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**CLEVELAND-CLIFFS INC. AND ASSOCIATED COMPANIES
RELATED PARTY TRANSACTIONS POLICY**

Effective Date: January 30, 2020 Supersedes: C-1007 (August 15, 2017)

Policy No: C-1007

APPROVED



Follow-up Review Date: As Needed

Lourenco Goncalves

UNITS AFFECTED

Cleveland-Cliffs Inc. and its consolidated subsidiaries and associated companies

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MAINTENANCE RESPONSIBILITY

Executive Vice President, Chief Legal Officer and Secretary

1. **UNITS AFFECTED**

1.1. Cleveland-Cliffs Inc. ("Cliffs"), its consolidated subsidiaries, and associated companies including partnership mines (collectively, the "Company").

2. **SCOPE**

2.1. This policy applies to the Company's Board of Directors ("Board"), officers of the Company and any beneficial owner of more than 5% of the Company's voting securities.

3. **PURPOSE**

3.1. The Company recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best long-term interests of the Company and its shareholders. This policy is designed to mitigate risks associated with Related Party Transactions.

4. **POLICY**

4.1. For the purpose of this policy, a "Related Party Transaction" is a transaction, agreement or relationship in which the Company was, is or will be a participant and which any Related Person had, has or will have a direct or indirect material interest.

4.2. Related Party Transaction shall only be consummated or shall continue if:

- 4.2.1. the CEO and the Chief Legal Officer shall approve or ratify such transaction in accordance with the standards set forth in this policy;
- 4.2.2. the transaction is approved by the disinterested members of the Audit Committee of the Board for transactions that exceed \$120,000; and
- 4.2.3. the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party.

4.3. For the purpose of this policy the term "Related Persons" means:

- 4.3.1. Any person who was in any of the following categories at any time since the beginning of the Company's last fiscal year:
 - 4.3.1.1. Any Director or officer of the Company;
 - 4.3.1.2. Any nominee for a Director of the Company; or
 - 4.3.1.3. Any immediate family member of a Director or officer of the Company, or of any nominee for Director, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such Director, officer or nominee for Director,

or any person (other than a tenant or employee) sharing the household of such Director, officer or nominee for Director; and

4.3.2. Any person who was in any of the following categories when a transaction in which such person had a direct or indirect material interest occurred or existed:

4.3.2.1. A security holder covered by Item 403(a) (§229.403(a)) of Regulation S-K (5% holder); or

4.3.2.2. Any immediate family member of any such security holder, which means any child, stepchild, parent, step-parent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such security holder, and any person (other than a tenant or employee) sharing the household of such security holder.

4.3.3. Any firm, corporation or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest of the Company's voting securities.

5. **AUDIT COMMITTEE APPROVAL**

5.1. It has been determined that the Audit Committee of the Board is best suited to review and approve Related Party Transactions.

5.2. At each quarterly Audit Committee meeting, management shall present any Related Party Transactions for which approval is requested for that calendar year, including the proposed aggregate value of such transactions if applicable.

5.3. After review, the disinterested members of the Audit Committee shall approve or disapprove such transactions.

5.4. Management is responsible for updating the Audit Committee at each quarterly committee meeting as to any material changes to those transactions that the committee has approved.

6. **DISCLOSURE**

6.1. All Related Party Transactions are to be disclosed in the Company's applicable filings as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules.

6.2. All Related Party Transactions shall be disclosed to the Audit Committee of the Board and any material Related Party Transactions shall be disclosed to the full Board.

7. **RESPONSIBILITIES**

7.1. Directors and Officers

7.1.1. Report potential Related Party Transactions to the CEO and the Chief Legal Officer.

7.2. CEO and Chief Legal Officer

7.2.1. Review proposed Related Party Transactions for significance and to propose any Related Party Transaction that exceeds \$120,000 per transaction to the Audit Committee for approval.

7.3. Chief Legal Officer and Deputy General Counsel & Assistant Secretary

7.3.1. Introduce any Related Party Transaction to the Audit Committee.

7.3.2. Ensure proper reporting and disclosure of any approved Related Party Transaction in the Company's applicable filings as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules.

8. **REFERENCES**

8.1. Item 404 Regulation S-K

9. **RELATED POLICIES**

9.1. Conflicts of Interest Policy