent Borrowing Base Certificate.

As used herein, "Increased Borrowing Base Reporting Period" means a period which shall commence on any date of determination (the "Commencement Date") on which Excess Availability is less than the greater of (a) 12.5% of the Line Cap, and (b) $~~100,000,000~~175,000,000, and shall continue until the last day of the first fiscal month ending after the Commencement Date when Excess Availability has been greater than or equal to (x) 12.5% of the Line Cap, and (y) $~~100,000,000~~175,000,000 for a period of 60 consecutive days.

For the avoidance of doubt, each document described above may be delivered electronically, to the extent such an electronic delivery system has been implemented, pursuant to the terms of Section 5.2 or Section 11 of the Agreement.

Exhibit B

Reaffirmation

Reference is made to the Second Amendment to Asset-Based Revolving Credit Agreement, dated as of December 9, 2020 (the "Amendment"), by and among CLEVELAND-CLIFFS INC., an Ohio corporation, as Parent and a Borrower ("Parent"), the lenders party hereto and Bank of America, N.A., as administrative agent (in such capacity, "Agent") for the Lenders. Capitalized terms not otherwise defined herein have the same meanings assigned thereto in the Amendment.

Each of the undersigned Loan Parties hereby acknowledges that it has read the Amendment and consents to its terms, and further hereby affirms, confirms, represents, warrants and agrees that (a) notwithstanding the effectiveness of the Amendment, the obligations of such Loan Party under each of the Loan Documents to which such Loan Party is a party shall not be impaired and each of the Loan Documents to which such Loan Party is a party is, and shall continue to be, in full force and effect and is hereby confirmed and ratified in all respects and (b) after giving effect to the Amendment, (i) the execution, delivery, performance or effectiveness of the Amendment shall not impair the validity, effectiveness or priority of the Liens granted pursuant to the Loan Documents and such Liens shall continue unimpaired with the same priority to secure repayment of all Obligations, whether heretofore or hereafter incurred, and (ii) the Guaranty and Security Agreement, as and to the extent provided in the Loan Documents, shall continue in full force and effect in respect of the Obligations under the Credit Agreement and the other Loan Documents.

[SIGNATURE PAGES FOLLOW]

LOAN PARTIES

Cliffs Mining Company
Northshore Mining Company
The Cleveland-Cliffs Iron Company
Metallics Sales Company

By: _____
Name:
Title:

Cliffs Minnesota Mining Company
Cliffs TIOP, Inc.
Lake Superior & Ishpeming Railroad Company
Silver Bay Power Company
United Taconite LLC
Cliffs UTAC Holding LLC
IronUnits LLC
SNA Carbon, LLC
AKS Investments, Inc.
AK Tube LLC
AK Steel Properties, Inc.
AH Management, Inc.
PPHC Holdings, LLC
Mountain State Carbon, LLC
Precision Partners Holding Company
Fleetwood Metal Industries, LLC
Cannon Automotive Solutions – Bowling Green, Inc.

By: _____
Name:
Title:

Cliffs TIOP II, LLC
Cliffs TIOP Holding, LLC

By: _____
Name:
Title:

Tilden Mining Company L.C.
By: _____
Name:
Title:

AK Steel Corporation
AK Steel Holding Corporation
By: _____
Name:
Title:

Exhibit C

SCHEDULE C-1

REVOLVER COMMITMENTS

Tranche A Revolver Commitments

Lender	Existing Tranche A Commitment (USD)	2020 Incremental ABL Commitment (USD)	Total Tranche A Commitment (USD)	Applicable Percentage
BOFA SECURITIES, INC.	$260,000,000.00	$150,000,000.00	$410,000,000.00	12.24%
WELLS FARGO BANK, NATIONAL ASSOCIATION	$165,000,000.00	$125,000,000.00	$290,000,000.000	8.66%
JPMORGAN CHASE BANK, N.A.	$165,000,000.00	$75,000,000.00	$240,000,000.00	7.16%
FIFTH THIRD BANK, NATIONAL ASSOCIATION	$93,500,000.00	$150,000,000.00	$243,500,000.00	7.27%
PNC BANK, NATIONAL ASSOCIATION	$120,500,000.00	$120,000,000.00	$240,500,000.00	7.18%
BMO HARRIS BANK N.A.	$53,500,000.00	$140,000,000.00	$193,500,000.00	5.78%
GOLDMAN SACHS BANK USA	$105,000,000.00	$80,000,000.00	$185,000,000.00	5.52%
BARCLAYS BANK PLC	$70,000,000.00	$100,000,000.00	$170,000,000.00	5.07%
CITIBANK, N.A.	$93,500,000.00	$75,000,000.00	$168,500,000.00	5.03%
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH	$111,000,000.00	$55,000,000.00	$166,000,000.00	4.96%
DEUTSCHE BANK AG NEW YORK BRANCH	$111,000,000.00	$55,000,000.00	$166,000,000.00	4.96%
CITIZENS BANK, N.A.	$100,000,000.00	$50,000,000.00	$150,000,000.00	4.48%
THE HUNTINGTON NATIONAL BANK	$70,000,000.00	$50,000,000.00	$120,000,000.00	3.58%
REGIONS BANK	$85,000,000.00	$25,000,000.00	$110,000,000.00	3.28%
MUFG UNION BANK, N.A.	$-	$100,000,000.00	$100,000,000.00	2.99%
TRUIST BANK	$39,500,000.00	$57,500,000.00	$97,000,000.00	2.90%
SIEMENS FINANCIAL SERVICES, INC.	$35,000,000.00	$40,000,000.00	$75,000,000.00	2.24%
U.S. BANK NATIONAL ASSOCIATION	$60,000,000.00	$-	$60,000,000.00	1.79%
ROYAL BANK OF CANADA	$35,000,000.00	$15,000,000.00	$50,000,000.00	1.49%
NYCB SPECIALTY FINANCE COMPANY, LLC	$42,500,000.00	$-	$42,500,000.00	1.27%
CIT BANK, N.A.	$-	$37,500,000.00	$37,500,000.00	1.12%
ING CAPITAL LLC	$35,000,000.00	$-	$35,000,000.00	1.04%
Total	**$1,850,000,000.00**	**$1,500,000,000.00**	**$3,350,000,000.00**	**100%**

Tranche B Revolver Commitments

Lender	Tranche B Commitment (USD)	Applicable Percentage
BOFA SECURITIES, INC.	$40,000,000.00	26.67%
WELLS FARGO BANK, NATIONAL ASSOCIATION	$10,000,000.00	6.67%
JPMORGAN CHASE BANK, N.A.	$10,000,000.00	6.67%
PNC BANK, NATIONAL ASSOCIATION	$9,500,000.00	6.33%
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH	$9,000,000.00	6.00%
DEUTSCHE BANK AG NEW YORK BRANCH	$9,000,000.00	6.00%
GOLDMAN SACHS BANK USA	$15,000,000.00	10.00%
REGIONS BANK	$15,000,000.00	10.00%
FIFTH THIRD BANK, NATIONAL ASSOCIATION	$6,500,000.00	4.33%
CITIBANK, N.A.	$6,500,000.00	4.33%
BARCLAYS BANK PLC	$5,000,000.00	3.33%
THE HUNTINGTON NATIONAL BANK	$5,000,000.00	3.33%
BMO HARRIS BANK N.A.	$6,500,000.00	4.33%
TRUIST BANK	$3,000,000.00	2.00%
Total	**$150,000,000.00**	**100%**

Letter of Credit Sublimits

Lender	Letter of Credit Amount (USD)	Applicable Percentage
BOFA SECURITIES, INC.	$170,000,000.00	30.6306%
PNC BANK, NATIONAL ASSOCIATION	$55,000,000.00	9.9099%
WELLS FARGO BANK, NATIONAL ASSOCIATION	$45,000,000.00	8.1081%
JPMORGAN CHASE BANK, N.A.	$45,000,000.00	8.1081%
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH	$30,000,000.00	5.4054%
DEUTSCHE BANK AG NEW YORK BRANCH	$30,000,000.00	5.4054%
GOLDMAN SACHS BANK USA	$30,000,000.00	5.4054%
REGIONS BANK	$27,000,000.00	4.8649%
FIFTH THIRD BANK, NATIONAL ASSOCIATION	$27,000,000.00	4.8649%
CITIBANK, N.A.	$27,000,000.00	4.8649%
CITIZENS BANK, N.A.	$27,000,000.00	4.8649%
BARCLAYS BANK PLC	$21,000,000.00	3.7838%
THE HUNTINGTON NATIONAL BANK	$21,000,000.00	3.7838%
Total	**$555,000,000.00**	**100%**

Exhibit D

SCHEDULE E-1

EXISTING HEDGE OBLIGATIONS

None.

Exhibit E

SCHEDULE E-2

EXISTING LETTERS OF CREDIT

Account Party	Issuing Bank	Expiry Date	Letter of Credit Amount	Beneficiary
United Taconite LLC	Bank of America, N.A.	03/13/2020	$21,222.26	Minnesota Department of Natural Resources
Cleveland-Cliffs Iron Company as Managing Agent for Tilden Mining Co.	PNC Bank, National Association	03/22/2020	$10,000,000.00	WEC Energy Group, Inc.
Cleveland-Cliffs Inc.	Bank of America, N.A.	05/15/2020	$6,326,260.00	Ace American Insurance Company
Empire Iron Mining Partnership	Bank of America, N.A.	06/30/2020	$750,000.00	Bureau of Workers Disability
Cleveland-Cliffs Iron Company	Bank of America, N.A.	06/30/2020	$400,000.00	Department of Energy, Labor and Economic Growth
United Taconite LLC	Bank of America, N.A.	08/21/2020	$1,900,000.00	Eveleth Fee Office Inc.
Northshore Mining Company	Bank of America, N.A.	10/24/2020	$4,000,000.00	Minnesota Department of Natural Resources
Cleveland-Cliffs Inc.	Bank of America, N.A.	10/24/2020	$3,782,104.00	National Union Fire Insurance Co.
Cleveland-Cliffs Inc.	Bank of America, N.A.	11/5/2020	$2,671,467.00	Northern Natural Gas Company
Tilden Mining Company LC	Bank of America, N.A.	11/9/2020	$750,000.00	Department of Licensing
Cleveland-Cliffs Inc.	Bank of America, N.A.	11/18/2020	$320,041.00	Rockwood Casualty Insurance Co.
Cleveland-Cliffs Inc.	Bank of America, N.A.	11/19/2020	$3,967,129.00	National Union Fire Insurance Co.
Northshore Mining Company	Bank of America, N.A.	12/18/2020	$3,051,091.00	Minnesota Department of Natural Resources
AK Steel Corporation	Bank of America, N.A.	06/23/2020	$250,000.00	The Travelers Indemnity Company
AK Steel Corporation	PNC Bank, National Association	12/22/2020	$1,811,888.00	US EPA
AK Steel Corporation	PNC Bank, National Association	05/26/2020	$4,925,420.00	Pennsylvania EPA
AK Steel Corporation	PNC Bank, National Association	05/26/2020	$5,379,000.00	KY Workers Comp

AK Steel Corporation	PNC Bank, National Association	09/07/2020	$842,518.00	PNC
AK Steel Corporation	PNC Bank, National Association	05/27/2021	$44,000.00	Ohio EPA
AK Steel Corporation	Bank of America, N.A.	08/31/2020	$1,972,965.00	Chief Remediation Division
AK Steel Corporation	PNC Bank, National Association	04/01/2020	$7,817,408.00	Regional Administrator Region 5 US EPA
AK Steel Corporation	PNC Bank, National Association	05/26/2020	$846,683.00	WV Workers Comp
AK Steel Corporation	PNC Bank, National Association	05/26/2020	$4,767,967.00	Travelers Casualty & Surety
AK Steel Corporation	Bank of America, N.A.	06/30/2020	$2,000,000.00	Department of Licensing
AK Steel Corporation	Bank of America, N.A.	04/27/2020	$3,578,016.00	Pennsylvania EPA
AK Steel Corporation	Bank of America, N.A.	05/10/2020	$26,242,200.00	US Bank National Association
AK Steel Corporation	Bank of America, N.A.	08/18/2020	$1,681,049.00	Ohio EPA
AK Steel Corporation	Bank of America, N.A.	04/30/2022	$10,000.00	Bank of America
AK Steel Corporation	Bank of America, N.A.	04/14/2020	$4,600,000.00	Ohio Bureau of Workers Comp
AK Steel Corporation	PNC Bank, National Association	05/27/2021	$838,640.00	Texas Natural Resources
AK Steel Corporation	PNC Bank, National Association	05/27/2021	$1,899,290.00	Pennsylvania EPA
AK Steel Corporation	PNC Bank, National Association	05/26/2020	$417,000.00	Employers Ins. Wausau
AK Steel Corporation	Bank of America, N.A.	09/15/2020	$475,000.00	Zurich American Insurance Company

AK Steel Corporation	Bank of America, N.A.	04/30/2022	$10,000.00	Bank of America
AK Steel Corporation	PNC Bank, National Association	05/26/2020	$2,000,000.00	Self Insurance Division
AK Steel Corporation	PNC Bank, National Association	05/26/2020	$112,384.00	WV Workers Comp
ArcelorMittal USA LLC	Citibank, N.A.	12/31/2021	$25,595,080.00	NY State Dept. of Environmental Conservation
ArcelorMittal USA LLC	JPMorgan Chase Bank, N.A.	2/14/2021	$200,000.00	Liberty Mutual Insurance Co.
ArcelorMittal USA LLC	JPMorgan Chase Bank, N.A.	4/16/2021	$1,750,000.00	Zurich American Insurance Co.

Exhibit F

SCHEDULE E-3

EXCLUDED SUBSIDIARY INDEBTEDNESS

- Indebtedness under the revolving credit facility established pursuant to the Credit Facility Agreement, dated as of November 9, 2020 (the "EDC Facility Agreement"), among Fleetwood Metal Industries Inc. and The Electromac Group Inc., as borrowers, Cleveland-Cliffs Inc., as the guarantor, and Export Development Canada, as lender, as amended from time to time, up to an aggregate principal amount of U.S.$40,000,000;

- Indebtedness under the multicurrency credit facilities established pursuant to the loan agreements between Electromac Group Inc., as borrower, and Flex-N-Gate, as lender, as amended from time to time, up to an aggregate principal amount of U.S.$40,000,000.

Exhibit G

SCHEDULE P-4

PERMITTED INDEBTEDNESS

- Any Debt of PPHC Holdings, LLC and/or any of its Subsidiaries existing on the Closing Date and any refinancing indebtedness thereof in an aggregate outstanding principal amount not to exceed $75,000,000.00
- The Excluded Subsidiary Indebtedness set forth on Schedule E-3 hereto
- Guaranty Obligations of Cleveland-Cliffs Inc. under the Guarantee Agreement, dated as of December 9, 2020, in favor of Export Development Canada made pursuant to the EDC Facility Agreement

Exhibit 21

SIGNIFICANT SUBSIDIARIES
CLEVELAND-CLIFFS INC. AS OF DECEMBER 31, 2020

Name	Cliffs' Effective Ownership	Place of Incorporation or Formation
Cleveland-Cliffs Burns Harbor LLC	100%	Delaware, USA
Cleveland-Cliffs Steel Corporation	100%	Delaware, USA
Cleveland-Cliffs Steel Holding Corporation	100%	Delaware, USA
Cleveland-Cliffs Steel LLC	100%	Delaware, USA
Cliffs Mining Company	100%	Delaware, USA
Cliffs Minnesota Mining Company	100%	Delaware, USA
Cliffs TIOP Holding, LLC	100%	Delaware, USA
Cliffs TIOP, Inc.	100%	Michigan, USA
Cliffs UTAC Holding LLC	100%	Delaware, USA
IronUnits LLC	100%	Delaware, USA
Northshore Mining Company	100%	Delaware, USA
Cleveland-Cliffs Steel Holdings Inc.	100%	Ohio, USA
The Cleveland-Cliffs Iron Company	100%	Ohio, USA

EXHIBIT 22

The following entities are included in the obligated group, as defined in the Annual Report on Form 10-K 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 4.875% 2024 Senior Secured Notes, the 5.75% 2025 Senior Notes, the 6.375% 2025 Senior Notes, the 6.75% 2026 Senior Secured Notes, the 5.875% 2027 Senior Notes, the 7.00% 2027 Senior Notes and the 9.875% 2025 Senior Secured Notes issued by Cleveland-Cliffs Inc.

Exact Name of Issuer or Guarantor Subsidiary (1)	Reported as Issuer or Guarantor Subsidiary	State of Incorporation or Organization	IRS Employer Identification Number
Cleveland-Cliffs Inc.	Issuer	Ohio	**34-1464672**
Cleveland-Cliffs Burns Harbor LLC f/k/a ArcelorMittal Burns Harbor LLC	(3)	Delaware	**20-0653414**
Cleveland-Cliffs Cleveland Works LLC f/k/a ArcelorMittal Cleveland LLC	(3)	Delaware	**04-3634649**
Cleveland-Cliffs Columbus LLC f/k/a ArcelorMittal Columbus LLC	(3)	Delaware	**01-0807137**
Cleveland-Cliffs Investments Inc. f/k/a AKS Investments, Inc.	(3)	Ohio	**31-1283531**
Cleveland-Cliffs Kote Inc. f/k/a ArcelorMittal Kote Inc.	(3)	Delaware	**36-3665216**
Cleveland-Cliffs Kote L.P. f/k/a I/N Kote L.P.	(3)	Delaware	**36-3665288**
Cleveland-Cliffs Minorca Mine Inc. f/k/a ArcelorMittal Minorca Mine Inc.	(3)	Delaware	**36-2814042**
Cleveland-Cliffs Monessen Coke LLC f/k/a ArcelorMittal Monessen LLC	(3)	Delaware	**25-1850170**
Cleveland-Cliffs Plate LLC f/k/a ArcelorMittal Plate LLC	(3)	Delaware	**20-0653500**
Cleveland-Cliffs Railways Inc. f/k/a Mittal Steel USA - Railways Inc.	(3)	Delaware	**56-2348283**
Cleveland-Cliffs Riverdale LLC f/k/a ArcelorMittal Riverdale LLC	(3)	Delaware	**74-3062732**
Cleveland-Cliffs South Chicago & Indiana Harbor Railway Inc. f/k/a ArcelorMittal South Chicago & Indiana Harbor Railway Inc.	(3)	Delaware	**04-3634638**
Cleveland-Cliffs Steel Corporation f/k/a AK Steel Corporation	(3)	Delaware	**31-1267098**
Cleveland-Cliffs Steel Holding Corporation f/k/a AK Steel Holding Corporation	(3)	Delaware	**31-1401455**
Cleveland-Cliffs Steel LLC f/k/a ArcelorMittal USA LLC	(3)	Delaware	**71-0871875**
Cleveland-Cliffs Steel Management Inc. f/k/a AH Management, Inc.	(3)	Delaware	**51-0390893**
Cleveland-Cliffs Steel Properties Inc. f/k/a AK Steel Properties, Inc.	(3)	Delaware	**51-0390894**
Cleveland-Cliffs Steelton LLC f/k/a ArcelorMittal Steelton LLC	(3)	Delaware	**20-0653772**
Cleveland-Cliffs Steelworks Railway Inc. f/k/a ArcelorMittal Cleveland Works Railway Inc.	(3)	Delaware	**04-3634622**
Cleveland-Cliffs Tek Inc. f/k/a ArcelorMittal Tek Inc.	(3)	Delaware	**36-3519946**
Cleveland-Cliffs Tek Kote Acquisition Corporation f/k/a Tek Kote Acquisition Corporation	(3)	Ohio	**85-4304182**
Cleveland-Cliffs Tek L.P. f/k/a I/N Tek L.P.	(3)	Delaware	**363525438**
Cleveland-Cliffs Tubular Components LLC f/k/a AK Tube LLC	(3)	Delaware	**31-1283531**
Cleveland-Cliffs Weirton LLC f/k/a ArcelorMittal Weirton LLC	(3)	Delaware	**56-2435202**
Cannon Automotive Solutions - Bowling Green, Inc.	(3)	Delaware	**26-0766559**
Cleveland-Cliffs Steel Holdings Inc.	(3)	Ohio	**85-4084783**
Cliffs Mining Company	(2)	Delaware	**34-1120353**
Cliffs Minnesota Mining Company	(2)	Delaware	**42-1609117**
Cliffs TIOP Holding, LLC	(2)	Delaware	**47-2182060**
Cliffs TIOP, Inc.	(2)	Michigan	**34-1371049**
Cliffs TIOP II, LLC	(2)	Delaware	**61-1857848**
Cliffs UTAC Holding LLC	(2)	Delaware	**26-2895214**
Fleetwood Metal Industries, LLC	(3)	Delaware	**98-0508950**
IronUnits LLC	(2)	Delaware	**34-1920747**
Lake Superior & Ishpeming Railroad Company	(2)	Michigan	**38-6005761**
Metallics Sales Company	(3)	Delaware	**84-2076079**
Mid-Vol Coal Sales, Inc.	(3)	West Virginia	**55-0761501**
Mountain State Carbon, LLC	(3)	Delaware	**31-1267098**
Northshore Mining Company	(2)	Delaware	**84-1116857**

EXHIBIT 22

Exact Name of Issuer or Guarantor Subsidiary (1)	Reported as Issuer or Guarantor Subsidiary	State of Incorporation or Organization	IRS Employer Identification Number
Precision Partners Holding Company	(3)	Delaware	**22-3639336**
PPHC Holdings, LLC	(3)	Delaware	**31-1283531**
Silver Bay Power Company	(2)	Delaware	**84-1126359**
SNA Carbon, LLC	(3)	Delaware	**31-1267098**
The Cleveland-Cliffs Iron Company	(2)	Ohio	**34-0677332**
Tilden Mining Company L.C.	(2)	Michigan	**34-1804848**
United Taconite LLC	(2)	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.

(2) The entity is included as a guarantor subsidiary as of December 31, 2020 and 2019.

(3) The entity is included as a guarantor subsidiary as of December 31, 2020.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in:

Registration Statement No. 333-237324 on Form S-3;

Registration Statement No. 333-184620 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2012 Incentive Equity Plan;

Registration Statement No. 333-197687 on Form S-8 pertaining to the Cliffs Natural Resources Inc. Amended and Restated 2012 Incentive Equity Plan;

Registration Statement No. 333-197688 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2014 Nonemployee Directors' Compensation Plan;

Registration Statement No. 333-204369 on Form S-8 pertaining to the Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan;

Registration Statement No. 333-210954 on Form S-8 pertaining to the Cliffs Natural Resources Inc. Amended and Restated 2014 Nonemployee Directors' Compensation Plan;

Registration Statement No. 333-217506 on Form S-8 pertaining to the Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan; and

Registration Statement No. 333-237144 on Form S-8 pertaining to the Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan;

of our reports dated February 26, 2021, relating to the financial statements of Cleveland-Cliffs Inc. and the effectiveness of Cleveland-Cliffs Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K for the year ended December 31, 2020.

/s/ DELOITTE & TOUCHE LLP

Cleveland, Ohio

February 26, 2021

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Directors and officers of Cleveland-Cliffs Inc., an Ohio corporation ("Company"), hereby constitute and appoint C. Lourenco Goncalves, Keith A. Koci, James D. Graham and Kimberly A. Floriani, and each of them, their true and lawful attorney or attorneys-in-fact, with full power of substitution and revocation, for them and in their name, place and stead, to sign on their behalf as a Director or officer of the Company, or both, as the case may be, an Annual Report on Form 10-K pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2020, and to sign any and all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney or attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorney or attorneys-in-fact or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Executed as of the 24th day of February, 2021.

/s/ C. L. Goncalves	/s/ Keith A. Koci
C. L. Goncalves, Chairman, President and Chief Executive Officer	K. A. Koci, Executive Vice President, Chief Financial Officer
/s/ K. A. Floriani	/s/ J. T. Baldwin
K. A. Floriani, Vice President, Corporate Controller & Chief Accounting Officer	J. T. Baldwin, Director
/s/ R. P. Fisher, Jr.	/s/ W. K. Gerber
R. P. Fisher, Jr., Director	W. K. Gerber, Director
/s/ S. M. Green	/s/ M. A. Harlan
S. M. Green, Director	M. A. Harlan, Director
/s/ R. S. Michael, III	/s/ J. L. Miller
R. S. Michael, III, Director	J. L. Miller, Director
/s/ E. M. Rychel	/s/ G. Stoliar
E. M. Rychel, Director	G. Stoliar, Director
/s/ D. C. Taylor	/s/ A. M. Yocum
D. C. Taylor, Director	A. M. Yocum, Director

Exhibit 31.1

CERTIFICATION

I, Lourenco Goncalves, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 26, 2021

By: /s/ Lourenco Goncalves
Lourenco Goncalves
Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Keith A. Koci, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 26, 2021

By: /s/ Keith A. Koci
Keith A. Koci
Executive Vice President, Chief Financial Officer

Exhibit 32.1

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 Annual Report of Cleveland-Cliffs Inc. (the "Company") on Form 10-K for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), 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-K 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-K 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-K.

Date: February 26, 2021

By: /s/ Lourenco Goncalves
Lourenco Goncalves
Chairman, President and Chief Executive Officer

Exhibit 32.2

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 Annual Report of Cleveland-Cliffs Inc. (the "Company") on Form 10-K for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), 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-K 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-K 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-K.

Date: February 26, 2021

By: /s/ Keith A. Koci
Keith A. Koci
Executive Vice President, Chief Financial Officer

Exhibit 95

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 year ended December 31, 2020, our mine locations did not receive any flagrant violations under Section 110(b)(2) of the FMSH Act (30 U.S.C. 820(b)(2)) and did not receive any written notices of a pattern of violations, or the potential to have a pattern of such 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 mine locations during this same period.

Following is a summary of the information described above for the year ended December 31, 2020:

		Year Ended December 31, 2020								
		(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	24	—	—	—	$ 594,804	—		5	6
Empire / 2001012	Iron Ore	—	—	—	—	$ —	—		—	—
Northshore Plant / 2100831	Iron Ore	5	—	—	—	$ 151,185	4	(2)	6	8
Northshore Mine / 2100209	Iron Ore	—	—	—	—	$ 2,125	—		2	2
United Taconite Plant / 2103404	Iron Ore	5	—	—	—	$ 41,321	1	(3)	3	3
United Taconite Mine / 2103403	Iron Ore	—	—	—	—	$ 5,663	—		—	—
Hibbing / 2101600 (8)	Iron Ore	4	—	—	—	$ —	3	(4)	—	—
Minorca Mine / 2102449 (8)	Iron Ore	2	—	—	—	$ —	—		—	1
AK Coal / North Fork / 3610041	Coal	3	—	—	—	$ 5,443	2	(5)	2	2
Virginia Point No. 1 Surface Mine / 4407172 (8)	Coal	—	—	—	—	$ —	—		—	—
Low Gap Surface Mine / 4605741 (8)	Coal	—	—	—	—	$ —	—		—	—
Eckman Surface Mine / 4608647 (8)	Coal	1	—	—	—	$ —	—		—	—
Redhawk Surface Mine / 4609300 (8)	Coal	—	—	—	—	$ —	—		—	—
Dry Branch Surface Mine / 4609395 (8)	Coal	—	—	—	—	$ —	—		—	—
Dans Branch Surface Mine / 4609517 (8)	Coal	—	—	—	—	$ —	—		—	—
Eckman Loadout / 4603341 (8)	Coal	—	—	—	—	$ —	—		—	—
Roadfork Loadout / 4608278 (8)	Coal	—	—	—	—	$ —	—		—	—
Eckman Plant / 4609357 (8)	Coal	—	—	—	—	$ —	1	(6)	—	—
Mine No. 35 / 4608131 (8)	Coal	—	—	—	—	$ —	—		—	—
Mine No. 39 / 4609261 (8)	Coal	6	—	1	—	$ —	—		—	—
Mine No. 43 / 4609496 (8)	Coal	7	—	—	—	$ —	1	(7)	—	—

(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 December 31, 2020.

(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.

(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 3 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(5) This number consists of 2 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(6) 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.

(7) This number consists of 1 pending legal action related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(8) On December 9, 2020, these locations were acquired by Cleveland-Cliffs Inc. The data herein represents the period of ownership from December 9, 2020 to December 31, 2020.