Table of Contents

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

FORM 10-Q

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

For the quarterly period ended June 30, 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

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

Yes ☒ No ☐

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

Yes ☒ No ☐

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

Large accelerated filer	☒	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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares outstanding of the registrant's common shares, par value $0.125 per share, was 399,198,070 as of July 27, 2020.

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, unless stated otherwise or the context indicates otherwise.

Abbreviation or acronym	Term
ABL Facility	Asset-Based Revolving Credit Agreement, by and among Bank of America, N.A., as Agent, the Lenders that are parties thereto, as the Lenders, and Cleveland-Cliffs Inc., as Parent and a Borrower, dated as of March 13, 2020, as amended
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
AK Coal	AK Coal Resources, Inc., an indirect, wholly owned subsidiary of AK Steel, and related coal mining operations
AK Steel	AK Steel Holding Corporation and its consolidated subsidiaries, including AK Steel Corporation, its direct, wholly owned subsidiary, collectively, unless stated otherwise or the context indicates otherwise
AK Tube	AK Tube LLC, an indirect, wholly owned subsidiary of AK Steel
AMT	Alternative Minimum Tax
AOCI	Accumulated Other Comprehensive Income (Loss)
ArcelorMittal USA	ArcelorMittal USA LLC (including many of its United States affiliates, subsidiaries and representatives. References to ArcelorMittal USA comprise all such relationships unless a specific ArcelorMittal USA entity is referenced)
ASC	Accounting Standards Codification
Atlantic Basin pellet premium	Platts Atlantic Basin Blast Furnace 65% Fe pellet premium
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
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
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DR-grade	Direct Reduction-grade
EAF	Electric Arc Furnace
EBITDA	Earnings before interest, taxes, depreciation and amortization
Empire	Empire Iron Mining Partnership
EPA	U.S. Environmental Protection Agency
ERISA	Employee Retirement Income Security Act of 1974, as amended
Exchange Act	Securities Exchange Act of 1934, as amended
Fe	Iron
FILO	First-in, last-out
Former ABL Facility	Amended and Restated Syndicated Facility Agreement by and among Bank of America, N.A., as Administrative Agent, the Lenders that are parties thereto, as the Lenders, Cleveland-Cliffs Inc., as Parent and a Borrower, and the Subsidiaries of Parent party thereto, as Borrowers, dated as of March 30, 2015, as amended and restated as of February 28, 2018, and as further amended
GAAP	Accounting principles generally accepted in the United States
HBI	Hot Briquetted Iron
Hibbing	Hibbing Taconite Company, an unincorporated joint venture
Hot-rolled coil steel price	Estimated average annual daily market price for hot-rolled coil steel
IRBs	Industrial Revenue Bonds
LIBOR	London Interbank Offered Rate
LIFO	Last-in, first-out
Long ton	2,240 pounds
Merger	The merger of Merger Sub with and into AK Steel, with AK Steel surviving the merger as a wholly owned subsidiary of Cliffs, subject to the terms and conditions set forth in the Merger Agreement, effective as of March 13, 2020
Merger Agreement	Agreement and Plan of Merger, dated as of December 2, 2019, among Cliffs, AK Steel and Merger Sub
Merger Sub	Pepper Merger Sub Inc., a direct, wholly owned subsidiary of Cliffs prior to the Merger
Metric ton	2,205 pounds
MMBtu	Million British Thermal Units
MSHA	U.S. Mine Safety and Health Administration
Net ton	2,000 pounds
Northshore	Northshore Mining Company
OPEB	Other postretirement benefits
Platts 62% Price	Platts IODEX 62% Fe Fines cost and freight North China
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
SEC	U.S. Securities and Exchange Commission
Section 232	Section 232 of the Trade Expansion Act of 1962, as amended
Securities Act	Securities Act of 1933, as amended

Abbreviation or acronym	Term
SunCoke Middletown	Middletown Coke Company, LLC, a subsidiary of SunCoke Energy, Inc.
Tilden	Tilden Mining Company L.C.
Topic 805	ASC Topic 805, Business Combinations
Topic 815	ASC Topic 815, Derivatives and Hedging
United Taconite	United Taconite LLC
U.S.	United States of America
U.S. Steel	Ontario Hibbing Company, a subsidiary of United States Steel Corporation and a participant in Hibbing
USMCA	United States-Mexico-Canada Agreement
VIE	Variable Interest Entity

PART I

Item 1. ***Financial Statements***

Statements of Unaudited Condensed Consolidated Financial Position

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)	
	June 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 73.7**	$ 352.6
Accounts receivable, net	**482.2**	94.0
Inventories	**1,933.6**	317.4
Income tax receivable, current	**62.6**	58.6
Other current assets	**90.2**	75.3
Total current assets	**2,642.3**	897.9
Non-current assets:		
Property, plant and equipment, net	**4,547.9**	1,929.0
Goodwill	**139.3**	2.1
Intangible assets, net	**192.6**	48.1
Income tax receivable, non-current	**4.1**	62.7
Deferred income taxes	**506.5**	459.5
Right-of-use asset, operating lease	**213.0**	11.7
Other non-current assets	**245.0**	92.8
TOTAL ASSETS	**$ 8,490.7**	$ 3,503.8
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	**$ 504.8**	$ 193.2
Accrued liabilities	**288.3**	126.3
Other current liabilities	**244.9**	89.9
Total current liabilities	**1,038.0**	409.4
Non-current liabilities:		
Long-term debt	**4,451.6**	2,113.8
Operating lease liability, non-current	**191.5**	10.5
Intangible liabilities, net	**72.3**	—
Pension and OPEB liabilities	**1,159.6**	311.5
Asset retirement obligations	**181.1**	163.2
Other non-current liabilities	**278.4**	137.5
TOTAL LIABILITIES	**7,372.5**	3,145.9
Commitments and contingencies (See Note 18)		
Equity:		
Common shares - par value $0.125 per share Authorized - 600,000,000 shares (2019 - 600,000,000 shares); Issued - 428,645,866 shares (2019 - 301,886,794 shares); Outstanding - 399,159,988 shares (2019 - 270,084,005 shares)	**53.6**	37.7
Capital in excess of par value of shares	**4,443.6**	3,872.1
Retained deficit	**(3,042.5)**	(2,842.4)
Cost of 29,485,878 common shares in treasury (2019 - 31,802,789 shares)	**(355.9)**	(390.7)
Accumulated other comprehensive loss	**(305.9)**	(318.8)
Total Cliffs shareholders' equity	**792.9**	357.9
Noncontrolling interest	**325.3**	—
TOTAL EQUITY	**1,118.2**	357.9
TOTAL LIABILITIES AND EQUITY	**$ 8,490.7**	$ 3,503.8

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

Statements of Unaudited Condensed Consolidated Operations

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions, Except Per Share Amounts)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Revenues	**$ 1,092.7**	$ 743.2	**$ 1,417.2**	$ 900.2
Realization of deferred revenue	**—**	—	**34.6**	—
Operating costs:				
Cost of goods sold	**(1,207.5)**	(480.2)	**(1,563.5)**	(606.3)
Selling, general and administrative expenses	**(62.1)**	(29.4)	**(89.6)**	(56.7)
Acquisition-related costs	**(18.4)**	—	**(60.9)**	—
Miscellaneous – net	**(13.1)**	(6.8)	**(25.0)**	(11.2)
Total operating costs	**(1,301.1)**	(516.4)	**(1,739.0)**	(674.2)
Operating income (loss)	**(208.4)**	226.8	**(287.2)**	226.0
Other income (expense):				
Interest expense, net	**(68.7)**	(26.1)	**(99.7)**	(51.2)
Gain (loss) on extinguishment of debt	**129.4**	(17.9)	**132.6**	(18.2)
Other non-operating income	**15.2**	0.6	**21.2**	1.0
Total other income (expense)	**75.9**	(43.4)	**54.1**	(68.4)
Income (loss) from continuing operations before income taxes	**(132.5)**	183.4	**(233.1)**	157.6
Income tax benefit (expense)	**24.7**	(22.0)	**76.1**	(18.3)
Income (loss) from continuing operations	**(107.8)**	161.4	**(157.0)**	139.3
Income (loss) from discontinued operations, net of tax	**(0.3)**	(0.6)	**0.3**	(0.6)
Net income (loss)	**(108.1)**	160.8	**(156.7)**	138.7
Income attributable to noncontrolling interest	**(15.8)**	—	**(19.3)**	—
Net income (loss) attributable to Cliffs shareholders	**$ (123.9)**	$ 160.8	**$ (176.0)**	$ 138.7
Earnings (loss) per common share attributable to Cliffs shareholders - basic				
Continuing operations	**$ (0.31)**	$ 0.59	**$ (0.51)**	$ 0.49
Discontinued operations	**—**	—	**—**	—
	$ (0.31)	$ 0.59	**$ (0.51)**	$ 0.49
Earnings (loss) per common share attributable to Cliffs shareholders - diluted				
Continuing operations	**$ (0.31)**	$ 0.57	**$ (0.51)**	$ 0.47
Discontinued operations	**—**	—	**—**	—
	$ (0.31)	$ 0.57	**$ (0.51)**	$ 0.47
Average number of shares (in thousands)				
Basic	**399,088**	275,769	**348,302**	282,647
Diluted	**399,088**	285,479	**348,302**	293,580

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

Statements of Unaudited Condensed Consolidated Comprehensive Income (Loss)

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Net income (loss)	**$ (108.1)**	$ 160.8	**$ (156.7)**	$ 138.7
Other comprehensive income (loss):				
Changes in pension and OPEB, net of tax	**6.0**	5.8	**11.6**	11.5
Changes in foreign currency translation	**0.7**	—	**(0.2)**	—
Changes in derivative financial instruments, net of tax	**4.5**	(2.1)	**1.5**	0.6
Total other comprehensive income	**11.2**	3.7	**12.9**	12.1
Comprehensive income (loss)	**(96.9)**	164.5	**(143.8)**	150.8
Comprehensive income attributable to noncontrolling interests	**(15.8)**	—	**(19.3)**	—
Comprehensive income (loss) attributable to Cliffs shareholders	**$ (112.7)**	$ 164.5	**$ (163.1)**	$ 150.8

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

Statements of Unaudited Condensed Consolidated Cash Flows

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)	
	Six Months Ended June 30,	
	2020	2019
OPERATING ACTIVITIES		
Net income (loss)	**$ (156.7)**	$ 138.7
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation, depletion and amortization	**111.5**	40.9
Amortization of inventory step-up	**59.4**	—
Deferred income taxes	**(72.5)**	18.2
Loss (gain) on extinguishment of debt	**(132.6)**	18.2
Loss (gain) on derivatives	**8.0**	(27.2)
Other	**(28.0)**	28.4
Changes in operating assets and liabilities, net of business combination:		
Receivables and other assets	**365.7**	145.4
Inventories	**(126.1)**	(148.7)
Payables, accrued expenses and other liabilities	**(327.9)**	(62.8)
Net cash provided (used) by operating activities	**(299.2)**	151.1
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(282.9)**	(300.9)
Acquisition of AK Steel, net of cash acquired	**(869.3)**	—
Other investing activities	**(0.2)**	8.5
Net cash used by investing activities	**(1,152.4)**	(292.4)
FINANCING ACTIVITIES		
Repurchase of common shares	**—**	(252.9)
Proceeds from issuance of debt	**1,762.9**	720.9
Debt issuance costs	**(57.9)**	(6.8)
Repurchase of debt	**(999.5)**	(729.3)
Borrowings under credit facilities	**800.0**	—
Repayments under credit facilities	**(250.0)**	—
Dividends paid	**(40.8)**	(28.9)
Other financing activities	**(43.6)**	(10.9)
Net cash provided (used) by financing activities	**1,171.1**	(307.9)
Decrease in cash and cash equivalents, including cash classified within other current assets related to discontinued operations	**(280.5)**	(449.2)
Less: decrease in cash and cash equivalents from discontinued operations, classified within other current assets	**(1.6)**	(3.2)
Net decrease in cash and cash equivalents	**(278.9)**	(446.0)
Cash and cash equivalents at beginning of period	**352.6**	823.2
Cash and cash equivalents at end of period	**$ 73.7**	$ 377.2

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

Statements of Unaudited Condensed Consolidated Changes in Equity

Cleveland-Cliffs Inc. and Subsidiaries

	(In Millions)							
	Number of Common Shares Outstanding	Par Value of Common Shares Issued	Capital in Excess of Par Value of Shares	Retained Deficit	Common Shares in Treasury	AOCI	Non-controlling Interests	Total
December 31, 2019	**270.1**	**$ 37.7**	**$ 3,872.1**	**$ (2,842.4)**	**$ (390.7)**	**$ (318.8)**	**$ —**	**$ 357.9**
Comprehensive income (loss)	**—**	**—**	**—**	**(52.1)**	**—**	**1.7**	**3.5**	**(46.9)**
Stock and other incentive plans	**1.7**	**—**	**(23.6)**	**—**	**25.7**	**—**	**—**	**2.1**
Acquisition of AK Steel	**126.8**	**15.9**	**601.7**	**—**	**—**	**—**	**329.8**	**947.4**
Common share dividends ($0.06 per share)	**—**	**—**	**—**	**(24.0)**	**—**	**—**	**—**	**(24.0)**
Net distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(5.5)**	**(5.5)**
March 31, 2020	**398.6**	**$ 53.6**	**$ 4,450.2**	**$ (2,918.5)**	**$ (365.0)**	**$ (317.1)**	**$ 327.8**	**$ 1,231.0**
Comprehensive income (loss)	**—**	**—**	**—**	**(123.9)**	**—**	**11.2**	**15.8**	**(96.9)**
Stock and other incentive plans	**0.6**	**—**	**(6.6)**	**—**	**9.1**	**—**	**—**	**2.5**
Common share dividends	**—**	**—**	**—**	**(0.1)**	**—**	**—**	**—**	**(0.1)**
Net distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(18.3)**	**(18.3)**
June 30, 2020	**399.2**	**$ 53.6**	**$ 4,443.6**	**$ (3,042.5)**	**$ (355.9)**	**$ (305.9)**	**$ 325.3**	**$ 1,118.2**

	(In Millions)						
	Number of Common Shares Outstanding	Par Value of Common Shares Issued	Capital in Excess of Par Value of Shares	Retained Deficit	Common Shares in Treasury	AOCI	Total
December 31, 2018	292.6	$ 37.7	$ 3,916.7	$ (3,060.2)	$ (186.1)	$ (283.9)	$ 424.2
Comprehensive income (loss)	—	—	—	(22.1)	—	8.4	(13.7)
Stock and other incentive plans	1.7	—	(56.5)	—	46.5	—	(10.0)
Common share repurchases	(11.5)	—	—	—	(124.3)	—	(124.3)
Common share dividends ($0.05 per share)	—	—	—	(14.5)	—	—	(14.5)
March 31, 2019	282.8	$ 37.7	$ 3,860.2	$ (3,096.8)	$ (263.9)	$ (275.5)	$ 261.7
Comprehensive income	—	—	—	160.8	—	3.7	164.5
Stock and other incentive plans	0.1	—	3.4	—	1.2	—	4.6
Common share repurchases	(12.9)	—	—	—	(128.6)	—	(128.6)
Common share dividends ($0.06 per share)	—	—	—	(16.6)	—	—	(16.6)
June 30, 2019	270.0	$ 37.7	$ 3,863.6	$ (2,952.6)	$ (391.3)	$ (271.8)	$ 285.6

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

Notes to Unaudited Condensed Consolidated Financial Statements

Cleveland-Cliffs Inc. and Subsidiaries

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Business, Consolidation and Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with SEC rules and regulations and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary to present fairly the financial position, results of operations, comprehensive income (loss), cash flows and changes in equity for the periods presented. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management bases its estimates on various assumptions and historical experience, which are believed to be reasonable; however, due to the inherent nature of estimates, actual results may differ significantly due to changed conditions or assumptions. The results of operations for the three and six months ended June 30, 2020 are not necessarily indicative of results to be expected for the year ending December 31, 2020 or any other future period. Due to the acquisition of AK Steel, certain balances have become material and are no longer being condensed in our Statements of Unaudited Condensed Consolidated Financial Position, such as balances for *Right-of-use asset, operating lease* and *Operating lease liability, non-current*. As a result, certain prior period amounts have been reclassified to conform with the current year presentation. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2019 and in our Quarterly Report on Form 10-Q for the three months ended March 31, 2020.

Acquisition of AK Steel

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

AK Steel is a leading North American producer of flat-rolled carbon, stainless and electrical steel products, primarily for the automotive, infrastructure and manufacturing markets. The acquisition of AK Steel has transformed us into a vertically integrated producer of value-added iron ore and steel products.

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. Nearly all of these temporarily idled facilities were restarted as of June 30, 2020, with the exception of the Dearborn hot-end operations and Mansfield operations, which were restarted in July 2020, and the Northshore mine, which we plan to restart in early August 2020.

Basis of Consolidation

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

Reportable Segments

The acquisition of AK Steel has transformed us into a vertically integrated producer of value-added iron ore and steel products and we are organized according to our differentiated products in two reportable segments - the new Steel and Manufacturing segment and the Mining and Pelletizing segment. Our new Steel and Manufacturing segment includes the assets acquired through the acquisition of AK Steel and our previously reported Metallics segment, and our Mining and Pelletizing segment includes our three active operating mines and our indefinitely idled mine.

Investments in Affiliates

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

Investee	Segment Reported Within	Equity Ownership Percentage
Combined Metals of Chicago, LLC	Steel and Manufacturing	40.0%
Hibbing Taconite Company	Mining and Pelletizing	23.0%
Spartan Steel Coating, LLC	Steel and Manufacturing	48.0%

We recorded a basis difference for Spartan Steel of $32.5 million as part of our acquisition of AK Steel. 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.

Significant Accounting Policies

A detailed description of our significant accounting policies can be found in the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC, which were updated and can be found in the unaudited condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 filed with the SEC. There have been no material changes in our significant accounting policies and estimates from those disclosed therein.

Recent Accounting Pronouncements

Issued and 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 I - Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations* of this Quarterly Report on Form 10-Q and Exhibit 22.1, filed herewith.

NOTE 2 - SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION

Revenues

The following table represents our consolidated *Revenues* (excluding intercompany revenues) by market:

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Steel and Manufacturing:				
Automotive	**$ 363.8**	$ —	**$ 484.0**	$ —
Infrastructure and manufacturing	**203.4**	—	**247.4**	—
Distributors and converters	**147.9**	—	**201.2**	—
Total Steel and Manufacturing	**715.1**	—	**932.6**	—
Mining and Pelletizing:				
Steel producers[1]	**377.6**	743.2	**519.2**	900.2
Total revenues	**$ 1,092.7**	$ 743.2	**$ 1,451.8**	$ 900.2

[1] Includes *Realization of deferred revenue* of $34.6 million for the six months ended June 30, 2020.

The following table represents our consolidated *Revenues* (excluding intercompany revenues) by product line:

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Steel and Manufacturing:				
Carbon steel	**$ 431.8**	$ —	**$ 570.4**	$ —
Stainless and electrical steel	**222.5**	—	**281.9**	—
Tubular products, components and other	**60.8**	—	**80.3**	—
Total Steel and Manufacturing	**715.1**	—	**932.6**	—
Mining and Pelletizing:				
Iron ore[1]	**349.7**	697.4	**481.0**	842.8
Freight	**27.9**	45.8	**38.2**	57.4
Total Mining and Pelletizing	**377.6**	743.2	**519.2**	900.2
Total revenues	**$ 1,092.7**	$ 743.2	**$ 1,451.8**	$ 900.2

[1] Includes *Realization of deferred revenue* of $34.6 million for the six months ended June 30, 2020.

We sell domestically to customers located primarily in the Midwestern, Southern and Eastern United States and to foreign customers, primarily in Canada, Mexico and Western Europe. Net revenues to customers located outside the United States were $176.0 million and $222.7 million for the three and six months ended June 30, 2020, respectively, and $136.4 million and $179.4 million for the three and six months ended June 30, 2019, respectively.

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	**4.3**	—
Allowance for credit losses as of June 30	**$ 4.3**	$ —

Inventories

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

	(In Millions)	
	June 30, 2020	December 31, 2019
Product inventories		
Finished and semi-finished goods	**$ 1,026.4**	$ 114.1
Work-in-process	**89.5**	68.7
Raw materials	**438.0**	9.4
Total product inventories	**1,553.9**	192.2
Manufacturing supplies and critical spares	**379.7**	125.2
Inventories	**$ 1,933.6**	$ 317.4

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	**$ 22.1**	$ 21.0	**$ 25.7**	$ 38.5
Net decrease	**(17.2)**	(5.5)	**(25.7)**	(4.2)
Closing balance as of June 30	**$ 4.9**	$ 15.5	**$ —**	$ 34.3

Prior to the Merger, our iron ore pellet sales agreement with Severstal, subsequently assumed by AK Steel, required supplemental payments to be paid by the customer during the period 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 $34.6 million of deferred revenue, which was recognized within *Realization of deferred revenue* in the Statements of Unaudited Condensed Consolidated Operations, during the six months ended June 30, 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.*

Accrued Liabilities

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

	(In Millions)	
	June 30, 2020	December 31, 2019
Accrued employment costs	**$ 153.8**	$ 61.7
Accrued interest	**71.5**	29.0
Accrued dividends	**1.1**	17.8
Other	**61.9**	17.8
Accrued liabilities	**$ 288.3**	$ 126.3

Cash Flow Information

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

	(In Millions)	
	Six Months Ended June 30,	
	2020	2019
Capital additions	**$ 230.7**	$ 320.9
Less:		
Non-cash accruals	**(91.6)**	3.6
Right-of-use assets - finance leases	**39.4**	24.8
Grants	**—**	(8.4)
Cash paid for capital expenditures including deposits	**$ 282.9**	$ 300.9

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

	(In Millions)	
	Six Months Ended June 30,	
	2020	2019
Taxes paid on income	**$ 0.2**	$ 0.1
Income tax refunds	**(60.4)**	(117.9)
Interest paid on debt obligations net of capitalized interest [1]	**63.0**	53.2

[1] Capitalized interest was $23.3 million and $9.9 million for the six months ended June 30, 2020 and 2019, respectively.

Non-Cash Investing and Financing Activities

	(In Millions)	
	Six Months Ended June 30,	
	2020	2019
Fair value of common shares issued for consideration for business combination	**$ 617.6**	$ —
Fair value of equity awards assumed from AK Steel acquisition	**3.9**	—

NOTE 3 - ACQUISITION OF AK STEEL

Transaction Overview

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

The acquisition combined Cliffs, North America's largest producer of iron ore pellets, with AK Steel, a leading producer of innovative flat-rolled carbon, stainless and electrical steel products, to create a vertically integrated producer of value-added iron ore and 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. Together, Cliffs and AK Steel have a presence across the entire manufacturing process, from mining to pelletizing to the development and production of finished high value steel products, including Next Generation Advanced High Strength Steels for automotive and other markets. We expect the combination will generate additional cost synergies, which we have identified and already set into motion savings of approximately $150 million, primarily from consolidating corporate functions, reducing duplicative overhead costs, and procurement and energy cost savings, as well as operational and supply chain efficiencies. The combined company is well positioned to provide high-value iron ore and steel solutions to customers primarily across North America.

Total net revenues for AK Steel for the most recent pre-acquisition year ended December 31, 2019 were $6,359.4 million. Following the acquisition, the operating results of AK Steel are included in our unaudited condensed consolidated financial statements and are reported as part of our Steel and Manufacturing segment. For the three months ended June 30, 2020, AK Steel generated *Revenues* of $715.1 million and a loss of $206.5 million included within *Net income (loss) attributable to Cliffs shareholders*, which included $36.2 million and $15.1 million related to amortization of the fair value inventory step-up and severance costs, respectively. For the period subsequent to the acquisition (March 13, 2020 through June 30, 2020), AK Steel generated *Revenues* of $932.6 million and a loss of $261.6 million included within *Net income (loss) attributable to Cliffs shareholders*, which included $59.4 million and $32.7 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 $1.8 million and $25.0 million for the three and six months ended June 30, 2020, respectively, which were recorded in *Acquisition-related costs* on the Statements of Unaudited Condensed Consolidated Operations.

Refer to NOTE 7 - DEBT AND CREDIT FACILITIES for information regarding debt transactions executed in connection with the Merger.

The Merger was accounted for under the acquisition method of accounting for business combinations. The acquisition date fair value of the consideration transferred totaled $1.5 billion. 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 Cliffs common shares issued for AK Steel outstanding common stock	$	617.6
Fair value of replacement equity awards		3.9
Fair value of AK Steel debt		913.6
Total purchase consideration	**$**	**1,535.1**

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 Merger is calculated as follows:

		(In Millions, Except Per Share Amounts)
Number of shares of AK Steel common stock issued and outstanding		316.9
Exchange ratio		0.400
Shares of Cliffs common shares issued to AK Steel stockholders		126.8
Price per share of Cliffs common shares	$	4.87
Fair value of Cliffs common shares issued for AK Steel outstanding common stock	**$**	**617.6**

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

		(In Millions)
Credit Facility	$	590.0
7.50% Senior Secured Notes due July 2023		323.6
Fair value of debt included in consideration	**$**	**913.6**

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. 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 acquisition, most notably, inventories, including manufacturing supplies and critical spares, personal and real property, leases, investments, deferred taxes, asset retirement obligations, pension and OPEB liabilities 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 Merger was:

	(In Millions)		
	Initial Allocation of Consideration	**Measurement Period Adjustments**	**June 30, 2020**
Cash and cash equivalents	$ 37.7	$ 2.0	**$ 39.7**
Accounts receivable	666.0	(3.2)	**662.8**
Inventories	1,562.8	(37.8)	**1,525.0**
Other current assets	67.5	(14.5)	**53.0**
Property, plant and equipment	2,184.4	2.9	**2,187.3**
Intangible assets	163.0	(15.0)	**148.0**
Right of use asset, operating leases	225.9	(16.3)	**209.6**
Other non-current assets	85.9	25.9	**111.8**
Accounts payable	(636.3)	(2.9)	**(639.2)**
Accrued liabilities	(222.5)	(2.1)	**(224.6)**
Other current liabilities	(181.8)	7.0	**(174.8)**
Long-term debt	(1,179.4)	—	**(1,179.4)**
Deferred income taxes	(19.7)	(1.7)	**(21.4)**
Operating lease liability, non-current	(188.1)	—	**(188.1)**
Intangible liabilities	(140.0)	65.0	**(75.0)**
Pension and OPEB liabilities	(873.0)	—	**(873.0)**
Asset retirement obligations	(13.9)	—	**(13.9)**
Other non-current liabilities	(144.2)	(5.7)	**(149.9)**
Net identifiable assets acquired	1,394.3	3.6	**1,397.9**
Goodwill	141.2	(4.0)	**137.2**
Total net assets acquired	$ 1,535.5	$ (0.4)	**$ 1,535.1**

During the second quarter of 2020, 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 $37.8 million, resulted in a favorable impact of $7.8 million to *Cost of goods sold* for the three months ended June 30, 2020.

The goodwill resulting from the acquisition of AK Steel was assigned to Precision Partners, our downstream tooling and stamping operations, and AK Tube, our tubing operations, that are reporting units included in the Steel and Manufacturing segment. Goodwill is calculated as the excess of the purchase price over the net identifiable assets recognized and primarily represents the growth opportunities in lightweighting solutions to automotive customers, as well as any synergistic benefits to be realized from the acquisition of AK Steel. None of the goodwill is 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	$ 77.0	18
Developed technology	60.0	17
Trade names and trademarks	11.0	10
Total identifiable intangible assets	$ 148.0	17
Intangible liabilities:		
Above-market supply contracts	$ (75.0)	12

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

Pro Forma Results

The following table provides unaudited pro forma financial information, prepared in accordance with Topic 805, for the three and six months ended June 30, 2020 and 2019, as if AK Steel had been acquired as of January 1, 2019:

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues	$ 979.1	$ 2,233.8	$ 2,427.7	$ 4,021.1
Net income (loss) attributable to Cliffs shareholders	(125.3)	184.9	(163.7)	128.3

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

1. The elimination of intercompany revenues between Cliffs and AK Steel of $113.6 million and $259.2 million for the three and six months ended June 30, 2020, respectively, and $189.9 million and $257.3 million for the three and six months ended June 30, 2019, respectively.

2. The 2020 pro forma net loss was adjusted to exclude $36.2 million and $59.4 million of non-recurring inventory acquisition accounting adjustments incurred during the three and six months ended June 30, 2020, respectively. The 2019 pro forma net income was adjusted to include $18.5 million and $74.2 million of non-recurring inventory acquisition accounting adjustments for the three and six months ended June 30, 2019, respectively.

3. The elimination of nonrecurring transaction costs incurred by Cliffs and AK Steel in connection with the Merger of $1.8 million and $28.4 million for the three and six months ended June 30, 2020, respectively.

4. Total other pro forma adjustments included expense of $12.3 million and $1.0 million for the three and six months ended June 30, 2020, respectively, and expense of $4.0 million and $6.9 million for the three and six months ended June 30, 2019, respectively, primarily due to reduced interest and amortization expense, offset partially by additional depreciation expense and pension and OPEB expense.

5. 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 income tax benefit of $1.6 million and an income tax expense of $3.3 million for the three and six months ended June 30, 2020, respectively, and an income tax expense of $8.0 million and an income tax benefit of $2.8 million, for the three and six months ended June 30, 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 two companies. This unaudited pro forma financial

information should not be considered indicative of the results that would have actually occurred if the acquisition had been consummated on January 1, 2019, nor are they indicative of future results.

NOTE 4 - SEGMENT REPORTING

Our Company is a vertically integrated producer of value-added iron ore and steel products. Our operations are organized and managed in two operating segments according to our upstream and downstream operations. Our Steel and Manufacturing segment is a leading producer of flat-rolled carbon, stainless and electrical steel products, primarily for the automotive, infrastructure and manufacturing, and distributors and converters markets. Our Steel and Manufacturing segment includes subsidiaries 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. Construction of our HBI production plant in Toledo, Ohio, now included as part of our Steel and Manufacturing segment, is expected to be completed in the fourth quarter of 2020. Our Mining and Pelletizing segment is a major supplier of iron ore pellets to the North American steel industry from our mines and pellet plants located in Michigan and Minnesota. All intersegment transactions were eliminated in consolidation.

We evaluate performance on a 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 and iron ore industries. 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, Except Sales Tons)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Sales volume (in thousands):				
Steel and Manufacturing (net tons)	**619**	—	**818**	—
Mining and Pelletizing sales (long tons)	**4,759**	6,227	**6,893**	7,777
Less: Intercompany sales (long tons)	**(1,041)**	(38)	**(1,824)**	(38)
Mining and Pelletizing consolidated sales (long tons)	**3,718**	6,189	**5,069**	7,739
Revenues:				
Steel and Manufacturing net sales to external customers	**$ 715.1**	$ —	**$ 932.6**	$ —
Mining and Pelletizing net sales[1]	**489.0**	747.2	**718.4**	904.2
Less: Intercompany sales	**(111.4)**	(4.0)	**(199.2)**	(4.0)
Mining and Pelletizing net sales to external customers	**377.6**	743.2	**519.2**	900.2
Total revenues	**$ 1,092.7**	$ 743.2	**$ 1,451.8**	$ 900.2
Adjusted EBITDA:				
Steel and Manufacturing	**$ (104.0)**	$ (1.1)	**$ (115.1)**	$ (1.9)
Mining and Pelletizing	**82.4**	280.5	**164.2**	328.0
Corporate and eliminations	**(60.4)**	(31.0)	**(108.4)**	(56.5)
Total Adjusted EBITDA	**$ (82.0)**	$ 248.4	**$ (59.3)**	$ 269.6

[1] Includes *Realization of deferred revenue* of $34.6 million for the six months ended June 30, 2020.

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

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Net income (loss)	**$ (108.1)**	$ 160.8	**$ (156.7)**	$ 138.7
Less:				
Interest expense, net	**(68.6)**	(26.3)	**(99.7)**	(51.4)
Income tax benefit (expense)	**24.7**	(22.0)	**76.1**	(18.3)
Depreciation, depletion and amortization	**(77.1)**	(21.0)	**(111.5)**	(40.9)
Total EBITDA	**$ 12.9**	$ 230.1	**$ (21.6)**	$ 249.3
Less:				
EBITDA of noncontrolling interests [1]	**$ 20.5**	$ —	**$ 25.1**	$ —
Gain (loss) on extinguishment of debt	**129.4**	(17.9)	**132.6**	(18.2)
Severance costs	**(16.6)**	—	**(35.9)**	(1.7)
Acquisition-related costs excluding severance costs	**(1.8)**	—	**(25.0)**	—
Amortization of inventory step-up	**(36.2)**	—	**(59.4)**	—
Impact of discontinued operations	**(0.4)**	(0.4)	**0.3**	(0.4)
Total Adjusted EBITDA	**$ (82.0)**	$ 248.4	**$ (59.3)**	$ 269.6

[1] EBITDA of noncontrolling interests includes $15.8 million and $19.3 million for income and $4.7 million and $5.8 million of depreciation, depletion and amortization for the three and six months ended June 30, 2020, respectively.

The following summarizes our assets by segment:

	(In Millions)	
	June 30, 2020	December 31, 2019
Assets:		
Steel and Manufacturing	**$ 6,201.6**	$ 913.6
Mining and Pelletizing	**1,685.1**	1,643.1
Total segment assets	**7,886.7**	2,556.7
Corporate and Other (including discontinued operations)	**604.0**	947.1
Total assets	**$ 8,490.7**	$ 3,503.8

The following table summarizes our capital additions by segment:

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Capital additions[1]:				
Steel and Manufacturing	**$ 55.6**	$ 155.1	**$ 178.8**	$ 237.5
Mining and Pelletizing	**17.4**	35.6	**51.6**	82.4
Corporate and Other	**—**	0.9	**0.3**	1.0
Total capital additions	**$ 73.0**	$ 191.6	**$ 230.7**	$ 320.9

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

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

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

	(In Millions)	
	June 30, 2020	December 31, 2019
Land, land improvements and mineral rights	**$ 653.2**	$ 582.2
Buildings	**454.4**	157.8
Steel and Manufacturing equipment	**2,147.9**	42.0
Mining and Pelletizing equipment	**1,448.6**	1,413.6
Other	**123.4**	101.5
Construction-in-progress	**1,058.3**	730.3
Total property, plant and equipment [1]	**5,885.8**	3,027.4
Allowance for depreciation and depletion	**(1,337.9)**	(1,098.4)
Property, plant and equipment, net	**$ 4,547.9**	$ 1,929.0

[1] Includes right-of-use assets related to finance leases of $93.7 million and $49.0 million as of June 30, 2020 and December 31, 2019, respectively.

We recorded capitalized interest into property, plant and equipment of $13.6 million and $23.3 million during the three and six months ended June 30, 2020, respectively, and $5.9 million and $9.9 million for the three and six months ended June 30, 2019, respectively.

We recorded depreciation and depletion expense of $75.3 million and $110.7 million for the three and six months ended June 30, 2020, respectively, and $20.9 million and $40.5 million for the three and six months ended June 30, 2019, respectively.

NOTE 6 - GOODWILL AND INTANGIBLE ASSETS AND LIABILITIES

Goodwill

The increase in the balance of *Goodwill* as of June 30, 2020, compared to December 31, 2019, is due to the preliminary assignment of $137.2 million to *Goodwill* in 2020 based on the preliminary purchase price allocation for the acquisition of AK Steel. The carrying amount of goodwill related to our Mining and Pelletizing segment was $2.1 million as of both June 30, 2020 and December 31, 2019.

Intangible Assets and Liabilities

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

		(In Millions)		
	Classification[1]	Gross Amount	Accumulated Amortization	Net Amount
As of June 30, 2020				
Intangible assets:				
Customer relationships	*Intangible assets, net*	$ 77.0	$ (1.5)	**$ 75.5**
Developed technology	*Intangible assets, net*	60.0	(1.2)	**58.8**
Trade names and trademarks	*Intangible assets, net*	11.0	(0.4)	**10.6**
Mining permits	*Intangible assets, net*	72.2	(24.5)	**47.7**
Total intangible assets		**$ 220.2**	**$ (27.6)**	**$ 192.6**
Intangible liabilities:				
Above-market supply contracts	*Intangible liabilities, net*	**$ (75.0)**	**$ 2.7**	**$ (72.3)**
As of December 31, 2019				
Intangible assets:				
Mining permits	*Intangible assets, net*	$ 72.2	$ (24.1)	$ 48.1

[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 $2.4 million and $3.5 million for the three and six months ended June 30, 2020, respectively, and $0.2 million and $0.4 million for the three and six months ended June 30, 2019, respectively.

Estimated future amortization expense related to intangible assets at June 30, 2020 is as follows:

	(In Millions)
Years ending December 31,	
2020 (remaining period of the year)	$ 5.0
2021	10.0
2022	10.0
2023	10.0
2024	10.0
2025	10.0

Income from amortization related to the intangible liabilities was $0.6 million and $2.7 million for the three and six months ended June 30, 2020, respectively.

Estimated future amortization income related to the intangible liabilities at June 30, 2020 is as follows:

	(In Millions)
Years ending December 31,	
2020 (remaining period of the year)	$ 4.1
2021	8.2
2022	8.2
2023	8.2
2024	8.2
2025	8.2

NOTE 7 - DEBT AND CREDIT FACILITIES

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

(In Millions)						
June 30, 2020						
Debt Instrument	**Issuer[1]**	**Annual Effective Interest Rate**	**Total Principal Amount**	**Debt Issuance Costs**	**Unamortized Premiums (Discounts)**	**Total Debt**
Senior Secured Notes:						
4.875% 2024 Senior Secured Notes	Cliffs	**5.00%**	**$ 394.5**	**$ (4.0)**	**$ (1.6)**	**$ 388.9**
9.875% 2025 Senior Secured Notes	Cliffs	**10.57%**	**955.2**	**(8.7)**	**(26.7)**	**919.8**
6.75% 2026 Senior Secured Notes	Cliffs	**6.99%**	**845.0**	**(22.6)**	**(9.4)**	**813.0**
Senior Unsecured Notes:						
7.625% 2021 AK Senior Notes	AK Steel	**7.33%**	**33.5**	**—**	**0.1**	**33.6**
7.50% 2023 AK Senior Notes	AK Steel	**6.17%**	**12.8**	**—**	**0.5**	**13.3**
6.375% 2025 Senior Notes	Cliffs	**8.11%**	**64.3**	**(0.2)**	**(4.8)**	**59.3**
6.375% 2025 AK Senior Notes	AK Steel	**8.11%**	**38.4**	**—**	**(2.9)**	**35.5**
1.50% 2025 Convertible Senior Notes	Cliffs	**6.26%**	**296.3**	**(3.9)**	**(55.6)**	**236.8**
5.75% 2025 Senior Notes	Cliffs	**6.01%**	**396.2**	**(2.8)**	**(4.3)**	**389.1**
7.00% 2027 Senior Notes	Cliffs	**9.24%**	**88.0**	**(0.3)**	**(9.8)**	**77.9**
7.00% 2027 AK Senior Notes	AK Steel	**9.24%**	**56.3**	**—**	**(6.2)**	**50.1**
5.875% 2027 Senior Notes	Cliffs	**6.49%**	**555.5**	**(4.5)**	**(19.0)**	**532.0**
6.25% 2040 Senior Notes	Cliffs	**6.34%**	**262.7**	**(1.9)**	**(2.8)**	**258.0**
IRBs due 2024 to 2028	AK Steel	**Various**	**92.0**	**—**	**2.3**	**94.3**
ABL Facility	Cliffs[2]	**2.79%**	**2,000.0**	**—**	**—**	**550.0**
Total long-term debt						**$ 4,451.6**

[1] Unless otherwise noted, references in this column to "Cliffs" are to Cleveland-Cliffs Inc., and references to "AK Steel" are to AK Steel Corporation.
[2] Refers to Cleveland-Cliffs Inc. as borrower under our ABL Facility.

(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%	$ 400.0	$ (4.6)	$ (1.8)	$ 393.6
Senior Unsecured Notes:						
1.50% 2025 Convertible Senior Notes	Cliffs	6.26%	316.3	(4.6)	(65.0)	246.7
5.75% 2025 Senior Notes	Cliffs	6.01%	473.3	(3.6)	(5.5)	464.2
5.875% 2027 Senior Notes	Cliffs	6.49%	750.0	(6.3)	(27.3)	716.4
6.25% 2040 Senior Notes	Cliffs	6.34%	298.4	(2.2)	(3.3)	292.9
Former ABL Facility	Cliffs[2]	N/A	450.0	N/A	N/A	—
Total long-term debt						$ 2,113.8

[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.

9.875% 2025 Senior Secured Notes Offerings

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 $400.0 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 $555.2 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.

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 August 15, 2020 - using proceeds of a regulatory debt facility	103.000 %	Up to 35% of original aggregate principal
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.

Debt issuance costs of $9.1 million were incurred related to the offerings of the 9.875% 2025 Senior Secured Notes and are included in *Long-term debt* in the Statements of Unaudited Condensed Consolidated Financial Position.

6.75% 2026 Senior Secured Notes Offerings

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 $725.0 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 $120.0 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.

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 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.

Debt issuance costs of $23.7 million were incurred related to the offerings of the 6.75% 2026 Senior Secured Notes and are included in *Long-term debt* in the Statements of Unaudited Condensed Consolidated Financial Position.

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 $231.8 million aggregate principal amount of 6.375% 2025 Senior Notes and $335.4 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. The 6.375% 2025 Senior Notes and 7.00% 2027 Senior Notes were issued pursuant to exchange offers made by Cliffs in private placement transactions exempt from the registration requirements of the Securities Act. 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 for our 6.375% 2025 Senior Notes:

Redemption Period	Redemption Price[1]	Restricted Amount
Prior to October 15, 2020 - using proceeds of equity issuance	106.375 %	Up to 35% of original aggregate principal
Prior to October 15, 2020[2]	100.000	
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.

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

Debt issuance costs of $0.9 million were incurred in connection with the issuance of the 6.375% 2025 Senior Notes and are included in *Long-term debt* in the Statements of Unaudited Condensed Consolidated Financial Position .

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 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.

Debt issuance costs of $1.3 million were incurred in connection with the issuance of the 7.00% 2027 Senior Notes and are included in *Long-term debt* in the Statements of Unaudited Condensed Consolidated Financial Position .

AK Steel Corporation Senior Unsecured Notes

As of June 30, 2020, AK Steel Corporation had outstanding a total of $141.0 million aggregate principal amount of 7.625% 2021 AK Senior Not es, 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 certain customary covenants; however, there are no financial covenants.

We may redeem the 7.625% 2021 AK Senior Not es 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 for the 7.50% 2023 AK Senior Notes:

Redemption Period	Redemption Price[1]
Prior to July 15, 2020	103.750 %
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 for the 6.375% 2025 AK Senior Notes:

Redemption Period	Redemption Price[1]
Prior to October 15, 2020[2]	100.000 %
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.

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

The following is a summary of redemption prices 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.

Industrial Revenue Bonds

AK Steel Corporation had outstanding $66.0 million aggregate principal amount of fixed-rate, tax-exempt IRBs as of June 30, 2020. The weighted-average fixed rate of the unsecured IRBs is 6.86%. The IRBs are unsecured senior debt obligations that are equal in ranking with AK Steel Corporation's senior unsecured notes and AK Steel Corporation's guarantees of Cliffs' unsecured and unsubordinated indebtedness. In addition, AK Steel Corporation had outstanding $26.0 million aggregate principal amount of variable-rate IRBs as of June 30, 2020 that are backed by a letter of credit. These IRBs contain certain customary covenants; however, there are no financial covenants.

Debt Extinguishments - 2020

On April 24, 2020, we used the net proceeds from the offering of the additional 9.875% 2025 Senior Secured Notes to repurchase $736.4 million aggregate principal amount of our outstanding senior notes of various series, which resulted in debt reduction of $181.2 million. During the second quarter of 2020, we also repurchased an additional $11.2 million aggregate principal amount of our outstanding senior notes of various series with cash on hand. On June 1, 2020, we redeemed $7.3 million aggregate principal amount of our outstanding 2020 IRBs.

On March 13, 2020, in connection with the Merger, we purchased $364.2 million aggregate principal amount of 7.625% 2021 AK Senior Notes and $310.7 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, on March 27, 2020, we purchased $8.5 million aggregate principal amount of the 7.625% 2021 AK Senior Notes and $56.5 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 gain on extinguishment:

	(In Millions)			
	Three Months Ended June 30, 2020		Six Months Ended June 30, 2020	
Debt Instrument	Debt Extinguished	Gain on Extinguishment	Debt Extinguished	Gain on Extinguishment
7.625% 2021 AK Senior Notes	$ —	$ —	$ 372.7	$ 0.4
7.50% 2023 AK Senior Notes	—	—	367.2	2.8
4.875% 2024 Senior Secured Notes	5.5	0.5	5.5	0.5
6.375% 2025 Senior Notes	167.5	21.3	167.5	21.3
1.50% 2025 Convertible Senior Notes	20.0	1.3	20.0	1.3
5.75% 2025 Senior Notes	77.1	16.3	77.1	16.3
7.00% 2027 Senior Notes	247.3	28.4	247.3	28.4
5.875% 2027 Senior Notes	194.5	48.7	194.5	48.7
6.25% 2040 Senior Notes	35.7	12.9	35.7	12.9
	$ 747.6	$ 129.4	$ 1,487.5	$ 132.6

Debt Extinguishments - 2019

The following is a summary of the debt extinguished with cash and the respective loss on extinguishment:

	(In Millions)			
	Three Months Ended June 30, 2019		Six Months Ended June 30, 2019	
Debt Instrument	Debt Extinguished	(Loss) on Extinguishment	Debt Extinguished	(Loss) on Extinguishment
4.875% 2021 Senior Notes	$ 114.0	$ (5.0)	$ 124.0	$ (5.3)
5.75% 2025 Senior Notes	600.0	(12.9)	600.0	(12.9)
	$ 714.0	$ (17.9)	$ 724.0	$ (18.2)

ABL Facility

On March 13, 2020, in connection with the 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 provides for up to $2.0 billion in borrowings, including a $555.0 million sublimit for the issuance of letters of credit and a $125.0 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.

The ABL Facility and certain bank products and hedge obligations are guaranteed by us and 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 this agreement 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.

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 of commitments in the aggregate amount of $150.0 million by exchanging existing commitments under the ABL Facility. The total commitments under the ABL Facility after giving effect to the amendment remain at $2.0 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.

As of June 30, 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.

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

	(In Millions)
	June 30, 2020
Available borrowing base on ABL Facility[1]	**$ 1,652.1**
Borrowings	**(550.0)**
Letter of credit obligations[2]	**(198.5)**
Borrowing capacity available	**$ 903.6**

[1] As of June 30, 2020, the ABL Facility has a maximum borrowing base of $2.0 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, IRBs and environmental obligations.

Debt Maturities

The following represents a summary of our maturities of debt instruments based on the principal amounts outstanding at June 30, 2020:

	(In Millions)
	Maturities of Debt
2020 (remaining period of year)	$ —
2021	33.5
2022	—
2023	12.8
2024	456.5
Thereafter	4,137.9
Total maturities of debt	$ 4,640.7

NOTE 8 - FAIR VALUE MEASUREMENTS

The following represents the assets and liabilities measured at fair value:

	(In Millions)			
	June 30, 2020			
	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 - Money market funds	**$ 21.8**	**$ —**	**$ —**	**$ 21.8**
Other current assets:				
Commodity contracts	**—**	**5.4**	**—**	**5.4**
Customer supply agreement	**—**	**—**	**27.3**	**27.3**
Provisional pricing arrangement	**—**	**—**	**8.0**	**8.0**
Other non-current assets:				
Commodity contracts	**—**	**0.7**	**—**	**0.7**
Total	**$ 21.8**	**$ 6.1**	**$ 35.3**	**$ 63.2**
Liabilities:				
Other current liabilities:				
Commodity contracts	**$ —**	**$ (17.2)**	**$ —**	**$ (17.2)**
Foreign exchange contracts	**—**	**(1.0)**	**—**	**(1.0)**
Other non-current liabilities:				
Commodity contracts	**—**	**(1.1)**	**—**	**(1.1)**
Foreign exchange contracts	**—**	**(0.4)**	**—**	**(0.4)**
Total	**$ —**	**$ (19.7)**	**$ —**	**$ (19.7)**

	(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	$ —	$ 187.6	$ —	$ 187.6
Other current assets:				
Customer supply agreement	—	—	44.5	44.5
Provisional pricing arrangement	—	—	1.3	1.3
Total	$ —	$ 187.6	$ 45.8	$ 233.4
Liabilities:				
Other current liabilities:				
Commodity contracts	$ —	$ (3.2)	$ —	$ (3.2)
Provisional pricing arrangement	—	—	(1.1)	(1.1)
Total	$ —	$ (3.2)	$ (1.1)	$ (4.3)

Financial assets classified in Level 1 include money market funds. The valuation of these instruments is based upon unadjusted quoted prices for identical assets in active markets.

The valuation of financial assets and liabilities classified in Level 2 is determined using a market approach based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable. Our foreign exchange contracts include Canadian dollars, and our commodity hedge contracts primarily include those related to natural gas, electricity and zinc.

The Level 3 assets consist of a freestanding derivative instrument related to a certain supply agreement and derivative assets related to certain provisional pricing arrangements with our customers. The Level 3 liabilities consist of derivative liabilities related to certain provisional pricing arrangements with our customers.

The supply agreement included in our Level 3 assets contains provisions for supplemental revenue or refunds based on the hot-rolled coil steel price in the year the iron ore product is consumed in the customer's blast furnaces. We account for these provisions as a derivative instrument at the time of sale and adjust the derivative instrument to fair value through *Revenues* each reporting period until the product is consumed and the amounts are settled.

The provisional pricing arrangements included in our Level 3 assets/liabilities specify provisional price calculations, where the pricing mechanisms generally are based on market pricing, with the final revenue rate to be based on market inputs at a specified point in time in the future, per the terms of the supply agreements. The difference between the estimated final revenue rate at the date of sale and the estimated final revenue rate at the measurement date is characterized as a derivative and is required to be accounted for separately once the revenue has been recognized. The derivative instruments are adjusted to fair value through *Revenues* each reporting period based upon current market data and forward-looking estimates provided by management until the final revenue rates are determined.

The following table illustrates information about quantitative inputs and assumptions for the derivative assets and derivative liabilities categorized in Level 3 of the fair value hierarchy:

Qualitative/Quantitative Information About Level 3 Fair Value Measurements

	Fair Value at June 30, 2020 (In Millions)	Balance Sheet Location	Valuation Technique	Unobservable Input	Range or Point Estimate (Weighted Average)
Customer supply agreement	$ 27.3	*Other current assets*	Market Approach	Management's estimate of hot-rolled coil steel price per net ton	$562 - $639 $(564)
Provisional pricing arrangements	$ 8.0	*Other current assets*	Market Approach	Management's estimate of Platts 62% price per dry metric ton	$94
				Atlantic Basin Pellet Premium	$32

The significant unobservable input used in the fair value measurement of our customer supply agreement was a forward-looking estimate of the hot-rolled coil steel price determined by management.

The significant unobservable inputs used in the fai r value measurement of our provisional pricing arrangements at June 30, 2020 were the forward-looking estimate of Platts 62% price and the Atlantic Basin Pellet Premium based upon current market data determined by management.

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			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Beginning balance	**$ 19.6**	$ 106.7	**$ 45.8**	$ 91.4
Total gains included in earnings	**40.0**	74.3	**13.8**	89.6
Settlements	**(24.3)**	(62.9)	**(24.3)**	(62.9)
Ending balance	**$ 35.3**	$ 118.1	**$ 35.3**	$ 118.1
Total gains for the period included in earnings attributable to the change in unrealized gains on assets still held at the reporting date	**$ 33.6**	$ 73.0	**$ 13.6**	$ 88.3

	(In Millions)			
	Level 3 Liabilities			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Beginning balance	**$ —**	$ (9.8)	**$ (1.1)**	$ —
Total gains (losses) included in earnings	**—**	4.5	**(0.6)**	(5.3)
Settlements	**—**	5.3	**1.7**	5.3
Ending balance	**$ —**	$ —	**$ —**	$ —

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)			
		June 30, 2020		December 31, 2019	
	Classification	**Carrying Value**	**Fair Value**	Carrying Value	Fair Value
Long-term debt:					
Senior Notes	Level 1	**$ 3,807.3**	**$ 3,681.8**	$ 2,113.8	$ 2,237.0
IRBs due 2024 to 2028	Level 1	**94.3**	**86.0**	—	—
ABL Facility - outstanding balance	Level 2	**550.0**	**550.0**	—	—
Total long-term debt		**$ 4,451.6**	**$ 4,317.8**	$ 2,113.8	$ 2,237.0

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

NOTE 9 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS

We offer defined benefit pension plans, defined contribution pension plans and OPEB plans, primarily consisting of retiree healthcare benefits, to most employees as part of a total compensation and benefits program. The defined benefit pension plans are noncontributory and benefits generally are based on a minimum formula or employees' years of service and average earnings for a defined period prior to retirement.

As a result of the acquisition of AK Steel, we assumed the obligations under AK Steel's defined benefit pension plans and OPEB plans. Noncontributory pension and various healthcare and life insurance benefits are provided to a significant portion of our employees and retirees. AK Steel also contributes to multiemployer pension plans according

to collective bargaining agreements that cover certain union-represented employees and defined contribution pension plans. The AK Steel pension and OPEB plans were remeasured as of March 13, 2020.

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

Defined Benefit Pension Costs (Credits)

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Service cost	**$ 5.3**	$ 4.2	**$ 10.6**	$ 8.3
Interest cost	**14.9**	8.6	**23.1**	17.3
Expected return on plan assets	**(36.7)**	(13.7)	**(55.2)**	(27.3)
Amortization:				
Prior service costs	**0.3**	0.3	**0.5**	0.6
Net actuarial loss	**6.6**	5.9	**13.3**	11.8
Net periodic benefit cost (credit)	**$ (9.6)**	$ 5.3	**$ (7.7)**	$ 10.7

OPEB Costs (Credits)

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Service cost	**$ 1.4**	$ 0.4	**$ 1.9**	$ 0.8
Interest cost	**4.3**	2.4	**6.5**	4.7
Expected return on plan assets	**(4.6)**	(4.2)	**(9.1)**	(8.4)
Amortization:				
Prior service credits	**(0.5)**	(0.5)	**(1.0)**	(1.0)
Net actuarial loss	**0.7**	1.2	**1.4**	2.5
Net periodic benefit cost (credit)	**$ 1.3**	$ (0.7)	**$ (0.3)**	$ (1.4)

As a result of the CARES Act enacted on March 27, 2020, we have deferred pension contributions starting in the second quarter of 2020. Based on prior funding requirements, we made defined benefit pension contributions of $0.2 million and $4.0 million for the three and six months ended June 30, 2020, respectively, compared to defined benefit pension contributions of $3.5 million and $6.7 million for the three and six months ended June 30, 2019, respectively. OPEB contributions for our voluntary employee benefit association trust plans are typically made on an annual basis in the first quarter of each year, but due to plan funding requirements being met, no OPEB contributions for our voluntary employee benefit association trust plans were required or made for the three and six months ended June 30, 2020 and 2019.

NOTE 10 - INCOME TAXES

Our 2020 estimated annual effective tax rate before discrete items as of June 30, 2020 is 31.1%. The estimated annual effective tax rate differs from the U.S. statutory rate of 21.0% primarily due to the deduction for percentage depletion in excess of cost depletion related to our Mining and Pelletizing segment operations, as well as non-deductible transaction costs, executive officers' compensation, global intangible low-taxed income and income of noncontrolling interests for which no tax is recognized. The 2019 estimated annual effective tax rate before discrete items as of June 30, 2019 was 12.1%. The increase in the estimated annual effective tax rate before discrete items is driven by the change in the mix of income, as well as transaction costs and other acquisition-related charges that were incurred only in 2020.

For the three and six months ended June 30, 2020, we recorded discrete items that resulted in an income tax expense of $0.3 million and benefit of $3.7 million, respectively. The discrete adjustments are primarily related to interest on uncertain tax positions in the quarter and the refund of amounts sequestered by the Internal Revenue Service on previously filed AMT credit refunds. For the three and six months ended June 30, 2019, we recorded discrete items that resulted in an income tax benefit of $0.4 million and $0.8 million, respectively.

NOTE 11 - ASSET RETIREMENT OBLIGATIONS

The following is a summary of our asset retirement obligations:

	(In Millions)	
	June 30, 2020	December 31, 2019
Asset retirement obligations[1]	**$ 183.3**	$ 165.3
Less current portion	**2.2**	2.1
Long-term asset retirement obligations	**$ 181.1**	$ 163.2

[1] Includes $33.0 million and $22.0 million related to our active operations as of June 30, 2020 and December 31, 2019, respectively.

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. Additionally, we have included in our asset retirement obligation $13.9 million for our integrated steel facilities acquired in the Merger. The closure date for each of our active mine sites was determined based on the exhaustion date of the remaining iron ore 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	**$ 165.3**	$ 172.4
Increase from AK Steel acquisition	**13.9**	—
Accretion expense	**4.9**	5.1
Remediation payments	**(0.8)**	(0.4)
Asset retirement obligation as of June 30	**$ 183.3**	$ 177.1

NOTE 12 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The following table presents the fair value of our derivative instruments and the classification of each in the Statements of Unaudited Condensed Consolidated Financial Position:

	Derivatives designated as hedging instruments under Topic 815:		**Derivatives not designated as hedging instruments under Topic 815:**	
Derivative Asset (Liability)	**June 30, 2020**	December 31, 2019	**June 30, 2020**	December 31, 2019
Other current assets:				
Customer supply agreement	**$ —**	$ —	**$ 27.3**	$ 44.5
Provisional pricing arrangements	**—**	—	**8.0**	1.3
Commodity contracts	**1.6**	—	**3.8**	—
Other non-current assets:				
Commodity contracts	**0.6**	—	**0.1**	—
Other current liabilities:				
Provisional pricing arrangements	**—**	—	**—**	(1.1)
Commodity contracts	**(14.2)**	(3.2)	**(3.0)**	—
Foreign exchange contracts	**(1.0)**	—	—	—
Other non-current liabilities:				
Commodity contracts	**(0.9)**	—	**(0.2)**	—
Foreign exchange contracts	**(0.4)**	—	—	—

Derivatives Designated as Hedging Instruments - Cash Flow Hedges

Exchange rate fluctuations affect a portion of revenues and operating costs that are denominated in foreign currencies, and we use forward currency and currency option contracts to reduce our exposure to certain of these currency price fluctuations. Contracts to purchase Canadian dollars are designated as cash flow hedges for accounting purposes, and we record the gains and losses for the derivatives and premiums paid for option contracts in *Accumulated other comprehensive loss* until we reclassify them into *Cost of goods sold* when we recognize the associated underlying operating costs.

We are exposed to fluctuations in market prices of raw materials and energy sources. We may use cash-settled commodity swaps and options to hedge the market risk associated with the purchase of certain of our raw materials and energy requirements. Our hedging strategy is to reduce the effect on earnings from the price volatility of these various commodity exposures, including timing differences between when we incur raw material commodity costs and when we receive sales surcharges from our customers based on those raw materials. Independent of any hedging activities, price changes in any of these commodity markets could negatively affect operating costs.

The following table presents our outstanding hedge contracts:

		(In Millions)			
		June 30, 2020			December 31, 2019
	Unit of Measure	Maturity Dates	Notional Amount		Notional Amount
Commodity contracts:					
Natural gas	MMBtu	July 2020 - December 2021	**39.2**		20.1
Diesel	Gallons	—	**—**		0.8
Zinc	Pounds	July 2020 - December 2021	**18.2**		—
Electricity	Megawatt hours	July 2020 - December 2021	**1.5**		—
Foreign exchange contracts:					
Canadian dollars	CAD	July 2020 - December 2021	**C$** **48.7**	C$	—

Estimated gains (losses) before tax expected to be reclassified into *Cost of goods sold* within the next 12 months for our existing derivatives that qualify as cash flow hedges are presented below:

	(In Millions)
Hedge:	**Estimated Gains (Losses)**
Natural gas	**$ (4.6)**
Zinc	**0.6**
Electricity	**(1.0)**

Derivatives Not Designated as Hedging Instruments

Customer Supply Agreement

A supply agreement with one customer provides for supplemental revenue or refunds to the customer based on the hot-rolled coil steel price at the time the iron ore product is consumed in the customer's 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.

Provisional Pricing Arrangements

Certain of our supply agreements specify provisional price calculations, where the pricing mechanisms generally are based on market pricing, with the final revenue rate based on certain market inputs at a specified period in time in the future, per the terms of the supply agreements. Market inputs are tied to indexed price adjustment factors that are integral to the iron ore supply contracts and vary based on the agreement. The pricing mechanisms typically include adjustments based upon changes in the Platts 62% Price, Atlantic Basin pellet premiums and Platts international indexed freight rates. The pricing adjustments generally operate in the same manner, with each factor typically comprising a portion of the price adjustment, although the weighting of each factor varies based upon the specific terms of each agreement. The price adjustment factors have been evaluated to determine if they qualify as embedded derivatives. The price adjustment factors share the same economic characteristics and risks as the host sales contract and are integral to the host sales contract as inflation adjustments; accordingly, they have not been separately valued as derivative instruments.

Revenue is recognized generally upon delivery to our customers. Revenue is measured at the point that control transfers and represents the amount of consideration we expect to receive in exchange for transferring goods. Changes in the expected revenue rate from the date that control transfers through final settlement of contract terms is recorded in accordance with Topic 815 and is characterized as a derivative instrument and accounted for separately. Subsequently,

the derivative instruments are adjusted to fair value through *Revenues* each reporting period based upon current market data and forward-looking estimates provided by management until the final revenue rate is determined.

The following summarizes the effect of our derivatives that are not designated as hedging instruments in the Statements of Unaudited Condensed Consolidated Operations:

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	(In Millions) Three Months Ended June 30,		Six Months Ended June 30,	
		2020	2019	**2020**	2019
Customer supply agreements	*Revenues*	**$ 31.2**	$ 57.5	**$ 5.6**	$ 74.6
Provisional pricing arrangements	*Revenues*	**8.8**	17.3	**7.6**	5.7
Foreign exchange contracts	*Other non-operating income*	**0.1**	—	**—**	—
Commodity contracts	*Cost of goods sold*	**1.2**	—	**(4.7)**	—
Total		**$ 41.3**	$ 74.8	**$ 8.5**	$ 80.3

Refer to NOTE 8 - FAIR VALUE MEASUREMENTS for additional information.

NOTE 13 - SHAREHOLDERS' EQUITY

Acquisition of AK Steel

As more fully described in NOTE 3 - ACQUISITION OF AK STEEL , we acquired AK Steel on March 13, 2020. At the effective time of the Merger, each share of AK Steel common stock issued and outstanding prior to the effective time of the Merger was converted into, and became exchangeable for, 0.400 Cliffs common shares, par value $0.125 per share. We issued a total of 126.8 million Cliffs common shares in connection with the Merger at a fair value of $617.6 million. Following the closing of the Merger, AK Steel's common stock was de-listed from the New York Stock Exchange.

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.

Preferred Stock

We have 3,000,000 Class A preferred shares authorized and 4,000,000 Class B preferred shares authorized; no preferred shares are issued or outstanding.

Share Repurchase Program

In November 2018, our Board 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, our Board increased the common share repurchase authorization by an additional $100 million, excluding commissions and fees. During the six months ended June 30, 2019 we repurchased 24.4 million common shares at a cost of $252.9 million in the aggregate, including commissions and fees. The share repurchase program was effective until December 31, 2019.

NOTE 14 - ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables reflect the changes in *Accumulated other comprehensive loss* related to 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, 2019	**$ (315.7)**	**$ —**	**$ (3.1)**	**$ (318.8)**
Other comprehensive loss before reclassifications	**—**	**(0.9)**	**(5.2)**	**(6.1)**
Net loss reclassified from accumulated other comprehensive loss	**5.6**	**—**	**2.2**	**7.8**
March 31, 2020	**$ (310.1)**	**$ (0.9)**	**$ (6.1)**	**$ (317.1)**
Other comprehensive income before reclassifications	**0.4**	**0.7**	**1.4**	**2.5**
Net loss reclassified from accumulated other comprehensive loss	**5.6**	**—**	**3.1**	**8.7**
June 30, 2020	**$ (304.1)**	**$ (0.2)**	**$ (1.6)**	**$ (305.9)**

	(In Millions)		
	Postretirement Benefit Liability, net of tax	Derivative Financial Instruments, net of tax	Accumulated Other Comprehensive Loss
December 31, 2018	$ (281.1)	$ (2.8)	$ (283.9)
Other comprehensive income before reclassifications	0.2	2.5	2.7
Net loss reclassified from accumulated other comprehensive loss	5.5	0.2	5.7
March 31, 2019	$ (275.4)	$ (0.1)	$ (275.5)
Other comprehensive income (loss) before reclassifications	0.3	(2.3)	(2.0)
Net loss reclassified from accumulated other comprehensive loss	5.5	0.2	5.7
June 30, 2019	$ (269.6)	$ (2.2)	$ (271.8)

The following table reflects the details about *Accumulated other comprehensive loss* components related to shareholders' equity:

Details about Accumulated Other Comprehensive Loss Components	(In Millions) Amount of (Gain)/Loss Reclassified into Income, Net of Tax				Affected Line Item in the Statement of Unaudited Condensed Consolidated Operations
	Three Months Ended June 30,		Six Months Ended June 30,		
	2020	2019	**2020**	2019	
Amortization of pension and OPEB liability:					
Prior service credits	**$ (0.2)**	$ (0.2)	**$ (0.5)**	$ (0.4)	*Other non-operating income*
Net actuarial loss	**7.3**	7.1	**14.7**	14.3	*Other non-operating income*
	$ 7.1	$ 6.9	**14.2**	13.9	Total before taxes
	(1.5)	(1.4)	**(3.0)**	(2.9)	*Income tax benefit (expense)*
	$ 5.6	$ 5.5	**$ 11.2**	$ 11.0	Net of taxes
Unrealized loss on derivative financial instruments:					
Commodity contracts	**$ 3.9**	$ 0.2	**$ 6.7**	$ 0.5	*Cost of goods sold*
	(0.8)	—	**(1.4)**	(0.1)	*Income tax benefit (expense)*
	$ 3.1	$ 0.2	**$ 5.3**	$ 0.4	Net of taxes
Total reclassifications for the period, net of tax	**$ 8.7**	$ 5.7	**$ 16.5**	$ 11.4	

NOTE 15 - RELATED PARTIES

We have certain co-owned joint ventures with companies from the steel and mining industries, including integrated steel companies, their subsidiaries and other downstream users of steel and iron ore products. In addition, we have certain long-term contracts, and from time to time, enter into other sales agreements with these parties, and as a result, generate *Revenues* from related parties.

Hibbing is a co-owned joint venture with companies that are integrated steel producers or their subsidiaries. The following is a summary of the mine ownership of the co-owned iron ore mine at June 30, 2020:

Mine	Cleveland-Cliffs Inc.	ArcelorMittal USA	U.S. Steel
Hibbing	23.0%	62.3%	14.7%

The tables below summarize our material related party transactions:

Revenues from related parties were as follows:

	(In Millions) Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Revenue from related parties	**$ 281.8**	$ 452.4	**$ 292.6**	$ 499.3
Revenues[1]	**$ 1,092.7**	$ 743.2	**$ 1,451.8**	$ 900.2
Related party revenues as a percent of Revenues [1]	**25.8%**	60.9%	**20.2%**	55.5%
Purchases from related parties	**$ 9.7**	$ —	**$ 12.2**	$ —

[1] Includes *Realization of deferred revenue* of $34.6 million for the six months ended June 30, 2020.

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

Balance Sheet Location	(In Millions) June 30, 2020	December 31, 2019
Accounts receivable, net	**$ 91.6**	$ 31.1
Other current assets	**35.3**	44.5
Accounts payable	**(2.4)**	—
Other current liabilities	**(2.0)**	(2.0)

Other current assets

A supply agreement with one customer provides for supplemental revenue or refunds to the customer based on the hot-rolled coil steel price at the time the product is consumed in the customer's blast furnaces. The supplemental pricing is characterized as a freestanding derivative. Refer to NOTE 12 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

NOTE 16 - VARIABLE INTEREST ENTITIES

SunCoke Middletown

We purchase all the coke and electrical power generated from SunCoke Middletown's plant under long-term supply agreements. SunCoke Middletown is a VIE because we have committed to purchase all the expected production from the facility through 2032 and we are the primary beneficiary. Therefore, we consolidate SunCoke Middletown's financial results with our financial results, even though we have no ownership interest in SunCoke Middletown. SunCoke Middletown had income before income taxes of $16.0 million and $19.5 million for the three and six months ended June 30, 2020, respectively, that was included in our consolidated income before income taxes.

The assets of the consolidated VIE can only be used to settle the obligations of the consolidated VIE and not obligations of the Company. The creditors of SunCoke Middletown do not have recourse to the assets or general credit of the Company to satisfy liabilities of the VIE. The consolidated balance sheet as of June 30, 2020 includes the following amounts for SunCoke Middletown:

	(In Millions)
	June 30, 2020
Cash and cash equivalents	$ 1.0
Inventories	21.2
Property, plant and equipment, net	309.2
Accounts payable	(5.6)
Other assets (liabilities), net	(1.2)
Noncontrolling interests	(324.6)

NOTE 17 - EARNINGS PER SHARE

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

	(In Millions, Except Per Share Amounts)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Income (loss) from continuing operations	**$ (107.8)**	$ 161.4	**$ (157.0)**	$ 139.3
Income from continuing operations attributable to noncontrolling interest	**(15.8)**	—	**(19.3)**	—
Net income (loss) from continuing operations attributable to Cliffs shareholders	**(123.6)**	161.4	**(176.3)**	139.3
Income (loss) from discontinued operations, net of tax	**(0.3)**	(0.6)	**0.3**	(0.6)
Net income (loss) attributable to Cliffs shareholders	**$ (123.9)**	$ 160.8	**$ (176.0)**	$ 138.7
Weighted average number of shares:				
Basic	**399.1**	275.8	**348.3**	282.6
Convertible senior notes	**—**	6.7	**—**	6.9
Employee stock plans	**—**	3.0	**—**	4.1
Diluted	**399.1**	285.5	**348.3**	293.6
Earnings (loss) per common share attributable to Cliffs shareholders - basic:				
Continuing operations	**$ (0.31)**	$ 0.59	**$ (0.51)**	$ 0.49
Discontinued operations	**—**	—	**—**	—
	$ (0.31)	$ 0.59	**$ (0.51)**	$ 0.49
Earnings (loss) per common share attributable to Cliffs shareholders - diluted:				
Continuing operations	**$ (0.31)**	$ 0.57	**$ (0.51)**	$ 0.47
Discontinued operations	**—**	—	**—**	—
	$ (0.31)	$ 0.57	**$ (0.51)**	$ 0.47

The following table summarizes the shares that have been excluded from the diluted earnings per share calculation as they were anti-dilutive:

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	2019
Shares related to employee stock plans	**1.8**	—	**1.8**	—

There was no dilution during the three and six months ended June 30, 2020 related to the common share equivalents for the convertible senior notes as our common shares average price did not rise above the conversion price.

NOTE 18 - COMMITMENTS AND CONTINGENCIES

Purchase Commitments

HBI production plant

In 2017, we began to incur capital commitments related to the construction of our HBI production plant in Toledo, Ohio; however, due to the COVID-19 pandemic, we temporarily halted construction in March 2020. In June 2020, we resumed construction and expect to complete the project in the fourth quarter of 2020. In total, to complete the project, we expect to spend approximately $1 billion on the HBI production plant, excluding capitalized interest, of which $894.3 million was paid as of June 30, 2020. As of June 30, 2020, we have contracts and purchase orders in place for $92.2 million.

Contingencies

We are currently the subject of, or party to, various claims and legal proceedings incidental to our 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 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 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)	
	June 30, 2020	December 31, 2019
Environmental obligations	**$ 41.4**	$ 2.0
Less current portion	**6.5**	0.3
Long-term environmental obligations	**$ 34.9**	$ 1.7

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.

Except as we expressly note below, we do not currently anticipate any material effect on our consolidated financial position, results of operations or cash flows as a result of compliance with current environmental regulations. Moreover, because all domestic steel and iron ore 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.

According 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. Environmental regulators may inspect our major iron ore and steelmaking 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 which they believe require corrective action.

Under authority from CERCLA, the EPA and state environmental authorities have conducted site investigations at certain 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 reliably 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 on consent with the EPA pursuant to Section 122 of CERCLA to perform a Remedial Investigation/Feasibility Study (“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. We currently have accrued $0.7 million for the remaining cost of the RI/FS. Until the RI/FS is complete, we cannot reliably estimate the additional costs, if any, we may incur for potentially required remediation of the site or when we may incur them.

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 reliably 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. We currently have accrued $1.4 million for the projected cost of the investigation and known remediation. Until the site investigation is complete, we cannot reliably estimate the costs, if any, we may incur for potential additional required remediation of the site or when we may incur them.

On May 12, 2014, the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”) (previously the Michigan Department of Environmental Quality) issued to Dearborn Works an Air Permit to Install No. 182-05C (the “PTI”) to increase the emission limits for the blast furnace and other emission sources. The PTI was issued as a correction to a prior permit to install that did not include certain information during the prior permitting process. On July 10, 2014, the South Dearborn Environmental Improvement Association (“SDEIA”), Detroiters Working for Environmental Justice, Original United Citizens of Southwest Detroit and the Sierra Club filed a Claim of Appeal of the PTI in the State of Michigan, Wayne County Circuit Court, Case No. 14-008887-AA. The appellants and EGLE required the intervention of Severstal Dearborn, LLC (later merged into AK Steel Corporation) in this action as an additional appellee. The appellants allege multiple deficiencies with the PTI and the permitting process. On July 2, 2019, the Circuit Court dismissed the PTI appeal and ruled that EGLE appropriately issued the permit modification. The appellants have appealed that decision. Until the appeal is resolved, we cannot determine what the ultimate permit limits will be. Until the permit limits are determined and final, we cannot reliably estimate the costs we may incur, if any, or when we may incur them.

On August 21, 2014, the SDEIA filed a Complaint under the Michigan Environmental Protection Act (“MEPA”) in the State of Michigan, Wayne County Circuit Court, Case No. 14-010875-CE. The plaintiffs allege that the air emissions from Dearborn Works are impacting the air, water and other natural resources, as well as the public trust in such resources. The plaintiffs are requesting, among other requested relief, that the court assess and determine the sufficiency of the PTI’s limitations. On October 15, 2014, the court ordered a stay of the proceedings until a final order is issued in Wayne County Circuit Court Case No. 14-008887-AA (discussed above). When the proceedings resume, we intend to vigorously

contest these claims. Until the claims in this complaint are resolved, we cannot reliably estimate the costs we may incur, if any, or when we may incur them.

On November 18, 2019, November 26, 2019, and March 16, 2020, EGLE issued Notices of Violations ("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 which cannot be resolved through a settlement. Until a settlement is reached with EGLE or the claims of the NOVs are otherwise resolved, we cannot reliably estimate the costs, if any, associated with any potentially required work.

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 the proceedings will not have, individually or in the aggregate, a material adverse effect on our consolidated financial condition, results of operations or cash flows.

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 which 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 and in the aggregate, should not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

NOTE 19 - SUBSEQUENT EVENTS

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

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

Management's Discussion and Analysis of Financial Condition and Results of Operations is designed to provide a reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity and other factors that may affect our future results. We believe it is important to read our Management's Discussion and Analysis of Financial Condition and Results of Operations in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2020, as well as other publicly available information.

Overview

Founded in 1847, Cleveland-Cliffs is among the largest vertically integrated producers of differentiated iron ore and steel in North America. With an emphasis on non-commoditized products, we are uniquely positioned to supply both customized iron ore pellets and steel solutions to a quality-focused customer base. AK Steel, a wholly-owned subsidiary of Cleveland-Cliffs, is a leading producer of flat-rolled carbon, stainless and electrical steel products. The AK Tube and Precision Partners businesses provide customer solutions with carbon and stainless steel tubing products, die design and tooling, and hot- and cold-stamped components. In 2020, we expect to be the sole producer of HBI in the Great Lakes region. Headquartered in Cleveland, Ohio, we employ approximately 11,000 people across mining and steel manufacturing operations in the United States and Canada.

During the second quarter of 2020, the COVID-19 pandemic negatively disrupted, to varying degrees, effectively all of the end markets that we serve. As a result, we saw decreased demand for our steel and raw material products from the industrial markets that were impacted, most notably the automotive industry. Conditions have since improved and automotive customers have resumed production in previously idled facilities, but we have not yet seen conditions fully normalize due to supply chain issues and other concerns related to the COVID-19 pandemic, and it remains unclear how long the economic impact of the COVID-19 pandemic will be felt. In response to the COVID-19 pandemic and the corresponding reduction in demand, we made several operational adjustments to keep both our employees and Company healthy for the long term. See "–COVID-19" below.

The largest market for our steel products is the automotive industry in North America, which makes light vehicle production a key driver of demand. In the first six months of 2020, North American light vehicle production was approximately 5.1 million units, a 40% reduction from the prior year's comparable period. The reduction is a result of automotive plants shutting down throughout the United States in response to the COVID-19 pandemic, with second quarter of 2020 production falling by 69% from the prior year period.

In our Steel and Manufacturing segment, we also sell our steel products to the infrastructure, manufacturing, electrical power, distributors and converters markets, which have all been challenged by the COVID-19 pandemic, though to a lesser extent than the automotive market. Similar to the automotive sector, our sales to these markets generally declined during the second quarter of 2020 and we expect them to increase during the second half of the year.

For our Mining and Pelletizing segment, the key driver of our business is demand for raw materials from U.S. steelmakers. During the first six months of 2020, the U.S. produced approximately 36 million metric tons of crude steel, which is 18% lower than the same period in 2019, representing about 4% of total global crude steel production. U.S. total steel capacity utilization was approximately 67% in the first six months of 2020, which is an approximate 17% decrease from the same period in 2019. Due to the timing of the COVID-19 pandemic and the U.S. response, we expect production and utilization rates to remain below prior-year levels until economic conditions improve.

The price for domestic hot-rolled coil steel, an important attribute in the pricing for our iron ore pellets and certain of our steel products, averaged $539 per net ton for the first six months of 2020, 18% lower than the same period last year. The price of hot-rolled coil steel has been negatively impacted by lower demand related to the COVID-19 pandemic; however, we are encouraged that there were numerous domestic steel capacity curtailments in response, which should help improve steel supply-demand dynamics in the United States.

The two other important indices that impact pricing in our Mining and Pelletizing segment are the Platts 62% Price and the Atlantic Basin pellet premium. The Platts 62% Price averaged $91 per metric ton in the first six months of 2020 and 2019. The Platts 62% Price increased significantly during the second quarter of 2020, as Chinese demand for iron ore remained strong and other iron ore producing countries struggled to meet production targets due to the COVID-19 pandemic. The Atlantic Basin pellet premium averaged $30 per metric ton for the first six months of 2020, a 56% decrease compared to the same period in 2019, as weakness in the European steel market has driven reduced demand for higher quality raw materials.

For the three and six months ended June 30, 2020, our consolidated *Revenues*, including *Realization of deferred revenue* of $34.6 million for the six months ended June 30, 2020, were $1,092.7 million and $1,451.8 million, respectively. For the three and six months ended June 30, 2019, our consolidated *Revenues* were $743.2 million and $900.2 million, respectively. For the three and six months ended June 30, 2020 we had net loss from continuing operations attributable to Cliffs shareholders of $0.31 and $0.51 per diluted share, respectively, and negative consolidated Adjusted EBITDA of $82.0 million and $59.3 million, respectively. For the three and six months ended June 30, 2019, we had net income from continuing operations attributable to Cliffs shareholders of $0.57 and $0.47 per diluted share, respectively, and consolidated Adjusted EBITDA of $248.4 million and $269.6 million, respectively. See "– Results of Operations – Segment Information" below for a reconciliation of our consolidated *Net Income (loss)* to Adjusted EBTIDA.

Strategy

Our key strategic initiatives include:

Maximizing our Commercial Strengths

With the acquisition of AK Steel, we now offer a full suite of products encompassing all steps of the iron ore and steel manufacturing process. From mining to pelletizing to the development and production of finished high-value steel products, we are uniquely positioned to supply both customized iron ore pellets and flat-rolled carbon, stainless and electrical steel products in the United States. We have an industry-leading market share in the automotive industry, where our portfolio of high-end products delivers a broad range of differentiated solutions for this highly sought after customer base.

Our product offering is generally geared toward the high-quality end of the spectrum, compared to other suppliers of steel and iron ore in the domestic and global marketplace. Since 2015, our subsidiary AK Steel has de-emphasized the marketing of commodity-grade steel such as hot-rolled coil and focused on high-end applications and solutions, emphasizing niche products primarily for the automotive industry, which is well known for its extremely selective buying behavior. The AK Steel expertise, equipment capabilities and delivery reliability differentiate us from what most U.S.-based steelmakers are capable of offering. It also allows for the ability to minimize the pricing influence of volatile market indices with more focus on fixed-price agreements.

We also produce iron ore pellets, the most advanced and sophisticated iron ore product in the marketplace. The major global iron ore producers primarily sell iron ore fines, a commodity-grade product that makes up the vast majority of the seaborne iron ore trade. Our pellets are iron ore fines that have been further processed into homogenous feedstock that allow for enhanced efficiency within a blast furnace, offering steelmakers improved productivity and environmental performance. The sophisticated and tailor-made nature of our pellets allows us to charge a premium when compared to other iron ore products available in the marketplace.

Our Toledo HBI production plant, when operational, will allow 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 will offer a sophisticated alternative with less impurities, allowing the steelmakers to increase the quality of their respective end steel products and reduce reliance on imported metallics.

Expanding our Customer Base and Product Offering

The acquisition of AK Steel allows us to benefit from a larger and more diverse base of customers, with less overall emphasis on commodity-linked contracts as part of our new Steel and Manufacturing business. This expansion of our customer base into the automotive industry, as well as other steel consuming manufacturers, is expected to generate more predictable earnings and cash flows due to the focus on value-added and non-commoditized products, and less exposure to volatile commodity indices. We will now generally supply more advanced steel products than EAF steelmakers, who have gained market share from other blast furnaces on less advanced commodity-grade steels. As currently configured, EAFs are largely unable to supply the highly-specified products that we primarily sell.

We are also seeking to expand our customer base with the rapidly growing and attractive electric vehicle market. We believe, at this time, the North American automotive industry is approaching a monumental inflection point, with the adoption of electrical engines 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 AK Steel's 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.

Additionally, although we have a different customer base compared to other blast furnace steelmakers, we cannot ignore the ongoing shift of steelmaking share in the U.S. away from the blast furnace producers to the EAF steelmakers. Over the past 25 years, the market share of EAFs has nearly doubled. However, as EAFs have moved to higher-value steel products, they require more high-quality iron ore-based metallics instead of lower-grade scrap as raw material feedstock. As a result of this trend, one of our top strategic priorities will be to become a critical supplier of the EAF market by providing these specialized metallics.

Once operational, we expect our HBI production plant to partially replace the over three 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 the nearly 20 million metric tons of scrap used in the Great Lakes area every year. The Toledo site is in close proximity to over 20 EAFs, giving us a natural competitive freight advantage over import competitors. Not only will this production plant create another outlet for our high-margin pellets, but it also presents an attractive economic opportunity for us. As the only producer of DR-grade pellets in the Great Lakes region and with access to abundant, low-cost natural gas, we will be in a unique position to serve clients in the area and grow our customer base.

The acquisition of AK Steel provides another potential outlet for HBI as it can also be used in integrated steel operations to increase productivity and reduce carbon footprint, allowing for more cost efficient and environmentally friendly steelmaking.

Protecting our Mining and Pelletizing Business

We are the market-leading iron ore producer in the U.S., supplying differentiated iron ore pellets under long-term contracts to major North American blast furnace steel producers. We have the unique advantage of being a low-cost, high-quality, iron ore pellet producer with significant transportation and logistics advantages to serve the Great Lakes steel market. The pricing structure and long-term nature of our existing contracts, along with our cost-effective operating profile, position our Mining and Pelletizing segment as a strong cash flow generator in most commodity pricing environments.

We recognize the importance of our current strong position in the North American blast furnace steel industry, and one of our top priorities is to protect and enhance the market position of our Mining and Pelletizing business. This involves continuing to deliver high-quality, custom-made pellets that allow our customers to remain competitive in the quality, production efficiency, and environmental friendliness of their steel products. Protecting this business also involves continually evaluating opportunities to preserve our customer base, expand our production capacity and increase ore

reserve life. In 2017, we achieved key accomplishments toward these goals by acquiring the remaining minority stake in our Tilden and Empire mines as well as additional real estate interests in Minnesota. In 2018, we began supplying pellets under two new customer supply agreements in the Great Lakes region. In 2019, we completed the upgrades at our Northshore mine to begin commercially producing DR-grade pellets.

The acquisition of AK Steel is central to protecting our Mining and Pelletizing business, as sales to AK Steel accounted for 29% of our iron ore product revenue for the year ended December 31, 2019. The acquisition of AK Steel is expected to ensure pellet volume commitments for approximately six million long tons of pellets annually in a normalized environment, to complement our existing long-term minimum volume pellet offtake agreements with other key integrated steel producers and pellets to be eventually consumed at our Toledo HBI production plant.

Second Quarter 2020 Recent Developments

Financing Transactions

On April 17, 2020, we issued $400.0 million aggregate principal amount of 9.875% 2025 Senior Secured Notes in an offering that was exempt from the registration requirements of the Securities Act. We used the net proceeds from this offering for general corporate purposes, including to strengthen our balance sheet and increase our liquidity.

On April 24, 2020, we issued an additional $555.2 million aggregate principal amount of 9.875% 2025 Senior Secured Notes in an offering that was exempt from the registration requirements of the Securities Act. 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. We used the net proceeds from the offering of these additional notes to repurchase $736.4 million aggregate principal amount of our outstanding senior notes of various series, which resulted in a net principal debt reduction of $181.2 million.

On June 19, 2020, we issued an additional $120.0 million aggregate principal amount of 6.75% 2026 Senior Secured Notes in an offering that was exempt from the registration requirements of the Securities Act. 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. We intend to use the net proceeds from this offering to finance the construction of our HBI production plant. Pending such use, the net proceeds were used to temporarily reduce the outstanding borrowings under our ABL Facility.

COVID-19

In December 2019, COVID-19 surfaced in Wuhan, China, and has since 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 the first quarter and second quarter of 2020 and many countries, including the United States, took steps to restrict travel, temporarily close businesses and issue quarantine orders, and it remains unclear how long the economic impact of the COVID-19 pandemic will be felt.

On March 27, 2020, President Trump signed into law the CARES Act. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, AMT credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. We have evaluated the impact the CARES Act will have on our business and are receiving liquidity relief due to our ability to accelerate the receipt of approximately $60 million of AMT credit refunds, originally receivable in 2021 and 2022 but instead were collected in July 2020, and defer pension contributions and employer social security payments of approximately $90 million.

The COVID-19 pandemic continued to disrupt our operations during the second quarter of 2020. Although we implemented 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 throughout each day, 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 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. Nearly all of these temporarily idled facilities were restarted as of June 30, 2020, with the exception of the Dearborn hot-end operations and Mansfield operations, which restarted in July 2020, and the Northshore mine, which we plan to restart in early August 2020. 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 have taken a number of steps during the first six months of 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 reducing our Chief Executive Officer's compensation by 40%, temporarily reducing salaries by up to 20%, temporarily reducing other salaried employee benefits, and temporarily suspending capital expenditures. We have increased the synergy target associated with our acquisition of AK Steel by $30 million to $150 million. Lastly, our Board of Directors has suspended future dividends, which is a typical cash obligation of approximately $100 million on an annualized basis.

In light of the sudden onset and unknown impact and duration of the COVID-19 pandemic, our previously released guidance for the fiscal year ending December 31, 2020, should not be relied upon.

Results of Operations - Consolidated

The following is a summary of our consolidated results of operations for the three and six months ended June 30, 2020 and 2019:

Revenues

The following table presents our sales volumes and *Revenues* by reportable segment:

	(In Millions, Except Sales Tons)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	2019
Sales volume (in thousands):				
Steel and Manufacturing (net tons)	**619**	—	**818**	—
Mining and Pelletizing sales (long tons)	**4,759**	6,227	**6,893**	7,777
Less: Intercompany sales (long tons)	**(1,041)**	(38)	**(1,824)**	(38)
Mining and Pelletizing consolidated sales (long tons)	**3,718**	6,189	**5,069**	7,739
Revenues:				
Steel and Manufacturing net sales to external customers	**$ 715.1**	$ —	**$ 932.6**	$ —
Mining and Pelletizing net sales[1]	**489.0**	747.2	**718.4**	904.2
Less: Intercompany sales	**(111.4)**	(4.0)	**(199.2)**	(4.0)
Mining and Pelletizing net sales to external customers	**377.6**	743.2	**519.2**	900.2
				—
Total revenues	**$ 1,092.7**	$ 743.2	**$ 1,451.8**	$ 900.2

[1] Includes *Realization of deferred revenue* of $34.6 million for the six months ended June 30, 2020.

Revenues increased by $349.5 million, or 47.0%, for the three months ended June 30, 2020, compared to the prior-year period. *Revenues*, including *Realization of deferred revenue*, increased by $551.6 million, or 61.3%, for the six months ended June 30, 2020, compared to the prior-year period. The increases were due to the addition of revenues from our new Steel and Manufacturing segment as a result of the AK Steel acquisition, which was completed on March 13, 2020, and were partially offset by a decrease in the sales volumes and realized revenue rates within the Mining and Pelletizing segment.

Refer to "– Results of Operations – Segment Information" for additional information regarding the specific factors that impacted revenue during the period.

Operating Costs

The following is a summary of *Total operating costs*:

	(In Millions)					
	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	Variance Favorable/ (Unfavorable)	**2020**	2019	Variance Favorable/ (Unfavorable)
Cost of goods sold	**$ (1,207.5)**	$ (480.2)	$ (727.3)	**$ (1,563.5)**	$ (606.3)	$ (957.2)
Selling, general and administrative expenses	**(62.1)**	(29.4)	(32.7)	**(89.6)**	(56.7)	(32.9)
Acquisition-related costs	**(18.4)**	—	(18.4)	**(60.9)**	—	(60.9)
Miscellaneous – net:						
Empire idle costs	**(3.7)**	(5.3)	1.6	**(7.0)**	(9.3)	2.3
HBI production plant startup costs	**(7.1)**	(1.1)	(6.0)	**(15.0)**	(1.9)	(13.1)
Other	**(2.3)**	(0.4)	(1.9)	**(3.0)**	—	(3.0)
Total Miscellaneous – net	**(13.1)**	(6.8)	(6.3)	**(25.0)**	(11.2)	(13.8)
Total operating costs	**$ (1,301.1)**	$ (516.4)	$ (784.7)	**$ (1,739.0)**	$ (674.2)	$ (1,064.8)

Cost of goods sold

The increases for the three and six months ended June 30, 2020, were primarily due to the addition of activity from the Steel and Manufacturing segment, including *Cost of goods sold* of $859.9 million and $1,106.5 million, respectively, which were unfavorably impacted by idle related costs of approximately $119 million, resulting from the COVID-19 pandemic. *Cost of goods sold* was partially offset by lower sales volume at the Mining and Pelletizing segment for a decrease of $55.4 million and $14.2 million for the three and six months ended June 30, 2020, respectively, which were unfavorably impacted by idle related costs of approximately $50 million, in each case, resulting from the COVID-19 pandemic.

Refer to "– Results of Operations – Segment Information" for additional information regarding the specific factors that impacted our operating results during the period.

Selling, general and administrative expenses

We had additional *Selling, general and administrative expenses* for the three and six months ended June 30, 2020 for costs incurred related to AK Steel, which were partially offset by lower incentive compensation costs.

Acquisition-related costs

The *Acquisition-related costs* for the three and six months ended June 30, 2020, include severance of $16.6 million and $35.9 million, respectively. Refer to NOTE 3 - ACQUISITION OF AK STEEL for further information on the acquisition.

Other Income (Expense)

The following is a summary of *Total other income (expense)* :

	(In Millions)					
	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	Variance Favorable/ (Unfavorable)	**2020**	2019	Variance Favorable/ (Unfavorable)
Interest expense, net	**$ (68.7)**	$ (26.1)	$ (42.6)	**$ (99.7)**	$ (51.2)	$ (48.5)
Other non-operating income (expense):						
Gain (loss) on extinguishment of debt	**129.4**	(17.9)	147.3	**132.6**	(18.2)	150.8
Net periodic benefit credits (costs) other than service costs component	**15.1**	(0.1)	15.2	**20.6**	(0.2)	20.8
Other	**0.1**	0.7	(0.6)	**0.6**	1.2	(0.6)
Total other income (expense)	**$ 75.9**	$ (43.4)	$ 119.3	**$ 54.1**	$ (68.4)	$ 122.5

The increases in *Interest expense, net* were primarily due to the incremental debt associated with the acquisition of AK Steel. These increases were offset partially by an increase in capitalized interest primarily related to construction of the HBI production plant.

The gain on extinguishment of debt for the three months ended June 30, 2020, resulted from the repurchase of $747.6 million aggregate principal amount of our outstanding senior notes of various series using the net proceeds from the additional $555.2 million 9.875% 2025 Senior Secured Notes issuance and other sources of cash. The six months ended June 30, 2020 were also impacted by the purchase of $56.5 million aggregate principal amount of 7.50% 2023 AK Senior Notes and $8.5 million aggregate principal amount of 7.625% 2021 AK Senior Notes pursuant to tender offers. Refer to NOTE 7 - DEBT AND CREDIT FACILITIES for further details.

The increases in net periodic benefit credits other than service cost component were primarily due to expected return on assets due to the acquisition of AK Steel pension assets and increased asset values for the plans held in 2019. Refer to NOTE 9 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further detail on the components of net periodic benefit credits other than service cost component.

Income Taxes

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

	(In Millions, Except Percentages)					
	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	Variance	**2020**	2019	Variance
Income tax benefit (expense)	**$ 24.7**	$ (22.0)	$ 46.7	**$ 76.1**	$ (18.3)	$ 94.4
Effective tax rate	**18.6%**	12.0%	6.6%	**32.6%**	11.6%	21.0%

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

Our 2020 estimated annual effective tax rate before discrete items is 31.1%. This estimated annual effective tax rate differs from the U.S. statutory rate of 21% primarily due to the deduction for percentage depletion in excess of cost depletion related to our Mining and Pelletizing segment operations, as well as non-deductible transaction costs, executive officers' compensation, global intangible low-taxed income and income of noncontrolling interests for which no tax is recognized. The 2019 estimated annual effective tax rate before discrete items at June 30, 2019 was 12.1%.

The increase in the estimated effective tax rate before discrete items is driven by the change in the mix of income, as well as transaction costs and other acquisition-related charges that were incurred in 2020 but not in 2019.

For the three and six months ended June 30, 2020, we recorded discrete items that resulted in an income tax expense of $0.3 million and benefit of $3.7 million, respectively. The discrete adjustments are primarily related to interest on uncertain tax positions and the refund of amounts sequestered by the Internal Revenue Service on previously filed AMT credit refunds. For the three and six months ended June 30, 2019, we recorded discrete items that resulted in an income tax benefit of $0.4 million and $0.8 million, respectively.

Results of Operations - Segment Information

Adjusted EBITDA

We evaluate performance on a 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 and iron ore industries, 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 consolidated *Net income (loss)* to Adjusted EBITDA:

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Net income (loss)	**$ (108.1)**	$ 160.8	**$ (156.7)**	$ 138.7
Less:				
Interest expense, net	**(68.6)**	(26.3)	**(99.7)**	(51.4)
Income tax benefit (expense)	**24.7**	(22.0)	**76.1**	(18.3)
Depreciation, depletion and amortization	**(77.1)**	(21.0)	**(111.5)**	(40.9)
EBITDA	**$ 12.9**	$ 230.1	**$ (21.6)**	$ 249.3
Less:				
EBITDA of noncontrolling interests [1]	**$ 20.5**	$ —	**$ 25.1**	$ —
Gain (loss) on extinguishment of debt	**129.4**	(17.9)	**132.6**	(18.2)
Severance costs	**(16.6)**	—	**(35.9)**	(1.7)
Acquisition-related costs excluding severance costs	**(1.8)**	—	**(25.0)**	—
Amortization of inventory step-up	**(36.2)**	—	**(59.4)**	—
Impact of discontinued operations	**(0.4)**	(0.4)	**0.3**	(0.4)
Adjusted EBITDA	**$ (82.0)**	$ 248.4	**$ (59.3)**	$ 269.6

[1] EBITDA of noncontrolling interests includes $15.8 million and $19.3 million for income and $4.7 million and $5.8 million for depreciation, depletion and amortization for the three and six months ended June 30, 2020, respectively.

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

	(In Millions)					
	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	Change	**2020**	2019	Change
Adjusted EBITDA:						
Steel and Manufacturing	**$ (104.0)**	$ (1.1)	$ (102.9)	**$ (115.1)**	$ (1.9)	$ (113.2)
Mining and Pelletizing	**82.4**	280.5	(198.1)	**164.2**	328.0	(163.8)
Corporate and eliminations	**(60.4)**	(31.0)	(29.4)	**(108.4)**	(56.5)	(51.9)
Total Adjusted EBITDA	**$ (82.0)**	$ 248.4	$ (330.4)	**$ (59.3)**	$ 269.6	$ (328.9)

Adjusted EBITDA from the Steel and Manufacturing segment for the three and six months ended June 30, 2020, was unfavorably impacted by decreased customer demand resulting from the COVID-19 pandemic. As a result, we incurred idle related costs resulting from production curtailments of approximately $119 million. Additionally, *Cost of goods sold* as a percentage of *Revenues* was unfavorably impacted by product sales mix primarily due to the COVID-19 pandemic, which resulted in lower sales volumes to automotive customers.

Adjusted EBITDA from the Mining and Pelletizing segment for the three months ended June 30, 2020 decreased $198.1 million, as compared to the three months ended June 30, 2019, primarily due to lower *Revenues* of $258.2 million, which was partially offset by lower *Cost of goods sold* of $55.4 million. The lower *Revenues* were driven primarily by a decrease in sales volume of 1.5 million long tons due to reduced customer demand associated with the COVID-19 pandemic and a decrease in the average year-to-date realized product revenue rate, predominantly due to lower pellet premiums. The lower *Cost of goods sold* was primarily driven by the decrease in sales volume, which was partially offset by idle costs of $40 million, excluding idle depreciation, depletion and amortization expense, as a result of the temporary idling of operations in response to reduced customer demand driven by the COVID-19 pandemic, that were incurred during the three months ended June 30, 2020.

Adjusted EBITDA from the Mining and Pelletizing segment for the six months ended June 30, 2020 decreased $163.8 million, as compared to the six months ended June 30, 2019, primarily due to lower *Revenues* of $185.8 million, which was partially offset by lower *Cost of goods sold* of $14.2 million. The lower *Revenues* were driven primarily by a decrease in sales volume of 0.9 million long tons and a decrease in the average year-to-date realized product revenue rate, predominantly due to lower pellet premiums. The lower *Cost of goods sold* was primarily driven by the decrease in sales volume, which was partially offset by idle costs of $40 million, excluding idle depreciation, depletion and amortization expense, as a result of the temporary idling of operations in response to reduced customer demand driven by the COVID-19 pandemic, that were incurred during the six months ended June 30, 2020.

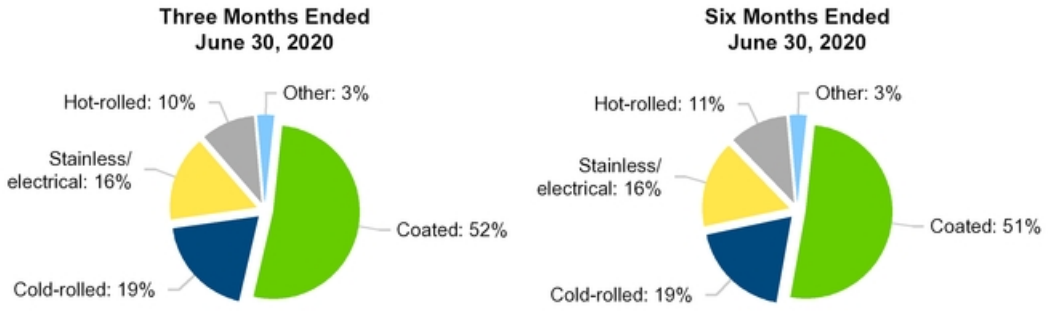
Adjusted EBITDA from Corporate and eliminations for the three months ended June 30, 2020 and 2019 includes intercompany profit eliminations for iron ore sales from the Mining and Pelletizing segment to the Steel and Manufacturing segment of $31.8 million and $1.6 million, respectively. Additionally, Adjusted EBITDA from Corporate and eliminations for the three months ended June 30, 2020 and 2019 includes corporate *Selling, general and administrative expenses*, net of adjustments, of $17.8 million and $22.4 million, respectively, and corporate allocated *Selling, general and administrative expenses* of $9.8 million and $5.8 million, respectively.

Adjusted EBITDA from Corporate and eliminations for the six months ended June 30, 2020 and 2019 includes intercompany profit eliminations for iron ore sales from the Mining and Pelletizing Segment to the Steel and Manufacturing segment of $61.7 million and $1.6 million, respectively. Additionally, Adjusted EBITDA from Corporate and eliminations for the six months ended June 30, 2020 and 2019 includes corporate *Selling, general and administrative expenses*, net of adjustments, of $26.7 million and $42.2 million, respectively, and corporate allocated *Selling, general and administrative expenses* of $18.0 million and $10.6 million, respectively.

Steel and Manufacturing

The following is a summary of Steel and Manufacturing segment results included in our consolidated financial results for the three and six months ended June 30, 2020. These results include the AK Steel operations within our Steel and Manufacturing segment subsequent to March 13, 2020.

Flat-Rolled Steel Shipments by Product Category



The following is a summary of the Steel and Manufacturing segment operating results:

	Three Months Ended June 30, 2020	Six Months Ended June 30, 2020
Volumes - In Thousands of Net Tons		
Flat-rolled steel shipments	**619**	**818**
Operating Results - In Millions		
Revenues	**$ 715.1**	**$ 932.6**
Cost of goods sold	**$ (859.9)**	**$ (1,106.5)**
Adjusted EBITDA[1]	**$ (104.0)**	**$ (115.1)**
Selling Price - Per Net Ton		
Average net selling price per net ton of flat-rolled steel	**$ 1,056**	**$ 1,042**
Revenues Attributable to International Customers		
Revenues to customers outside the United States (In Millions)	**$ 52.0**	**$ 70.9**
Revenues to customers outside the United States as a percent of total revenues	**7.3%**	**7.6%**

[1] We had negative Adjusted EBITDA for the three and six months ended June 30, 2019, of $1.1 million and $1.9 million, respectively, for costs incurred at our HBI production plant.

The following table presents the percentage of revenues to each of our Steel and Manufacturing markets:

Market	Three Months Ended June 30, 2020	Six Months Ended June 30, 2020
Automotive	**51%**	52%
Infrastructure and Manufacturing	**28%**	26%
Distributors and Converters	**21%**	22%

Operating Results

Adjusted EBITDA for the three and six months ended June 30, 2020 was unfavorably impacted by decreased customer demand resulting from the COVID-19 pandemic. *Cost of goods sold* for the three and six months ended June 30, 2020 was unfavorably impacted by idle related costs of approximately $119 million, driven by the temporary idling of facilities in response to lower customer demand due to the COVID-19 pandemic. Additionally, *Cost of goods sold* as a percentage of *Revenues* was unfavorably impacted by product sales mix primarily due to the COVID-19 pandemic, which resulted in lower sales volumes to our automotive customers.

Production

Although steel production has been considered “essential” by the states in which we operate, certain of our facilities, including Dearborn Works, Mansfield Works, all Precision Partners stamping facilities and approximately 65% of AK Tube production were temporarily idled during the three months ended June 30, 2020 in response to the COVID-19 pandemic. Dearborn Works hot strip mill, anneal and temper operations and AK Coal were permanently idled as part of the permanent cost reduction efforts.

Mining and Pelletizing

The following is a summary of Mining and Pelletizing segment results for the three months ended June 30, 2020 and 2019:

	(In Millions)			
	Three Months Ended June 30,			
	2020	2019	Change	Percent change
Volumes - In Thousands of Long Tons[1,2]				
Sales tons	**4,759**	6,227	(1,468)	(23.6)%
Production tons	**2,038**	5,177	(3,139)	(60.6)%
Operating Results - In Millions[2]				
Revenues	**$ 489.0**	$ 747.2	$ (258.2)	(34.6)%
Cost of goods sold	**$ (427.2)**	$ (482.6)	$ 55.4	(11.5)%
Adjusted EBITDA	**$ 82.4**	$ 280.5	$ (198.1)	(70.6)%

[1] Includes Cliffs' 23% share of the Hibbing mine production.
[2] Includes intercompany sales to our Steel and Manufacturing segment of1,041 thousand long tons, for the three months ended June 30, 2020 and 38 thousand long tons for the three months ended June 30, 2019.

The following table presents certain operating results on a per ton basis:

	Three Months Ended June 30,			
Per Ton Information	**2020**	2019	Change	Percent change
Realized product revenue rate[1]	**$ 94.73**	$ 112.64	$ (17.91)	(15.9)%
Cash cost of goods sold rate[1,2]	**$ 77.71**	$ 67.00	$ 10.71	16.0 %
Depreciation, depletion & amortization	**4.03**	3.15	0.88	27.9 %
Total cost of goods sold	**$ 81.74**	$ 70.15	$ 11.59	16.5 %

[1] Excludes revenues and expenses related to freight, which are offsetting.
[2] Cash cost of goods sold rate is a non-GAAP financial measure. Refer to "–Non-GAAP Reconciliation" for a reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and presented in accordance with GAAP.

Adjusted EBITDA decreased by $198.1 million during the three months ended June 30, 2020, compared to the prior-year period, primarily due to the decrease in revenues of $258.2 million, offset partially by the decrease in cost of goods sold of $55.4 million, as discussed below.

Revenues decreased by $250.6 million during the three months ended June 30, 2020, compared to the prior-

year period, excluding a decrease in domestic freight of $7.6 million, driven by:

- Lower sales volume of 1.5 million long tons, primarily due to reduced demand as customers idled their blast furnaces in response to the COVID-19 pandemic, which resulted in decreased revenue of $165 million.
- A decrease in the average year-to-date realized product revenue rate of $17.91 per long ton, or 15.9%, during the three months ended June 30, 2020, compared to the prior-year period, which resulted in a decrease of $86 million, predominantly due to lower pellet premiums, which negatively affected the realized revenue rate by $16 per long ton or $76 million.

Cost of goods sold decreased $47.8 million during the three months ended June 30, 2020, excluding the domestic freight decrease of $7.6 million, compared to the same period in 2019. This is predominantly due to a decrease in sales volume, as discussed above, of 1.5 million long tons, which resulted in decreased costs of $103 million period-over-period. This was offset partially by idle costs of $50 million as a result of the temporary idling of operations in response to reduced customer demand driven by the COVID-19 pandemic, that were incurred during the three months ended June 30, 2020.

Production

Production for the three months ended June 30, 2020, decreased 60.6% compared to the same period in 2019, predominantly due to the idling of the Tilden, Northshore and Hibbing mines in response to the COVID-19 pandemic and resulting decreased customer demand.

Mining and Pelletizing

The following is a summary of Mining and Pelletizing segment results for the six months ended June 30, 2020 and 2019:

	(In Millions)			
	Six Months Ended June 30,			
	2020	2019	Change	Percent change
Volumes - In Thousands of Long Tons[1,2]				
Sales tons	**6,893**	7,777	(884)	(11.4)%
Production tons	**6,870**	9,578	(2,708)	(28.3)%
Operating Results - In Millions[2]				
Revenues	**$ 718.4**	$ 904.2	$ (185.8)	(20.5)%
Cost of goods sold	**$ (594.5)**	$ (608.7)	$ 14.2	(2.3)%
Adjusted EBITDA	**$ 164.2**	$ 328.0	$ (163.8)	(49.9)%

[1] Includes Cliffs' 23% share of the Hibbing mine production.
[2] Includes intercompany sales to our Steel and Manufacturing segment of1,824 thousand long tons, for the six months ended June 30, 2020 and 38 thousand long tons for the six months ended June 30, 2019.

The following table presents certain operating results on a per ton basis:

	Six Months Ended June 30,			
Per Ton Information	**2020**	2019	Change	Percent change
Realized product revenue rate[1,3]	**$ 96.21**	$ 108.89	$ (12.68)	(11.6)%
Cash cost of goods sold rate[1,2]	**$ 72.74**	$ 65.99	$ 6.75	10.2 %
Depreciation, depletion & amortization	**5.50**	4.90	0.60	12.2 %
Total cost of goods sold	**$ 78.24**	$ 70.89	$ 7.35	10.4 %

[1] Excludes revenues and expenses related to freight, which are offsetting.
[2] Cash cost of goods sold rate is a non-GAAP financial measure. Refer to "–Non-GAAP Reconciliation" for a reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and presented in accordance with GAAP.
[3] Includes *Realization of deferred revenue* of $34.6 million for the six months ended June 30, 2020.

Adjusted EBITDA decreased by $163.8 million during the six months ended June 30, 2020, compared to the prior-year period, primarily due to the decrease in revenues of $185.8 million, offset partially by the decrease in cost of goods sold of $14.2 million, as discussed below.

Revenues decreased by $183.6 million during the six months ended June 30, 2020, compared to the prior-year period, excluding a decrease in domestic freight of $2.2 million, driven by:

- Lower sales volume of 0.9 million long tons, primarily due to reduced demand as customers idled their blast furnaces in response to the COVID-19 pandemic, which resulted in decreased revenue of $96 million.
- A decrease in the average year-to-date realized product revenue rate of $12.68 per long ton, or 11.6%, during the six months ended June 30, 2020, compared to the prior-year period, which resulted in a decrease of $88 million, predominantly due to:
  - Lower pellet premiums which negatively affected the realized revenue rate by $12 per long ton or $83 million; and
  - A decrease in the hot-rolled coil steel price, which negatively affected the realized revenue rate by $5 per long ton, or $35 million, during the six months ended June 30, 2020.
  - These decreases were offset partially by the realization of deferred revenue of $35 million, or $5 per long ton, as a result of the termination of the AK Steel iron ore pellet sales agreement.

Cost of goods sold decreased $12.0 million during the six months ended June 30, 2020, excluding the domestic freight decrease of $2.2 million, compared to the same period in 2019. This is predominantly due to a decrease in sales volume, as discussed above, of 0.9 million long tons, which resulted in decreased costs of $62 million period-over-period. This was offset partially by idle costs of $50 million as a result of the temporary idling of operations in response to reduced customer demand driven by the COVID-19 pandemic, that were incurred during the six months ended June 30, 2020.

Production

Production for the six months ended June 30, 2020, decreased 28.3% compared to the same period in 2019, predominantly due to the idling of the Tilden, Northshore and Hibbing mines in response to the COVID-19 pandemic and resulting decrease in customer demand.

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 United States, our primary focus has been on maintaining adequate levels of liquidity to manage through a potentially prolonged economic downturn. In alignment with this, we have made several operational adjustments, including facility closures, idles, and extended maintenance outages. Along with the cost savings achieved through these operational adjustments, we have 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 $400.0 million aggregate principal amount and an additional $555.2 million aggregate principal amount, respectively, of 9.875% 2025 Senior Secured Notes to further bolster our liquidity position and reduce debt. We also issued an additional $120.0 million aggregate principal amount of 6.75% 2026 Senior Secured Notes on June 19, 2020, the net proceeds of which we intend to use to finance construction of our HBI production plant. Pending such use, the net proceeds were used to temporarily reduce the outstanding borrowings under our ABL Facility. We believe these measures will allow us to remain comfortable with our liquidity levels for an extended market downturn related to the COVID-19 pandemic.

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

The following discussion summarizes the significant items impacting our cash flows during the six months ended June 30, 2020 and 2019 as well as expected impacts to our future cash flows over the next 12 months. Refer to the Statements of Unaudited Condensed Consolidated Cash Flows for additional information.

Operating Activities

Net cash used by operating activities was $299.2 million for the six months ended June 30, 2020, compared to net cash provided by operating activities of $151.1 million for the comparable period in 2019. The incremental increase in cash used by operating activities during the first six months of 2020, compared to 2019, was due primarily to the slowing economy in connection with the COVID-19 pandemic resulting in reduced customer demand and the need to temporary idle many of our operations, which had an adverse effect on our operating results.

Our U.S. cash and cash equivalents balance at June 30, 2020 was $55.8 million, or 77% of our consolidated total cash and cash equivalents balance, excluding cash related to our VIE, of $72.7 million. Additionally, we had a cash balance at June 30, 2020 of $5.3 million classified as part of *Other current assets* in the Statements of Unaudited Condensed Consolidated Financial Position related to discontinued operations.

Investing Activities

Net cash used by investing activities was $1,152.4 million and $292.4 million for the six months ended June 30, 2020 and 2019, respectively. During the first six months of 2020, we had net cash outflows of $869.3 million for the acquisition of AK Steel, net of cash acquired. This includes $590.0 million to pay off AK Steel Corporation's former revolving credit facility and $323.6 million to purchase outstanding 7.50% 2023 AK Senior Notes. Additionally, we had capital expenditures including capitalized interest of $282.9 million and $300.9 million for the six months ended June 30, 2020 and 2019, respectively.

During the six months ended June 30, 2020, we had cash outflows, including deposits and capitalized interest, of approximately $210 million on development of the HBI production plant. This compares to net cash outflows, including deposits and capitalized interest, during the first six months of 2019 of approximately $230 million on development of the HBI production plant and approximately $40 million on the upgrades at Northshore. Additionally, we spent approximately $70 million and $30 million on sustaining capital expenditures during the six months ended June 30, 2020 and 2019, respectively. Sustaining capital spend includes infrastructure, mobile equipment, fixed equipment, product quality, environment, health and safety.

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, including the restart of Toledo HBI production plant construction in June. The HBI production plant is expected to be completed during the fourth quarter of 2020. We anticipate total cash used for capital expenditures during the next 12 months to be approximately $450 million, including capitalized interest. Included within this estimate is approximately $220 million for sustaining capital, $190 million related to completion of the HBI production plant and $40 million for other growth capital.

Financing Activities

Net cash provided by financing activities was $1,171.1 million for the six months ended June 30, 2020, compared to net cash used by financing activities of $307.9 million for the comparable period in 2019. Cash provided by financing activities for the six months ended June 30, 2020, primarily related to the issuances of $845.0 million aggregate principal amount of 6.75% 2026 Senior Secured Notes, $955.2 million aggregate principal amount of 9.875% 2025 Senior Secured Notes and borrowings of $800.0 million under the ABL Facility. The net proceeds from the initial issuance of $725.0 million aggregate principal amount of the 6.75% 2026 Senior Secured Notes, along with cash on hand, were used to purchase $372.7 million aggregate principal amount of 7.625% 2021 AK Senior Notes and $367.2 million aggregate principal amount of 7.50% 2023 AK Senior Notes and to pay for the $44.4 million of debt issuance costs in the first quarter of 2020. The net proceeds from the additional issuance of $555.2 million aggregate principal amount of the 9.875% 2025 Senior Secured Notes were used to repurchase $736.4 million aggregate principal amount of our outstanding senior notes. Additionally, during the second quarter of 2020, we repaid $250.0 million under the ABL Facility.

Net cash used by financing activities during the first six months of 2019 primarily related to the repurchase of 24.4 million common shares for $252.9 million in the aggregate under the $300.0 million share repurchase program. Additionally, we issued $750.0 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 $600.0 million aggregate principal amount of our outstanding 5.75% 2025 Senior Notes pursuant to a tender offer. In total, during the first six months of 2019, we purchased $724.0 million aggregate principal amount of senior notes for $729.3 million in cash.

Additional uses of cash from financing activities during the first six months of 2020 and 2019, included payments of cash dividends on our common shares of $40.8 million and $28.9 million, respectively.

We have temporarily suspended future dividend distributions as a result of the COVID-19 pandemic in order to preserve cash during this time of economic uncertainty. We anticipate future uses of cash for financing activities during the next 12 months to include opportunistic debt transactions as part of our liability management strategy, such as the transactions that occurred during the second quarter of 2020.

Capital Resources

The following represents a summary of key liquidity measures:

	(In Millions)
	June 30, 2020
Cash and cash equivalents	**$ 73.7**
Cash and cash equivalents from discontinued operations, included within *Other current assets*	**5.3**
Less: Cash and cash equivalents from variable interest entities	**(1.0)**
Total cash and cash equivalents	**$ 78.0**
Available borrowing base on ABL Facility [1]	**$ 1,652.1**
Borrowings	**(550.0)**
Letter of credit obligations	**(198.5)**
Borrowing capacity available	**$ 903.6**

[1] As of June 30, 2020, the ABL Facility had a maximum borrowing base of $2.0 billion. The available borrowing base is determined by applying customary advance rates to eligible accounts receivable, inventory and certain mobile equipment.

Our primary sources of funding are cash on hand, which totaled $78.0 million as of June 30, 2020, cash generated by our business, availability under the ABL Facility and other financing activities. The combination of cash and availability under the ABL Facility gives us $981.6 million in liquidity entering the third quarter of 2020, 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 June 30, 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.

Off-Balance Sheet Arrangements

In the normal course of business, we are a party to certain arrangements that are not reflected on our Statements of Unaudited Condensed Consolidated Financial Position. These arrangements include minimum "take or pay" purchase commitments, such as minimum electric power demand charges, minimum coal, diesel and natural gas purchase commitments and minimum railroad transportation commitments. We also have 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 June 30, 2020. Refer to Exhibit 22.1, filed herewith, for the detailed list of entities included within the obligated group as of June 30, 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 Unaudited Condensed Consolidated Financial Position of the obligated group:

	(In Millions)	
	June 30, 2020	December 31, 2019
Current assets	**$ 2,464.5**	$ 891.0
Non-current assets	**5,104.5**	2,381.8
Current liabilities	**715.3**	392.9
Non-current liabilities	**6,344.6**	2,791.7

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

	(In Millions)
	Six Months Ended
	June 30, 2020
Revenues[1]	**$ 1,414.2**
Cost of goods sold	**(1,546.0)**
Loss from continuing operations	**(168.0)**
Net loss	**(167.3)**
Net loss attributable to Cliffs shareholders	**(167.3)**

[1] Includes *Realization of deferred revenue* of $34.6 million for the six months ended June 30, 2020.

As of June 30, 2020 and December 31, 2019, the obligated group had the following balances with non-Guarantor subsidiaries and other related parties:

	(In Millions)	
	June 30, 2020	December 31, 2019
Balances with non-Guarantor subsidiaries:		
Accounts receivable, net	**$ 6.6**	$ —
Accounts payable	**(14.0)**	—
Balances with other related parties:		
Accounts receivable, net	**$ 91.6**	$ 31.1
Other current assets	**35.3**	44.5
Accounts payable	**(2.4)**	—
Other current liabilities	**(2.0)**	(2.0)

Additionally, for the six months ended June 30, 2020, the obligated group had *Revenues* of $292.6 million and *Cost of goods sold* of $243.0 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

Commodity Price Risk

Our financial results can vary for our operations as a result of fluctuations in market prices. We attempt to mitigate commodity price risk 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 pricing contracts and supplier purchasing 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, diesel 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 pricing contracts and supplier purchasing 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 June 30, 2020 estimated price on our derivative instruments, thereby impacting our pre-tax income by the same amount.

	Positive or Negative Effect on Pre-tax Income (In Millions)	
Commodity Derivative	**10% Increase or Decrease**	**25% Increase or Decrease**
Natural gas	**$ 9.0**	**$ 22.3**
Electricity	**3.4**	**8.6**
Zinc	**1.3**	**3.4**
Other	**1.3**	**1.3**

Additionally, our iron ore pellet revenue is impacted by pricing of iron ore, hot-rolled coil steel and iron ore pellet premiums. World market prices for these commodities have fluctuated historically and are affected by numerous factors beyond our control. The world market price that is most commonly utilized in our iron ore sales contracts is the Platts 62% Price, which can fluctuate widely due to numerous factors, such as global economic growth or contraction, change in demand for steel or changes in availability of supply.

A supply agreement with one Mining and Pelletizing customer provides for supplemental revenue or refunds based on the hot-rolled coil steel price at the time the iron ore product is consumed in the customer's blast furnaces. At June 30, 2020, we had derivative assets of $27.3 million, representing the fair value of the pricing factors, based upon the amount of unconsumed long tons and an estimated average hot-rolled coil steel price for the period in which the iron ore is expected to be consumed in the customer's blast furnaces, subject to final pricing at a future date. We estimate that a $75 positive or negative change in the hot-rolled coil steel price realized from the June 30, 2020 estimates would cause the fair value of the derivative instrument to increase or decrease by $24.5 million, respectively, thereby impacting our consolidated revenues by the same amount. We have not entered into any hedging programs to mitigate the risk of adverse price fluctuations.

Refer to NOTE 12 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

Foreign Currency Exchange Rate Risk

Exchange rate fluctuations affect a portion of Precision Partner's operating costs, reported within the Steel and Manufacturing segment, that are denominated in Canadian dollars, and we use forward currency contracts to reduce our exposure to certain of these currency price fluctuations. At June 30, 2020, we had outstanding option and forward currency contracts with a total contract value of $35.9 million for the purchase of Canadian dollars. Based on the contracts outstanding at June 30, 2020, a 10% change in the U.S. dollar-to-Canadian dollar exchange rate would result in a pre-tax impact of $1.8 million on the fair value of these contracts, which would offset the effect of a change in the exchange rate on the underlying operating costs. Refer to NOTE 12 - DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for further information.

Valuation of Other Long-Lived Assets

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 six months ended June 30, 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. Additionally, we have outstanding IRBs with fixed and variable rates. As of June 30, 2020, we had $550.0 million outstanding under the ABL Facility. An increase in prevailing interest rates would increase interest expense and interest paid for any outstanding borrowings from the ABL Facility. For example, a 100 basis point change to interest rates under the ABL Facility at the current borrowing level would result in a change of $5.6 million to interest expense on an annual basis.

Supply Concentration Risks

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

Forward-Looking Statements

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

- severe financial hardship, bankruptcy, temporary or permanent shutdowns or operational challenges, due to the ongoing 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;
- uncertainty and weaknesses in global economic conditions, including downward pressure on prices caused by the COVID-19 pandemic, oversupply of imported products, reduced market demand and risks related to U.S. government actions with respect to Section 232, the USMCA and/or other trade agreements, treaties or policies;
- uncertainties associated with the highly competitive and highly cyclical steel industry and reliance on the demand for steel from the automotive industry;
- continued volatility of steel and iron ore prices and other trends, which may impact the price-adjustment calculations under certain of our sales contracts;
- our ability to successfully diversify our product mix and add new customers for our Mining and Pelletizing segment beyond our traditional blast furnace clientele;
- our ability to cost-effectively achieve planned production rates or levels, including at our HBI production plant currently under construction, and to resume full operations at certain facilities that are or were temporarily idled due to the COVID-19 pandemic;
- our ability to successfully identify and consummate any strategic investments or development projects, including our HBI production plant;
- the impact of our steelmaking customers reducing their steel production due to the COVID-19 pandemic, or increased market share of steel produced using methods other than those used by our customers, or increased market share of lighter-weight steel alternatives, including aluminum;
- our ability to maintain adequate liquidity, our level of indebtedness and the availability of capital could limit cash flow available to fund working capital, planned capital expenditures, acquisitions, and other general corporate purposes or ongoing needs of our business;
- our actual economic iron ore reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve;
- the outcome of any contractual disputes with our customers, joint venture partners or significant energy, material or service providers or any other litigation or arbitration;
- problems or uncertainties with sales volume or mix, productivity, transportation, environmental liabilities, employee-benefit costs and other risks of the steel and mining industries;
- impacts of existing and increasing governmental regulation and related costs and liabilities, including failure to receive or maintain required operating and environmental permits, approvals, modifications or other authorization of, or from, any governmental or regulatory entity and costs related to implementing improvements to ensure compliance with regulatory changes;
- our ability to maintain appropriate relations with unions and employees;
- 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;

- events or circumstances that could impair or adversely impact the viability of a production plant or mine and the carrying value of associated assets, as well as any resulting impairment charges;
- uncertainties associated with natural disasters, weather conditions, unanticipated geological conditions, supply or price of energy, equipment failures, infectious disease outbreaks and other unexpected events;
- adverse changes in interest rates, foreign currency rates and tax laws;
- the potential existence of significant deficiencies or material weakness in our internal control over financial reporting;
- our ability to realize the anticipated benefits of the Merger and to successfully integrate the businesses of AK Steel into our existing businesses, including uncertainties associated with maintaining relationships with customers, vendors and employees, as well as realizing additional future synergies;
- additional debt we assumed or issued in connection with the Merger, 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;
- changes in the cost of raw materials and supplies;
- supply chain disruptions or poor quality of raw materials or supplies, including scrap, coal, coke and alloys;
- disruptions in, or failures of, our information technology systems, including those related to cybersecurity; and
- unanticipated costs associated with healthcare, pension and OPEB obligations.

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

Non-GAAP Reconciliations

We present cash cost of goods sold rate per long ton, which is a non-GAAP financial measure that management uses in evaluating operating performance. We believe our presentation of non-GAAP cash cost of goods sold is useful to investors because it excludes depreciation, depletion and amortization, which are non-cash, and freight, which has no impact on sales margin, thus providing a more accurate view of the cash outflows related to the sale of iron ore. The presentation of this measure is not intended to be considered in isolation from, as a substitute for, or as superior to, the financial information prepared and presented in accordance with GAAP. The presentation of this measure may be different from non-GAAP financial measures used by other companies. Below is a reconciliation in dollars of this non-GAAP financial measure to our Mining and Pelletizing segment cost of goods sold.

	(In Millions)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Cost of goods sold	**$ 427.2**	$ 482.6	**$ 594.5**	$ 608.7
Less:				
Freight	**38.2**	45.8	**55.2**	57.4
Depreciation, depletion & amortization	**19.2**	19.6	**37.9**	38.1
Cash cost of goods sold	**$ 369.8**	$ 417.2	**$ 501.4**	$ 513.2

Refer to " – Results of Operations – Segment Information" above for a reconciliation of the non–GAAP measure, Adjusted EBITDA.

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

Information regarding our market risk is presented under the caption "Market Risks," which is included in our Annual Report on Form 10-K for the year ended December 31, 2019, and *Part I – Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations* of this Quarterly Report on Form 10-Q.

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

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and the 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 the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective.

The Company acquired AK Steel during March 2020. We are currently integrating the processes and internal controls of AK Steel. Except for the AK Steel acquisition, there was no change in the Company's internal control over financial reporting during the quarter ended June 30, 2020 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal control over financial reporting due to the COVID-19 pandemic. We are continually monitoring and assessing the impact of the COVID-19 pandemic on our internal controls to minimize the impact on their design and operating effectiveness.

PART II - OTHER INFORMATION

Item 1. ***Legal Proceedings***

We have described the material pending legal proceedings to which we are a party in our Annual Report on Form 10-K for the year ended December 31, 2019, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020. Additional information for this item relating to certain environmental and other contingencies may be found in NOTE 18 - COMMITMENTS AND CONTINGENCIES to the consolidated financial statements in *Part I – Item 1. Financial Statements* of this Quarterly Report on Form 10-Q and is incorporated herein by reference.

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

We caution readers that our business activities involve risks and uncertainties that could cause actual results to differ materially from those currently expected by management. We described the most significant risks that could impact our results in Part II, Item 1A, "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

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

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

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares (or Units) Purchased[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
April 1 - 30, 2020	2,369	$ 3.80	—	$ —
May 1 - 31, 2020	263,594	$ 4.45	—	$ —
June 1 - 30, 2020	20,662	$ 5.78	—	$ —
Total	**286,625**	$ 4.54	**—**	

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

Item 4. ***Mine Safety Disclosures***

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

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

Item 5. ***Other Information***

None.

Item 6. Exhibits

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

Exhibit Number	Exhibit
4.1	Indenture, dated as of April 17, 2020, by and among Cleveland-Cliffs Inc., the guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (relating to Cleveland-Cliffs Inc.'s 9.875% Senior Secured Notes due 2025) (including Form of Note) (filed herewith).
4.2	First Supplemental Indenture, dated as of April 24, 2020, by and among Cleveland-Cliffs Inc., the guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (relating to Cleveland-Cliffs Inc.'s 9.875% Senior Secured Notes due 2025) (including Form of Note) (filed herewith).
4.3	Second Supplemental Indenture, dated as of May 22, 2020, by and among Cleveland-Cliffs Inc., the additional guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (relating to Cleveland-Cliffs Inc.'s 9.875% Senior Secured Notes due 2025) (filed herewith).
4.4	Sixth Supplemental Indenture, dated as of May 22, 2020, by and among Cleveland-Cliffs Inc., the additional guarantors party thereto and U.S. Bank National Association, as trustee (relating to Cleveland-Cliffs Inc.'s 5.75% Senior Notes due 2025) (filed herewith).
4.5	Third Supplemental Indenture, dated as of May 22, 2020, by and among Cleveland-Cliffs Inc., the additional guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (relating to Cleveland-Cliffs Inc.'s 4.875% Senior Secured Notes due 2024) (filed herewith).
4.6	Second Supplemental Indenture, dated as of May 22, 2020, by and among Cleveland-Cliffs Inc., the additional guarantors party thereto and U.S. Bank National Association, as trustee (relating to Cleveland-Cliffs Inc.'s 5.875% Senior Guaranteed Notes due 2027) (filed herewith).
4.7	First Supplemental Indenture, dated as of May 22, 2020, by and among Cleveland-Cliffs Inc., the additional guarantors party thereto and U.S. Bank National Association, as trustee (relating to Cleveland-Cliffs Inc.'s 7.00% Senior Guaranteed Notes due 2027) (filed herewith).
4.8	First Supplemental Indenture, dated as of May 22, 2020, by and among Cleveland-Cliffs Inc., the additional guarantors party thereto and U.S. Bank National Association, as trustee (relating to Cleveland-Cliffs Inc.'s 6.375% Senior Guaranteed Notes due 2025) (filed herewith).
4.9	First Supplemental Indenture, dated as of May 22, 2020, by and among Cleveland-Cliffs Inc., the additional guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (relating to Cleveland-Cliffs Inc.'s 6.75% Senior Secured Notes due 2026) (filed herewith).
4.10	Second Supplemental Indenture, dated as of June 19, 2020, by and among Cleveland-Cliffs Inc., the guarantors party thereto and U.S. Bank National Association, as trustee and first lien notes collateral agent (relating to Cleveland-Cliffs Inc.'s 6.75% Senior Secured Notes due 2026) (including Form of Note) (filed herewith).
22.1	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).
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 July 30, 2020 (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 July 30, 2020 (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 July 30, 2020 (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 July 30, 2020 (filed herewith).
95	Mine Safety Disclosures (filed herewith).
101	The following financial information from Cleveland-Cliffs Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Statements of Unaudited Condensed Consolidated Financial Position, (ii) the Statements of Unaudited Condensed Consolidated Operations, (iii) the Statements of Unaudited Condensed Consolidated Comprehensive Income (Loss), (iv) the Statements of Unaudited Condensed Consolidated Cash Flows, (v) the Statements of Unaudited Condensed Consolidated Changes in Equity, and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL and contained in Exhibit 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLEVELAND-CLIFFS INC.

By: /s/ Kimberly A. Floriani

Name: Kimberly A. Floriani

Title: Vice President, Corporate Controller & Chief Accounting Officer

Date: July 30, 2020

EXHIBIT 4.1

CLEVELAND-CLIFFS INC.,
THE GUARANTORS PARTIES HERETO

AND

U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE AND FIRST LIEN NOTES COLLATERAL AGENT

9.875% Senior Secured Notes due 2025

INDENTURE

Dated as of April 17, 2020

TABLE OF CONTENTS

PAGE

PAGE

CROSS-REFERENCE TABLE

TIA Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.08, 7.10
(c)	7.10
311(a)	7.12
(b)	7.12
(c)	N.A.
312(a)	2.06
(b)	13.03
(c)	13.03
313(a)	7.06
(b)(1)	7.06
(b)(2)	7.06
(c)	7.06
(d)	7.06
314(a)	3.07, 3.11, 13.05
(c)(1)	13.04
(c)(2)	13.04
(c)(3)	N.A.
(d)	11.06(c)
(e)	13.05
315(a)	7.01
(b)	7.05, 13.02
(c)	7.01
(d)	7.01
(e)	6.11
316(a)(last sentence)	N.A.
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	6.07
(c)	6.05
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.05
318(a)	13.01

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

INDENTURE, dated as of April 17, 2020, among CLEVELAND-CLIFFS INC., an Ohio corporation (the " **Company**"), THE GUARANTORS (as defined herein) party hereto and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "**Trustee**") and First Lien Notes Collateral Agent (as defined herein).

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of (i) the Company's 9.875% Senior Secured Notes due 2025 issued on the date hereof and the guarantees thereof by the Guarantors party hereto (the "**Initial Notes**"), and (ii) if and when issued, an unlimited principal amount of additional notes having identical terms and conditions as the Notes other than issue date, issue price and the first interest payment date (the "**Additional Notes**" and together with the Initial Notes, the " **Notes**"):

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions.

"**2024 Secured Notes Collateral Agent**" means U.S. Bank National Association, in its capacity as collateral agent for the holders of the 4.875% Senior Secured Notes due 2024, together with its successors and permitted assigns.

"**2026 Secured Notes Collateral Agent**" means U.S. Bank National Association, in its capacity as collateral agent for the holders of the 6.75% Senior Secured Notes due 2026, together with its successors and permitted assigns.

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

"**ABL Collateral**" means the portion of the Collateral as to which the First Lien Notes Secured Parties have a second-priority security interest subject to certain Permitted Liens.

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

"**ABL Facility Obligations**" means all ABL Obligations under the ABL Facility.

"**ABL Foreign Collateral**" means assets of the borrowers under the ABL Facility organized in foreign jurisdictions that are of the type that would constitute ABL Collateral if such assets were held by the Issuer or a Guarantor.

"**ABL Intercreditor Agreement**" means the intercreditor agreement among Bank of America, N.A., as ABL Agent (as defined therein) and U.S. Bank National Association, as First Lien Notes Collateral Agent and Controlling Fixed Asset Collateral Agent (each as defined therein), and acknowledged by the Company, the Guarantors and the other Subsidiaries of the Company from time to time party thereto, dated as of December 19, 2017, as it may be amended, restated, supplemented or otherwise modified from time to time.

"**ABL Obligations**" means (i) Debt outstanding under the ABL Facility, and all other Obligations (not constituting Debt) of the Company or any Guarantor under the ABL Facility and (ii) Bank Product Obligations owed to an agent, arranger or lender or other secured party under such Debt Facility (even if the respective agent, arranger or lender or other secured party subsequently ceases to be an agent arranger or lender or other secured party under the ABL Facility for any reason) or any of their respective affiliates, assigns or successors and more particularly described in the ABL Intercreditor Agreement; provided that if, at any time, the respective agent, arranger or lender ceases to be an agent, arranger or lender under the ABL Facility for any reason, then, from and after the date on which it ceases to be an agent, arranger or lender thereunder, the Bank Products provided by such former agent, arranger or lender or any of their respective affiliates shall no longer constitute Bank Product Obligations.

"**Additional First Lien Indebtedness**" means any Additional Notes and any additional Debt that is secured by Liens on the Collateral that are pari passu with the Liens securing the Notes and is permitted to be incurred pursuant to Section 3.03; provided that, with respect to such additional Debt (i) the representative of such additional Debt executes a joinder agreement to the applicable collateral documents in respect of the Notes, in each case in the form attached thereto, agreeing to be bound thereby and (ii) the Company has designated such additional Debt as "Additional First Lien Indebtedness" thereunder.

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

"**Additional Pari Passu Collateral Agent**" means the Person that serves as the collateral agent, collateral trustee or a similar representative for the holders of a series of Additional Pari Passu Lien Obligations.

"**Additional Pari Passu Lien Obligations**" means all Obligations of the Company and the Guarantors that shall have been designated as such pursuant to the Pari Passu Intercreditor Agreement, together with any refinancing thereof; provided, that the holders of any such indebtedness for any such refinancing (or the applicable collateral agent on their behalf) shall (A) to the extent not already party to the Pari Passu Intercreditor Agreement, bind themselves in writing to the terms of such Pari Passu Intercreditor Agreement and (B) to the extent not already party thereto in such capacity, bind themselves in writing to the terms of the ABL Intercreditor Agreement.

"**Additional Pari Passu Lien Obligations Documents**" means the notes, loan agreements, indentures, security documents, mortgages or any other agreements or instruments under which Additional Pari Passu Lien Obligations of any series are issued or incurred and all other instruments, agreements and other documents evidencing or governing Additional Pari Passu Lien Obligations of such series or providing any guarantee, Lien or other right in respect thereof.

"**Additional Secured Indebtedness**" means any Debt (including any guarantee thereof) other than the Notes, the Existing Secured Notes and Additional First Lien Indebtedness, secured by Liens on the Collateral.

"**Adjusted Treasury Rate**" means, with respect to any Redemption Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after October 17, 2022, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date, in each case calculated on the third Business Day immediately preceding the Redemption Date, plus 0.50%.

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

"**Applicable Premium**" means with respect to a Note at any Redemption Date the excess of (if any) (A) the present value at such redemption date of (1) the redemption price of such Note on October 17, 2022 (such redemption price being described in Section 5.07(d)) plus (2) all required remaining scheduled interest payments due on such note through October 17, 2022, excluding in each case accrued and unpaid interest to, but excluding, the Redemption Date, computed by the Company using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such Redemption Date.

"**Asset Disposition**" means:

(a) the sale, lease, conveyance or other disposition of any assets other than in the ordinary course of business; provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole will be governed by Section 3.06 and/or Section 4.01 and not by Section 3.02; and

(b) the issuance of Capital Stock in any of the Company's Subsidiaries or the sale of Capital Stock in any of its Subsidiaries (other than directors' qualifying shares or nominal shares required to be held by applicable law to be held by a Person other than the Company or any of its Subsidiaries).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Disposition:

(i) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than $50.0 million;

(ii) a transfer of assets between or among the Company and the Guarantors;

(iii) an issuance of Capital Stock by a Subsidiary of the Company to the Company or to a Subsidiary of the Company;

(iv) the sale or lease of inventory, products or services in the ordinary course of business;

(v) the sale of accounts receivable in the ordinary course of business in connection with the compromise or collection thereof;

(vi) any transfer of property or assets that consists of grants by the Company or its Subsidiaries in the ordinary course of business of licenses or sub-licenses, including with respect to intellectual property rights;

(vii) (a) the sale or other disposition of damaged, obsolete, unusable or worn out equipment that is no longer needed in the conduct of the business of the Company and its Subsidiaries, (b) the sale or other disposition of inventory, used or surplus equipment or reserves and dispositions related to the burn-off of mines or (c) the abandonment or allowance to lapse or expire or other disposition of intellectual property no longer needed in the conduct of business of the Company and its Subsidiaries;

(viii) the sale or other disposition of cash or Cash Equivalents;

(ix) operating leases entered into in the ordinary course of business;

(x) the granting of a Lien otherwise permitted under this Indenture;

(xi) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind; and

(xii) the direct or indirect sale or other disposition of Notes Collateral by the Company or a Guarantor in connection with any Permitted Joint Venture; provided that (i) the Company or such Guarantor receives consideration at least equal to the Fair Market Value of the Notes Collateral subject to the sale or other disposition and (ii) within 365 days of the date of the receipt by the Company of cash or Cash Equivalents received as consideration in respect of such direct or indirect sale or other disposition, such cash or Cash Equivalents that have been received (1) are invested by the Company or such Guarantor in additional assets constituting Property of the Permitted Joint Venture, (2) are invested by the Company or a Guarantor in additional assets constituting Notes Collateral (including, without limitation, through capital expenditures or acquisitions of assets constituting Notes Collateral), which additional assets are thereupon with their acquisition added to the Notes Collateral, (3) are used to repay (and correspondingly reduce commitments with respect to) the Existing Secured Notes and Additional First Lien Indebtedness; provided that the Company makes an offer to all holders of Notes to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, in an amount equal to the principal amount of the Existing Secured Notes and Additional First Lien Indebtedness repaid, such offer to be conducted in accordance with the procedures set forth in Section 3.02 for a Collateral Disposition Offer but without any further limitation in amount or (4) are used to make an Optional Collateral Disposition Offer; provided, however, that, in the case of clause (ii) above, if the Company or any Guarantor contractually commits within such 365-day period to apply such cash or Cash Equivalents received by the Company or such

Guarantor in respect of such direct or indirect sale or other disposition within 180 days following such contractual commitment in accordance with the foregoing clauses (1), (2), (3) or (4) and such cash or Cash Equivalents are subsequently applied as contemplated pursuant to such contractual commitment, then the requirement for the application of cash or Cash Equivalents as set forth in this clause (xii) shall be considered satisfied.

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

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

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

"**Bank Product Obligations**" means (a) all obligations, liabilities, reimbursement obligations, fees, or expenses owing by the Company and its Subsidiaries to any holder of ABL Facility Obligations or any of their respective affiliates pursuant to or evidenced by a Bank Product Agreement and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, (b) all Hedging Obligations and (c) all amounts that the ABL Agent or any holder of ABL Facility Obligations is obligated to pay as a result of the ABL Agent or such holder of the ABL Facility Obligations purchasing participations from, or executing guarantees or indemnities or reimbursement obligations with respect to the Bank Products to the Company or any of its Subsidiaries, in each case, which are designated as "Bank Product Obligations" by the applicable holder of ABL Facility Obligations or its affiliate in accordance with the terms of the ABL Facility.

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

"**Board of Directors**" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

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

"**Bonds**" means each of the series of notes issued pursuant to the Existing Notes Documents.

"**Borrowing Base**" means, as of any date of determination, the sum of (a) 85% (or 90% in the case of investment grade accounts) of the face amount of all accounts, payment intangibles and other receivables of the Company and its Subsidiaries, plus (b) the lesser of (i) 80% of the gross book value of all inventory and as-extracted collateral of the Company and its Subsidiaries and (ii) 85% multiplied by the net orderly liquidation value of such inventory and as extracted collateral, plus (c) the lesser of (i) 100% of the gross book value of all Mobile Equipment of the Company and its Subsidiaries and (ii) 85% multiplied by the net orderly liquidation value of such Mobile Equipment, minus any applicable reserves, in each case determined in accordance with GAAP; provided that this clause (c) of the Borrowing Base shall not account for more than 30% of the availability created by the Borrowing Base, plus (d) 5% of the amount

of Eligible Accounts (as defined in the ABL Facility) of the Company and its Subsidiaries, plus (e) 10% of the Net Orderly Liquidation Value of Eligible Inventory (as defined in the ABL Facility) of the Company and its Subsidiaries.

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

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

"**Capital Stock**" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) or corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person.

"**Cash Equivalents**" means:

(1) United States dollars;

(2) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government, Canada or any member of the European Union (provided that the full faith and credit of the United States, Canada or such member of the European Commission is pledged in support of those securities) having maturities of not more than twelve months from the date of acquisition;

(3) certificates of deposit and Eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding twelve months from the date of acquisition, and overnight bank deposits, in each case, with any lender party to the ABL Facility or any affiliate thereof or with any domestic commercial bank having capital and surplus in excess of $500.0 million and a Thomson Bank Watch Rating of "B" or better;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper having one of the two highest ratings obtainable from Moody's or S&P, in each case, maturing within twelve months after the date of acquisition;

(6) money market funds, substantially all of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (5) of this definition; and

(7) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's.

"**CFC**" means a "controlled foreign corporation", as such term is defined in Section 957 of the Internal Revenue Code of 1986, as amended.

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

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act) other than to the Company or one of its Subsidiaries;

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

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

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

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

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

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

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

"**CNTA Covered Debt**" means (a) Debt secured by a Lien on Principal Property or Principal Subsidiary Interests and (b) Attributable Debt relating to any Sale and Leaseback Transaction of any Principal Property.

"**CNTA Limit**" means, as of any time of incurring any CNTA Covered Debt, 15% of Consolidated Net Tangible Assets at such time.

"**Collateral**" means all property and assets, whether now owned or hereafter acquired, in which Liens are, from time to time, purported to be granted to secure the First Lien Notes Obligations pursuant to the Collateral Documents.

"**Collateral Account**" means any segregated account under the control of the First Lien Notes Collateral Agent pursuant to a control agreement that is free from all other Liens (other than Liens securing the ABL Obligations, the

Existing Secured Notes and Additional Secured Indebtedness), and only includes all cash, Cash Equivalents and Designated Non-cash Consideration received by the Trustee or the First Lien Notes Collateral Agent from Asset Dispositions of Notes Collateral, Recovery Events of Notes Collateral, foreclosures on or sales of Notes Collateral or any other awards or proceeds pursuant to the Notes Collateral Documents, including earnings, revenues, rents, issues, profits and income from the Notes Collateral received pursuant to the Collateral Documents, and interest earned thereon.

"**Collateral Documents**" means the Mortgages, security agreements, pledge agreements, agency agreements, the Pari Passu Intercreditor Agreement, the ABL Intercreditor Agreement and any other intercreditor agreement executed and delivered pursuant to this Indenture, including any intercreditor agreement related to Additional Secured Indebtedness, and other instruments and documents executed and delivered pursuant to this Indenture or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which Collateral is pledged, assigned or granted to or on behalf of the First Lien Notes Collateral Agent for the benefit of the First Lien Notes Secured Parties or notice of such pledge, assignment or grant is given.

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

"**Comparable Treasury Issue**" means the United States Treasury security selected by the Company as having a maturity comparable to the remaining term of the Notes from the Redemption Date to October 17, 2022, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to October 17, 2022.

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

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

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

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

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

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

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

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

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

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

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

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

"**Consolidated Secured Leverage Ratio**" means, with respect to any specified Person on any Calculation Date, the ratio of (1) the sum of the aggregate outstanding amount of Debt of such Person and its Subsidiaries secured by a Lien, determined on a consolidated basis as of the last day of the most recent fiscal quarter for which internal financial statements are available immediately preceding the Calculation Date, in effect on such Calculation Date, to (2) the Consolidated EBITDA of such Person and its consolidated Subsidiaries for the most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the Calculation Date.

For purposes of calculating the Consolidated Secured Leverage Ratio:

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

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

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

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

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

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

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

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

"**Designated Non-cash Consideration**" means the Fair Market Value of non-cash consideration received by the Company or any Guarantor in connection with an Asset Disposition of Notes Collateral that is so designated as Designated Non-cash Consideration pursuant to an officer's certificate, less the amount of cash or Cash Equivalents, received in connection with a subsequent sale of or collection on such Designated Non-cash Consideration.

"**Discharge of First Lien Notes Obligations**" means except to the extent otherwise expressly provided in the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement, (a) payment in full in cash of all First Lien Notes Obligations (other than contingent obligations or indemnification obligations, in each case for which no claim has been asserted) or (b) any defeasance of the notes pursuant to Article 8 or a discharge of the indenture pursuant to Article 12 and a discharge of each other First Lien Notes Obligation in accordance with the express terms thereof.

"**Domestic Subsidiary**" means a Subsidiary that owns or leases any Principal Property except a Subsidiary (a) that transacts any substantial portion of its business and regularly maintains any substantial portion of its fixed assets outside of the United States or (b) that is engaged primarily in financing the operation of us or our Subsidiaries, or both, outside the United States.

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

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

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

(2) any issuance and sale to any Subsidiary of the Company.

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

"**Excluded Equity**" means (a) Voting Stock in any CFC or FSHCO, to the extent (but only to the extent) required to prevent the Collateral from including more than 65% of all Voting Stock in such CFC or FSHCO, (b) Capital Stock in any Subsidiary that is not a Wholly-Owned Subsidiary, to the extent, and for so long as, the pledge of such Capital Stock would be prohibited by the terms of any organizational document, joint venture agreement or shareholders' agreement applicable to such Subsidiary, (c) Voting Stock in Cleveland-Cliffs International Holding Company in excess of 65% and (d) Capital Stock in Wabush Iron Co. Limited.

"**Excluded Property**" means:

(1) Excluded Equity;

(2) motor vehicles (excluding, for the avoidance of doubt, Mobile Equipment), the perfection of a security interest in which cannot be accomplished by filing a UCC financing statement in the central filing office in which the Company or the Guarantor that owns such property is located;

(3) (i) any individual parcel of Real Property with a Fair Market Value (as reasonably determined by the Company) not to exceed $25.0 million; provided that such parcel is not necessary to operate the relevant complex or facility associated with such parcel (as reasonably determined by the Company), (ii) any Real Property or interest therein used or held in connection with a mine owned by a joint venture of which the Company or a Guarantor is a party, to the extent that the joint venture agreement or other relevant agreement with the relevant joint venture partner prohibits (or requires the consent of a party other than the Company or a Guarantor or any of their respective Subsidiaries) the creation of a security interest therein, except to the extent that such term in such contract, license, lease, agreement, instrument, general intangible or other document or shareholder, joint venture or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law; and (iii) any leasehold interest in the office headquarters of the Company located at 200 Public Square, Cleveland, Ohio 44114;

(4) any Principal Property and Principal Subsidiary Interests to the extent that the Obligations secured by any Principal Property or Principal Subsidiary Interests (together with any other CNTA Covered Debt) would exceed, at any time that any CNTA Covered Debt is incurred, the CNTA Limit at such time;

(5) any property to the extent that the grant of a security interest therein (x) is prohibited by any applicable law or regulation, requires a consent not obtained of any governmental authority pursuant to any applicable law or regulation, or (y) is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, lease, license, agreement, instrument, general intangible or other document evidencing or giving rise to such property or creating or governing a Permitted Lien applicable to such property or, in the case of any Capital Stock, any applicable shareholder, joint venture or similar agreement (for the avoidance of doubt, whether applying to any joint venture or parent of any joint venture), except to the extent that such law or regulation or the term in such contract, license, lease, agreement, instrument, general intangible or other document or shareholder, joint venture or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law; provided that in the case of clause (y), such contractual obligation (other than any such contractual obligation entered into in the ordinary course of business) existed on the Issue Date or, with respect to any Subsidiary acquired after the Issue Date (and so long as such contractual obligation was not incurred in contemplation of such acquisition), on the date such Subsidiary is so acquired;

(6) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law, provided that upon submission and acceptance by the PTO of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall be considered Collateral;

(7) any timber to be cut, the perfection of a security interest in which cannot be accomplished by the filing of an initial financing statement; and

(8) any property as to which the First Lien Notes Collateral Agent and the Company reasonably agree in writing that the cost of creating or perfecting a security interest in such property is excessive in relation to the benefit afforded thereby;

provided, however, that any proceeds, substitutes or replacements of Excluded Property shall not constitute Excluded Property unless such proceeds, substitutes or replacements would themselves constitute Excluded Property; provided, further, however, that Excluded Property shall not include as-extracted collateral or to the extent not otherwise as-extracted collateral, all minerals whether or not severed or extracted from the ground of the Company or any Guarantor (including all severed or extracted minerals purchased, acquired or obtained from other persons), and all

accounts, general intangibles and products and proceeds thereof or related thereto, regardless of whether any such minerals are in raw form or processed for sale and regardless of whether or not the Company or any Guarantor had an interest in the minerals before extraction or severance.

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

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

"**Existing Notes Documents**" means the Indenture between the Company and U.S. Bank National Association, as trustee, dated March 17, 2010, the 6.25% Notes due 2040 Third Supplemental Indenture between the Company and U.S. Bank National Association, as trustee, dated September 20, 2010, the Fifth Supplemental Indenture between the Company and U.S. Bank National Association, as trustee, dated March 31, 2011, the Seventh Supplemental Indenture between the Company and U.S. Bank National Association, as trustee, dated May 7, 2013, the 1.50% Convertible Senior Notes due 2025 Eighth Supplemental Indenture between the Company and U.S. Bank National Association, as trustee, dated December 19, 2017, the 5.75% Senior Notes due 2025 Indenture among the Company, the guarantors party thereto and U.S. Bank National Association, as trustee, dated February 27, 2017, the 5.75% Senior Notes due 2025 First Supplemental Indenture among the Company, the guarantors party thereto and U.S. Bank National Association, as trustee, dated August 7, 2017, the 4.875% Senior Secured Notes Indenture among the Company, the guarantors party thereto and U.S. Bank National Association, as trustee, dated December 19, 2017, 5.875% Senior Guaranteed Notes Indenture among the Company, the guarantors party thereto and U.S. Bank National Association, dated May 13, 2019, 6.75% Senior Secured Notes Indenture among the Company, the guarantors party thereto and U.S. Bank National Association dated March 13, 2020, the 6.375% Senior Guaranteed Notes Indenture among the Company, the guarantors party thereto and U.S. Bank National Association dated March 16, 2020 and the 7.00% Senior Guaranteed Notes Indenture among the Company, the guarantors party thereto and U.S. Bank National Association dated March 16, 2020.

"**Existing Secured Notes**" means the 4.875% Senior Secured Notes due 2024 of the Company issued on December 19, 2017, and the 6.75% Senior Secured Notes, due 2026 of the Company issued on March 13, 2020, the Obligations of which are guaranteed by the Guarantors.

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

"**First Lien Collateral Agents**" means the First Lien Notes Collateral Agent, the 2024 Secured Notes Collateral Agent, the 2026 Secured Notes Collateral Agent and any Additional Pari Passu Collateral Agent.

"**First Lien Notes Collateral Agent**" means U.S. Bank National Association in its capacity as collateral agent for the holders of the Notes, together with its successors and permitted assigns.

"**First Lien Notes Documents**" means any documents or instrument evidencing or governing any First Lien Notes Obligations.

"**First Lien Notes Obligations**" means Obligations secured on a first-priority Lien basis by the Notes Collateral, including the Notes, the Existing Secured Notes and any Additional First Lien Indebtedness and all other Obligations (not constituting Debt) of the Company or any Guarantor under the Notes, the Existing Secured Notes and any Additional First Lien Indebtedness.

"**First Lien Notes Secured Parties**" means any persons holding any First Lien Notes Obligations, including the First Lien Notes Collateral Agent.

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

"**FSHCO**" means any direct or indirect U.S. Subsidiary that has no material assets other than Capital Stock of one or more CFCs.

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

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

"**Grantors**" has the meaning assigned to such term in the Security Agreement.

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

"**Guarantor**" means any Person that incurs a Guarantee with respect to the Notes; provided, however, that upon the release or discharge of such Person from its Guarantee in accordance with this Indenture, such Person ceases to be a Guarantor.

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

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

"**Holder**" means a person in whose name a Note is registered.

"**Immaterial Subsidiary**" means, as of any date, any Subsidiary of the Company (that is not an Excluded Subsidiary of the type described in clause (i), (ii), (iii), (v), (vi), (vii), (viii) or (ix) in the definition thereof) that, together with its Subsidiaries, does not have (i) consolidated total assets in excess of 3.0% of the consolidated total assets of the Company and its Subsidiaries on a consolidated basis as of the date of the most recent consolidated balance sheet of the Company or (ii) consolidated total revenues in excess 3.0% of the consolidated total revenues of the

Company and its Subsidiaries on a consolidated basis for the most recently ended four fiscal quarters for which internal financial statements of the Company are available immediately preceding such calculation date; provided that any such Subsidiary, when taken together with all other Immaterial Subsidiaries does not, in each case together with their respective Subsidiaries, have (i) consolidated total assets with a value in excess of 7.5% of the consolidated total assets of the Company and its Subsidiaries on a consolidated basis or (ii) consolidated total revenues in excess of 7.5% of the consolidated total revenues of the Company and its Subsidiaries on a consolidated basis.

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

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

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

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

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

"**Material Real Property**" means any Real Property owned or leased by the Company or any Guarantor; provided that such Material Real Property shall not include any Excluded Property.

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

"**Moody's**" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

"**Mortgage**" means a mortgage or deed of trust, deed to secure debt, trust deed or other security document entered into by the owner or lessee, as the case may be, of a Material Real Property in favor of the First Lien Notes Collateral Agent for its benefit, substantially in such form as may be reasonably agreed between the Company and the First Lien Notes Collateral Agent (other than Excluded Property.)

"**Net Insurance Proceeds**" means any awards or proceeds in respect of any casualty insurance claim, condemnation or other eminent domain proceeding relating to any Notes Collateral deposited in the Collateral Account pursuant to the Collateral Documents.

"**Net Proceeds**" means, with respect to any Asset Disposition of Notes Collateral, the aggregate proceeds received by the Company or any of its Subsidiaries in respect of such Asset Disposition of Notes Collateral (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in such Asset Disposition), net of the direct costs relating to such Asset Disposition of Notes Collateral, including, without limitation, (i) legal accounting and investment banking fees, (ii) taxes paid or payable as a result of such Asset Disposition of Notes Collateral or as a result of any transactions occurring or deemed to occur in connection with a prepayment hereunder, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and (iii) appropriate amounts to be provided as a reserve against any adjustment in the sale price of such asset or assets or liabilities associated with such Asset Disposition of Notes Collateral, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and indemnification obligations associated with such Asset Disposition of Notes Collateral with any subsequent reduction of the reserve other than by payments made and charged against the reserved amount to be deemed a receipt of cash.

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

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

"**Notes Collateral**" means the portion of the Collateral as to which the First Lien Notes Secured Parties have a first-priority security interest subject to certain Permitted Liens.

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

"**Notes Documents**" means, collectively, the First Lien Notes Documents and, for the avoidance of doubt, shall include the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement.

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

"**Offering Memorandum**" means that certain offering memorandum dated April 15, 2020 relating to the Initial Notes.

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

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

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

"**Pari Passu Intercreditor Agreement**" means the intercreditor agreement between U.S. Bank National Association, as Existing First Lien Notes Collateral Agent (as defined therein) and U.S. Bank National Association, as Initial Additional Pari Passu Collateral Agent (as defined therein), and acknowledged by the Company, the Guarantors and the other Subsidiaries of the Company from time to time party thereto, dated as of March 13, 2020, as it may be amended, restated, supplemented or otherwise modified from time to time.

"**Permitted Liens**" means:

(i) Liens securing ABL Obligations, provided that the incurrence by the Company and the Guarantors of Debt (including the issuance of letters of credit) under the ABL Facility (with letters of credit being deemed to have a principal amount equal to the face amount thereof) shall not exceed, in aggregate principal amount outstanding at any one time, the greater of (x) $2,400.0 million and (y) the Borrowing Base; provided, however, that any Debt incurred pursuant to this clause (i), if secured by the Notes Collateral, must be secured by a Lien that is junior in priority to the Liens on Notes Collateral granted in favor of the First Lien Notes Collateral Agent for the benefit of the Trustee and the Holders of the Notes pursuant to the Collateral Documents and the terms of such junior interest must be pursuant to the ABL Intercreditor Agreement or on terms no more favorable than the terms contained in the ABL Intercreditor Agreement;

(ii) [Reserved];

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

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

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

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

(vii) (a) pledges or deposits under worker's compensation laws, unemployment insurance and other social security laws or regulations or similar legislation, or to secure liabilities to insurance carriers under insurance arrangements in respect of such obligations, or good faith deposits, prepayments or cash payments in connection with bids, tenders, contracts or leases, or to secure public or statutory obligations, surety and appeal bonds, customs duties and the like, or for the payment of rent, in each case incurred in, the ordinary course of business and (b) Liens securing obligations incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance or return-of-money bonds, contractual arrangements with suppliers, reclamation bonds, surety bonds or other obligations of a like nature and incurred in a manner consistent with industry practice;

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

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

(x) Liens in connection with legal proceedings;

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

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

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

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

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

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

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

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

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

(xx) Liens securing Existing Indebtedness;

(xxi) Liens securing Bank Product Obligations;

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

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

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

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

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

(xxvii) Liens securing Debt of the Company or any Subsidiary having an aggregate principal amount, as of the Calculation Date, not to exceed the greater of (A) $1,100.0 million minus (x) the outstanding aggregate principal amount of the Initial Notes and the outstanding principal amount of the Existing Secured Notes and (y) any Additional First Lien Indebtedness and (B) an amount that, on a pro forma basis upon giving effect to the incurrence thereof (and application of the net proceeds therefrom), would cause the Company's Consolidated Secured Leverage Ratio to exceed 3.0:1.0;

(xxviii) Liens securing any Debt incurred pursuant to a Regulatory Debt Facility; and

(xxix) other Liens, in addition to those permitted in clauses (i) through (xxviii) above, securing Debt of the Company or any Subsidiary having an aggregate principal amount, as of the Calculation Date, not to exceed the greater of (A) $1,000.0 million and (B) 15% of the Company's Consolidated Net Tangible Assets.

"**Permitted Joint Venture**" means any Person at least 50% of the Capital Stock of which is owned by the Company and/or any Guarantor if (a) such Person is engaged in a business related to that of the Company or any Guarantor and (b) the Company or any Guarantor 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.

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

"**Principal Property**" means a single manufacturing or processing plant, warehouse distribution facility or office owned or leased by the Company or a Domestic Subsidiary which has a net book value in excess of 5% of Consolidated Net Tangible Assets other than a plant, warehouse, office, or portion thereof which, in the opinion of the Company's Board of Directors, is not of material importance to the business conducted by the Company and its Subsidiaries as an entirety.

"**Principal Subsidiary Interests**" means any shares of stock or indebtedness of a Domestic Subsidiary (whether now owned or hereafter acquired).

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

"**QIBs**" means "**qualified institutional buyers**" within the meaning of Rule 144A.

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

"**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, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures.

"**Recovery Event**" means any event, occurrence, claim or proceeding that results in any Net Insurance Proceeds being deposited into the Collateral Account pursuant to the Collateral Documents.

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

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

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

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

"**Regulatory Debt Facility**" means, with respect to the Company or any of its Subsidiaries, one or more Debt Facilities entered into pursuant to the laws, rules or regulations of the United States (including, for the avoidance of doubt, any agency or instrumentality of the United States, including the Federal Reserve and other federal bank regulatory agencies) promulgated under the Coronavirus Aid, Relief and Economic Security Act or any other legislation, regulation, act or similar law in response to, or related to the effect of, COVID-19, in each case, as amended from time to time.

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

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

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

"**S&P**" means Standard & Poor's Financial Services LLC, a division of S&P Global, and its successors.

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

"**Security Agreement**" means the Security Agreement dated as of the date hereof, among the Company, certain of its Subsidiaries party thereto and the First Lien Notes Collateral Agent, as amended, supplemented or modified from time to time.

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

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

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

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

"**Treasury Rate**" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the date fixed for redemption (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the then remaining average life to October 17, 2022, provided, however, that if the average life to October 17, 2022, of the Notes is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the average life to October 17, 2022, of the Notes is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

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

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

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

"**Unrestricted Global Note**" means a Global Note that does not bear and is not required to bear a Restricted Notes Legend.

"**Unsecured Notes Obligations**" means the Company's 1.50% Convertible Senior Notes due 2025, 5.75% Senior Notes due 2025, 6.375% Senior Notes due 2025, 5.875% Senior Notes due 2027, 7.00% Senior Notes due 2027 and 6.25% Senior Notes due 2040 and all other Obligations under such Debt.

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

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

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

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

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

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

Section 1.02. Other Definitions.

Term	Section
“Additional Restricted Notes”	2.01(b)
“Agent Members”	2.01(e)(iii)
“Authenticating Agent”	2.02
“Change of Control Offer”	3.06(a)
“Change of Control Payment”	3.06(a)
“Change of Control Payment Date”	3.06(b)
“Clearstream”	2.01(b)
“Collateral Disposition Offer”	3.02(e)
“Company Order”	2.02
“Covenant Defeasance”	8.03
“Defaulted Interest”	2.14
“Euroclear”	2.01(b)
“Event of Default”	6.01
“Excess Collateral Proceeds”	3.02(e)
“Global Notes”	2.01(b)
“Guaranteed Obligations”	10.01
“Intercreditor Agreement Order”	11.09(n)
“Legal Defeasance”	8.02
“Notes Register”	2.03
“Notice of Change of Control Offer”	3.06(b)
“Optional Collateral Disposition Offer”	3.02(e)
“Paying Agent”	2.03
“Payment Default”	6.01(f)
“Permanent Regulation S Global Note”	2.01(b)
“Permitted Refinancing Lien”	1.01
“Post-Closing Collateral Documents”	11.05
“protected purchaser”	2.10
“Refinanced Lien”	1.01
“Registrar”	2.03
“Regulation S Global Note”	2.01(b)
“Regulation S Notes”	2.01(b)
“Restricted Period”	2.01(b)
“Rule 144A Global Note”	2.01(b)
“Rule 144A Notes”	2.01(b)
“Security Document Order”	11.09(m)
“Special Interest Payment Date”	2.14(a)
“Special Record Date”	2.14(a)
“successor person”	4.01(a)
“Temporary Regulation S Global Note”	2.01(b)

Section 1.03. Incorporation by Reference of Trust Indenture Act. The following TIA terms have the following meanings:

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

“**indenture securities**” means the Notes.

"**indenture security holder**" means a Holder.

"**indenture to be qualified**" means this Indenture.

"**indenture trustee**" or "**institutional trustee**" means the Trustee.

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

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

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

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) the words "including," "includes" and similar words shall be deemed to be followed by "without limitation";

(e) words in the singular include the plural and words in the plural include the singular;

(f) the principal amount of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the Company dated such date prepared in accordance with GAAP;

(g) all amounts expressed in this Indenture or in any of the Notes in terms of money refer to the lawful currency of the United States of America;

(h) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(i) "will" shall be interpreted to express a command;

(j) provisions apply to successive events and transactions;

(k) references to sections of, or rules under, the Securities Act or the Exchange Act will be deemed to include substitute, replacement or successor sections or rules adopted by the Commission from time to time;

(l) unless the context otherwise requires, any reference to an "Article," "Section" or "clause" refers to an Article, Section or clause, as the case may be, of this Indenture; and

(m) words used herein implying any gender shall apply to both genders.

ARTICLE 2
THE NOTES

Section 2.01. Form, Dating and Terms.

(a) The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is unlimited. The Initial Notes issued on the date hereof will be in an aggregate principal amount of $400,000,000. In addition, the Company may issue, from time to time in accordance with the provisions of this Indenture, Additional Notes (as provided herein). Furthermore, Notes may be authenticated and delivered upon registration of transfer, exchange or in lieu of, other Notes pursuant to Sections 2.02, 2.06, 2.10, 2.12, 5.06 or 9.05 or in connection with a

Collateral Disposition Offer or an Optional Collateral Disposition Offer pursuant to Section 3.02 or in connection with a Change of Control Offer pursuant to Section 3.06.

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

The Initial Notes shall be known and designated as "9.875% Senior Secured Notes due 2025" of the Company. Any Additional Notes shall be known and designated as "9.875% Senior Secured Notes due 2025" of the Company. Any Additional Notes that are not fungible with the Initial Notes for U.S. federal income tax purposes will have a separate CUSIP number.

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

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

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

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

The terms of any Additional Notes shall be established by action taken pursuant to a Board Resolution of the Company and a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officer's Certificate or the Indenture supplemental hereto setting forth the terms of the Additional Notes.

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

Initial Notes and Additional Restricted Notes offered and sold to QIBs in the United States of America in reliance on Rule 144A (the " **Rule 144A Notes**") shall be issued in the form of a permanent global Note substantially in the form of Exhibit A hereto, which is hereby incorporated by reference and made a part of this Indenture, including appropriate legends as set forth in (d) (the "**Rule 144A Global Note**"), deposited with the Trustee, as custodian for DTC, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The Rule 144A Global Note may be represented by more than one certificate, if so required by DTC's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Rule 144A Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC or its nominee, as hereinafter provided.

Initial Notes and any Additional Restricted Notes offered and sold outside the United States of America in reliance on Regulation S (the " **Regulation S Notes**") shall initially be issued in the form of a temporary global Note (the " **Temporary Regulation S Global Note** "), without interest coupons. Beneficial interests in the Temporary Regulation S Global Note will be exchanged for beneficial interests in a corresponding permanent global Note, without interest coupons, substantially in the form of Exhibit A hereto including appropriate legends as set forth in (d) (the " **Permanent Regulation S Global Note**" and, together with the Temporary Regulation S Global Note, each a "**Regulation S Global Note**") within a reasonable period after the expiration of the Restricted Period (as defined below)

and upon (i) delivery by the Company of a certification or other evidence in a form reasonably acceptable to the Trustee of non-United States beneficial ownership of 100% of the aggregate principal amount of the Temporary Regulation S Global Note or (ii) receipt by the Trustee of an Officer's Certificate certifying as to the expiration of the Restricted Period and instructing the Trustee to authenticate a Permanent Regulation S Global Note. Each Regulation S Global Note will be deposited upon issuance with, or on behalf of, the Trustee as custodian for DTC in the manner described in this Article 2 for credit to the respective accounts of the purchasers (or to such other accounts as they may direct), including, but not limited to, accounts at Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking, societe anonyme (" **Clearstream**"). Prior to the 40th day after the later of the commencement of the offering of the Initial Notes and the Issue Date (such period through and including such 40th day, the "**Restricted Period**"), interests in the Temporary Regulation S Global Note may only be transferred to Non-U.S. Persons pursuant to Regulation S, unless exchanged for interests in a Rule 144A Global Note in accordance with the transfer and certification requirements described herein.

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

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

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

The principal of (and premium, if any) and interest on the Notes shall be payable at the office or agency of the Paying Agent or Registrar designated by the Company (or the Trustee when it is acting as the Registrar and Paying Agent) as may be maintained for such purpose pursuant to Section 2.03; provided, *however*, that, at the option of the Company, each installment of interest may be paid by (i) check mailed (or otherwise delivered) to Holders of the Notes at their registered addresses as they appear on the Notes Register (as defined in Section 2.03) or (ii) wire transfer to an account located in the United States maintained by the payee, subject to the last sentence of this paragraph. Payments in respect of Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC. Payments in respect of Notes represented by Definitive Notes (including principal, premium, if any, and interest) held by a Holder of at least $1,000,000 aggregate principal amount of Notes represented by Definitive Notes will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage, in addition to those set forth on Exhibit A hereto and in Section 2.01(d). The Company shall approve any notation, endorsement or legend on the Notes. Each Note shall be dated the date of its authentication. The terms of the Notes set forth in Exhibit A hereto are part of the terms of this Indenture and, to the extent applicable, the Company, the Guarantors, the Trustee and the First Lien Notes Collateral Agent, by their execution and delivery of this Indenture, expressly agree to be bound by such terms.

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

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

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

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

(1) REPRESENTS THAT

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

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

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

(A) TO CLEVELAND-CLIFFS INC.,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) *Definitive Notes*. (i) Except as provided below, owners of beneficial interests in Global Notes will not be entitled to receive Definitive Notes. If required to do so pursuant to any applicable law or regulation, beneficial owners may obtain Definitive Notes in exchange for their beneficial interests in a Global Note upon written request in accordance with DTC's and the Registrar's procedures. In addition, Definitive Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in a Global Note if (A) DTC notifies the Company that it is unwilling or unable to continue as depositary for such Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, at a time when DTC is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Company within 90 days of such notice or, (B) the Company in its sole discretion executes and delivers to the Trustee and Registrar an Officer's Certificate stating that such Global Note shall be so exchangeable or (C) an Event of Default has occurred and is continuing and the Registrar has received a request from DTC. In the event of the occurrence of any of the events specified in the preceding sentence or in clause (A), (B) or (C) of the second preceding sentence, the Company shall promptly make available to the Trustee a reasonable supply of Definitive Notes.

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

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

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

delivery to the Holder thereof, one or more Definitive Notes in authorized denominations having an aggregate principal amount equal to the untransferred or unexchanged portion of the canceled Definitive Notes, registered in the name of the Holder thereof.

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

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

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

At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall, upon written request of the Company, authenticate and make available for delivery: (a) Initial Notes for original issue on the Issue Date in an aggregate principal amount of $400,000,000, (b) subject to the terms of this Indenture, Additional Notes for original issue in an unlimited principal amount and (c) under the circumstances set forth in Section 2.06(d), Initial Notes in the form of an Unrestricted Global Note, in each case after receipt of: (i) a written order of the Company signed by one Officer of the Company (the "**Company Order**"), and (ii) an Opinion of Counsel, addressed to the Trustee and the First Lien Notes Collateral Agent, which in the case of (a) above shall be to the effect that this Indenture, the Notes and the Collateral Documents executed prior to or as of the Issue Date (other than the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement) have been duly authorized, executed and delivered by the Company, the Guarantors and the Grantors, as applicable, and are enforceable against them, subject to customary enforceability exceptions, and that the issuance of the Notes has been duly authorized. Such Company Order shall specify whether the Notes will be in the form of Definitive Notes or Global Notes, the amount of the Notes to be authenticated and the date on which the original issue of Notes is to be authenticated and whether the Notes are to be Initial Notes or Additional Notes.

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

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

Section 2.03. Registrar and Paying Agent. The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange (the "**Registrar**") and an office or agency where Notes may be presented for payment (the " **Paying Agent**"). The Registrar shall keep a register of the Notes and of their

transfer and exchange (the "**Notes Register**"). The Company may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent and the term "Registrar" includes any co-registrar.

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

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

Section 2.04. Paying Agent to Hold Money in Trust. By no later than 10:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Note is due and payable, the Company shall deposit with the Paying Agent a sum sufficient in immediately available funds to pay such principal, premium or interest when due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by such Paying Agent for the payment of principal of, premium, if any, or interest on the Notes (whether such assets have been distributed to it by the Company or other obligors on the Notes), shall notify the Trustee in writing of any default by the Company or any Guarantor in making any such payment and shall during the continuance of any default by the Company (or any other obligor upon the Notes) in the making of any payment in respect of the Notes, upon the written request of the Trustee, forthwith deliver to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Notes together with a full accounting thereof. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds or assets disbursed by such Paying Agent. Upon complying with this Section 2.04 the Paying Agent (if other than the Company or a Subsidiary of the Company) shall have no further liability for the money delivered to the Trustee. Upon any bankruptcy, reorganization or similar proceeding with respect to the Company, the Trustee shall serve as Paying Agent for the Notes.

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

Section 2.06. Transfer and Exchange.

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

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

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

(ii) a registration of transfer of a Rule 144A Note or a beneficial interest therein to a Non-U.S. Person shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in Section 2.09 from the proposed transferee and, if requested by the Company, the delivery of an opinion of counsel, certification and/or other information satisfactory to it.

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

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

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

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

(d) *Restricted Notes Legend*. Upon the transfer, exchange or replacement of Notes not bearing a Restricted Notes Legend, the Registrar shall deliver Notes that do not bear a Restricted Notes Legend. Upon the transfer, exchange or replacement of Notes bearing a Restricted Notes Legend, the Registrar shall deliver only Notes that bear a Restricted Notes Legend unless (i) an Initial Note is being transferred pursuant to an effective registration statement, (ii) Initial Notes are being exchanged for Notes that do not bear the Restricted Notes Legend in accordance with this Section 2.06(d) or (iii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act. Any Additional Notes sold in an offering registered under the Securities Act shall not be required to bear the Restricted Notes Legend.

(e) *[Intentionally Omitted].*

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

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

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

(ii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Company may require the Holder to pay a sum sufficient to cover any transfer tax assessments or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to Sections 2.02, 2.06, 2.10, 2.12, 3.02, 3.06, 5.06 or 9.05).

(iii) The Company (and the Registrar) shall not be required to register the transfer of or exchange of any Note (A) for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an interest payment date and ending on such interest payment date or (B) called for redemption, except the unredeemed portion of any Note being redeemed in part.

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

(v) Any Definitive Note delivered in exchange for an interest in a Global Note pursuant to Section 2.01(f) shall, except as otherwise provided by Section 2.06(d), bear the applicable legend regarding transfer restrictions applicable to the Definitive Note set forth in Section 2.01(d).

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

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

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

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

Section 2.07. [Intentionally Omitted].

Section 2.08. [Intentionally Omitted].

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

Section 2.10. Mutilated, Destroyed, Lost or Stolen Notes. If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall, upon written request from the Company, authenticate a replacement Note if the requirements of Section 8.01-405 of the Uniform Commercial Code are met, such that the Holder (a) satisfies the Company or the Trustee that such Note has been lost, destroyed or wrongfully taken within a reasonable time after such Holder has notice of such loss, destruction or wrongful taking and the Registrar has not registered a transfer prior to receiving such notification, (b) makes such request to the Company or Trustee prior to the Note being acquired by a protected purchaser as defined in Section 8.01-303 of the Uniform Commercial Code (a "**protected purchaser**") and (c) satisfies any other reasonable requirements of the Trustee; provided, however, if after the delivery of such replacement Note, a protected purchaser of the Note for which such replacement Note was issued presents for payment or registration such replaced Note, the Trustee or the Company shall be entitled to recover such replacement Note from the Person to whom it was issued and delivered or any Person taking therefrom, except a protected purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Company or the Trustee in connection therewith. If required by the Trustee or the Company, such Holder shall furnish an indemnity bond sufficient in the judgment of the Company and the Trustee to protect the Company, the Trustee, the Paying Agent and the Registrar from any loss which any of them may suffer if a Note is replaced, and, in the absence of written notice to the Company, any Guarantor or the Trustee that such Note has been acquired by a protected purchaser, the Company shall execute, and upon receipt of a Company Order the Trustee shall authenticate and make available for delivery, in exchange for any such mutilated Note or in lieu of any such destroyed, lost or stolen Note, a replacement Note of like tenor and principal amount, bearing a number not contemporaneously outstanding.

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

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

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

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

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

satisfactory to them that the replaced Note is held by a protected purchaser. A mutilated Note ceases to be outstanding upon surrender of such Note and replacement pursuant to Section 2.10.

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

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

Section 2.13. Cancellation. The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment or cancellation and dispose of such Notes in accordance with its internal policies and customary procedures including delivery of a certificate describing such Notes disposed (subject to the record retention requirements of the Exchange Act) or deliver canceled Notes to the Company pursuant to written direction by one Officer of the Company. If the Company or any Guarantor acquires any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the Debt represented by such Notes unless and until the same are surrendered to the Trustee for cancellation pursuant to this Section 2.13. The Company may not issue new Notes to replace Notes it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a transfer or exchange. At such time as all beneficial interests in a Global Note have either been exchanged for Definitive Notes, transferred, redeemed, repurchased or canceled, such Global Note shall be returned by DTC to the Trustee for cancellation or retained and canceled by the Trustee. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for Definitive Notes, transferred in exchange for an interest in another Global Note, redeemed, repurchased or canceled, the principal amount of Notes represented by such Global Note shall be reduced and an adjustment shall be made on the books and records of the Trustee (if it is then the Notes Custodian for such Global Note) with respect to such Global Note, by the Trustee or the Notes Custodian, to reflect such reduction.

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

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

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes (or their respective predecessor Notes) are registered at the close of business on a Special Record Date (as defined below) for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Note and

the date (not less than 25 days after Trustee's receipt of such notice) of the proposed payment (the " **Special Interest Payment Date**"), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Company shall fix a record date (the "**Special Record Date**") for the payment of such Defaulted Interest, which date shall be not more than 15 days and not less than 10 days prior to the Special Interest Payment Date and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Company shall promptly notify the Trustee in writing of such Special Record Date, and in the name and at the expense of the Company, the Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor to be given in the manner provided for in Section 13.02, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor having been so given, such Defaulted Interest shall be paid on the Special Interest Payment Date to the Persons in whose names the Notes (or their respective predecessor Notes) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (b).

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

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

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

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

ARTICLE 3
COVENANTS

Section 3.01. Payment of Notes.

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

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

Section 3.02. Limitation on Asset Dispositions of Notes Collateral.

(a) The Company will not, and will not permit any of the Guarantors to, make any Asset Disposition of Notes Collateral unless:

(i) the Company or such Guarantor, as the case may be, receives consideration at least equal to the Fair Market Value of the Notes Collateral subject to such Asset Disposition;

(ii) at least 75% of the consideration from such Asset Disposition received by the Company or such Guarantor, as the case may be, is in the form of cash or Cash Equivalents; and

(iii) the remaining consideration from such Asset Disposition that is not in the form of cash or Cash Equivalents is thereupon with its acquisition pledged as Notes Collateral to secure the Notes.

(b) For purposes of (a)(ii), the following shall be deemed to be cash: (i) the repayment or assumption by the transferee of Debt secured by Liens with a priority to the Liens in favor of the Notes and the Guarantees (other than Debt incurred in contemplation of such Asset Disposition), (ii) the repayment or assumption by the transferee of liabilities (as shown on the Company's most recent balance sheet or in the notes thereto), other than liabilities that are subordinated in right of payment to the Notes, (iii) any securities, notes or other obligations received by the Company or any such Guarantor in such Asset Disposition that are, within 180 days of the disposition of Notes Collateral, converted by the Company or such Guarantor into cash or Cash Equivalents and (iv) any Designated Non-cash Consideration received by the Company or such Guarantor in such Asset Disposition having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this Section 3.02(b) that has at that time not been converted into cash or Cash Equivalents not to exceed the greater of (x) $75.0 million and (y) 2.0% 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).

(c) All of the Net Proceeds from Asset Dispositions and Recovery Events in respect of Notes Collateral shall be deposited directly into the Collateral Account; provided, that the Company and the Guarantors will not be required to cause any Net Proceeds to be held in the Collateral Account except to the extent the aggregate amount of Net Proceeds from all Asset Dispositions and Recovery Events in respect of Notes Collateral that are not held in the Collateral Account, or have not been previously applied in accordance with the provision of Section 3.02 (d) or Section 3.02(e), exceeds $50.0 million in the aggregate.

(d) Within 365 days of the date of such Asset Disposition or Recovery Event in respect of the Notes Collateral, any Net Proceeds deposited in the Collateral Account from any Asset Disposition or Recovery Event in respect of Notes Collateral may be withdrawn (i) to be invested by the Company or a Guarantor in additional assets constituting Notes Collateral (including, without limitation, through capital expenditures or acquisitions of assets constituting Notes Collateral, or in the case of Net Proceeds from any Recovery Event in respect of Notes Collateral, the performance of a restoration of the affected Notes Collateral), which additional assets are thereupon with their acquisition added to the Notes Collateral securing the Notes or (ii) to repay (and correspondingly reduce commitments with respect to) Additional First Lien Indebtedness; provided, that the Company makes an offer to all holders of Notes to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, in an amount equal to the principal amount of Additional First Lien Indebtedness repaid, such offer to be conducted in accordance with the procedures set forth below for a Collateral Disposition Offer but without any further limitation in amount or (iii) to make an Optional Collateral Disposition Offer; provided, however, that if the Company or any Guarantor contractually commits within such 365-day period to apply such Net Proceeds within 180 days following such contractual commitment in accordance with the foregoing clauses (i), (ii) or (iii) and such Net Proceeds are subsequently applied as contemplated to such contractual commitment, then the requirement for the application of Net Proceeds as set forth in this Section 3.02(d) shall be considered satisfied.

(e) Any Net Proceeds from Asset Dispositions or Recovery Events in respect of Notes Collateral that are not applied or invested as provided in Section 2.01(d) or in accordance with the Collateral Documents will be deemed to constitute "**Excess Collateral Proceeds**," provided that any Net Proceeds from Asset Dispositions of Notes Collateral or Recovery Events in respect of Notes Collateral that remain after an Optional Collateral Disposition Offer will not be deemed to constitute Excess Collateral Proceeds and the Company may use any remaining Excess Collateral Proceeds for any purpose not prohibited by this Indenture, including, without limitation, general corporate purposes. When the aggregate amount of Excess Collateral Proceeds exceeds $50.0 million, within 45 days thereof, the Company will be required to make an offer ("**Collateral Disposition Offer**") to all Holders of Notes and all holders of Additional First

Lien Indebtedness containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales or insurance recovery events in respect of Notes Collateral to purchase the maximum principal amount of the Notes and such Additional First Lien Indebtedness (on a pro rata basis) to which the Collateral Disposition Offer applies that may be purchased out of the Excess Collateral Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest to, but excluding, the date of purchase, in accordance with the procedures set forth in this Indenture. Notwithstanding anything to the contrary in the foregoing, the Company, at its option, may make a Collateral Disposition Offer with Net Proceeds from Asset Dispositions or Recovery Events in respect of Notes Collateral that are not deemed Excess Collateral Proceeds (an "**Optional Collateral Disposition Offer**") pursuant to clause (iii) of subsection (d) at any time following consummation of a Notes Collateral Asset Disposition. To the extent that the aggregate amount of Notes and other Additional First Lien Indebtedness so validly tendered and not properly withdrawn pursuant to a Collateral Disposition Offer is less than the Excess Collateral Proceeds, subject to the ABL Facility, the Company may use any remaining Excess Collateral Proceeds for any purpose not prohibited by this Indenture, including, without limitation, general corporate purposes. If the aggregate principal amount of Notes surrendered by Holders and Additional First Lien Indebtedness tendered into such Collateral Disposition Offer exceeds the amount of Excess Collateral Proceeds, the Notes and Additional First Lien Indebtedness to be purchased shall be selected on a pro rata basis. Upon completion of such Collateral Disposition Offer, the amount of Excess Collateral Proceeds shall be reset at zero.

(f) The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of notes pursuant to a Collateral Disposition Offer or an Optional Collateral Disposition Offer. To the extent that the provisions of any securities laws or regulations conflict with the Collateral Disposition Offer or Optional Collateral Disposition Offer provisions of this Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Collateral Disposition Offer or Optional Collateral Disposition Offer provisions of this Indenture by virtue of such compliance.

Section 3.03. Restrictions on Liens. The Company will not, nor will it permit any Guarantor to, incur, issue, assume or guarantee any Debt secured by a Lien (other than Permitted Liens) upon any of its Property (whether such Property is now owned or hereafter acquired) without in any such case effectively providing that Liens securing such Debt will be subordinated by its terms to the Lien securing the Notes and the Guarantees.

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

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

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

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

Section 3.05. [Intentionally Omitted].

Section 3.06. Change of Control Triggering Event.

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

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

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

(i) accept or cause a third party to accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(ii) deposit or cause a third party to deposit with a paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being repurchased and that all conditions precedent to the Change of Control Offer and to the repurchase by the Company of Notes pursuant to the Change of Control Offer have been complied with.

(d) The Company shall not be required to make a Change of Control Offer if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by the Company and such third party purchases all Notes properly tendered and not withdrawn under its offer.

(e) The Notice of Change of Control Offer shall describe the transaction or transactions that constitute the Change of Control and state:

(i) that the Change of Control Offer is being made pursuant to this Section 3.06 and that all Notes tendered will be accepted for payment;

(ii) the Change of Control Payment Date;

(iii) that any Note not tendered will continue to accrue interest;

(iv) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(v) any conditions precedent to the consummation of the Change of Control Offer;

(vi) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(vii) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile, or electronic transmission in the form of a "pdf" on letterhead (if applicable) and signed by an authorized signer or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(viii) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $2,000 in principal amount or an integral multiple of $1,000.

(f) On the Change of Control Payment Date, the Company will, to the extent lawful: (i) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

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

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

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

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

Section 3.08. Additional Guarantees. If the Company or any Subsidiary acquires or creates another Subsidiary that is a U.S. Subsidiary on or after the Issue Date (other than an Excluded Subsidiary), then, within 60 days of the date of such acquisition or creation, as applicable: (i) such Subsidiary must become a Guarantor and execute a supplemental indenture substantially in the form of Exhibit B hereto and the Company must deliver a written request

to sign and an Officer's Certificate and Opinion of Counsel to the Trustee as to the satisfaction of all conditions precedent to such execution under this Indenture, and (ii) such Subsidiary shall become a party to the Collateral Documents and shall as promptly as practicable execute and deliver such security instruments, financing statements, Mortgages, deeds of trust and certificates as may be necessary to vest in the First Lien Notes Collateral Agent a perfected first- or second-priority security interest, as the case may be, (subject to Permitted Liens) upon all its properties and assets (other than Excluded Property), in each case, as set forth in the Security Agreement as security for the notes or the Guarantees and as may be necessary to have such property or asset added to the Collateral as required under the Collateral Documents and the indenture, and thereupon all provisions of the indenture relating to the Collateral shall be deemed to relate to such properties and assets to the same extent and with the same force and effect.

Section 3.09. [Intentionally Omitted].

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

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

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

provided, however, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine as evidenced by an Officer's Certificate to the Trustee that (a) the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and (b) the loss thereof is not adverse in any material respect to the Holders of the Notes, and provided further, that this Section 3.10 does not prohibit any transaction otherwise permitted by Section 3.02 (or that does not otherwise constitute an Asset Disposition pursuant to Section 1.01) or Section 3.04.

Section 3.11. Compliance Certificate.

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

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

Section 3.12. Further Instruments and Acts. The Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture, including, without limitation, the filing, in a timely manner, of all necessary termination and releases with respect to any outstanding trademark registrations in favor of parties other than the First Lien Notes Collateral Agent and holders of Permitted Liens.

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

ARTICLE 4
SUCCESSOR COMPANY

Section 4.01. Consolidation, Merger or Sale of Assets.

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

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

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

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

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

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

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

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

ARTICLE 5
REDEMPTION AND PREPAYMENT

Section 5.01. Notices to Trustee. If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 5.07, it must furnish to the Trustee, at least 30 days but not more than 60 days before a Redemption Date, an Officer's Certificate setting forth:

(a) the clause of this Indenture pursuant to which the redemption shall occur;

(b) the Redemption Date;

(c) the principal amount of Notes to be redeemed; and

(d) the redemption price.

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

Section 5.02. Selection of Notes to Be Redeemed or Purchased. If less than all of the Notes are to be redeemed pursuant to Section 5.07 hereof or purchased in a Collateral Disposition Offer or an Optional Collateral Disposition Offer pursuant to Section 3.02 hereof or a Change of Control Offer pursuant to Section 3.06 hereof, the Trustee will select Notes for redemption or purchase (a) if the Notes are Global Notes, pursuant to the applicable rules of DTC and (b) if the Notes are Definitive Notes, on a pro rata basis or as required by the rules of the depositary except:

(a) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are listed;

(b) to the extent that selection on a pro rata basis is not practicable, by lot or as required by the rules of DTC; or

(c) if otherwise required by law.

No Notes of $2,000 or less can be redeemed in part. In the event of partial redemption, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 days nor more than 60 days prior to the redemption or purchase date by the Trustee from the outstanding Notes not previously called for redemption or purchase.

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

Section 5.03. Notice of Redemption. At least 30 days but not more than 60 days before a Redemption Date, the Company will deliver by electronic transmission (including "pdf" on letterhead (if applicable) and signed by an authorized signer), mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Articles 8 or 12. The Company shall promptly provide a copy of such notice of redemption to the Trustee.

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

(a) the Redemption Date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the Redemption Date;

(g) the paragraph or sub-paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes; and

(i) if such redemption is pursuant to Section 5.07, any conditions to such redemption.

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

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

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

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

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

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

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

Section 5.07. Optional Redemption.

(a) Prior to October 17, 2022, the Company may, at any time and from time to time, redeem, in the aggregate up to 35% of the aggregate principal amount of the Notes originally issued under this Indenture with the net cash proceeds of one or more Equity Offerings by the Company at a redemption price (expressed as a percentage of principal amount thereof) of 109.875%, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that:

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

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

(b) Prior to October 17, 2022, the Company may, at any time and from time to time, also redeem all or a part of the Notes, in whole or in part, at a redemption price equal to 100.000% of the principal amount of Notes redeemed plus the Applicable Premium, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date.

(c) [Reserved].

(d) On or after October 17, 2022, the Company may on one or more occasions redeem all or a part of the Notes, at the redemption prices (expressed as percentages of principal amount on the Redemption Date) set forth below plus accrued and unpaid interest (if any) on the Notes redeemed, to, but excluding, the applicable Redemption Date, if redeemed during the six- or twelve-month period, as applicable, beginning on each date set forth below, subject to the rights of Holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Period	**Redemption price**
October 17, 2022	107.406%
April 17, 2023	104.938%
April 17, 2024	102.469%
April 17, 2025 and thereafter	100.000%

(e) Until 120 days after the Issue Date, the Company may, at any time and from time to time, redeem, in the aggregate up to 35% of the aggregate principal amount of the Notes originally issued under this Indenture (calculated after giving effect to any issuance of Additional Notes) with the net cash proceeds of any loan received pursuant to a Regulatory Debt Facility at a redemption price (expressed as a percentage of principal amount thereof) of 103%, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record

on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that at least 65% of the aggregate principal amount of Notes originally issued under this Indenture (calculated after giving effect to any issuance of Additional Notes and excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption.

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

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

Section 5.08. Mandatory Redemption. Except to the extent the Company may be required to offer to purchase the Notes pursuant to Section 3.02 and Section 3.06, the Company is not required to make mandatory repurchase, redemption or sinking fund payments with respect to the Notes. However, the Company may at any time and from time to time purchase Notes in the open market or otherwise.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01. *Events of Default.* Each of the following is an "**Event of Default**":

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

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

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

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

(e) with respect to any Collateral having a Fair Market Value in excess of $75.0 million, individually or in the aggregate, (A) the failure of the security interest with respect to such Collateral under the Collateral Documents, at any time, to be in full force and effect for any reason other than in accordance with their terms and the terms of this Indenture and other than the satisfaction in full of all obligations under this Indenture and discharge of this Indenture if such Default continues for 60 days, (B) the declaration that the security interest with respect to such Collateral created under the Collateral Documents or under this Indenture is invalid or unenforceable, if such Default continues for 60 days or (C) the assertion by the Company or any Guarantor, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable;

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

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

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

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

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

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

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due; or

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

(i) is for relief against the Company or any Guarantor in an involuntary case;

(ii) appoints a custodian of the Company or any Guarantor or for all or substantially all of the property of the Company or any of Guarantor; or

(iii) orders the liquidation of the Company or any Guarantor; and the order or decree remains unstayed and in effect for 60 consecutive days.

(j) If an Event of Default specified under clauses (a) through (g) of this Section 6.01 occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the written request of such Holders shall, declare all such Notes to be due and payable. If an Event of Default specified under clause (h) or (i) of this Section 6.01 occurs, then all outstanding Notes will become due and payable immediately without further action or notice.

Section 6.02. *Acceleration.* In the case of an Event of Default specified in clauses (h) or (i) of Section 6.01, with respect to the Company or any Guarantor, all outstanding Notes will become due and payable immediately without further action or notice. Upon the Notes becoming due and payable upon an Event of Default, whether automatically or by declaration, such Notes will immediately become due and payable and (i) if prior to October 17, 2022, the entire unpaid principal amount of such notes plus the Applicable Premium as of the date of such acceleration or (ii) if on or after October 17, 2022, the applicable redemption price as set forth under Section 5.07(d) as of the date of such acceleration, plus in each case accrued and unpaid interest thereon shall all be immediately due and payable.

Without limiting the generality of the foregoing, it is understood and agreed that if the Notes are accelerated or otherwise become due prior to their maturity date, in each case, in respect of any Event of Default (including an Event of Default specified in clauses (h) or (i) of Section 6.01 (including the acceleration of claims by operation of law)), the premium applicable with respect to an optional redemption of the Notes will also be due and payable as though the notes were optionally redeemed and shall constitute part of the First Lien Notes Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Holder's lost profits as a result thereof. Any premium payable pursuant to this Section 6.02 shall be presumed to be the liquidated damages sustained by each Holder as the result of the early redemption and the Company and each Guarantor agree that it is reasonable under the circumstances currently existing. The premium shall also be payable if the Notes (and/or the Indenture) are satisfied or released by foreclosure (whether by power of judicial proceeding, deed in lieu of foreclosure or by any other means). THE COMPANY AND EACH GUARANTOR EXPRESSLY WAIVE (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) THE PROVISIONS

OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PREMIUM IN CONNECTION WITH ANY SUCH ACCELERATION. The Company and each Guarantor expressly agree (to the fullest extent it may lawfully do so) that: (A) the premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Holders and the Company and the Guarantors giving specific consideration in this transaction for such agreement to pay the premium; and (D) the Company and each Guarantor shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Company and each Guarantor expressly acknowledge that the agreement to pay the premium to Holders as herein described is a material inducement to Holders to purchase the notes.

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

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

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

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

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

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

Subject to the provisions of this Indenture relating to the duties of the Trustee or the First Lien Notes Collateral Agent, in case an Event of Default occurs and is continuing, the Trustee or the First Lien Notes Collateral Agent will be under no obligation to exercise any of the rights or powers under this Indenture, the Notes, the Guarantees and the Collateral Documents, at the request or direction of any Holders of Notes unless such Holders have offered to the

Trustee or the First Lien Notes Collateral Agent indemnity or security satisfactory to it against any loss, liability or expense.

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

(a) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(b) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee in writing to pursue the remedy;

(c) such Holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense;

(d) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security or indemnity; and

(e) Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

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

Section 6.08. *Collection Suit by Trustee.* If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium and interest remaining unpaid on, the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents, accountants, experts and counsel.

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

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

Section 6.10. *Priorities.*

(a) If the Trustee collects any money or property pursuant to this Article 6, or pursuant to the foreclosure or other remedial provisions contained in the Collateral Documents (including any money or property deposited into the Collateral Account in connection therewith), it shall pay out the money or proceeds of property in the following order:

FIRST: to the Trustee and the First Lien Notes Collateral Agent, for amounts due to it pursuant to Section 7.07 and Section 7.13;

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

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

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

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

ARTICLE 7
TRUSTEE

Section 7.01. *Duties of Trustee*.

(a) If an Event of Default, of which a Trust Officer of the Trustee has received written notice from the Company, has occurred and is continuing, the Trustee or the First Lien Notes Collateral Agent shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs; provided that the Trustee and the First Lien Notes Collateral Agent will be under no obligation to exercise any of the rights or powers under this Indenture, the Notes, the Guarantees or the Collateral Documents at the request or direction of any of the Holders unless such Holders have offered the Trustee or the First Lien Notes Collateral Agent, respectively, indemnity or security reasonably satisfactory to each of them against loss, liability or expense.

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

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

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

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

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

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

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

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

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

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

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law, this Indenture, the Notes, the Collateral Documents or by Section 11.08

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

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

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

(j) The Trustee shall be under no obligation to the Holders to ascertain or to inquire as to the observance or performance of any of the agreements contained in, statements made in, or conditions of any of the Collateral or Collateral Documents or to inspect the property (including the books and records) of the Company.

(k) The Trustee shall have no duty (i) to cause the maintenance of any insurance, (ii) with respect to the payment or discharge of any tax, charge or Lien levied against any part of the Collateral or (iii) except as otherwise specifically provided in Article 11 and the Security Agreement, with respect to the filing or refiling of any Collateral Document.

(l) The Trustee shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens upon any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part.

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

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

kind by reason of such inquiry or investigation. The Trustee shall receive and retain financial reports and statements of the Company as provided herein, but shall have no duty whatsoever with respect to the contents thereof, including no duty to review or analyze such reports or statements to determine compliance with covenants or other obligations of the Company.

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

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

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

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

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

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

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

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

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

(k) Whenever in the administration of or in connection with this Indenture, the Notes, the Guarantees or the Collateral Documents, the Company is required to provide an Officer's Certificate, the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder or thereunder, the Trustee (unless other evidence be herein specifically prescribed) may, as the case may be, request and in the absence of bad faith or willful misconduct on its part, rely upon such Officer's Certificate.

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

(m) The Trustee may request that the Company and any Guarantor deliver an Officer's Certificate setting forth the names of the individuals and titles of Officers (with specimen signatures) authorized at such times to take specific actions pursuant to this Indenture, the Pari Passu Intercreditor Agreement or the ABL Intercreditor Agreement,

which Officer's Certificate may be signed by any person specified as so authorized in any certificate previously delivered and not superseded.

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

(o) The Trustee shall not be bound to make any investigation into (i) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any Collateral Documents, (ii) the occurrence of any default, or the validity, enforceability, effectiveness or genuineness of this Indenture, any Collateral Documents, or any other agreement, instrument or document, (iii) the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (iv) the value or the sufficiency of any Collateral, or (v) the satisfaction of any condition set forth in any Collateral Documents, other than to confirm receipt of items expressly required to be delivered to the Trustee.

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

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

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

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

(t) The rights, privileges, protections, immunities and benefits (except for as mentioned in Section 11.09(c)) given to U.S. Bank National Association, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, U.S. Bank National Association in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder (except for as mentioned in Section 11.09(c)).

(u) Neither the Trustee nor the First Lien Notes Collateral Agent shall have an obligation to invest and reinvest any cash held in the absence of timely and specific written investment direction from the Company. In the absence of written investment direction from the Company, all cash received by the Trustee or the First Lien Notes Collateral Agent from the Company shall be placed in a non-interest bearing deposit account. In no event shall the Trustee or the First Lien Notes Collateral Agent be liable for the selection of investments or for investment losses incurred thereon.

Neither Trustee nor the First Lien Notes Collateral Agent shall have any liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Company to provide timely written investment direction.

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

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

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

Section 7.06. *Reports by Trustee to Holders.* Within 60 days after each December 15 beginning December 15, 2020, the Trustee shall mail to each Holder a brief report dated as of such December 15 that complies with TIA § 313(a) if and to the extent required thereby (but if no event described in such Section has occurred within the 12 months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA § 313(b) and TIA § 313(c).

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

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

shall defend the claim and the Trustee shall cooperate at the Company's expense in the defense. The Trustee may have separate counsel and the Company and Guarantors shall pay the reasonable fees and expenses of such counsel; provided, that neither the Company nor any Guarantor need pay for any such settlement made without its consent (such consent not to be unreasonably withheld, conditioned or delayed). This indemnification shall apply to officers, directors, employees, shareholders, and agents of the Trustee.

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

The Company's and Guarantors payment obligations pursuant to this Section 7.07 shall survive the satisfaction and discharge of this Indenture (including any termination or rejection hereof under the Bankruptcy Code), final payment in full of the Notes and the resignation or removal of the Trustee. Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses or renders services after the occurrence of a Default specified in clause (h) or clause (i) of Section 6.01, the expenses and compensation for services (including the reasonable fees and expenses of its agents, accountants, experts and counsel) are intended to constitute expenses of administration under the Bankruptcy Code.

Section 7.08. *Replacement of Trustee.* The Trustee may resign at any time and be discharged from the trust hereby created by so notifying the Company in writing. The Holders of a majority in aggregate principal amount of the Notes may remove the Trustee by so notifying the removed Trustee and the Company in writing and may appoint a successor Trustee with the Company's written consent, which consent will not be unreasonably withheld. The Company shall remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10;

(b) the Trustee is adjudged bankrupt or insolvent or an order for relief is entered with respect to the Trustee under the Bankruptcy Code;

(c) a receiver, custodian or other public officer takes charge of the Trustee or its property; or

(d) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed by the Company or by the Holders of a majority in aggregate principal amount of the Notes (the Trustee in such event being referred to herein as the retiring Trustee) and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason, the Company shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a written notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, *provided* all sums owing to the Trustee hereunder have been paid and subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of at least 10% in aggregate principal amount of the Notes may petition, at the Company's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, unless the Trustee's duty to resign is stayed as provided in TIA § 310(b), any Holder, who has been a bona fide Holder of a Note for at least six months, may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.08 the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09. *Successor Trustee by Merger.* If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; *provided* that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Notes in the name of any predecessor Trustee shall only apply to its successor or successors by merger, consolidation or conversion.

Section 7.10. *Eligibility; Disqualification.* This Indenture shall always have a Trustee that satisfies the requirements of TIA § 310(a)(1), (2) and (5) in every respect. The Trustee shall have a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA § 310(b); *provided, however*, that there shall be excluded from the operation of TIA § 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in TIA § 310(b)(1) are met.

Section 7.11. Collateral Documents. By their acceptance of the Notes, the Holders hereby authorize and direct the Trustee and the First Lien Notes Collateral Agent, as the case may be, to execute and deliver the Collateral Documents to which the Trustee or the First Lien Notes Collateral Agent, as applicable, is named as a party, including any Collateral Documents executed after the Issue Date. It is hereby expressly acknowledged and agreed that, in doing so, the Trustee and the First Lien Notes Collateral Agent are not responsible for the terms or contents of such agreements, for the validity or enforceability thereof, or the sufficiency thereof for any purpose. Whether or not so expressly stated therein, in entering into, or taking or forbearing from any action under or pursuant to the Collateral Documents, the Trustee and the First Lien Notes Collateral Agent each shall have all of the rights, immunities, indemnities and other protections granted to it under this Indenture and the Collateral Documents (in addition to those that may be granted to it under the terms of any other agreement or agreements).

Section 7.12. Preferential Collection of Claims Against the Company. The Trustee shall comply with TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311 (a) to the extent indicated therein.

Section 7.13. Trustee and First Lien Notes Collateral Agent in Other Capacities. References in this Indenture to the Trustee or the First Lien Notes Collateral Agent in any provision of this Indenture shall be understood to include the Trustee or First Lien Notes Collateral Agent acting in its other capacities under this Indenture and the Collateral Documents, including acting in its capacity as Trustee, First Lien Notes Collateral Agent, Registrar and Paying Agent. Without limiting the foregoing, and for the avoidance of doubt, such references shall be read to apply to the Collateral Documents, with the necessary modifications, in addition to this Indenture. Whether the reference in any provision of this Indenture is to either or both of the Trustee and the First Lien Notes Collateral Agent, the compensation, indemnities, immunities and exculpatory provisions contained in this Indenture shall apply to and benefit each and both of them, in whatever capacity it is acting, and whether it is acting under this Indenture, the other First Lien Notes Documents or the Collateral Documents.

Section 7.14. *USA Patriot Act.* The Company acknowledges that, to help the government fight the funding of terrorism and money laundering activities, Federal law requires that Trustee, like all financial institutions, obtain, verify and record information that identifies each person who establishes a relationship or opens an account with Trustee. The Company agrees that it will provide the Trustee with such information and documentation it may reasonably request to verify the Company's formation and existence as a legal entity. The Company also agrees that it will provide the Trustee with such financial statements, licenses, identification and authorization documents from individuals

claiming authority to represent the Company as the Trustee may reasonably request to satisfy the requirements of Federal law.

Section 7.15. *Calculations in Respect of the Notes.* The Company shall be responsible for making calculations called for under the Notes, including, without limitation, determination of premiums, Additional Notes, original issue discount, conversion rates and adjustments, if any. The Company shall make the calculations in good faith and, absent manifest error, its calculations shall be final and binding on the Holders of the Notes. The Company shall provide a schedule of its calculations to the Trustee when applicable, and the Trustee shall be entitled to conclusively rely on the accuracy of the Company's calculations without independent verification.

Section 7.16. *Brokerage Confirmations.* The Company acknowledges that regulations of the Comptroller of the Currency grant the Company the right to receive brokerage confirmations of the security transactions as they occur. To the extent contemplated by law, the Company specifically waives any such notification relating to any securities transactions contemplated herein; provided, however, that Trustee shall send to the Company periodic cash transaction statements that describe all investment transactions.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. Option to Effect Legal Defeasance or Covenant Defeasance: Defeasance. The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate delivered to the Trustee, elect to have either Section 8.02 or Section 8.03 be applied to all outstanding Notes and Guarantees upon compliance with the conditions set forth below in this Article 8.

Section 8.02. Legal Defeasance and Discharge. Upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.02, the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the Guarantees), this Indenture and the Collateral Documents on the date the conditions set forth below are satisfied (hereinafter, "**Legal Defeasance**"). For this purpose, Legal Defeasance means that the Company and the Guarantors will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes (including the Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in clauses (a) and (b) below, and to have satisfied all of their other obligations under such Notes, the Guarantees, this Indenture and the Collateral Documents (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium on, such Notes when such payments are due from the trust referred to in Section 8.04;

(b) the Company's obligations with respect to such Notes under Article 2;

(c) the rights, powers, trusts, duties and immunities of the Trustee, Paying Agent and Registrar hereunder and the Company's and the Guarantors' obligations in connection therewith; and

(d) this Section 8.02.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03.

Section 8.03. Covenant Defeasance. Upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.03 the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04, be released from each of their obligations under the covenants contained in Sections 3.03, 3.04, 3.06, and 3.07 with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 are satisfied

(hereinafter, "**Covenant Defeasance**"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Guarantees, the Company and the Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.03 subject to the satisfaction of the conditions set forth in Section 8.04, Sections 6.01(c) through 6.01(g) will not constitute Events of Default.

Section 8.04. *Conditions to Legal or Covenant Defeasance.* In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or Section 8.03:

(a) the Company shall have deposited or caused to be irrevocably deposited with the Trustee, in trust, money and/or U.S. Government Obligations that, through the payment of interest and principal in accordance with their terms, will provide not later than one day before the due date of any payment of money sufficient, in the opinion of a nationally recognized firm of independent public accountants to pay and discharge each installment of principal of, premium and interest on and any mandatory sinking fund payments in respect of Notes on the Stated Maturity of those payments in accordance with the terms of this Indenture and the Notes;

(b) such deposit will not result in a breach or violation of, or constitute a default under this Indenture, the Pari Passu Intercreditor Agreement, the ABL Intercreditor Agreement or any other material agreement to which the Company or the Guarantors are bound;

(c) in the case of an election under Section 8.02, the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel reasonably acceptable to the Trustee confirming that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (ii) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(d) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the beneficial owners of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(e) the Company must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(f) the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05. *Deposited Money and U.S. Government Obligations to be Held in Trust: Other Miscellaneous Provisions.* Subject to Section 8.06, all money and non-callable U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "**Trustee**") pursuant to Section 8.04 in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such

Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non-callable U.S. Government Obligations held by it as provided in Section 8.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. *Repayment to the Company.* Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on, any Note and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Company on its request unless an abandoned property law designates another Person or (if then held by the Company) will be discharged from such trust; and the Holder of such Note will thereafter be permitted to look only to the Company for payment thereof unless an abandoned property law designates another Person, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07. *Reinstatement.* If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 8.02 or Section 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantors' obligations under this Indenture, the Notes, and the Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or Section 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or Section 8.03, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium, if any, or interest on, any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENTS

Section 9.01. *Without Consent of Holders.* Notwithstanding Section 9.02, the Company, the Guarantors (with respect to the Guarantees) and the Trustee may amend or supplement this Indenture, the Notes, the Guarantees and the Collateral Documents without the consent of any Holder (except that no existing Guarantor need execute a supplemental indenture pursuant to clause (h) below):

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable;

(d) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights hereunder or under the Notes, the Guarantees and the Collateral Documents of any such Holder;

(e) *[Intentionally Omitted];*

(f) to conform the text of this Indenture, the Guarantees, the Notes or the Collateral Documents to any provision of the "Description of the Secured Notes" section of the Offering Memorandum;

(g) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date hereof;

(h) to allow any Guarantor to execute a supplemental indenture substantially in the form of Exhibit B hereto and/or a Guarantee with respect to the Notes;

(i) to add any additional obligors under this Indenture, the Notes or the Guarantees;

(j) to secure any Additional First Lien Indebtedness or Additional Secured Indebtedness permitted to be incurred under this Indenture pursuant to the Collateral Documents and to appropriately include the same in the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement;

(k) to add additional Collateral to secure the Notes;

(l) to comply with the provisions under Section 4.01; and

(m) to evidence and provide for the acceptance of an appointment by a successor Trustee.

Subject to Section 9.02, upon the written request of the Company accompanied by a Board Resolution authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee will join with the Company and the Guarantors in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but will not be obligated to, enter into such amended or supplemental indenture.

After an amendment or supplement under this Section 9.01 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment or supplement. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment or supplement under this Section 9.01.

The Trustee shall be entitled to receive an Officer's Certificate and an Opinion of Counsel (other than with respect to a supplemental indenture to add a Guarantor) confirming that all conditions precedent are satisfied with respect to any supplemental indenture and that such supplemental indenture is authorized or permitted.

Section 9.02. With Consent of Holders. Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture, the Notes, the Guarantees and the Collateral Documents with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07, any existing Default or Event of Default or compliance with any provision of this Indenture, the Notes, the Guarantees or the Collateral Documents may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes). Section 2.11 shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Company accompanied by a Board Resolution authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02, the Trustee will join with the Company and the Guarantors in the execution of such amended or supplemental

indenture, except that the Trustee need not execute such amended or supplemental indenture if the Trustee reasonably believes that such amended or supplemental indenture adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Without the consent of each Holder of Notes affected, an amendment, supplement or waiver may not (with respect to Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(3) reduce the principal or change the stated maturity date of any note or reduce the amount of, or postpone the date fixed for, the payment of any sinking fund or analogous obligation with respect to any Note;

(4) waive a Default or Event of Default in the payment of principal of, premium or interest or premium on, the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make the principal of, premium or interest on any Note payable in currency other than that stated in the Notes;

(6) make any change to the right of Holders of Notes to receive payment of the principal of, premium and interest on the Notes or in Section 6.04 or Section 6.07;

(7) waive a redemption payment that is made of the option of the Company, with respect to any Note;

(8) release any Guarantor from any of its obligations under its Guarantee or this Indenture, except in accordance with the terms of this Indenture; or

(9) make any change in the preceding amendment and waiver provisions of this paragraph.

In addition, without the consent of Holders of 75% in aggregate principal amount of Notes then outstanding, an amendment, supplement or waiver may not:

(1) modify any Collateral Document or the provisions in this Indenture dealing with Collateral Documents or application of trust moneys in any manner, taken as a whole, materially adverse to the Holders as determined by the Company acting in good faith or otherwise release any Collateral other than in accordance with this Indenture and the Collateral Documents; or

(2) modify the Pari Passu Intercreditor Agreement in any manner adverse to the Holders in any material respect other than in accordance with the terms of this Indenture and the Collateral Documents; or

(3) modify the ABL Intercreditor Agreement in any manner adverse to the Holders in any material respect other than in accordance with the terms of this Indenture and the Collateral Documents.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof. A consent to any amendment, supplement or waiver under this Indenture by any Holder of the Notes given in connection with a tender or exchange of such Holder's Notes will not be rendered invalid by such tender or exchange.

After an amendment or supplement under this Section 9.02 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment or supplement. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment or supplement under this Section 9.02.

Section 9.03. [Intentionally Omitted].

Section 9.04. Revocation and Effect of Consents and Waivers.

(a) Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation at the Corporate Trust Office provided in Section 13.02 before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

(b) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding anything herein to the contrary, those Persons, who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

Section 9.05. Notation on or Exchange of Notes. The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an authentication order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06. Trustee to Sign Amendments.

The Trustee will sign any amended or supplemental indenture or amendment to a Collateral Document, except that the Trustee need not execute such amended or supplemental indenture or such amendment if the Trustee reasonably believes that such amended or supplemental indenture or such amendment adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise. The Company may not sign an amended or supplemental indenture or such amendment until the Board of Directors of the Company approves it. In executing any amended or supplemental indenture or amendment to a Collateral Document, the Trustee will be entitled to receive and (subject to Section 7.01 and Section 7.02) will be fully protected in relying upon, in addition to the documents required by Section 13.04, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture or such amendment is authorized or permitted by this Indenture and that all conditions precedent are satisfied with respect to any such amended or supplemental indenture or such amendment.

ARTICLE 10
GUARANTEE

Section 10.01. *Guarantee.* (a) Subject to the provisions of this Article 10, each Guarantor hereby fully, unconditionally and irrevocably guarantees, on a senior secured basis (except to the extent its assets are Excluded Property), as primary obligor and not merely as surety, jointly and severally with each other Guarantor, to each Holder of the Notes, to the extent lawful, and the Trustee the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the principal of, premium, if any, and interest on the Notes, expenses, indemnification or otherwise and all other Obligations and liabilities of the Company under this Indenture (including without limitation interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding), relating to the Company or any Guarantor whether or not a claim for post-filing or post-petition interest is allowed in such proceeding and the obligations under Section 7.07), the Notes and the Collateral Documents (all the foregoing being hereinafter collectively called the "**Guaranteed Obligations**").

(b) Each Guarantee will be secured on a first-priority basis by the Notes Collateral of such Guarantor and on a second-priority basis by the ABL Collateral of such Guarantor, in each case subject to certain Permitted Liens. Such Guarantors will also agree to pay any and all costs and expenses (including reasonable counsel fees and

expenses) incurred by the Trustee, the First Lien Notes Collateral Agent or the Holders in enforcing any rights under the Guarantees.

(c) Each Guarantor agrees (to the extent permitted by law) that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from it, and that it will remain bound under this Article 10 notwithstanding any extension or renewal of any Guaranteed Obligation.

(d) To the fullest extent permitted by law, each Guarantor waives presentation to, demand of payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. To the fullest extent permitted by law, each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations.

(e) Each Guarantor further agrees that its Guarantee constitutes a guarantee of payment when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder to any security held for payment of the Guaranteed Obligations.

(f) Except as set forth in Section 10.02, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment or performance of the Guaranteed Obligations), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by (i) the failure of any Holder to assert any claim or demand or to exercise or enforce any right or remedy against the Company or any other person under this Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of any thereof; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (iv) the release of any security held by any Holder or the First Lien Notes Collateral Agent for the Guaranteed Obligations or any of them; (v) any change in the ownership of the Company; (vi) any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations, or (vii) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of such Guarantor as a matter of law or equity.

(g) Each Guarantor agrees that its Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations (other than contingent obligations or indemnification obligations, in each case for which no claim has been asserted) or such Guarantor is released from its Guarantee in compliance with Section 10.02, Article 8 or Article 12. Each Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of, premium, if any, or interest on any of the Guaranteed Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy or reorganization of the Company or otherwise.

(h) In furtherance of the foregoing and not in limitation of any other right which any Holder has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, each Guarantor hereby promises to and will, upon receipt of written notice by the Trustee, forthwith pay, or cause to be paid, in cash, to the Trustee or the Trustee on behalf of the Holders an amount equal to the sum of (i) the unpaid amount of such Guaranteed Obligations then due and owing and (ii) accrued and unpaid interest on such Guaranteed Obligations then due and owing (but only to the extent not prohibited by law).

(i) Each Guarantor further agrees that, as between such Guarantor, on the one hand, and the Holders, on the other hand, (x) the maturity of the Guaranteed Obligations may be accelerated as provided in this Indenture for the purposes of its Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations and (y) in the event of any such declaration of acceleration of such Guaranteed Obligations, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purposes of this Guarantee.

(j) Neither the Company nor the Guarantors shall be required to make a notation on the Notes to reflect any Guarantee or any release, termination or discharge thereof and any such notation shall not be a condition to the validity of any Guarantee.

(k) Any Guarantor that makes a payment under its Guarantee will be entitled upon payment in full of all Guaranteed Obligations under this Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment as determined in accordance with GAAP.

Section 10.02. Limitation on Liability; Termination; Release and Discharge.

(a) Any term or provision of this Indenture to the contrary notwithstanding, the obligations of each Guarantor hereunder will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law and not otherwise being void or voidable under any similar laws affecting the rights of creditors generally.

(b) Each Guarantee by a Guarantor will be automatically and unconditionally released and discharged, and such Subsidiary's obligations under the Guarantee, this Indenture and the Collateral Documents will be automatically and unconditionally released and discharged, upon:

(i) (1) any sale, exchange, transfer or disposition of such Guarantor (by merger, consolidation, or the sale of), the Capital Stock of such Guarantor after which the applicable Guarantor is no longer a Subsidiary or the sale of all or substantially all of its assets (other than by lease), whether or not the Guarantor is the surviving corporation in such transaction, to a Person which is not the Company or a Subsidiary; provided that (x) such sale, exchange, transfer or disposition is made in compliance with this Indenture, including Section 4.01 and (y) all the obligations of such Guarantor under all Debt of the Company or its Subsidiaries terminate upon consummation of such transaction; (2) the Company exercising either Legal Defeasance or Covenant Defeasance under either Section 8.02 or Section 8.03; or (3) the applicable Guarantor becoming or constituting an Excluded Subsidiary; and

(ii) such Guarantor delivering to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in this Indenture relating to release and discharge of such Guarantor's Guarantee have been complied with.

(c) Such Guarantor will be automatically and unconditionally released and discharged from all its obligations under this Indenture and its Guarantee and the Collateral Documents to which it is a party and such Guarantee shall terminate and be of no further force and effect and the Liens, if any, on the Collateral pledged by such Guarantor pursuant to the Collateral Documents shall be released with respect to the Notes if (x) such sale, exchange, transfer or disposition is made in compliance with this Indenture, including Section 3.02 and Section 4.01 and (y) all the obligations of such Guarantor under all Debt of the Company or its Subsidiaries terminate upon consummation of such transaction.

(d) If the Guarantee of any Guarantor is deemed to be released and discharged or is automatically released and discharged, upon delivery by the Company to the Trustee of an Officer's Certificate stating the identity of the released Guarantor and the basis for the release in reasonable detail and an Opinion of Counsel, the Trustee will execute any documents reasonably required in order to evidence the release and discharge of the Guarantor from its obligations under its Guarantee.

Section 10.03. *Right of Contribution*. Each Guarantor hereby agrees that to the extent that any Guarantor shall have paid more than its proportionate share of any payment made on the obligations under the Guarantees, such Guarantor shall be entitled to seek and receive contribution from and against the Company or any other Guarantor who has not paid its proportionate share of such payment. The provisions of this Section 10.03 shall in no respect limit the obligations and liabilities of each Guarantor to the Trustee and the Holders and each Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by such Guarantor hereunder.

Section 10.04. *No Subrogation*. Notwithstanding any payment or payments made by each Guarantor hereunder, no Guarantor shall be entitled to be subrogated to any of the rights of the Trustee or any Holder against

the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Trustee or any Holder for the payment of the Guaranteed Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Trustee and the Holders by the Company on account of the Guaranteed Obligations are paid in full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Guaranteed Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Trustee in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Trustee, if required), to be applied against the Guaranteed Obligations.

Section 10.05. *Execution and Delivery of a Guarantee*.

(a) The execution by each Guarantor of this Indenture (or a supplemental indenture in the form of Exhibit B hereto) evidences the Guarantee of such Guarantor, whether or not the person signing as an officer of the Guarantor still holds that office at the time of authentication of any Note. The delivery of any Note by the Trustee after authentication constitutes due delivery of the Guarantee set forth in this Indenture on behalf of each Guarantor.

(b) The Trustee hereby accepts the trusts in this Indenture upon the terms and conditions herein set forth.

ARTICLE 11
COLLATERAL AND SECURITY

Section 11.01. The Collateral.

(a) The due and punctual payment of the principal of, premium, if any, and interest on the Notes and the Guarantees when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, interest on the overdue principal of and interest (to the extent permitted by law), if any, on the Notes and the Guarantees and performance of all other obligations under this Indenture, including, the obligations of the Company set forth in Section 7.07 and Section 8.05 herein, and the Notes and the Guarantees and the Collateral Documents, shall be secured by Liens on and security interests in the Notes Collateral and the ABL Collateral, in each case with the priority set forth in the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement and subject to Permitted Liens, as provided in the Collateral Documents which the Company and the Guarantors, as the case may be, have entered into simultaneously with the execution of this Indenture and will be secured by all Collateral Documents hereafter delivered as required or permitted by this Indenture and the Collateral Documents. All property of the Company and the Guarantors owned on the Issue Date (other than Excluded Property) shall be pledged as Collateral pursuant to the Collateral Documents on the Issue Date, and perfected with the priority intended to be granted thereby, subject, in the case of the Post-Closing Collateral Documents, to the provisions of Section 11.05.

(b) The Company and the Guarantors hereby agree that the First Lien Notes Collateral Agent shall hold the Collateral in trust for the benefit of all of the Holders and the Trustee, in each case pursuant to the terms of the Collateral Documents, and the First Lien Notes Collateral Agent is hereby authorized to execute and deliver the Collateral Documents.

(c) Each Holder, by its acceptance of any Notes and the Guarantees, consents and agrees to the terms of Section 11.09 and the Collateral Documents (including, the provisions providing for the possession, use, release and foreclosure of Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms and authorizes and directs the Trustee and the First Lien Notes Collateral Agent to perform its obligations and exercise its rights under this Indenture and the Collateral Documents in accordance therewith.

(d) The Trustee and each Holder, by accepting the Notes and the Guarantees, acknowledges that, as more fully set forth in the Collateral Documents, the Collateral as now or hereafter constituted shall be held for the benefit of all the Holders and the Trustee, and that the Lien of this Indenture and the Collateral Documents in respect of the Trustee and the Holders is subject to and qualified and limited in all respects by the Collateral Documents and actions that may be taken thereunder.

(e) The Company shall, and shall cause each of the Grantors to, at the Company's sole cost and expense, take or cause to be taken such actions as may be required by the Collateral Documents, to perfect, maintain (with the priority required under the Collateral Documents), preserve and protect the valid and enforceable, perfected (except as expressly provided herein or therein) security interests in and on all the Collateral granted by the Collateral Documents in favor of the First Lien Notes Collateral Agent as security for the First Lien Notes Obligations, superior to and prior to the rights of all third Persons (other than as set forth in the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement and other than to the extent permitted or not prohibited under this Indenture with respect to Permitted Liens), and subject to no other Liens (other than Permitted Liens), including (i) the filing of financing statements, continuation statements, collateral assignments and any instruments of further assurance, in such manner and in such places as may be required by law to preserve and protect fully the rights of the Holders, the First Lien Notes Collateral Agent, and the Trustee under this Indenture and the Collateral Documents to all property comprising the Collateral, and (ii) the delivery of the certificates evidencing the securities pledged under any Collateral Document, duly endorsed in blank or accompanied by undated stock powers or other instruments of transfer executed in blank. The Company shall from time to time promptly pay all financing and continuation statement recording and/or filing fees, charges and recording and similar taxes relating to the Indenture, the Collateral Documents and any amendments hereto or thereto and any other instruments of further assurance required pursuant hereto or thereto.

Section 11.02. Further Assurances.

(a) Subject to the limitations set forth in the Collateral Documents, the Company and each of the Guarantors shall execute any and all further documents, financing statements, agreements and instruments, and take all further action that may be reasonably required under applicable law, or that the First Lien Notes Collateral Agent may reasonably (but shall have no duty to) request, in order to grant, preserve, protect and perfect the validity and priority of the security interests and Liens created or intended to be created by the Collateral Documents in the Collateral, including, by making all filings (including filings of continuation statements and amendments to financing statements that may be necessary to continue the effectiveness of such financing statements). In addition, from time to time, the Company shall and shall cause each Guarantor to reasonably promptly secure the obligations under this Indenture and the Collateral Documents by pledging or creating, or causing to be pledged or created, perfected security interests with respect to the Collateral to the extent and in the manner set forth in the Collateral Documents.

(b) The Company shall, and shall cause each Guarantor to (i) at all times maintain, preserve and protect all Notes Collateral material to the conduct of its business and keep such property in good repair, working order and condition (other than wear and tear occurring in the ordinary course of business); (ii) from time to time make, or cause to be made, all necessary repairs, renewals, additions, improvements and replacements thereto necessary in order to maintain and preserve the Notes Collateral; and (iii) maintain all material insurance coverages thereon.

Section 11.03. Additional Property. Upon (x) the formation or acquisition of any new Guarantor after the Issue Date owning Material Real Property, (y) any Excluded Property ceasing to be Excluded Property, or (z) the acquisition by the Company or any Guarantor after the Issue Date of any Material Real Property or personal property (other than any Excluded Property), the Company or such Guarantor shall execute and deliver, within 210 days of the date of the formation or acquisition of a new Guarantor, the date upon which Excluded Property ceases to be classified as such, or the date of acquisition of Material Real Property, as applicable, (A) with regard to any Material Real Property or personal property (other than any Excluded Property), the items described in Section 11.05(a)(i)-(iii) below and (B) to the extent required by the Collateral Documents and subject to the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement, any information, documentation or other certificates (including but not limited to financing statements and Opinions of Counsel) to the First Lien Notes Collateral Agent as may be necessary to vest in the First Lien Notes Collateral Agent a perfected security interest, subject only to Permitted Liens and confirm the validity and priority of the First Lien Notes Collateral Agent's perfected security interest and lien on such Material Real Property or personal property (other than any Excluded Property) and to have such property added to the Collateral, and thereupon all provisions of this Indenture, the Notes and the Collateral Documents relating to the Collateral shall be deemed to relate to such property to the same extent and with the same force and effect. Additionally, if the Company or any Guarantor creates any additional security interest upon any property or asset in the nature of assets constituting ABL Collateral to secure any ABL Obligations after the Issue Date, it shall concurrently grant a security interest (subject to Permitted Liens, including, to the extent applicable, the first-priority Lien that secures the ABL Obligations) upon such property as security for the First Lien Notes Obligations and any Additional First Lien Indebtedness with the priority required by the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement. If granting a security interest

in such ABL Collateral requires the consent of a third party, the Company and the applicable Guarantor may not be required to obtain such consent with respect to the security interest for the benefit of the First Lien Notes Collateral Agent on behalf of the Holders of the Notes and each other secured party under the Collateral Documents to the extent such consent is not required to be obtained under the terms of the documents governing ABL Obligations. Additionally, if the Company or any Guarantor creates any additional security interest upon any property or asset in the nature of assets constituting Notes Collateral to secure any First Lien Notes Obligations after the Issue Date, it shall concurrently grant a security interest (subject to Permitted Liens, including, to the extent applicable, the first-priority Lien that secures the ABL Obligations) upon such property as security for the First Lien Notes Obligations and any Additional First Lien Indebtedness with the priority required by the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement. If granting a security interest in such Notes Collateral requires the consent of a third party, the Company and the applicable Guarantor may not be required to obtain such consent with respect to the security interest for the benefit of the First Lien Notes Collateral Agent on behalf of the Holders of the Notes and each other secured party under the Collateral Documents to the extent such consent is not required to be obtained under the terms of the documents governing the First Lien Notes Obligations. For the avoidance of doubt, neither the Company nor any Guarantor shall be required to deliver (or make efforts to deliver) to the First Lien Notes Collateral Agent any lien waiver or access agreement from any landlord, bailee, carrier, customer or similar Person with respect to the Notes Collateral, notwithstanding any requirement to deliver (or make efforts to deliver) any such lien waiver or access agreement to the ABL Agent with respect to the ABL Collateral so long as the ABL Facility is outstanding.

Section 11.04. Impairment of Security Interest. Neither the Company nor any of its Subsidiaries is permitted to take or knowingly or negligently omit to take any action which act or omission would or could reasonably be expected to have the result of materially impairing the security interest in the Liens in favor of the First Lien Notes Collateral Agent for the benefit of the Trustee and the Holders with respect to the Collateral. Neither the Company nor any of its Subsidiaries shall grant to any Person, or permit any Person to retain (other than the First Lien Notes Collateral Agent, the other First Lien Collateral Agents or the ABL Agent), any interest whatsoever in the Collateral, other than Permitted Liens. Neither the Company nor any of its Subsidiaries will enter into any agreement that requires the proceeds received from any sale of Collateral to be applied to repay, redeem, defease or otherwise acquire or retire any Indebtedness of any Person, other than as permitted by this Indenture, the Notes, the Guarantees and the Collateral Documents. The Company shall, and shall cause each Guarantor to, at its sole cost and expense, execute and deliver all such agreements and instruments as necessary, or as the Trustee or the First Lien Notes Collateral Agent reasonably requests, to more fully or accurately describe the assets and property intended to be Collateral or the obligations intended to be secured by the Collateral Documents.

Section 11.05. Post-Closing Collateral Documents. (a) The Company shall, and shall cause the Guarantors, in each case, subject to the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement, to put in place the following documents (together with the Documents listed in Section 11.05(b), the "**Post-Closing Collateral Documents**"), following the Issue Date, but in any event not later than 210 days following the Issue Date. Such Post-Closing Collateral Documents shall be reasonably satisfactory in form and substance to the First Lien Notes Collateral Agent and shall relate to Material Real Property as of the Issue Date. For the avoidance of doubt, the First Lien Notes Collateral Agent has the right but not the obligation to request instruction from the Holders as to whether the form and substance of such documents is satisfactory. Also, for the avoidance of doubt, neither the Trustee nor the First Lien Notes Collateral Agent shall be responsible for the failure of any Person to deliver the documents below, for monitoring such delivery or for the content or correctness of any document delivered to it:

(i) *Mortgages*. Fully executed counterparts of the Mortgages (it being understood and agreed that in the case of any Material Real Property in which the Company or any Guarantor has a leasehold interest where the terms of such leased Real Property (or applicable state law, if the lease is silent on the issue) prohibit a mortgage thereof, the Company or applicable Guarantor shall use commercially reasonable efforts to cause the landlord to allow a mortgage of such leased Real Property), together with evidence that (1) counterparts of the Mortgages have been (i) duly executed, acknowledged and delivered and (ii) properly filed in all filing or recording offices that the First Lien Notes Collateral Agent deems necessary or desirable in accordance with customary practices for real property interests of such type and for such location in order to create a valid first (subject to Permitted Liens) and subsisting Lien on the property described therein in favor of the First Lien Notes Collateral Agent for its benefit and the benefit of the First Lien Notes Secured Parties and (2) all filing, documentary, stamp, intangible and recording taxes and fees have been paid, the delivery of a copy of a recorded Mortgage being sufficient evidence to satisfy the requirements of this Section 11.05(a); provided that if, in connection with the recording or filing of a Mortgage, a mortgage tax would be owed under applicable law in respect of the entire amount of the Obligations, then the amount secured by such Mortgage shall be limited to 100% of the then-estimated Fair Market Value of the Real Property encumbered by such Mortgage

(other than where another method is used to determine mortgage recording tax, such as allocation), as determined by the Company, provided, further, that such Mortgages, to the extent encumbering a Principal Property, shall provide that the Obligations secured by Principal Property or Principal Subsidiary Interests (together with any other CNTA Covered Debt) shall not exceed, at any time that any CNTA Covered Debt is incurred, the CNTA Limit at such time so as to not require any Bonds to be equally and ratably secured with the Obligations. For the avoidance of doubt, the First Lien Notes Collateral Agent has the right but not the obligation to request instruction from the Holders as to the filing or recording offices necessary or desirable to create a valid second Lien.

(ii) *As-Extracted Financing Statements*. In the case of any as-extracted collateral constituting ABL Collateral, the Company and each applicable Guarantor shall provide the First Lien Notes Collateral Agent with financing statements in form appropriate for filing in the appropriate jurisdictions under the applicable Uniform Commercial Code in order to perfect Liens (subject to Permitted Liens) on such as-extracted collateral for the benefit of the First Lien Notes Secured Parties.

(iii) *Counsel Opinions*. Customary opinions of counsel to the Company or Guarantor mortgagor with respect to the extent applicable to the perfection, enforceability, due authorization, execution and delivery of the applicable Mortgages and any related fixture filings in form and substance reasonably satisfactory to the First Lien Notes Collateral Agent.

(b) The Company shall, and shall cause the Guarantors, in each case, subject to the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement, to use all commercially reasonable efforts to put in place control agreements with respect to their deposit accounts (other than with respect to Excluded Accounts) existing on the Issue Date, but in any event not later than 180 days following the Issue Date. For the avoidance of doubt, the First Lien Notes Collateral Agent shall not be responsible for the failure of any Person to deliver such agreements, for monitoring such delivery or for the content or correctness of any such agreements delivered to it. For the avoidance of doubt, the Company shall be required to deliver to the First Lien Notes Collateral Agent a control agreement that is reasonably satisfactory to the First Lien Notes Collateral Agent and the depository bank with respect to the Collateral Account (if any) on the Issue Date.

(c) For the avoidance of doubt, if as provided in Section 7.02(e), the First Lien Notes Collateral Agent consults with counsel with respect to the Post-Closing Collateral Documents, all reasonable fees and expenses of such counsel shall be paid promptly by the Company.

Section 11.06. Release of Liens on the Collateral.

(a) Subject to the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement, the First Lien Notes Collateral Agent shall not at any time release the Collateral from the security interests created by the Collateral Documents unless such release is expressly in accordance with the provisions of this Indenture and the applicable Collateral Documents.

(b) Collateral will be released from the Liens and security interests created by the Collateral Documents at any time or from time to time in accordance with the provisions of this Indenture and the Collateral Documents. The Company and the Guarantors will be entitled to releases of property and assets included in the Collateral from the Liens securing Obligations under this Indenture, the Notes, the Guarantees, and the Collateral Documents under any one or more of the following circumstances, and such Liens on the following assets shall automatically, without requirement for consent or approval from the Holders, the Trustee or the First Lien Notes Collateral Agent and without the need for any further action by any Person (except as provided herein or in the applicable Collateral Document), be released, terminated and discharged upon any of the following:

(i) in whole, upon satisfaction and discharge of this Indenture as set forth in Section 12.01;

(ii) in whole, upon a legal defeasance or covenant defeasance as set forth in Section 8.02 or Section 8.03, as applicable;

(iii) in part, as to any property constituting Collateral (A) that is sold or otherwise disposed of by the Company or any of its Subsidiaries (other than to the Company or a Guarantor) in a transaction permitted

by Section 3.02 and by the Collateral Documents, to the extent of the interest sold or disposed of, or otherwise not prohibited by this Indenture and the Collateral Documents; (B) that is cash or Net Proceeds withdrawn from the Collateral Account for any one or more purposes permitted by Section 3.02; (C) that is ABL Collateral, pursuant to the terms of the ABL Intercreditor Agreement; (D) that is Notes Collateral, pursuant to the terms of the ABL Intercreditor Agreement and the Pari Passu Intercreditor Agreement or (E) that at any time becomes Excluded Property;

(iv) that is owned by a Guarantor that is released from its Guarantee in accordance with this Indenture;

(v) with the consent of Holders of 75% in aggregate principal amount of the Notes then outstanding in accordance with Section 9.02, provided, that, in the case of any release in whole pursuant to clauses, (i) and (ii) above, all amounts owing to the Trustee and the First Lien Notes Collateral Agent under this Indenture, the Notes, the Guarantees and the Collateral Documents have been paid; and

(vi) upon the incurrence by the Company or any Guarantor of any Permitted Lien on any Collateral that is a purchase money Lien, or is a pre-existing Lien on property acquired after the Issue Date where the terms of such Lien prohibit other Liens thereon.

(c) For all circumstances in Section 11.06(b) (other than with respect to clauses (iii) and (vi) thereof), the Company and each Guarantor will furnish to the First Lien Notes Collateral Agent, prior to each proposed release of Collateral pursuant to the Collateral Documents and this Indenture:

(i) an Officer's Certificate requesting such release, including a statement to the effect that all conditions precedent provided for in this Indenture and the Collateral Documents to such release have been complied with including the delivery to the First Lien Notes Collateral Agent of all documents required under this Section 11.06(c) and that the release is permitted by this Indenture and the Collateral Documents;

(ii) a form of such release (which release shall be in form reasonably satisfactory to the First Lien Notes Collateral Agent and shall provide that the requested release is without recourse or warranty to the First Lien Notes Collateral Agent);

(iii) all documents required by this Indenture and the Collateral Documents; and

(iv) an Opinion of Counsel to the effect that such accompanying documents constitute all documents required by this Indenture and the Collateral Documents and such release is authorized or permitted by the Collateral Documents and this Indenture.

Upon compliance by the Company or the Guarantors, as the case may be, with the conditions precedent set forth above in connection with any release of Collateral (whether or not such compliance is required under this Section 11.06(c)), and upon delivery by the Company or such Guarantor to the First Lien Notes Collateral Agent of an Opinion of Counsel to the effect that such conditions precedent have been complied with, (a) the Trustee or the First Lien Notes Collateral Agent shall promptly cause to be released and reconveyed to the Company, or the Guarantors, as the case may be, the released Collateral, and (b) upon written request by the Company or the applicable Guarantor, the First Lien Notes Collateral Agent will file, or authorize the filing of appropriate termination statements or other documents to terminate the security interest in the released Collateral.

(d) The release of any Collateral in accordance with the terms of this Indenture and the Collateral Documents shall not be deemed to impair the security under this Indenture in contravention of the provisions hereof or affect the Lien of this Indenture or the Collateral Documents if and to the extent the Collateral is released pursuant to this Indenture or the Collateral Documents or upon the termination of this Indenture. Any person may rely on this (d) in delivering a certificate requesting release of any collateral.

Section 11.07. Authorization of Actions to be Taken by the Trustee or the First Lien Notes Collateral Agent Under the Collateral Documents.

(a) Subject to the provisions of this Indenture and the Collateral Documents, each of the Trustee and the First Lien Notes Collateral Agent may (but shall not be obligated to), and at the direction of the Holders of a majority of the aggregate principal amount of then outstanding Notes shall, on behalf of the Holders, take all actions it deems necessary or appropriate in order to (i) enforce any of its rights or any of the rights of the Holders under the Collateral Documents and (ii) collect and receive any and all amounts payable in respect of the Collateral in respect of the obligations of the Company and the Subsidiaries hereunder and thereunder. Subject to the provisions of the Collateral Documents, the Trustee or the First Lien Notes Collateral Agent shall have the power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Collateral Documents or this Indenture, and such suits and proceedings as the Trustee or the First Lien Notes Collateral Agent may deem expedient to preserve or protect its interest and the interests of the Holders in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders or the Trustee).

(b) Neither the Trustee nor the First Lien Notes Collateral Agent shall be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence, bad faith or willful misconduct on the part of the Trustee or the First Lien Notes Collateral Agent, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of any Grantor to the Collateral, for insuring the Collateral, for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral, or for the sufficiency of the form or substance of any Collateral Document. Neither the Trustee nor the First Lien Notes Collateral Agent shall have any responsibility for recording, filing, re-recording or refiling any financing statement, continuation statement, document, instrument or other notice in any public office at any time or times or to otherwise take any action to perfect or maintain the perfection of any security interest granted to it under the Collateral Documents or otherwise.

(c) Where any provision of this Indenture requires that additional property or assets be added to the Collateral, the Company and the relevant Guarantor shall deliver to the Trustee or the First Lien Notes Collateral Agent the following:

(i) a written notice from the Company of such Collateral;

(ii) the form of instrument adding such Collateral, which, based on the type and location of the property subject thereto, shall be in substantially the form of the applicable Collateral Documents entered into on the date of this Indenture, with such changes thereto as the Company shall consider appropriate, or in such other form as the Company shall deem proper; provided that any such changes or such form are administratively satisfactory to the Trustee and the First Lien Notes Collateral Agent;

(iii) an Officer's Certificate to the effect that the Collateral being added is in the form, consists of the assets and is in the amount or otherwise has the Fair Market Value required by this Indenture;

(iv) an Officer's Certificate and, in the case of Collateral being added with respect to a new Guarantee, an Opinion of Counsel, to the effect that all conditions precedent provided for in this Indenture to the addition of such Collateral have been complied with, which Opinion of Counsel (if any) shall provide customary opinions as to the creation and perfection of the First Lien Notes Collateral Agent's Lien on such Collateral and as to the due authorization, execution, delivery, validity and enforceability of the Collateral Document being entered into; and

(v) such financing statements, if any, as shall be necessary to perfect the First Lien Notes Collateral Agent's security interest in such Collateral.

(d) The Trustee and/or the First Lien Notes Collateral Agent, as applicable, in giving any consent or approval under the Collateral Documents, shall be entitled to receive, as a condition to such consent or approval, an Officer's Certificate and an Opinion of Counsel to the effect that the action or omission for which consent or approval is to be given does not impair the security of the Holders in contravention of the provisions of this Indenture and the Collateral Documents, and the Trustee and/or the First Lien Notes Collateral Agent shall be fully protected in giving such consent or approval on the basis of such Officer's Certificate and Opinion of Counsel.

(e) The First Lien Notes Collateral Agent agrees that it shall not be obliged to, unless specifically requested to do so by the Holders of a majority in aggregate principal amount of the then outstanding Notes, take or cause to be taken any action to enforce its rights under this Indenture, the Notes or the Collateral Documents or against any Guarantor, including the commencement of any legal or equitable proceedings, to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(f) If at any time or times the Trustee shall receive (i) by payment, foreclosure, set-off or otherwise, any proceeds of Collateral or any payments with respect to the First Lien Notes Obligations arising under, or relating to, this Indenture, except for any such proceeds or payments received by the Trustee from the First Lien Notes Collateral Agent pursuant to the terms of this Indenture, or (ii) payments from the First Lien Notes Collateral Agent in excess of the amount required to be paid to the Trustee pursuant to Article 6, the Trustee shall promptly turn the same over to the First Lien Notes Collateral Agent, in kind, and with such endorsements as may be required to negotiate the same to the First Lien Notes Collateral Agent, such proceeds to be applied by the First Lien Notes Collateral Agent pursuant to the terms of this Indenture and the Collateral Documents.

Section 11.08. Collateral Accounts.

(a) The Trustee is authorized to receive any funds for the benefit of the Holders distributed under, and in accordance with, the Collateral Documents, and to make further distributions of such funds to the Holders according to the provisions of this Indenture and the Collateral Documents.

(b) The Collateral Account shall be a deposit account maintained with, and under the sole control of, the First Lien Notes Collateral Agent and shall be established and maintained by Bank of America, N.A. All cash and Cash Equivalents received by the First Lien Notes Collateral Agent from Asset Dispositions of Notes Collateral, Recovery Events with regards to Notes Collateral, Asset Dispositions with regards to Notes Collateral, foreclosures of or sales of the Notes Collateral pursuant to the Collateral Documents, including earnings, revenues, rents, issues, profits and income from the Notes Collateral received pursuant to the Collateral Documents, shall, subject to the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement, be deposited in the Collateral Account to the extent required by this Indenture or the Collateral Documents, and thereafter shall be held, applied and/or disbursed by the First Lien Notes Collateral Agent to the Trustee in accordance with the terms of this Indenture (including, without limitation, Section 2.01(a), Section 3.02, Section 6.10 and Section 11.08(a)). In connection with any and all deposits to be made into the Collateral Account under this Indenture, the First Lien Notes Collateral Agent shall receive an Officer's Certificate directing the First Lien Notes Collateral Agent to make such deposit.

(c) Pending the distribution of funds in the Collateral Account in accordance with the provisions hereof and provided that no Event of Default shall have occurred and be continuing, the Company may direct the First Lien Notes Collateral Agent in writing to invest such funds in Cash Equivalents specified in such direction, such investments to mature by the times such funds are needed hereunder and such direction to certify that such funds constitute Cash Equivalents and that no Event of Default shall have occurred and be continuing. The Company acknowledges that for so long as the First Lien Notes Collateral Agent holds Cash pending investment direction from the Company, such Cash will be uninvested until one (1) Business Day after the First Lien Notes Collateral Agent receives such direction from the Company. So long as no Event of Default shall have occurred and be continuing, the Company may direct the Trustee to sell, liquidate or cause the redemption of any such investments and to transmit the proceeds to the Company or its designee, in each case, to the extent permitted under Section 2.01(a) and Section 3.02, such direction to certify that no Event of Default shall have occurred and be continuing. Any gain or income on any investment of funds in the Collateral Account shall be credited to the Collateral Account. Neither the Trustee nor the First Lien Notes Collateral Agent shall have any liability for any loss incurred in connection with any investment or any sale, liquidation or redemption thereof made in accordance with the provisions of this (c).

Section 11.09. Appointment and Authorization of U.S. Bank National Association as First Lien Notes Collateral Agent.

(a) U.S. Bank National Association is hereby designated and appointed as the First Lien Notes Collateral Agent of the Holders under the Collateral Documents, and is authorized as the First Lien Notes Collateral Agent for such Holders to execute and enter into each of the Collateral Documents and all other instruments relating to the

Collateral Documents and (i) to take action and exercise such powers as are expressly required or permitted hereunder and under the Collateral Documents and all instruments relating hereto and thereto including, without limitation, entering into any amendments, supplements, modifications, joinders or intercreditor agreements relating thereto and (ii) to exercise such powers and perform such duties as are in each case, expressly delegated to the First Lien Notes Collateral Agent by the terms hereof and thereof together with such other powers as are reasonably incidental hereto and thereto.

(b) Notwithstanding any provision to the contrary elsewhere in this Indenture or the Collateral Documents, the First Lien Notes Collateral Agent shall not have any duties or responsibilities except those expressly set forth herein or therein or any fiduciary relationship with any Holder, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Indenture, any Collateral Document or otherwise exist against the First Lien Notes Collateral Agent. The Company and each Holder, by acceptance of the Notes and the Guarantees acknowledges and agrees that, consistent with the provisions of Article 7, the privileges, rights, compensation, indemnities, immunities and exculpatory provisions contained in this Indenture that apply to and benefit the Trustee or the First Lien Notes Collateral Agent, respectively, shall also apply to and benefit the Trustee or the First Lien Notes Collateral Agent, respectively, whether it is acting under this Indenture, the other Note Documents or the Collateral Documents.

(c) The First Lien Notes Collateral Agent shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. The First Lien Notes Collateral Agent may exercise any of its rights or powers hereunder or perform any of its duties hereunder either directly or by or through agents or attorneys, and the First Lien Notes Collateral Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed hereunder with due care by it. Anything in this Indenture or the Collateral Documents notwithstanding, in no event shall the First Lien Notes Collateral Agent be liable for special, indirect or consequential damage of any kind whatsoever (including but not limited to lost profits), even if the First Lien Notes Collateral Agent has been advised of such loss or damage and regardless of the form of action. The Company and Grantors, shall, jointly and severally, indemnify and hold harmless the First Lien Notes Collateral Agent, its directors, officers, agents and employees with respect to any and all expenses, losses, damages, liabilities, demands, charges, causes of action, judgments and claims of any nature (including the reasonable fees and expenses of counsel and other experts) in respect of or arising from any acts or omissions performed or omitted by the First Lien Notes Collateral Agent, its directors, officers, agents or employees hereunder or under the Collateral Documents or under any other agreement executed in connection therewith without willful misconduct, gross negligence or reckless disregard of its duties hereunder or under the Collateral Documents or under any other agreement executed in connection therewith. The First Lien Notes Collateral Agent shall also be afforded all of the other rights, protections, indemnities and immunities afforded to the Trustee hereunder.

(d) The First Lien Notes Collateral Agent may resign at any time subject to all of the same terms and procedures as pertain to the Trustee under this Indenture.

(e) The provisions of this Article 11 are solely for the benefit of the First Lien Notes Collateral Agent and the Trustee, and none of the Holders or any of the Guarantors (other than with respect to Sections 11.06 and 11.07) shall have any rights as a third-party beneficiary of any of the provisions contained herein. Each Holder agrees that any action taken by the First Lien Notes Collateral Agent in accordance with the provisions of this Indenture and the Collateral Documents, and the exercise by the First Lien Notes Collateral Agent of any rights or remedies set forth herein or therein, shall be authorized and binding upon all Holders.

(f) Notwithstanding any provision to the contrary contained elsewhere in this Indenture and the Collateral Documents, the duties of the First Lien Notes Collateral Agent shall be ministerial and administrative in nature, and the First Lien Notes Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein and in the other First Lien Notes Documents or Collateral Documents to which the First Lien Notes Collateral Agent is a party, nor shall the First Lien Notes Collateral Agent have or be deemed to have any trust or other fiduciary relationship with the Trustee, any Holder, or any Guarantor, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Indenture, the Collateral Documents or otherwise exist against the First Lien Notes Collateral Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” in this Indenture with reference to the First Lien Notes Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is

used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(g) The First Lien Notes Collateral Agent shall be accountable only for amounts that it actually receives as a result of the exercise of its powers hereunder or under the Collateral Documents, and neither the First Lien Notes Collateral Agent nor any of its officers, directors, employees, attorneys, representatives or agents shall be responsible for any act or failure to act hereunder, except to the extent such act is found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from its own gross negligence or willful misconduct.

(h) The First Lien Notes Collateral Agent is each Holder's agent for the purpose of perfecting such Holders' security interest in assets which, in accordance with Article 9 of the Uniform Commercial Code, can be perfected only by possession. Should the Trustee obtain possession of any such Collateral, the Trustee shall notify the First Lien Notes Collateral Agent thereof and promptly shall deliver such Collateral to the First Lien Notes Collateral Agent or otherwise deal with such Collateral in accordance with the First Lien Notes Collateral Agent's instructions.

(i) Notwithstanding anything to the contrary contained in this Indenture or the Collateral Documents, in the event the First Lien Notes Collateral Agent is instructed by the Trustee on behalf of the Holders to commence an action to foreclose or otherwise exercise its remedies to acquire control or possession of the Collateral, the First Lien Notes Collateral Agent shall not be required to commence any such action or exercise any remedy or to inspect or conduct any studies of any property under any mortgages or take any such other action if the First Lien Notes Collateral Agent believes that it may incur personal liability as a result of the presence at, or release on or from, the Collateral or such property, of any hazardous substances unless the First Lien Notes Collateral Agent has received security or indemnity from the Holders whose representative has similarly instructed the First Lien Notes Collateral Agent) in an amount and in a form all satisfactory to the First Lien Notes Collateral Agent in its sole discretion, protecting the First Lien Notes Collateral Agent from all such liability. The First Lien Notes Collateral Agent shall at any time be entitled to cease taking any action described above if it no longer believes that the indemnity, security or undertaking from the Company or the Holders is sufficient.

(j) The First Lien Notes Collateral Agent does not assume any responsibility for any failure or delay in performance or any breach by the Company or any Guarantor under this Indenture or the Collateral Documents. The First Lien Notes Collateral Agent shall not be responsible to the Holders or any other Person for any recitals, statements, information, representations or warranties contained in any First Lien Notes Documents or in any certificate, report, statement, or other document referred to or provided for in, or received by the First Lien Notes Collateral Agent under or in connection with, this Indenture or the Collateral Documents.

(k) The First Lien Notes Collateral Agent shall not be required to initiate or conduct any litigation or collection or other proceeding under this Indenture or the Collateral Documents except as expressly set forth hereunder or thereunder. The First Lien Notes Collateral Agent shall have the right at any time to seek instructions from the party or parties entitled to give instructions to it under the terms of this Indenture and the Collateral Documents.

(l) The parties hereto and the Holders hereby agree and acknowledge that the First Lien Notes Collateral Agent shall not assume, be responsible for or otherwise be obligated for any liabilities, claims, causes of action, suits, losses, allegations, requests, demands, penalties, fines, settlements, damages (including foreseeable and unforeseeable), judgments, expenses and costs (including but not limited to, any remediation, corrective action, response, removal or remedial action, or investigation, operations and maintenance or monitoring costs, for personal injury or property damages, real or personal) of any kind whatsoever, pursuant to any environmental law as a result of this Indenture or the Collateral Documents, or any actions taken pursuant hereto or thereto. Further, the parties hereto and the Holders hereby agree and acknowledge that in the exercise of its rights under this Indenture and the Collateral Documents, the First Lien Notes Collateral Agent may hold or obtain indicia of ownership primarily to protect the security interest of the First Lien Notes Collateral Agent in the Collateral, including without limitation the properties constituting Material Real Property, and that any such actions taken by the First Lien Notes Collateral Agent shall not be construed as or otherwise constitute any participation in the management of such Collateral, including without limitation the Material Real Property, as those terms are defined in Section 101(20)(E) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq., as amended.

(m) With respect to the Collateral Documents to be executed after the Issue Date, upon the receipt by the First Lien Notes Collateral Agent of a written request of the Company signed by two Officers (a "**Security Document Order**"),which shall confirm that the security documents being delivered to the First Lien Notes Collateral Agent for execution are final and acceptable to the Company, the First Lien Notes Collateral Agent shall execute and enter into

such security documents without the further consent of any Holder or the Trustee. Such Security Document Order shall (i) state that it is being delivered to the First Lien Notes Collateral Agent pursuant to, and is a Security Document Order referred to in, this Section 11.09(m), and (ii) instruct the First Lien Notes Collateral Agent to execute and enter into such Collateral Document. Any such execution of a Collateral Document shall be at the direction and expense of the Company, upon delivery to the First Lien Notes Collateral Agent of an Officer's Certificate and Opinion of Counsel stating that all conditions precedent to the execution and delivery of Collateral Document have been satisfied. The Holders, by their acceptance of the Notes, hereby authorize and direct the First Lien Notes Collateral Agent to execute such Collateral Documents.

(n) With respect to any intercreditor agreement executed after the Issue Date related to the issuance of Additional First Lien Indebtedness permitted under the terms of this Indenture that is secured by Liens on the Collateral that are either *pari passu* with or junior to the Liens securing the First Lien Notes, upon the receipt by the First Lien Notes Collateral Agent of a written request of the Company signed by two Officers (an "**Intercreditor Agreement Order**"), which shall confirm that such intercreditor agreement being delivered to the First Lien Notes Collateral Agent for execution is final and acceptable to the Company, the First Lien Notes Collateral Agent shall execute and enter into such intercreditor agreement without the further consent of any Holder or the Trustee. Such Intercreditor Order shall (i) state that it is being delivered to the First Lien Notes Collateral Agent pursuant to, and is an Intercreditor Agreement Order referred to in, this Section 11.09(n), and (ii) instruct the First Lien Notes Collateral Agent to execute and enter into such intercreditor agreement. Any such execution of an intercreditor agreement shall be at the direction and expense of the Company, upon delivery to the First Lien Notes Collateral Agent of an Officer's Certificate and Opinion of Counsel stating that all conditions precedent to the execution and delivery of such intercreditor agreement have been satisfied. The Holders, by their acceptance of the Notes, hereby authorize and direct the First Lien Notes Collateral Agent to execute such intercreditor agreement.

(o) The First Lien Notes Collateral Agent is authorized to receive any funds for the benefit of itself, the Trustee and the Holders distributed under the Collateral Documents and to the extent not prohibited under the Collateral Documents, turnover such funds to the Trustee to make further distributions of such funds to itself and the Holders in accordance with the provisions of Section 11.08(a) and the other provisions of this Indenture and the Collateral Documents.

ARTICLE 12
SATISFACTION AND DISCHARGE

Section 12.01. Satisfaction and Discharge.

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder and Guarantees thereof, when:

(a) either:

(i) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(ii) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing or other delivery of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non- callable U.S. Government Obligations, in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Notes not delivered to the Trustee for cancellation for principal, premium and accrued interest to the maturity date or Redemption Date;

(b) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will

not result in a breach or violation of, or constitute a default under, any other material instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(c) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture (other than contingent obligations or indemnification obligations, in each case for which no claim has been asserted); and

(d) the Company has delivered irrevocable written instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity date or on the Redemption Date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to clause (a)(ii) of this Section 12.01, the provisions of Section 8.06 and Section 12.02 shall survive. In addition, nothing in this Section 12.01 will be deemed to discharge those provisions of Section 7.07, that, by their terms, survive the satisfaction and discharge of this Indenture.

Section 12.02. Application of Trust Money. Subject to the provisions of Section 8.06, all money deposited with the Trustee pursuant to Section 12.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes, this Indenture, the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 12.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01; provided that if the Company has made any payment of principal of, premium, if any, or interest on, any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 13
MISCELLANEOUS

Section 13.01. Reserved.

Section 13.02. Notices. All notices or communications required by this Indenture shall be in writing and delivered in person, sent by facsimile or electronic transmission in the form of a "pdf" on letterhead (if applicable) and signed by an authorized signer delivered by commercial courier service or mailed by first-class mail, postage prepaid, addressed as follows:

if to the Company or to any Guarantor:

Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Fax: (216) 694-6509
Attention: James Graham, Executive Vice President, Chief Legal Officer & Secretary

with a copy to:

Jones Day
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Attention: Michael J. Solecki
Fax: (216) 579-0212

if to the Trustee or the First Lien Notes Collateral Agent, at

U.S. Bank National Association
1350 Euclid Avenue, Suite 1100
Cleveland, Ohio 44115
Attention: Corporate Trust Services/Account Administrator
Fax: (216) 623-9259

The Company or the Trustee or the First Lien Notes Collateral Agent by written notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication to the Company, the Guarantors, the Trustee or the First Lien Notes Collateral Agent shall be deemed to have been given or made as of the date so delivered if personally delivered; when receipt is acknowledged, if transmitted by facsimile or electronic transmission (including "pdf" on letterhead (if applicable) and signed by an authorized signer); the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery, and five calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee). Any written notice or communication to the Trustee or the First Lien Notes Collateral Agent shall be deemed delivered upon receipt.

Any written notice or communication mailed to a Holder shall be mailed to the Holder at the Holder's address as it appears in the Notes Register and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a written notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a written notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it, except that notices to the Trustee or the First Lien Notes Collateral Agent shall be effective only upon receipt.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such written notice by mail, then such notification as shall be made with the approval of the Trustee or the First Lien Notes Collateral Agent shall constitute a sufficient notification for every purpose hereunder.

Section 13.03. Communication by Holders With Other Holders. Holders may communicate pursuant to TIA § 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, or the First Lien Notes Collateral Agent, the Registrar and anyone else shall have the protection of TIA § 312(c).

Section 13.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee or the First Lien Notes Collateral Agent to take or refrain from taking any action under this Indenture or the applicable Collateral Documents, the Company shall furnish to the Trustee:

(a) an Officer's Certificate in form reasonably satisfactory to the Trustee or the First Lien Notes Collateral Agent stating that, in the opinion of the signer, all conditions precedent, if any, provided for in this Indenture and the applicable Collateral Documents relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form reasonably satisfactory to the Trustee or the First Lien Notes Collateral Agent stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 13.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving such Opinion of Counsel, counsel may rely as to factual matters on an Officer's Certificate or on certificates of public officials.

Section 13.06. [Intentionally Omitted]

Section 13.07. Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by, or at meetings of, Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

Section 13.08. Business Days. If a payment date is not a Business Day, payment shall be made on the next succeeding day that is a Business Day, and no interest shall accrue for the intervening period. If a regular record date is not a Business Day, the record date shall not be affected.

Section 13.09. GOVERNING LAW. THIS INDENTURE, THE NOTES, THE GUARANTEES AND THE COLLATERAL DOCUMENTS (OTHER THAN THE MORTGAGES) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE STATE COURTS OF, AND THE FEDERAL COURTS LOCATED IN, THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES, THE GUARANTEES AND THE COLLATERAL DOCUMENTS (OTHER THAN THE MORTGAGES).

Section 13.10. No Recourse Against Others. An incorporator, director, officer, employee, member, partner or stockholder of the Company or any Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company or any Guarantor under the Notes, this Indenture or the Guarantees or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are a part of the consideration for the issuance of the Notes.

The waiver may not be effective to waive liability under the federal securities laws.

Section 13.11. Successors. All agreements of the Company and each Guarantor in this Indenture and the Notes shall bind their respective successors. All agreements of the Trustee or the First Lien Notes Collateral Agent in this Indenture shall bind its successors.

Section 13.12. Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

Section 13.13. Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 13.14. *WAIVERS OF JURY TRIAL.* THE COMPANY, THE GUARANTORS, THE TRUSTEE AND THE FIRST LIEN NOTES COLLATERAL AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS INDENTURE, THE NOTES, THE GUARANTEES OR ANY COLLATERAL DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

Section 13.15. Intercreditor Agreement Controls. (a) Notwithstanding any contrary provision in this Indenture but subject to Section 2.06(h) and Article 7 of this Indenture and subject to the exculpatory and indemnification provisions of Article 11 of this Indenture that benefit the Trustee and the First Lien Notes Collateral Agent, this Indenture is subject to the provisions of the ABL Intercreditor Agreement. The Company, the Guarantors, the First Lien Notes Collateral Agent and the Trustee acknowledge and agree to be bound by the provisions of the ABL Intercreditor Agreement, subject to Section 2.06(h) and Article 7 of this Indenture and subject to the exculpatory and indemnification provisions of Article 11 of this Indenture that benefit the Trustee and the First Lien Notes Collateral Agent.

(b) Notwithstanding any contrary provision in this Indenture but subject to Section 2.06(h) and ARTICLE 7 of this Indenture and subject to the exculpatory and indemnification provisions of ARTICLE 11 of this Indenture that benefit the Trustee and the First Lien Notes Collateral Agent, this Indenture is subject to the provisions of the Pari Passu Intercreditor Agreement. The Company, the Guarantors, the First Lien Notes Collateral Agent and the Trustee acknowledge and agree to be bound by the provisions of the Pari Passu Intercreditor Agreement, subject to Section 2.06(h) and ARTICLE 7 of this Indenture and subject to the exculpatory and indemnification provisions of Article 11 of this Indenture that benefit the Trustee and the First Lien Notes Collateral Agent.

Section 13.16. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services, it being understood that the Trustee shall use reasonable best efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 13.17. Severability. In case any provision in this Indenture, the Notes, the Guarantees, the Pari Passu Intercreditor Agreement or the ABL Intercreditor Agreement, is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed all as of the date and year first written above.

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

AH MANAGEMENT, INC.
AK STEEL PROPERTIES, INC.
AK TUBE LLC
AKS INVESTMENTS, INC.
CLIFFS MINNESOTA MINING COMPANY
CLIFFS TIOP, INC.
CLIFFS UTAC HOLDING LLC
IRONUNITS LLC
LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY
MOUNTAIN STATE CARBON, LLC
PPHC HOLDINGS, LLC
SILVER BAY POWER COMPANY
SNA CARBON, LLC
UNITED TACONITE LLC

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

CLIFFS TIOP HOLDING, LLC
CLIFFS TIOP II, LLC

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel and Secretary

CLIFFS MINING COMPANY
NORTHSHORE MINING COMPANY
THE CLEVELAND-CLIFFS IRON COMPANY
TILDEN MINING COMPANY L.C.
By: The Cleveland-Cliffs Iron Company, as its manager

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

AK STEEL CORPORATION
AK STEEL HOLDING CORPORATION

By: /s/ James D. Graham
Name: James D. Graham
Title: Vice President, General Counsel and Corporate Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and First Lien Notes Collateral Agent

By: U.S. Bank National Association

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT A

[FACE OF NOTE]

No. [ ] Principal Amount $[ ]

CUSIP NO. [ ]

CLEVELAND-CLIFFS INC.

9.875% Senior Secured Note due 2025

Cleveland-Cliffs Inc., an Ohio corporation, promises to pay to Cede & Co., or its registered assigns, the principal sum of [ ] Dollars ($[ ]), [, as revised by the Schedule of Increases and Decreases in Global Note attached hereto,][1] on October 17, 2025.

Interest Payment Dates: April 17 and October 17

Record Dates: April 2 and October 2

Additional provisions of this Note are set forth on the other side of this Note.

[1] Include only if the Note is issued in global form.

CLEVELAND-CLIFFS INC.

By: _____
Name:
Title:

Dated:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes issued under the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____

Name: Elizabeth A. Thuning
Title: Vice President

[REVERSE SIDE OF NOTE]

CLEVELAND-CLIFFS INC.

9.875% Senior Secured Note due 2025

1. **Interest**

Cleveland-Cliffs Inc., an Ohio corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "**Company**"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Company will pay interest semiannually on April 17 and October 17 of each year commencing October 17, 2020. [Interest on the Notes will accrue from and including the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from April 17, 2020.] [Interest on this Note will accrue (or will be deemed to have accrued) from the most recent date to which interest on this Note or any of its predecessor Notes has been paid or duly provided for or, if no such interest has been paid, from _____, _____.][2] The Company shall pay interest on overdue principal, and on overdue premium, if any (plus interest on such interest to the extent lawful), at the rate borne by the Notes to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. **Method of Payment**

By no later than 10:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Note is due and payable, the Company shall deposit with the Trustee or the Paying Agent money sufficient to pay such principal, premium, if any, and/or interest when due. The Company will pay interest (except Defaulted Interest) to the Persons who are registered Holders of Notes at the close of business on the April 2 or October 2 next preceding the interest payment date even if Notes are cancelled, repurchased or redeemed after the record date and on or before the interest payment date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company or any successor depository. The Company will make all payments in respect of a Definitive Note (including principal, premium, if any, and interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on the Notes may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Notes represented by Definitive Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee at the Corporate Trust Office or the Paying Agent at the Corporate Trust Office to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. **Paying Agent and Registrar**

Initially, U.S. Bank National Association (the " **Trustee**") will act as Trustee, Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar, co-registrar or transfer agent without notice to any Holder. The Company or any of its domestically organized, Wholly-Owned Subsidiaries may act as Paying Agent, Registrar or co- registrar.

[2] Insert the Interest Payment Date immediately preceding the date of issuance of the applicable Additional Notes, or if the date of issuance of such Additional Notes is an Interest Payment Date, such date of issuance.

4. **Indenture**

The Company issued the Notes under an Indenture, dated as of April 17, 2020 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "**Indenture**"), among the Company, the Guarantors, the Trustee and the First Lien Notes Collateral Agent. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbbb) (the "**TIA**"), although the Indenture is not required to be qualified under the TIA. Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders are referred to the Indenture and the TIA for a statement of those terms.

The Notes are senior secured obligations of the Company. The aggregate principal amount of Notes that may be authenticated and delivered under the Indenture is unlimited. This Note is one of the 9.875% Senior Secured Notes due 2025 referred to in the Indenture. The Notes include (i) $400,000,000 aggregate principal amount of the Company's 9.875% Senior Secured Notes due 2025 issued under the Indenture on April 17, 2020 (herein called "**Initial Notes**") and (ii) if and when issued, additional 9.875% Senior Secured Notes due 2025 of the Company that may be issued from time to time under the Indenture subsequent to April 17, 2020 (herein called "**Additional Notes**") as provided in Section 2.01 of the Indenture. The Initial Notes and Additional Notes are treated as a single class of securities under the Indenture and shall be secured by first-priority and second-priority Liens and security interests, subject to Permitted Liens, in the Collateral. The Indenture imposes certain restrictions on the incurrence of certain liens, sale-leaseback transactions, and the consummation of mergers and consolidations. The Indenture also imposes requirements with respect to the provision of financial information and the provision of guarantees of the Notes by certain subsidiaries.

To guarantee the due and punctual payment of the principal, premium, if any, and interest (including post-filing or post-petition interest) on the Notes and all other amounts payable by the Company under the Indenture, the Notes and the Collateral Documents (including expenses and indemnification) when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Guarantors have as primary obligors and not merely as sureties, irrevocably and unconditionally guaranteed (and future guarantors, together with the Guarantors, will unconditionally guarantee), jointly and severally, on a senior secured basis, all such obligations pursuant to the terms of the Indenture.

5. **Redemption and Prepayment**

Prior to October 17, 2022 the Company may, at any time and from time to time, redeem in the aggregate up to 35% of the aggregate principal amount of the Notes originally issued under the Indenture with the net cash proceeds of one or more Equity Offerings by the Company at a redemption price (expressed as a percentage of principal amount thereof) of 109.875%, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that:

(1) at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

Prior to October 17, 2022, the Company may, at any time and from time to time, also redeem all or a part of the Notes, at a redemption price equal to 100.000% of the principal amount of Notes redeemed plus the Applicable Premium, plus accrued and unpaid interest to, but excluding, the Redemption Date.

On or after October 17, 2022, the Company may on one or more occasions redeem all or a part of the Notes at the redemption prices (expressed as percentages of principal amount on the redemption date) set forth below plus accrued and unpaid interest (if any) on the Notes redeemed, to, but excluding, the applicable Redemption Date, if redeemed during the six- or twelve-month period, as applicable, beginning on each date set forth below, subject to the rights of Holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption price
October 17, 2022	107.406%
April 17, 2023	104.938%
April 17, 2024	102.469%
April 17, 2025 and thereafter	100.000%

Until 120 days after the Issue Date, the Company may, at any time and from time to time, redeem, in the aggregate up to 35% of the aggregate principal amount of the Notes originally issued under the Indenture (calculated after giving effect to any issuance of Additional Notes) with the net cash proceeds of any loan received pursuant to a Regulatory Debt Facility at a redemption price (expressed as a percentage of principal amount thereof) of 103%, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (calculated after giving effect to any issuance of Additional Notes and excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption.

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

The Company will deliver notice of redemption to each Holder at least 30 days but not more than 60 days before a Redemption Date.

"**Adjusted Treasury Rate**" means, with respect to any Redemption Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after October 17, 2022, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date, in each case calculated on the third Business Day immediately preceding the Redemption Date, plus 0.50%.

"**Applicable Premium**" means, with respect to any Note at any Redemption Date the excess of (if any) (A) the present value at such Redemption Date of (1) the redemption price of such Note on October 17, 2022 plus (2) all required remaining scheduled interest payments due on such note through October 17, 2022, excluding in each case accrued and unpaid interest to, but excluding, the Redemption Date, computed by the Company using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such Redemption Date:

"**Comparable Treasury Issue**" means the United States Treasury security selected by the Company as having a maturity comparable to the remaining term of the Notes from the Redemption Date to October 17, 2022, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to October 17, 2022.

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

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

"**Reference Treasury Dealer Quotations**" means, with respect to the Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Company by

such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such Redemption Date.

"**Treasury Rate**" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the date fixed for redemption (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the then remaining average life to October 17, 2022, provided, however, that if the average life to October 17, 2022, of the Notes is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the average life to October 17, 2022, of the notes is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

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

The Company may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

Except as set forth in the next succeeding paragraph, the Company is not required to make any mandatory repurchase, redemption or sinking fund payments with respect to the Notes.

6. **Change of Control Triggering Event**

In accordance with Section 3.06 of the Indenture, the Company shall be required to offer to purchase Notes upon the occurrence of a Change of Control Triggering Event. Any Holder of Notes shall have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Notes of such Holder at a purchase price equal to 101.0% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest to, but excluding, the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of purchase) as provided in, and subject to the terms of, the Indenture.

7. **Denominations; Transfer; Exchange**

The Notes are in registered form without coupons in minimum denominations of principal amount of $2,000 and whole multiples of $1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay a sum sufficient to cover any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange of any Note (A) for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an interest payment date and ending on such interest payment date or (B) called for redemption, except the unredeemed portion of any Note being redeemed in part.

8. **Persons Deemed Owners**

The registered Holder of this Note shall be treated as the owner of it for all purposes (except as otherwise provided in the Indenture).

9. **Unclaimed Money**

If money for the payment of principal, premium, if any, or interest on any Note remains unclaimed for two years after such principal, premium, if any, or interest has become due and payable, the Trustee or any Paying Agent shall pay the money back to the Company at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company for payment as general creditors unless an abandoned property law designates another person and not to the Trustee for payment.

10. **Defeasance**

Subject to certain exceptions and conditions set forth in the Indenture, the Company at any time may terminate some or all of its and the Guarantors' obligations under the Notes, the Indenture and the Collateral Documents if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be.

11. **Amendment, Supplement, Waiver**

Subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Notes, the Guarantees and the Collateral Documents may be amended or supplemented by the Company, Guarantors and Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and (ii) any default (other than with respect to nonpayment of interest or premium on, or the principal of the Notes or in respect of a provision that cannot be amended without the consent of each Holder affected, or in certain cases described in the Indenture and the Collateral Documents, the consent of Holders of at least 75% in aggregate principal amount of the Notes then outstanding) or noncompliance with any provision may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes. Subject to the requirements of and certain exceptions set forth in the Indenture, without the consent of any Holder, the Company, the Trustee and the Guarantors (with respect to its Guarantee) may amend or supplement the Indenture, the Notes, the Guarantees or the Collateral Documents: (1) to cure any ambiguity, defect or inconsistency; (2) to provide for uncertificated Notes in addition to or in place of certificated Notes; (3) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable; (4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights hereunder or under the Notes, the Guarantees and the Collateral Documents of any such Holder; (5) to conform the text of the Indenture, Guarantees, the Notes or the Collateral Documents to any provision of the "Description of the Secured Notes" section of the Offering Memorandum; (6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the date hereof; (7) to allow any Guarantor to execute a supplemental indenture substantially in the form of Exhibit B to the Indenture and/or a Guarantee with respect to the Notes; (8) to add any additional obligors under the Indenture, the Notes or the Guarantees; (9) to secure any Additional First Lien Indebtedness or Additional Secured Indebtedness permitted to be incurred under the Indenture pursuant to the Collateral Documents and to appropriately include the same in the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement; (10) to add additional Collateral to secure the Notes; (11) to comply with the provisions under Section 4.01 of the Indenture; and (12) to evidence and provide for the acceptance of an appointment by a successor Trustee.

12. **Defaults and Remedies**

Each of the following is an "**Event of Default**":

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

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

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

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

(e) with respect to any Collateral having a Fair Market Value in excess of $75.0 million, individually or in the aggregate, (A) the failure of the security interest with respect to such Collateral under the Collateral Documents, at any time, to be in full force and effect for any reason other than in accordance with their terms and the terms of the Indenture and other than the satisfaction in full of all obligations under the Indenture and discharge of the Indenture if

such Default continues for 60 days, (B) the declaration that the security interest with respect to such Collateral created under the Collateral Documents or under the Indenture is invalid or unenforceable, if such Default continues for 60 days or (C) the assertion by the Company or any Guarantor, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable;

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

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

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

(iii) and, in either case, the aggregate principal amount of any such Debt, together with the aggregate principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $75.0 million or more;

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

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

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due; or

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

(i) is for relief against the Company or any Guarantor in an involuntary case;

(ii) appoints a custodian of the Company or any Guarantor or for all or substantially all of the property of the Company or any of Guarantor; or

(iii) orders the liquidation of the Company or any Guarantor; and the order or decree remains unstayed and in effect for 60 consecutive days.

If an Event of Default specified under clauses (a) through (g) of this Section 12 occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare all such Notes to be due and payable. If an Event of Default specified under clauses (h) and (i) of this Section 12 occurs, then all outstanding Notes will become due and payable immediately without further action or notice.

If an Event of Default (other than an Event of Default described in clause (h) or (i) of this Section 12) occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all such Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest shall be due and payable immediately.

In the case of an Event of Default specified in clause (h) or (i) of this Section 12, with respect to the Company or any Guarantor, all outstanding Notes will become due and payable immediately without further action or notice. Upon the Notes becoming due and payable upon an Event of Default, whether automatically or by declaration, such Notes will immediately become due and payable and (i) if prior to October 17, 2022, the entire unpaid principal amount of such notes plus the Applicable Premium as of the date of such acceleration or (ii) if on or after October 17, 2022, the applicable redemption price as set forth under Section 5 of this Note as of the date of such acceleration, plus in each case accrued and unpaid interest thereon shall all be immediately due and payable.

Without limiting the generality of the foregoing, it is understood and agreed that if the Notes are accelerated or otherwise become due prior to their maturity date, in each case, in respect of any Event of Default (including an Event of Default specified in clauses (h) or (i) of this Section 12 (including the acceleration of claims by operation of law)), the premium applicable with respect to an optional redemption of the Notes will also be due and payable as though the notes were optionally redeemed and shall constitute part of the First Lien Notes Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Holder's lost profits as a result thereof. Any premium payable pursuant to this Section 12 shall be presumed to be the liquidated damages sustained by each Holder as the result of the early redemption and the Company and each Guarantor agree that it is reasonable under the circumstances currently existing. The premium shall also be payable if the Notes (and/or the Indenture) are satisfied or released by foreclosure (whether by power of judicial proceeding, deed in lieu of foreclosure or by any other means). THE COMPANY AND EACH GUARANTOR EXPRESSLY WAIVE (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PREMIUM IN CONNECTION WITH ANY SUCH ACCELERATION. The Company and each Guarantor expressly agree (to the fullest extent it may lawfully do so) that: (A) the premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Holders and the Company and the Guarantors giving specific consideration in this transaction for such agreement to pay the premium; and (D) the Company and each Guarantor shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Company and each Guarantor expressly acknowledge that the agreement to pay the premium to Holders as herein described is a material inducement to Holders to purchase the notes.

The Holders of a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

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

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

13. **Trustee Dealings with the Company**

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

14. **No Recourse Against Others**

An incorporator, director, officer, employee or stockholder of each of the Company or any Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company or any Guarantor under the Notes, the Indenture, the Collateral Documents or the Guarantees or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The

waiver and release are a part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

15. **Authentication**

This Note shall not be valid until an authorized officer of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

16. **Abbreviations**

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. **CUSIP, Common Code and ISIN Numbers**

The Company has caused CUSIP, Common Code and ISIN numbers, if applicable, to be printed on the Notes and has directed the Trustee to use CUSIP, Common Code and ISIN numbers, if applicable, in notices of redemption or purchase as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption or purchase and reliance may be placed only on the other identification numbers placed thereon.

18. **Governing Law**

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture, which has in it the text of this Note in larger type. Requests may be made to:

Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Fax: (216) 694-6509
Attention: James Graham, Executive Vice President, Chief Legal Officer & Secretary

19. **USA Patriot Act**

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee.

The parties to the Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's social security or tax I.D. No.)

and irrevocably appoint _____agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

_____

Date: _____ Your Signature: _____

Signature Guarantee: _____

(Signature must be guaranteed)

_____

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

The undersigned hereby certifies that it ☐ is / ☐ is not an Affiliate of the Company and that, to its knowledge, the proposed transferee ☐ is / ☐ is not an Affiliate of the Company.

In connection with any transfer or exchange of any of the Notes evidenced by this certificate occurring prior to the date that is one year after the later of the date of original issuance of such Notes and the last date, if any, on

which such Notes were owned by the Company or any Affiliate of the Company, the undersigned confirms that such Notes are being:

CHECK ONE BOX BELOW:

(1) ☐ acquired for the undersigned's own account, without transfer; or

(2) ☐ transferred to the Company; or

(3) ☐ transferred pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended (the " **Securities Act**"); or

(4) ☐ transferred pursuant to and in compliance with Regulation S under the Securities Act (provided that the transferee has furnished to the Trustee a signed letter containing certain representations and agreements, the form of which letter appears as Section 2.09 of the Indenture); or

(5) ☐ transferred pursuant to another available exemption from the registration requirements of the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; provided, however, that if box (4) or (5) is checked, the Company may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications and other information as the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, such as the exemption provided by Rule 144 under such Act.

Signature Guarantee: _____ Signature

_____ _____

(Signature must be guaranteed) Signature

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

TO BE COMPLETED BY PURCHASER IF BOX (1) OR (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

_____

Dated:

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee of Notes Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you elect to have this Note purchased by the Company pursuant to Section 3.02 or 3.06 of the Indenture, check either box:

☐ 3.02 ☐ 3.06

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 3.02 or Section 3.06 of the Indenture, state the amount in principal amount (must be in minimum denominations of $2,000 or an integral multiple of $1,000 in excess thereof): $_____ and specify the denomination or denominations (which shall not be less than the minimum authorized denomination) of the Notes to be issued to the Holder for the portion of the within Note not being repurchased (in the absence of any such specification, one such Note will be issued for the portion not being repurchased): _____.

Date: _____

Your Signature _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

(Signature must be guaranteed)

_____

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

EXHIBIT B

FORM OF INDENTURE SUPPLEMENT TO ADD GUARANTORS

This Supplemental Indenture, dated as of [ ] (this " **Supplemental Indenture**" or "**Guarantee**"), among [name of future Guarantor] (the "**Additional Guarantor**"), Cleveland-Cliffs Inc., (together with its successors and assigns, the " **Company**"), and U.S. Bank National Association, as Trustee under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Company, the Guarantors, the First Lien Notes Collateral Agent and the Trustee have heretofore executed and delivered an Indenture, dated as of April 17, 2020 (as amended, supplemented, waived or otherwise modified, the "**Indenture**"), providing for the issuance of an aggregate principal amount of $400,000,000 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 Guarantor, the Company and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE 1
Definitions

Section 1.01 Defined Terms.

As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or 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 Guarantor hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture. The Additional Guarantor hereby becomes a party to the Security Agreement, pursuant to the terms of such agreement, as a Grantor thereunder with the same force and effect as if originally named therein as a Grantor and as such hereby assumes all obligations and liabilities of a Grantor thereunder. The Additional Guarantor agrees 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 Guarantor agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee the 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 Guarantor shall be given as provided in the Indenture to the Additional Guarantor, at its address set forth below, with a copy to the Company as provided in the Indenture for notices to the Company.

Section 3.02 Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, 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 Guarantor each represent and warrant to the Trustee that this Supplemental Indenture has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, receivership, administration, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[SUBSIDIARY GUARANTOR], as a Guarantor

By: _____
Name:
Title:

[Address]

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:
Name:
Title:

CLEVELAND-CLIFFS INC.

By: _____
Name:
Title:

EXHIBIT C

FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION WITH TRANSFERS PURSUANT TO REGULATION S

[Date]

Cleveland-Cliffs Inc.
c/o U.S. Bank National Association
1350 Euclid Avenue, Suite 1100
Cleveland, Ohio 44115
Attention: Corporate Trust Services
Fax: (216) 623-9259

Re: [●]% Senior Secured Notes due 2025 (the "**Notes**")

Ladies and Gentlemen:

In connection with our proposed sale of $[_____] aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and, accordingly, we represent that:

(a) the offer of the Notes was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(a)(2) or Rule 904(a)(2) of Regulation S, as applicable; and

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period and the provisions of Rule 903(b)(2), Rule 903(b)(3) or Rule 904(b)(1) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 903(b)(2), Rule 903(b)(3) or Rule 904(b)(1), as the case may be.

We also hereby certify that we [are] [are not] an Affiliate of the Company and, to our knowledge, the transferee of the Notes [is] [is not] an Affiliate of the Company.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By: _____
Authorized Signature

EXHIBIT 4.2

FIRST SUPPLEMENTAL INDENTURE
9.875% SENIOR SECURED NOTES DUE 2025

FIRST SUPPLEMENTAL INDENTURE (this " **Supplemental Indenture**"), dated as of April 24, 2020, among CLEVELAND-CLIFFS INC., an Ohio corporation (the "**Company**"), THE GUARANTORS listed on the signature pages hereto (the " **Guarantors**") and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "**Trustee**").

WITNESSETH:

WHEREAS, the Company, the Guarantors and the Trustee have heretofore executed and delivered an Indenture, dated as of April 17, 2020 (the "**Indenture**"), providing for the initial issuance of an aggregate principal amount of $400,000,000 of 9.875% Senior Secured Notes due 2025 of the Company (the "**Initial Secured Notes**");

WHEREAS, the issuance and delivery of an additional aggregate principal amount of $555,159,000 (the " **Additional Secured Notes**") have been authorized by resolutions adopted by the Board of Directors of the Company;

WHEREAS, the Additional Secured Notes shall be Additional Notes as provided by Section 2.01 of the Indenture;

WHEREAS, the Company and the Guarantors have complied with all applicable conditions precedent provided for in the Indenture related to the issuance of the Additional Secured Notes;

WHEREAS, the Initial Secured Notes and the Additional Secured Notes will be treated as a single class of Notes for all purposes under the Indenture (as supplemented by this Supplemental Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase); and

WHEREAS, the Company and the Guarantors have requested that the Trustee execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Guarantors 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
Terms of the Additional Secured Notes; Form of the Additional Secured Notes

Section 2.01 *Terms of the Additional Secured Notes*.

(a) The aggregate principal amount of the Additional Secured Notes that may be authenticated and delivered under the Indenture, as amended hereby, shall be $555,159,000.

(b) The Additional Secured Notes shall be issuable in whole or in part in the form of one or more Global Securities. The depositary for such Global Securities shall be The Depository Trust Company.

(c) The Additional Secured Notes shall have the other terms set forth in the form of global security attached hereto as Exhibit A.

(d) The Additional Secured Notes shall be considered Additional Notes issued pursuant to Section 2.01 of the Indenture.

Section 2.02 *Forms of the Additional Secured Notes*. The Additional Secured Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A attached hereto. The Additional Secured Notes shall be executed on behalf of the Company and the Guarantors by an Officer and authenticated by the Trustee pursuant to Section 2.02 of the Indenture.

ARTICLE 3
Miscellaneous

Section 3.01 *Notices*. All notices and other communications required by this Supplemental Indenture shall be given as provided in the Indenture.

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 Supplemental Indenture 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 each Guarantor 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 have caused this Indenture to be duly executed all as of the date and year first written above.

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

[*Signature Page to Supplemental Indenture*]

AH MANAGEMENT, INC.
AK STEEL PROPERTIES, INC.
AK TUBE LLC
AKS INVESTMENTS, INC.
CLIFFS MINNESOTA MINING COMPANY
CLIFFS TIOP, INC.
CLIFFS UTAC HOLDING LLC
IRONUNITS LLC
LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY
MOUNTAIN STATE CARBON, LLC
PPHC HOLDINGS, LLC
SILVER BAY POWER COMPANY
SNA CARBON, LLC
UNITED TACONITE LLC

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

CLIFFS TIOP HOLDING, LLC
CLIFFS TIOP II, LLC

By: /s/ James D. Graham
Name: James D. Graham
Title: General Counsel and Secretary

CLIFFS MINING COMPANY
NORTHSHORE MINING COMPANY
THE CLEVELAND-CLIFFS IRON COMPANY
TILDEN MINING COMPANY L.C.
By: The Cleveland-Cliffs Iron Company, as its manager

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

AK STEEL CORPORATION
AK STEEL HOLDING CORPORATION

By: /s/ James D. Graham
Name: James D. Graham
Title: Vice President, General Counsel and Corporate Secretary

[*Signature Page to Supplemental Indenture*]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and First Lien Notes Collateral Agent

By: U.S. Bank National Association

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

[*Signature Page to Supplemental Indenture*]

EXHIBIT A

[FACE OF NOTE]

No. [ ] Principal Amount $[ ]

CUSIP NO. [ ]

CLEVELAND-CLIFFS INC.

9.875% Senior Secured Note due 2025

Cleveland-Cliffs Inc., an Ohio corporation, promises to pay to Cede & Co., or its registered assigns, the principal sum of [ ] Dollars ($[ ]), [, as revised by the Schedule of Increases and Decreases in Global Note attached hereto,][1] on October 17, 2025.

Interest Payment Dates: April 17 and October 17

Record Dates: April 2 and October 2

Additional provisions of this Note are set forth on the other side of this Note.

[1] Include only if the Note is issued in global form.

CLEVELAND-CLIFFS INC.

By: _____
Name:
Title:

Dated:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes issued under the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____

Name: Elizabeth A. Thuning
Title: Vice President

[REVERSE SIDE OF NOTE]

CLEVELAND-CLIFFS INC.

9.875% Senior Secured Note due 2025

1. **Interest**

Cleveland-Cliffs Inc., an Ohio corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "**Company**"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Company will pay interest semiannually on April 17 and October 17 of each year commencing October 17, 2020. Interest on the Notes will accrue from and including the most recent date to which interest has been paid on the Notes or, if no interest has been paid, from April 17, 2020. The Company shall pay interest on overdue principal, and on overdue premium, if any (plus interest on such interest to the extent lawful), at the rate borne by the Notes to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. **Method of Payment**

By no later than 10:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Note is due and payable, the Company shall deposit with the Trustee or the Paying Agent money sufficient to pay such principal, premium, if any, and/or interest when due. The Company will pay interest (except Defaulted Interest) to the Persons who are registered Holders of Notes at the close of business on the April 2 or October 2 next preceding the interest payment date even if Notes are cancelled, repurchased or redeemed after the record date and on or before the interest payment date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company or any successor depository. The Company will make all payments in respect of a Definitive Note (including principal, premium, if any, and interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on the Notes may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Notes represented by Definitive Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee at the Corporate Trust Office or the Paying Agent at the Corporate Trust Office to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. **Paying Agent and Registrar**

Initially, U.S. Bank National Association (the " **Trustee**") will act as Trustee, Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar, co-registrar or transfer agent without notice to any Holder. The Company or any of its domestically organized, Wholly-Owned Subsidiaries may act as Paying Agent, Registrar or co- registrar.

4. **Indenture**

The Company issued the Notes under an Indenture, dated as of April 17, 2020 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "**Indenture**"), among the Company, the Guarantors, the Trustee and the First Lien Notes Collateral Agent. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbbb) (the "**TIA**"), although the Indenture is not required to be qualified under the TIA. Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders are referred to the Indenture and the TIA for a statement of those terms.

The Notes are senior secured obligations of the Company. The aggregate principal amount of Notes that may be authenticated and delivered under the Indenture is unlimited. This Note is one of the 9.875% Senior Secured Notes due 2025 referred to in the Indenture. The Notes are Additional Notes under the Indenture and the Company shall be

entitled to issue further Additional Notes pursuant to Section 2.01 of the Indenture. The Initial Notes and Additional Notes are treated as a single class of securities under the Indenture and shall be secured by first- priority and second-priority Liens and security interests, subject to Permitted Liens, in the Collateral. The Indenture imposes certain restrictions on the incurrence of certain liens, sale- leaseback transactions, and the consummation of mergers and consolidations. The Indenture also imposes requirements with respect to the provision of financial information and the provision of guarantees of the Notes by certain subsidiaries.

To guarantee the due and punctual payment of the principal, premium, if any, and interest (including post-filing or post-petition interest) on the Notes and all other amounts payable by the Company under the Indenture, the Notes and the Collateral Documents (including expenses and indemnification) when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Guarantors have as primary obligors and not merely as sureties, irrevocably and unconditionally guaranteed (and future guarantors, together with the Guarantors, will unconditionally guarantee), jointly and severally, on a senior secured basis, all such obligations pursuant to the terms of the Indenture.

5. **Redemption and Prepayment**

Prior to October 17, 2022 the Company may, at any time and from time to time, redeem in the aggregate up to 35% of the aggregate principal amount of the Notes originally issued under the Indenture with the net cash proceeds of one or more Equity Offerings by the Company at a redemption price (expressed as a percentage of principal amount thereof) of 109.875%, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that:

(1) at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

Prior to October 17, 2022, the Company may, at any time and from time to time, also redeem all or a part of the Notes, at a redemption price equal to 100.000% of the principal amount of Notes redeemed plus the Applicable Premium, plus accrued and unpaid interest to, but excluding, the Redemption Date.

On or after October 17, 2022, the Company may on one or more occasions redeem all or a part of the Notes at the redemption prices (expressed as percentages of principal amount on the redemption date) set forth below plus accrued and unpaid interest (if any) on the Notes redeemed, to, but excluding, the applicable Redemption Date, if redeemed during the six- or twelve-month period, as applicable, beginning on each date set forth below, subject to the rights of Holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption price
October 17, 2022	107.406%
April 17, 2023	104.938%
April 17, 2024	102.469%
April 17, 2025 and thereafter	100.000%

Until 120 days after April 17, 2020, the Company may, at any time and from time to time, redeem, in the aggregate up to 35% of the aggregate principal amount of the Notes originally issued under the Indenture (calculated after giving effect to any issuance of Additional Notes) with the net cash proceeds of any loan received pursuant to a Regulatory Debt Facility at a redemption price (expressed as a percentage of principal amount thereof) of 103%, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (calculated after giving effect to any issuance of Additional Notes and excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption.

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

The Company will deliver notice of redemption to each Holder at least 30 days but not more than 60 days before a Redemption Date.

"**Adjusted Treasury Rate**" means, with respect to any Redemption Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after October 17, 2022, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date, in each case calculated on the third Business Day immediately preceding the Redemption Date, plus 0.50%.

"**Applicable Premium**" means, with respect to any Note at any Redemption Date the excess of (if any) (A) the present value at such Redemption Date of (1) the redemption price of such Note on October 17, 2022 plus (2) all required remaining scheduled interest payments due on such note through October 17, 2022, excluding in each case accrued and unpaid interest to, but excluding, the Redemption Date, computed by the Company using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such Redemption Date:

"**Comparable Treasury Issue**" means the United States Treasury security selected by the Company as having a maturity comparable to the remaining term of the Notes from the Redemption Date to October 17, 2022, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to October 17, 2022.

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

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

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

"**Treasury Rate**" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the date fixed for redemption (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the then remaining average life to October 17, 2022, provided, however, that if the average life to October 17, 2022, of the Notes is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the average life to October 17, 2022, of the notes is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

Prior to the mailing or delivery of any notice of redemption of the Notes, the Company shall deliver to the Trustee an Officer's Certificate stating that the conditions precedent to the right of redemption have occurred. Any

such notice to the Trustee may be cancelled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect.

The Company may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

Except as set forth in the next succeeding paragraph, the Company is not required to make any mandatory repurchase, redemption or sinking fund payments with respect to the Notes.

6. **Change of Control Triggering Event**

In accordance with Section 3.06 of the Indenture, the Company shall be required to offer to purchase Notes upon the occurrence of a Change of Control Triggering Event. Any Holder of Notes shall have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Notes of such Holder at a purchase price equal to 101.0% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest to, but excluding, the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of purchase) as provided in, and subject to the terms of, the Indenture.

7. **Denominations; Transfer; Exchange**

The Notes are in registered form without coupons in minimum denominations of principal amount of $2,000 and whole multiples of $1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay a sum sufficient to cover any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange of any Note (A) for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an interest payment date and ending on such interest payment date or (B) called for redemption, except the unredeemed portion of any Note being redeemed in part.

8. **Persons Deemed Owners**

The registered Holder of this Note shall be treated as the owner of it for all purposes (except as otherwise provided in the Indenture).

9. **Unclaimed Money**

If money for the payment of principal, premium, if any, or interest on any Note remains unclaimed for two years after such principal, premium, if any, or interest has become due and payable, the Trustee or any Paying Agent shall pay the money back to the Company at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company for payment as general creditors unless an abandoned property law designates another person and not to the Trustee for payment.

10. **Defeasance**

Subject to certain exceptions and conditions set forth in the Indenture, the Company at any time may terminate some or all of its and the Guarantors' obligations under the Notes, the Indenture and the Collateral Documents if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be.

11. **Amendment, Supplement, Waiver**

Subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Notes, the Guarantees and the Collateral Documents may be amended or supplemented by the Company, Guarantors and Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and (ii) any default (other than with respect to nonpayment of interest or premium on, or the principal of the Notes or in respect of a provision that cannot be amended without the consent of each Holder affected, or in certain cases described in the Indenture and the Collateral Documents, the consent of Holders of at least 75% in aggregate principal amount of the

Notes then outstanding) or noncompliance with any provision may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes. Subject to the requirements of and certain exceptions set forth in the Indenture, without the consent of any Holder, the Company, the Trustee and the Guarantors (with respect to its Guarantee) may amend or supplement the Indenture, the Notes, the Guarantees or the Collateral Documents: (1) to cure any ambiguity, defect or inconsistency; (2) to provide for uncertificated Notes in addition to or in place of certificated Notes; (3) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable; (4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights hereunder or under the Notes, the Guarantees and the Collateral Documents of any such Holder; (5) to conform the text of the Indenture, Guarantees, the Notes or the Collateral Documents to any provision of the "Description of the Secured Notes" section of the Offering Memorandum; (6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the date hereof; (7) to allow any Guarantor to execute a supplemental indenture substantially in the form of Exhibit B to the Indenture and/or a Guarantee with respect to the Notes; (8) to add any additional obligors under the Indenture, the Notes or the Guarantees; (9) to secure any Additional First Lien Indebtedness or Additional Secured Indebtedness permitted to be incurred under the Indenture pursuant to the Collateral Documents and to appropriately include the same in the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement; (10) to add additional Collateral to secure the Notes; (11) to comply with the provisions under Section 4.01 of the Indenture; and (12) to evidence and provide for the acceptance of an appointment by a successor Trustee.

12. **Defaults and Remedies**

Each of the following is an "**Event of Default**":

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

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

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

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

(e) with respect to any Collateral having a Fair Market Value in excess of $75.0 million, individually or in the aggregate, (A) the failure of the security interest with respect to such Collateral under the Collateral Documents, at any time, to be in full force and effect for any reason other than in accordance with their terms and the terms of the Indenture and other than the satisfaction in full of all obligations under the Indenture and discharge of the Indenture if such Default continues for 60 days, (B) the declaration that the security interest with respect to such Collateral created under the Collateral Documents or under the Indenture is invalid or unenforceable, if such Default continues for 60 days or (C) the assertion by the Company or any Guarantor, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable;

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

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

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

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

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

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

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due; or

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

(i) is for relief against the Company or any Guarantor in an involuntary case;

(ii) appoints a custodian of the Company or any Guarantor or for all or substantially all of the property of the Company or any of Guarantor; or

(iii) orders the liquidation of the Company or any Guarantor; and the order or decree remains unstayed and in effect for 60 consecutive days.

If an Event of Default specified under clauses (a) through (g) of this Section 12 occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare all such Notes to be due and payable. If an Event of Default specified under clauses (h) and (i) of this Section 12 occurs, then all outstanding Notes will become due and payable immediately without further action or notice.

If an Event of Default (other than an Event of Default described in clause (h) or (i) of this Section 12) occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all such Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest shall be due and payable immediately.

In the case of an Event of Default specified in clause (h) or (i) of this Section 12, with respect to the Company or any Guarantor, all outstanding Notes will become due and payable immediately without further action or notice. Upon the Notes becoming due and payable upon an Event of Default, whether automatically or by declaration, such Notes will immediately become due and payable and (i) if prior to October 17, 2022, the entire unpaid principal amount of such notes plus the Applicable Premium as of the date of such acceleration or (ii) if on or after October 17, 2022, the applicable redemption price as set forth under Section 5 of this Note as of the date of such acceleration, plus in each case accrued and unpaid interest thereon shall all be immediately due and payable.

Without limiting the generality of the foregoing, it is understood and agreed that if the Notes are accelerated or otherwise become due prior to their maturity date, in each case, in respect of any Event of Default (including an Event of Default specified in clauses (h) or (i) of this Section 12 (including the acceleration of claims by operation of law)), the premium applicable with respect to an optional redemption of the Notes will also be due and payable as though the notes were optionally redeemed and shall constitute part of the First Lien Notes Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a

reasonable calculation of each Holder's lost profits as a result thereof. Any premium payable pursuant to this Section 12 shall be presumed to be the liquidated damages sustained by each Holder as the result of the early redemption and the Company and each Guarantor agree that it is reasonable under the circumstances currently existing. The premium shall also be payable if the Notes (and/or the Indenture) are satisfied or released by foreclosure (whether by power of judicial proceeding, deed in lieu of foreclosure or by any other means). THE COMPANY AND EACH GUARANTOR EXPRESSLY WAIVE (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PREMIUM IN CONNECTION WITH ANY SUCH ACCELERATION. The Company and each Guarantor expressly agree (to the fullest extent it may lawfully do so) that: (A) the premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Holders and the Company and the Guarantors giving specific consideration in this transaction for such agreement to pay the premium; and (D) the Company and each Guarantor shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Company and each Guarantor expressly acknowledge that the agreement to pay the premium to Holders as herein described is a material inducement to Holders to purchase the notes.

The Holders of a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

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

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

13. **Trustee Dealings with the Company**

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

14. **No Recourse Against Others**

An incorporator, director, officer, employee or stockholder of each of the Company or any Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company or any Guarantor under the Notes, the Indenture, the Collateral Documents or the Guarantees or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are a part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

15. **Authentication**

This Note shall not be valid until an authorized officer of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

16. **Abbreviations**

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. **CUSIP, Common Code and ISIN Numbers**

The Company has caused CUSIP, Common Code and ISIN numbers, if applicable, to be printed on the Notes and has directed the Trustee to use CUSIP, Common Code and ISIN numbers, if applicable, in notices of redemption or purchase as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption or purchase and reliance may be placed only on the other identification numbers placed thereon.

18. **Governing Law**

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture, which has in it the text of this Note in larger type. Requests may be made to:

Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Fax: (216) 694-6509
Attention: James Graham, Executive Vice President, Chief Legal Officer & Secretary

19. **USA Patriot Act**

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee.

The parties to the Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's social security or tax I.D. No.)

and irrevocably appoint _____agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

_____

Date: _____ Your Signature: _____

Signature Guarantee: _____

(Signature must be guaranteed)

_____

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

The undersigned hereby certifies that it ☐ is / ☐ is not an Affiliate of the Company and that, to its knowledge, the proposed transferee ☐ is / ☐ is not an Affiliate of the Company.

In connection with any transfer or exchange of any of the Notes evidenced by this certificate occurring prior to the date that is one year after the later of the date of original issuance of such Notes and the last date, if any, on

which such Notes were owned by the Company or any Affiliate of the Company, the undersigned confirms that such Notes are being:

CHECK ONE BOX BELOW:

(1) ☐ acquired for the undersigned's own account, without transfer; or

(2) ☐ transferred to the Company; or

(3) ☐ transferred pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended (the " **Securities Act**"); or

(4) ☐ transferred pursuant to and in compliance with Regulation S under the Securities Act (provided that the transferee has furnished to the Trustee a signed letter containing certain representations and agreements, the form of which letter appears as Section 2.09 of the Indenture); or

(5) ☐ transferred pursuant to another available exemption from the registration requirements of the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; provided, however, that if box (4) or (5) is checked, the Company may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications and other information as the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, such as the exemption provided by Rule 144 under such Act.

Signature Guarantee: _____ Signature

_____ _____

(Signature must be guaranteed) Signature

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

TO BE COMPLETED BY PURCHASER IF BOX (1) OR (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

_____

Dated:

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee of Notes Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you elect to have this Note purchased by the Company pursuant to Section 3.02 or 3.06 of the Indenture, check either box:

☐ 3.02 ☐ 3.06

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 3.02 or Section 3.06 of the Indenture, state the amount in principal amount (must be in minimum denominations of $2,000 or an integral multiple of $1,000 in excess thereof): $_____ and specify the denomination or denominations (which shall not be less than the minimum authorized denomination) of the Notes to be issued to the Holder for the portion of the within Note not being repurchased (in the absence of any such specification, one such Note will be issued for the portion not being repurchased): _____.

Date: _____

Your Signature _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

(Signature must be guaranteed)

_____

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

EXHIBIT 4.3

SECOND SUPPLEMENTAL INDENTURE
9.875% SENIOR SECURED NOTES DUE 2025

This Supplemental Indenture, dated as of May 22, 2020 (this " **Supplemental Indenture**" or "**Guarantee**"), among Metallics Sales Company, Cannon Automotive Solutions - Bowling Green, Inc., Fleetwood Metal Industries, LLC, Precision Partners Holding Company (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, and the Trustee (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.

Metallics Sales Company
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Cannon Automotive Solutions - Bowling Green, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Fleetwood Metal Industries, LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Precision Partners Holding Company
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.

METALLICS SALES COMPANY, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

CANNON AUTOMOTIVE SOLUTIONS - BOWLING GREEN, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

FLEETWOOD METAL INDUSTRIES, LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

PRECISION PARTNERS HOLDING COMPANY, 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 4.4

SIXTH SUPPLEMENTAL INDENTURE
5.75% SENIOR NOTES DUE 2025

This Supplemental Indenture, dated as of May 22, 2020 (this " **Supplemental Indenture**" or "**Guarantee**"), among Metallics Sales Company, Cannon Automotive Solutions - Bowling Green, Inc., Fleetwood Metal Industries, LLC, Precision Partners Holding Company (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, and that certain Fifth Supplemental Indenture, dated as of March 13, 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.

Metallics Sales Company
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Cannon Automotive Solutions - Bowling Green, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Fleetwood Metal Industries, LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Precision Partners Holding Company
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.

METALLICS SALES COMPANY, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

CANNON AUTOMOTIVE SOLUTIONS - BOWLING GREEN, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

FLEETWOOD METAL INDUSTRIES, LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

PRECISION PARTNERS HOLDING COMPANY, 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

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.5

THIRD SUPPLEMENTAL INDENTURE

This Supplemental Indenture, dated as of May 22, 2020 (this " **Supplemental Indenture**" or "**Guarantee**"), among Metallics Sales Company, Cannon Automotive Solutions - Bowling Green, Inc., Fleetwood Metal Industries, LLC, Precision Partners Holding Company (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.

Metallics Sales Company
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Cannon Automotive Solutions - Bowling Green, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Fleetwood Metal Industries, LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Precision Partners Holding Company
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.

METALLICS SALES COMPANY, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

CANNON AUTOMOTIVE SOLUTIONS - BOWLING GREEN, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

FLEETWOOD METAL INDUSTRIES, LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

PRECISION PARTNERS HOLDING COMPANY, 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 4.6

SECOND SUPPLEMENTAL INDENTURE
5.875% SENIOR GUARANTEED NOTES DUE 2027

This Supplemental Indenture, dated as of May 22, 2020 (this " **Supplemental Indenture**" or "**Guarantee**"), among Metallics Sales Company, Cannon Automotive Solutions - Bowling Green, Inc., Fleetwood Metal Industries, LLC, Precision Partners Holding Company (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.

Metallics Sales Company
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Cannon Automotive Solutions - Bowling Green, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Fleetwood Metal Industries, LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Precision Partners Holding Company
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.

METALLICS SALES COMPANY, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

CANNON AUTOMOTIVE SOLUTIONS - BOWLING GREEN, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

FLEETWOOD METAL INDUSTRIES, LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

PRECISION PARTNERS HOLDING COMPANY, 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

By: /s/ Elizabeth A.Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.7

FIRST SUPPLEMENTAL INDENTURE
7.00% SENIOR GUARANTEED NOTES DUE 2027

This Supplemental Indenture, dated as of May 22, 2020 (this " **Supplemental Indenture**" or "**Guarantee**"), among Metallics Sales Company, Cannon Automotive Solutions - Bowling Green, Inc., Fleetwood Metal Industries, LLC, Precision Partners Holding Company (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.

Metallics Sales Company
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Cannon Automotive Solutions - Bowling Green, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Fleetwood Metal Industries, LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Precision Partners Holding Company
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.

METALLICS SALES COMPANY, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

CANNON AUTOMOTIVE SOLUTIONS - BOWLING GREEN, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

FLEETWOOD METAL INDUSTRIES, LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

PRECISION PARTNERS HOLDING COMPANY, 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

By: /s/ Elizabeth A.Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.8

FIRST SUPPLEMENTAL INDENTURE
6.375% SENIOR GUARANTEED NOTES DUE 2025

This Supplemental Indenture, dated as of May 22, 2020 (this " **Supplemental Indenture**" or "**Guarantee**"), among Metallics Sales Company, Cannon Automotive Solutions - Bowling Green, Inc., Fleetwood Metal Industries, LLC, Precision Partners Holding Company (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.

Metallics Sales Company
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Cannon Automotive Solutions - Bowling Green, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Fleetwood Metal Industries, LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Precision Partners Holding Company
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.

METALLICS SALES COMPANY, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

CANNON AUTOMOTIVE SOLUTIONS - BOWLING GREEN, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

FLEETWOOD METAL INDUSTRIES, LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

PRECISION PARTNERS HOLDING COMPANY, 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

By: /s/ Elizabeth A.Thuning
Name: Elizabeth A. Thuning
Title: Vice President

EXHIBIT 4.9

FIRST SUPPLEMENTAL INDENTURE
6.75% SENIOR SECURED NOTES DUE 2026

This Supplemental Indenture, dated as of May 22, 2020 (this " **Supplemental Indenture**" or "**Guarantee**"), among Metallics Sales Company, Cannon Automotive Solutions - Bowling Green, Inc., Fleetwood Metal Industries, LLC, Precision Partners Holding Company (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 $725,000,000 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.

Metallics Sales Company
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Cannon Automotive Solutions - Bowling Green, Inc.
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Fleetwood Metal Industries, LLC
c/o Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Attention: James Graham, Executive Vice President,
Chief Legal Officer & Secretary

Precision Partners Holding Company
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.

METALLICS SALES COMPANY, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Executive Vice President, Chief Legal Officer & Secretary

CANNON AUTOMOTIVE SOLUTIONS - BOWLING GREEN, INC., as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

FLEETWOOD METAL INDUSTRIES, LLC, as a Guarantor

By: /s/ James D. Graham
Name: James D. Graham
Title: Secretary

PRECISION PARTNERS HOLDING COMPANY, 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 4.10

SECOND SUPPLEMENTAL INDENTURE
6.75% SENIOR SECURED NOTES DUE 2026

SECOND SUPPLEMENTAL INDENTURE (this " **Supplemental Indenture**"), dated as of June 19, 2020, among CLEVELAND-CLIFFS INC., an Ohio corporation (the "**Company**"), THE GUARANTORS listed on the signature pages hereto (the " **Guarantors**") and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "**Trustee**").

WITNESSETH:

WHEREAS, the Company, the guarantors party thereto and the Trustee have heretofore executed and delivered an Indenture, dated as of March 13, 2020 (the "**Base Indenture**"), as supplemented by the first supplemental indenture dated May 22, 2020, among the Company, the guarantors party thereto and the Trustee (the "**First Supplemental Indenture**"), as further supplemented by this second supplemental indenture, dated as of the date hereof, among the Company, the Guarantors and the Trustee (the "**Second Supplemental Indenture**" and, together with the Base Indenture and the First Supplemental Indenture, the "**Indenture**"), providing for the initial issuance of an aggregate principal amount of $725,000,000 of 6.75% Senior Secured Notes due 2026 of the Company (the "**Initial Secured Notes**");

WHEREAS, the issuance and delivery of an additional aggregate principal amount of $120,000,000 of 6.75% Senior Secured Notes due 2026 of the Company (the "**Additional Secured Notes**") have been authorized by resolutions adopted by the Board of Directors of the Company;

WHEREAS, the Additional Secured Notes shall be Additional Notes as provided by Section 2.01 of the Indenture;

WHEREAS, the Company and the Guarantors have complied with all applicable conditions precedent provided for in the Indenture related to the issuance of the Additional Secured Notes;

WHEREAS, the Initial Secured Notes and the Additional Secured Notes will be treated as a single class of Notes for all purposes under the Indenture (as supplemented by this Supplemental Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase); and

WHEREAS, the Company and the Guarantors have requested that the Trustee execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Guarantors 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
Terms of the Additional Secured Notes; Form of the Additional Secured Notes

Section 2.01 *Terms of the Additional Secured Notes*.

(a) The aggregate principal amount of the Additional Secured Notes that may be authenticated and delivered under the Indenture, as amended hereby, shall be $120,000,000.

(b) The Additional Secured Notes shall be issuable in whole or in part in the form of one or more Global Securities. The depositary for such Global Securities shall be The Depository Trust Company.

(c) The Additional Secured Notes shall have the other terms set forth in the form of global security attached hereto as Exhibit A.

(d) The Additional Secured Notes shall be considered Additional Notes issued pursuant to Section 2.01 of the Indenture.

Section 2.02 *Forms of the Additional Secured Notes*. The Additional Secured Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A attached hereto. The Additional Secured Notes shall be executed on behalf of the Company and the Guarantors by an Officer and authenticated by the Trustee pursuant to Section 2.02 of the Indenture.

ARTICLE 3
Miscellaneous

Section 3.01 *Notices*. All notices and other communications required by this Supplemental Indenture shall be given as provided in the Indenture.

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 Supplemental Indenture 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 each Guarantor 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 Second Supplemental Indenture to be duly executed all as of the date first above written.

CLEVELAND-CLIFFS INC.

By: /s/ Keith A. Koci
Name: Keith A. Koci
Title: Executive Vice President, Chief Financial Officer

AH MANAGEMENT, INC.
AK STEEL PROPERTIES, INC.
AK TUBE LLC
AKS INVESTMENTS, INC.
CANNON AUTOMOTIVE SOLUTIONS - BOWLING GREEN, INC.
CLIFFS MINNESOTA MINING COMPANY
CLIFFS TIOP, INC.
CLIFFS UTAC HOLDING LLC
FLEETWOOD METAL INDUSTRIES, LLC
IRONUNITS LLC
LAKE SUPERIOR & ISHPEMING RAILROAD COMPANY
MOUNTAIN STATE CARBON, LLC
PPHC HOLDINGS, LLC
PRECISION PARTNERS HOLDING COMPANY
SILVER BAY POWER COMPANY
SNA CARBON, LLC
UNITED TACONITE LLC

By: /s/ James D. Graham

Name: James D. Graham

Title: Secretary

CLIFFS TIOP HOLDING, LLC
CLIFFS TIOP II, LLC

By: /s/ James D. Graham

Name: James D. Graham

Title: General Counsel and Secretary

CLIFFS MINING COMPANY
METALLICS SALES COMPANY
NORTHSHORE MINING COMPANY
THE CLEVELAND-CLIFFS IRON COMPANY
TILDEN MINING COMPANY L.C.
By: The Cleveland-Cliffs Iron Company, as its manager

By: /s/ James D. Graham

Name: James D. Graham

Title: Executive Vice President, Chief Legal Officer & Secretary

AK STEEL CORPORATION
AK STEEL HOLDING CORPORATION

By: /s/ James D. Graham

Name: James D. Graham

Title: Vice President, General Counsel and Corporate Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and First Lien Notes Collateral Agent

By: U.S. Bank National Association

By: /s/ Elizabeth A. Thuning
Name: Elizabeth A. Thuning
Title: Vice President

[*Signature Page to Supplemental Indenture*]

EXHIBIT A

[FACE OF NOTE]

No. [ ] Principal Amount $[ ]

CUSIP NO. [ ]

CLEVELAND-CLIFFS INC.

6.75% Senior Secured Note due 2026

Cleveland-Cliffs Inc., an Ohio corporation, promises to pay to Cede & Co., or its registered assigns, the principal sum of [ ] Dollars ($[ ]), [, as revised by the Schedule of Increases and Decreases in Global Note attached hereto,][1] on March 15, 2026.

Interest Payment Dates: March 15 and September 15

Record Dates: March 1 and September 1

Additional provisions of this Note are set forth on the other side of this Note.

[1] Include only if the Note is issued in global form.

CLEVELAND-CLIFFS INC.

By: _____
Name:
Title:

Dated:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes issued under the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____

Name: Elizabeth A. Thuning
Title: Vice President

[REVERSE SIDE OF NOTE]

CLEVELAND-CLIFFS INC.

6.75% Senior Secured Note due 2026

1. **Interest**

Cleveland-Cliffs Inc., an Ohio corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "**Company**"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Company will pay interest semiannually on March 15 and September 15 of each year commencing September 15, 2020. Interest on this Note will accrue (or will be deemed to have accrued) from the most recent date to which interest on this Note or any of its predecessor Notes has been paid or duly provided for or, if no such interest has been paid, from March 13, 2020. The Company shall pay interest on overdue principal, and on overdue premium, if any (plus interest on such interest to the extent lawful), at the rate borne by the Notes to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. **Method of Payment**

By no later than 10:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Note is due and payable, the Company shall deposit with the Trustee or the Paying Agent money sufficient to pay such principal, premium, if any, and/or interest when due. The Company will pay interest (except Defaulted Interest) to the Persons who are registered Holders of Notes at the close of business on the March 1 or September 1 next preceding the interest payment date even if Notes are cancelled, repurchased or redeemed after the record date and on or before the interest payment date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of Notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company or any successor depository. The Company will make all payments in respect of a Definitive Note (including principal, premium, if any, and interest) by mailing a check to the registered address of each Holder thereof; provided, however, that payments on the Notes may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Notes represented by Definitive Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee at the Corporate Trust Office or the Paying Agent at the Corporate Trust Office to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. **Paying Agent and Registrar**

Initially, U.S. Bank National Association (the " **Trustee**") will act as Trustee, Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar, co-registrar or transfer agent without notice to any Holder. The Company or any of its domestically organized, Wholly-Owned Subsidiaries may act as Paying Agent, Registrar or co- registrar.

4. **Indenture**

The Company issued the Notes under an Indenture, dated as of March 13, 2020 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "**Indenture**"), among the Company, the Guarantors, the Trustee and the First Lien Notes Collateral Agent. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-77bbbb) (the "**TIA**"), although the Indenture is not required to be qualified under the TIA. Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders are referred to the Indenture and the TIA for a statement of those terms.

The Notes are senior secured obligations of the Company. The aggregate principal amount of Notes that may be authenticated and delivered under the Indenture is unlimited. This Note is one of the 6.75% Senior Secured Notes

due 2026 referred to in the Indenture. The Notes are Additional Notes under the Indenture and the Company shall be entitled to issue further Additional Notes pursuant to Section 2.01 of the Indenture. The Initial Notes and Additional Notes are treated as a single class of securities under the Indenture and shall be secured by first-priority and second-priority Liens and security interests, subject to Permitted Liens, in the Collateral. The Indenture imposes certain restrictions on the incurrence of certain liens, sale-leaseback transactions, and the consummation of mergers and consolidations. The Indenture also imposes requirements with respect to the provision of financial information and the provision of guarantees of the Notes by certain subsidiaries.

To guarantee the due and punctual payment of the principal, premium, if any, and interest (including post-filing or post-petition interest) on the Notes and all other amounts payable by the Company under the Indenture, the Notes and the Collateral Documents (including expenses and indemnification) when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Guarantors have as primary obligors and not merely as sureties, irrevocably and unconditionally guaranteed (and future guarantors, together with the Guarantors, will unconditionally guarantee), jointly and severally, on a senior secured basis, all such obligations pursuant to the terms of the Indenture.

5. **Redemption and Prepayment**

Prior to March 15, 2022 the Company may, at any time and from time to time, redeem in the aggregate up to 35% of the aggregate principal amount of the Notes originally issued under the Indenture with the net cash proceeds of one or more Equity Offerings by the Company at a redemption price (expressed as a percentage of principal amount thereof) of 106.75%, plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that:

(1) at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

Prior to March 15, 2022, the Company may, at any time and from time to time, also redeem all or a part of the Notes, at a redemption price equal to 100.000% of the principal amount of Notes redeemed plus the Applicable Premium, plus accrued and unpaid interest to, but excluding, the Redemption Date.

On or after March 15, 2022, the Company may on one or more occasions redeem all or a part of the Notes at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest on the Notes redeemed, to, but excluding, the applicable Redemption Date, if redeemed during the twelve-month period beginning on each date set forth below, subject to the rights of Holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption price
March 15, 2022	105.063%
March 15, 2023	103.375%
March 15, 2024	101.688%
March 15, 2025 and thereafter	100.000%

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

The Company will deliver notice of redemption to each Holder at least 30 days but not more than 60 days before a Redemption Date.

"**Adjusted Treasury Rate**" means, with respect to any Redemption Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted

to constant maturity under "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after March 15, 2022, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date, in each case calculated on the third Business Day immediately preceding the Redemption Date, plus 0.50%.

"**Applicable Premium**" means, with respect to any Note at any Redemption Date the excess of (if any) (A) the present value at such Redemption Date of (1) the redemption price of such Note on March 15, 2022 plus (2) all required remaining scheduled interest payments due on such note through March 15, 2022, excluding in each case accrued and unpaid interest to, but excluding, the Redemption Date, computed by the Company using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such Redemption Date:

"**Comparable Treasury Issue**" means the United States Treasury security selected by the Company as having a maturity comparable to the remaining term of the Notes from the Redemption Date to March 15, 2022, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to March 15, 2022.

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

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

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

"**Treasury Rate**" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the date fixed for redemption (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the then remaining average life to March 15, 2022, provided, however, that if the average life to March 15, 2022, of the Notes is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the average life to March 15, 2022, of the notes is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

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

The Company may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

Except as set forth in the next succeeding paragraph, the Company is not required to make any mandatory repurchase, redemption or sinking fund payments with respect to the Notes.

6. **Change of Control Triggering Event**

In accordance with Section 3.06 of the Indenture, the Company shall be required to offer to purchase Notes upon the occurrence of a Change of Control Triggering Event. Any Holder of Notes shall have the right, subject to certain conditions specified in the Indenture, to cause the Company to repurchase all or any part of the Notes of such Holder at a purchase price equal to 101.0% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest to, but excluding, the date of repurchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date that is on or prior to the date of purchase) as provided in, and subject to the terms of, the Indenture.

7. **Denominations; Transfer; Exchange**

The Notes are in registered form without coupons in minimum denominations of principal amount of $2,000 and whole multiples of $1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay a sum sufficient to cover any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange of any Note (A) for a period beginning (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing or (2) 15 days before an interest payment date and ending on such interest payment date or (B) called for redemption, except the unredeemed portion of any Note being redeemed in part.

8. **Persons Deemed Owners**

The registered Holder of this Note shall be treated as the owner of it for all purposes (except as otherwise provided in the Indenture).

9. **Unclaimed Money**

If money for the payment of principal, premium, if any, or interest on any Note remains unclaimed for two years after such principal, premium, if any, or interest has become due and payable, the Trustee or any Paying Agent shall pay the money back to the Company at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company for payment as general creditors unless an abandoned property law designates another person and not to the Trustee for payment.

10. **Defeasance**

Subject to certain exceptions and conditions set forth in the Indenture, the Company at any time may terminate some or all of its and the Guarantors' obligations under the Notes, the Indenture and the Collateral Documents if the Company deposits with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be.

11. **Amendment, Supplement, Waiver**

Subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Notes, the Guarantees and the Collateral Documents may be amended or supplemented by the Company, Guarantors and Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and (ii) any default (other than with respect to nonpayment of interest or premium on, or the principal of the Notes or in respect of a provision that cannot be amended without the consent of each Holder affected, or in certain cases described in the Indenture and the Collateral Documents, the consent of Holders of at least 75% in aggregate principal amount of the Notes then outstanding) or noncompliance with any provision may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes. Subject to the requirements of and certain exceptions set forth in the Indenture, without the consent of any Holder, the Company, the Trustee and the Guarantors (with respect to its Guarantee) may amend or supplement the Indenture, the Notes, the Guarantees or the Collateral Documents: (1) to cure any ambiguity, defect or inconsistency; (2) to provide for uncertificated Notes in addition to or in place of certificated Notes; (3) to provide for the assumption of the Company's or a Guarantor's obligations to Holders of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable; (4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights hereunder or under the Notes, the Guarantees and the Collateral Documents of any such Holder; (5) to conform the text of the Indenture, Guarantees, the Notes or

the Collateral Documents to any provision of the "Description of the Secured Notes" section of the Offering Memorandum; (6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the date hereof; (7) to allow any Guarantor to execute a supplemental indenture substantially in the form of Exhibit B to the Indenture and/or a Guarantee with respect to the Notes; (8) to add any additional obligors under the Indenture, the Notes or the Guarantees; (9) to secure any Additional First Lien Indebtedness or Additional Secured Indebtedness permitted to be incurred under the Indenture pursuant to the Collateral Documents and to appropriately include the same in the Pari Passu Intercreditor Agreement and the ABL Intercreditor Agreement; (10) to add additional Collateral to secure the Notes; (11) to comply with the provisions under Section 4.01 of the Indenture; and (12) to evidence and provide for the acceptance of an appointment by a successor Trustee.

12. **Defaults and Remedies**

Each of the following is an "**Event of Default**":

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

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

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

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

(e) with respect to any Collateral having a Fair Market Value in excess of $75.0 million, individually or in the aggregate, (A) the failure of the security interest with respect to such Collateral under the Collateral Documents, at any time, to be in full force and effect for any reason other than in accordance with their terms and the terms of the Indenture and other than the satisfaction in full of all obligations under the Indenture and discharge of the Indenture if such Default continues for 60 days, (B) the declaration that the security interest with respect to such Collateral created under the Collateral Documents or under the Indenture is invalid or unenforceable, if such Default continues for 60 days or (C) the assertion by the Company or any Guarantor, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable;

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

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

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

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

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

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

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due; or

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

(i) is for relief against the Company or any Guarantor in an involuntary case;

(ii) appoints a custodian of the Company or any Guarantor or for all or substantially all of the property of the Company or any Guarantor; or

(iii) orders the liquidation of the Company or any Guarantor; and the order or decree remains unstayed and in effect for 60 consecutive days.

If an Event of Default specified under clauses (a) through (g) of this Section 12 occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare all such Notes to be due and payable. If an Event of Default specified under clauses (h) and (i) of this Section 12 occurs, then all outstanding Notes will become due and payable immediately without further action or notice.

If an Event of Default (other than an Event of Default described in clause (h) or (i) of this Section 12) occurs and is continuing, the Trustee by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the then outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all such Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest shall be due and payable immediately.

In the case of an Event of Default specified in clause (h) or (i) of this Section 12, with respect to the Company or any Guarantor, all outstanding Notes will become due and payable immediately without further action or notice.

The Holders of a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

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

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

13. **Trustee Dealings with the Company**

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

14. **No Recourse Against Others**

An incorporator, director, officer, employee or stockholder of each of the Company or any Guarantor, solely by reason of this status, shall not have any liability for any obligations of the Company or any Guarantor under the Notes, the Indenture, the Collateral Documents or the Guarantees or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are a part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

15. **Authentication**

This Note shall not be valid until an authorized officer of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

16. **Abbreviations**

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. **CUSIP, Common Code and ISIN Numbers**

The Company has caused CUSIP, Common Code and ISIN numbers, if applicable, to be printed on the Notes and has directed the Trustee to use CUSIP, Common Code and ISIN numbers, if applicable, in notices of redemption or purchase as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption or purchase and reliance may be placed only on the other identification numbers placed thereon.

18. **Governing Law**

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture, which has in it the text of this Note in larger type. Requests may be made to:

Cleveland-Cliffs Inc.
200 Public Square, Suite 3300
Cleveland, Ohio 44114
Fax: (216) 694-6509
Attention: James Graham, Executive Vice President, Chief Legal Officer & Secretary

19. **USA Patriot Act**

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee.

The parties to the Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

(Print or type assignee's name, address and zip code)

(Insert assignee's social security or tax I.D. No.)

and irrevocably appoint _____agent to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

Signature Guarantee: _____

(Signature must be guaranteed)

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

The undersigned hereby certifies that it ☐ is / ☐ is not an Affiliate of the Company and that, to its knowledge, the proposed transferee ☐ is / ☐ is not an Affiliate of the Company.

In connection with any transfer or exchange of any of the Notes evidenced by this certificate occurring prior to the date that is one year after the later of the date of original issuance of such Notes and the last date, if any, on

which such Notes were owned by the Company or any Affiliate of the Company, the undersigned confirms that such Notes are being:

CHECK ONE BOX BELOW:

(1) ☐ acquired for the undersigned's own account, without transfer; or

(2) ☐ transferred to the Company; or

(3) ☐ transferred pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended (the " **Securities Act**"); or

(4) ☐ transferred pursuant to and in compliance with Regulation S under the Securities Act (provided that the transferee has furnished to the Trustee a signed letter containing certain representations and agreements, the form of which letter appears as Section 2.09 of the Indenture); or

(5) ☐ transferred pursuant to another available exemption from the registration requirements of the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered Holder thereof; provided, however, that if box (4) or (5) is checked, the Company may require, prior to registering any such transfer of the Notes, in its sole discretion, such legal opinions, certifications and other information as the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, such as the exemption provided by Rule 144 under such Act.

Signature Guarantee: _____ Signature

_____ _____

(Signature must be guaranteed) Signature

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

TO BE COMPLETED BY PURCHASER IF BOX (1) OR (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

_____

Dated:

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Notes Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you elect to have this Note purchased by the Company pursuant to Section 3.02 or 3.06 of the Indenture, check either box:

☐ 3.02 ☐ 3.06

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 3.02 or Section 3.06 of the Indenture, state the amount in principal amount (must be in minimum denominations of $2,000 or an integral multiple of $1,000 in excess thereof): $_____ and specify the denomination or denominations (which shall not be less than the minimum authorized denomination) of the Notes to be issued to the Holder for the portion of the within Note not being repurchased (in the absence of any such specification, one such Note will be issued for the portion not being repurchased): _____.

Date: _____

Your Signature _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

(Signature must be guaranteed)

_____

Sign exactly as your name appears on the other side of this Note.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

EXHIBIT 22.1

The following entities are included in the obligated group, as defined in the Quarterly Report on Form 10-Q of Cleveland-Cliffs Inc. to which this document is being filed as an exhibit, including Cleveland-Cliffs Inc., as the parent and issuer, and the subsidiary guarantors that have guaranteed the obligations under the 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	Primary Standard Industrial Classification Code Number	IRS Employer Identification Number
Cleveland-Cliffs Inc.	Issuer	Ohio	1000	34-1464672
AH Management, Inc.	(3)	Delaware	3312	51-0390893
AKS Investments, Inc.	(3)	Ohio	3312	31-1283531
AK Steel Corporation	(3)	Delaware	3312	31-1267098
AK Steel Holding Corporation	(3)	Delaware	3312	31-1401455
AK Steel Properties, Inc.	(3)	Delaware	3312	51-0390894
AK Tube LLC	(3)	Delaware	3312	31-1283531
Cannon Automotive Solutions - Bowling Green, Inc.	(3)	Delaware	3312	26-0766559
Cliffs Mining Company	(2)	Delaware	1000	34-1120353
Cliffs Minnesota Mining Company	(2)	Delaware	1000	42-1609117
Cliffs TIOP Holding, LLC	(2)	Delaware	1000	47-2182060
Cliffs TIOP, Inc.	(2)	Michigan	1000	34-1371049
Cliffs TIOP II, LLC	(2)	Delaware	1000	61-1857848
Cliffs UTAC Holding LLC	(2)	Delaware	1000	26-2895214
Fleetwood Metal Industries, LLC	(3)	Delaware	3312	98-0508950
IronUnits LLC	(2)	Delaware	1000	34-1920747
Lake Superior & Ishpeming Railroad Company	(2)	Michigan	1000	38-6005761
Metallics Sales Company	(3)	Delaware	1000	84-2076079
Mountain State Carbon, LLC	(3)	Delaware	3312	31-1267098
Northshore Mining Company	(2)	Delaware	1000	84-1116857
PPHC Holdings, LLC	(3)	Delaware	3312	31-1283531
Precision Partners Holding Company	(3)	Delaware	3312	22-3639336
Silver Bay Power Company	(2)	Delaware	1000	84-1126359
SNA Carbon, LLC	(3)	Delaware	3312	31-1267098
The Cleveland-Cliffs Iron Company	(2)	Ohio	1000	34-0677332
Tilden Mining Company L.C.	(2)	Michigan	1000	34-1804848
United Taconite LLC	(2)	Delaware	1000	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 June 30, 2020 and December 31, 2019.

(3) The entity is included as a guarantor subsidiary as of June 30, 2020.

Exhibit 31.1

CERTIFICATION

I, Lourenco Goncalves, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cleveland-Cliffs Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2020

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 quarterly report on Form 10-Q of Cleveland-Cliffs Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2020

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 Quarterly Report of Cleveland-Cliffs Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Lourenco Goncalves, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-Q.

Date: July 30, 2020

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 Quarterly Report of Cleveland-Cliffs Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Keith A. Koci, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-Q.

Date: July 30, 2020

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 three months ended June 30, 2020, our U.S. mine locations did not receive any flagrant violations under section 110(b)(2) of the FMSH Act (30 U.S.C. 820(b)(2)), or any written notices of a pattern of violations, or the potential to have such a pattern of violations, under section 104(e) of the FMSH Act (30 U.S.C. 814(e)). In addition, there were no mining-related fatalities at any of our U.S. mine locations during this same period.

Following is a summary of the information listed above for the three months ended June 30, 2020:

		Three Months Ended June 30, 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) Citations & Orders	Section 107(a) 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	6	—	—	—	$ 194,651	3	(2)	3	—
Empire / 2001012	Iron Ore	—	—	—	—	—	—		—	—
Northshore Plant / 2100831	Iron Ore	1	—	—	—	8,537	8	(3)	3	1
Northshore Mine / 2100209	Iron Ore	—	—	—	—	—	1	(4)	1	1
United Taconite Plant / 2103404	Iron Ore	—	—	—	—	—	3	(5)	2	1
United Taconite Mine / 2103403	Iron Ore	—	—	—	—	—	—		—	—
Coal Innovations #1 / 3609406	Coal	—	—	—	—	—	—		—	—
North Fork / 3610041	Coal	—	—	—	—	157	2	(6)	—	—

(1) Amounts included under the heading “Total Dollar Value of MSHA Proposed Assessments” are the total dollar amounts for proposed assessments received from MSHA for the three months ended June 30, 2020.

(2) This number consists of 3 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(3) This number consists of 4 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules and 4 pending legal actions related to appeals of judges' decisions or orders to FMSHRC referenced in Subpart H of FMSH Act's procedural rules.

(4) This number consists of 1 pending legal action related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(5) This number consists of 3 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.

(6) This number consists of 2 pending legal actions related to contests of proposed penalties referenced in Subpart C of FMSH Act's procedural rules.