

JAMES DONALD L
Form 5
January 30, 2019

FORM 5

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
JAMES DONALD L

2. Issuer Name and Ticker or Trading Symbol
UNIVERSAL FOREST PRODUCTS INC [UFPI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/29/2018

___ Director ___ 10% Owner
___ Officer (give title below) ___ Other (specify below)
XVP Natl Retail Sales & Mktg

2801 EAST BELTLINE, N.E.

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

GRAND RAPIDS, MI 49525

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) Amount	or (D)	Price			
Common Stock	Â	Â	Â	Â	Â	Â	28,017 ⁽¹⁾	D	Â
Common Stock	12/29/2018	Â	J	89	D	\$ 0 ⁽²⁾	14,119	I	By 401(k) Plan
Common Stock	12/15/2018	Â	A	213	A	\$ 25.69	18,495	I	Def Comp Interest

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270 (9-02)

the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price or Value of Underlying Securities (Instr. 3 and 4)
Phantom Stock Units	Â	12/15/2018	Â	A	236 Â	Â (4) Â (4)	Common Stock	236 \$ 2

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JAMES DONALD L 2801 EAST BELTLINE, N.E. GRAND RAPIDS, MI 49525	Â	Â	Â XVP Natl Retail Sales & Mktg	Â

Signatures

Christina A. Holderman, Attorney-in-Fact for Donald L. James 01/30/2019

Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects the accuracy of direct ownership shares of UFPI
- (2) Reflects non-discretionary transactions affected in account pursuant to the terms of the Company's Profit Sharing and 401(k) Retirement Plan
- (3) 1-for-1
- (4) The phantom stock units were accrued under the Company's Deferred Compensation Plan and are payable in shares of the Company's Common Stock until the reporting person's death, disability or retirement.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. "font-family:ARIAL" SIZE="1">Joseph A. Carrabba 1,401,674 81,400 1,483,074

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Laurie Brlas

506,112 44,541 550,653

Donald J. Gallagher

450,394 43,975 494,369

William A. Brake

420,941 42,775 463,716

Richard Mehan

301,529 301,529

George W. Hawk

(5) The 2010 amounts in column (f) reflect the actuarial increase in the present value of the named executive officer's benefits under the Pension Plan and the SERP, both of which are discussed in the Compensation Discussion and Analysis section above under the heading Defined Benefit Pension Plan, determined using interest rate and mortality assumptions consistent with those used in our financial statements and may include amounts that the named executive officer is not fully vested.

This column also includes amounts for above market interest for the executives' deferrals into the VNQDC.

The following table summarizes changes in pension values and above-market earnings on deferred compensation in 2010:

	Present Value of Pension Accruals (\$)	Above Market Interest on Deferred Compensation (\$)	Total (\$)
Joseph A. Carrabba	390,500	3,557	394,057
Laurie Brlas	94,400	1,095	95,495
Donald J. Gallagher	381,200	1,020	382,220
William A. Brake	110,500	240	110,740
Richard Mehan			
George W. Hawk	185,100	224	185,324

(6) The 2010 amounts in column (g) reflect the combined value of the named executive officer's perquisites attributable to our paid parking, financial services, restricted stock dividends and matching contributions made by and on behalf of the executives under the Savings Plan and the VNQDC Plan.

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The following table summarizes perquisites in 2010:

	Paid Parking (\$)	Financial Svcs. (\$)	401K Savings Plan Matching Contributions (\$)	VNQDC Plan Matching Contributions (\$)	Restricted Stock Dividends (\$)	Other (\$)	Total (\$)
Joseph A. Carrabba	3,180	8,937	9,000	23,560			44,677
Laurie Brlas	3,180	10,000	9,000	8,760			30,940
Donald J. Gallagher	2,700	9,038	9,450				21,188
William A. Brake	3,180	9,055	9,000	18,585			39,820
Richard Mehan		6,589	46,015(1)			300,105(2)	352,709
George W. Hawk	1,590	3,704	5,000			2,927,361(3)	2,937,655

- (1) Reflects employer contribution to the Australian Superannuation fund.
- (2) Reflects a one-time restricted stock tax gross up payment of \$168,408.41 to cover income taxes related to a 2006 restricted stock grant and a taxable allowance related to payments made in excess of the superannuation contributions allowed under Australian law of \$157,686.21. Amounts shown in tables above are converted at a rate of \$0.9203 AUD:USD.
- (3) Reflects termination payments related to Mr. Hawk's separation agreement dated April 1, 2010 which is discussed in further detail in the Compensation Discussion and Analysis section above under the heading Separation Agreement.

- (7) Mr. Hawk terminated employment effective April 1, 2010. Mr. Mehan terminated employment effective February 4, 2011. For additional compensation details related to the terminations, please refer to page 38.

Grants of Plan Based Awards

This table discloses in columns (c), (d) and (e) the potential payouts at the threshold, target and maximum levels of the awards under the EMPI Plan approach for 2010. See the Compensation Discussion and Analysis Annual Incentive Plan section above for a description of the EMPI Plan.

This table also shows in columns (f), (g) and (h) the potential payouts at the threshold, target and maximum levels of the 2010 performance share awards under the Amended and Restated Cliffs 2007 Incentive Equity Plan. Such performance shares are for a three-year period ending December 31, 2012. Column (j) shows the grant date fair value of the performance shares under the Amended and Restated Cliffs 2007 Incentive Equity Plan.

The table also shows in columns (i) and (j) the actual numbers of awards granted and the grant date fair value of restricted share units under the Amended and Restated Cliffs 2007 Incentive Equity Plan.

Name(a)	Grant Date(b)	Estimated Possible Payouts under Non-Equity Incentive Plan Awards (EMPI) \$(1)			Estimated Future Payouts under Equity Incentive Plan Awards (Perf Shares) (#)(2)			All Other Stock Awards: Numbers of Shares or Units (i)(#)	Grant Date Fair Market Value of Stock and Option Awards \$(j)
		Threshold (c)	Target (d)	Maximum (e)	Threshold (f)	Target (g)	Maximum (h)		
Joseph A. Carrabba	3/8/2010	575,400	1,150,800	2,301,600					
	3/8/2010				20,055	40,110	60,165		1,455,311
	3/8/2010							13,370	804,473
	3/8/2010					12,480(3)	18,720		600,000
Laurie Brlas	3/8/2010	178,400	356,800	713,600					
	3/8/2010	8,920	17,840	35,680					
	3/8/2010				6,715	13,430	20,145		487,281
	3/8/2010							4,470	268,960
Donald J. Gallagher	3/8/2010	177,600	355,200	710,400					
	3/8/2010	8,880	17,760	35,520					
	3/8/2010				6,510	13,020	19,530		472,405
	3/8/2010							4,340	261,138
William A. Brake	3/8/2010	172,800	345,600	691,200					
	3/8/2010	8,640	17,280	34,560					
	3/8/2010				6,505	13,010	19,515		472,042
	3/8/2010							4,330	260,536
Richard Mehan	3/8/2010	123,780	247,561	495,121					
	3/8/2010	6,189	12,378	24,756					
	3/8/2010				2,645	5,290	7,935		191,937
	3/8/2010							1,760	105,899
George W. Hawk	3/8/2010								

- (1) The amounts in column (c) reflect the threshold payment level under the EMPI plan, which is 25 percent of the maximum amount shown in column (e). The amount shown in column (d) is 50 percent of the amount shown in column (e). Column (e) is 100 percent of the total maximum award opportunity for 2010. These amounts are based on the individual's current salary and position at the time of grant. Actual payouts under the EMPI plan are disclosed in the 2010 Summary Compensation Table under Non-Equity Incentive Plan Compensation column. For the named executive officers other than Mr. Carrabba an additional EMPI bonus opportunity was made available in conjunction with the other 2010 Awards equaling a potential maximum payout of 8 percent of base salary, or 5 percent in the case of Mr. Mehan (with a 4 percent opportunity at target performance, or 2.5 percent for Mr. Mehan, and a 2 percent opportunity at the minimum or threshold performance level, or 1.25 percent for Mr. Mehan), payable only when one of the EMPI financial metric thresholds achieved, but also subject to further discretionary eligibility requirements, as determined by the Compensation Committee, based upon the CEO's recommendation.
- (2) The amounts in column (f), with the exception of the grant made to Mr. Carrabba on March 8, 2010, reflect the threshold payout level of performance shares under the Amended and Restated Cliffs 2007 Incentive Equity Plan, which is 50 percent of the target amount shown in column (g). The amount shown in column (h) is 150 percent of such target amount.
- (3)

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The amounts for Mr. Carrabba reflect the CEO Strategic Initiative Grant made on March 8, 2010 at target value. The number of shares paid out under this particular award will be determined by the Compensation Committee in 2013 based upon the achievement of certain performance factors noted above evaluated at the Compensation Committee's discretion and may be reduced from the 18,720 shares. Under ASC Topic 718 and as a result of this uncertainty of the final award amount, a grant date has not yet been determined. The grant was determined using a 60-day average closing price of the Common Shares on March 8, 2010 of \$48.11 per share (producing a maximum value at grant of approximately \$900,000 and a target value at grant of approximately \$600,000).

Our named executive officers are parties to change in control agreements or employment agreements with Cliffs. For more information, refer to the Potential Payouts Upon Termination or Change of Control section below.

Outstanding Equity Awards At Fiscal Year-End

The following table shows in columns (b) and (c) the actual numbers of shares and the fair market value, respectively, of all unvested restricted share units under the Amended and Restated Cliffs 2007 Incentive Equity Plan outstanding on December 31, 2010. The fair market value of each restricted share unit and retention unit on December 31, 2010 was \$78.01.

The table also shows in columns (d) and (e) the actual numbers of performance shares and the fair market value, respectively, as of December 31, 2010 of all unvested and unearned performance shares assuming a market value of \$78.01 per share (the closing market price of our Common Shares on December 31, 2010 and assuming that the performance shares pay off at the maximum level. Normally, outstanding options would be listed on this table. There are no outstanding stock options for any named executive officer.

Outstanding Equity Awards At 2010 Fiscal Year-End Table

Name(a)	Number of Shares or Units of Stock That Have Not	Market Value of Shares or Units of Stock That Have	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have
	Vested (b)(#)(1)	Not Vested (\$)(c)	Have Not Vested (#)(d)	Not Vested(\$)(e)
Joseph A. Carrabba	26,325(2)	2,053,613	118,463(3)	9,241,260
	13,370(4)	1,042,994	60,165(5)	4,693,472
Laurie Brlas	9,675(2)	754,747	43,538(3)	3,396,360
	4,470(4)	348,705	20,145(5)	1,571,511
Donald J. Gallagher	8,525(2)	665,035	38,363(3)	2,992,659
	4,340(4)	338,563	19,530(5)	1,523,535
William A. Brake	9,400(2)	733,294	42,300(3)	3,299,823
	4,330(4)	337,783	19,515(5)	1,522,365
Richard Mehan	2,650(2)	206,727	11,925(3)	930,269
	1,760(4)	137,298	7,935(5)	619,009
George W. Hawk	2,100(2)	163,821	9,450(3)	737,195

(1) The amounts shown in this column reflect the number of unvested restricted share units granted under the Amended and Restated Cliffs 2007 Incentive Equity Plan.

(2) This represents a grant of restricted share units for the 2009 - 2011 performance period granted on March 9, 2009. If these shares vest, it will be on December 31, 2011, as approved by the Compensation Committee.

(3) This represents a grant of performance shares for the 2009 - 2011 performance period granted on March 9, 2009. If these shares vest, it will be on December 31, 2011, as approved by the Compensation Committee.

These numbers are being reported at maximum based on actual multi-year performance as of December 31, 2010.

(4) This represents a grant of restricted share units for the 2010 - 2012 performance period granted on March 8, 2010. If these shares vest, it will be on December 31, 2012, as approved by the Compensation Committee.

(5) This represents a grant of performance shares for the 2010 - 2012 performance period granted on March 8, 2010. If these shares vest, it will be on December 31, 2012, as approved by the Compensation Committee.

These numbers are being reported at maximum based on actual multi-year performance as of December 31, 2010.

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(6) This represents the CEO Strategic Initiative grant made on December 17, 2009.
If these shares vest, it will be on December 31, 2013, as approved by the Compensation Committee.

These numbers are being reported at maximum based on actual multi-year performance as of December 31, 2013.

(7) This represents the CEO Strategic Initiative grant made on March 8, 2010.
If these shares vest, it will be on December 31, 2013, as approved by the Compensation Committee.

These numbers are being reported at maximum based on actual multi-year performance as of December 31, 2013.

Option Exercises and Stock Vested

Columns (b) and (c) in the following table set forth certain information regarding performance shares, retention units and restricted share awards that vested during 2010 for the named executive officers based on the applicable fair market value. None of Cliffs' named executive officers had stock options during the fiscal year ended December 31, 2010.

2010 Option Exercises and Stock Vested Table

Name (a)	Stock Awards	
	Number of Shares Acquired on Vesting #(b)	Value Realized on Vesting (\$)(c)(1)
Joseph A. Carrabba	51,750(2)	4,795,673
	11,500(3)	1,065,705
Laurie Brlas	16,200(2)	1,501,254
	3,600(3)	333,612
Donald J. Gallagher	15,975(2)	1,480,403
	3,550(3)	328,979
William A. Brake	13,275(2)	1,230,194
	2,950(3)	273,377
Richard Mehan	7,200(2)	667,224
	1,600(3)	148,272
George W. Hawk	10,125(2)	938,284
	2,250(3)	208,508

- (1) The value realized shown in column (c) is computed by multiplying the number of restricted shares and performance shares by the closing price of a Common Share on the date of vesting. Except as otherwise noted, all awards vested on December 31, 2010.
- (2) This represents a performance share award granted during 2008 for the 2008 - 2010 performance period that paid out to participants in February 2011 at a fair market value of \$92.67 per share. The performance shares paid out at 150 percent of the award based on the performance criteria.
- (3) This represents an award of restricted share units granted during 2008 for the 2008 - 2010 performance period that paid out to participants in February 2011 at a fair market value of \$92.67 per share.

Pension Benefits

The table below shows the present value of accumulated benefits payable to each named executive officer and the number of years of service credited to each such named executive officer under the Pension Plan and the SERP. The calculation was determined using interest rate and mortality rate assumptions consistent with those used in Cliffs' financial statements.

The Pension Plan provides a participant, including the named executive officers, with the greater of:

(a) the sum of:

- (1) For service with Cliffs through June 30, 2008, his or her accrued benefit under the plan's Final Average Pay Formula described below; and
- (2) For service with Cliffs after June 30, 2008, his or her cash balance credits and interest under the Cash Balance Formula described below; or

(b) the sum of:

- (1) For service with Cliffs through June 30, 2003, his or her accrued benefit under the Final Average Pay Formula described below; and
- (2) For service with Cliffs after June 30, 2003, his or her cash balance credits and interest after June 30, 2003 under the Cash Balance Formula described below.

The Final Average Pay Formula provides a benefit that is generally based on a 1.65 percent pension formula. For each year of service up to June 30, 2003 or June 30, 2008, as the case may be, the plan provides 1.65 percent of Average Monthly Compensation. Average Monthly Compensation is defined as the average annual compensation earned during the 60 consecutive months providing the highest such average during the last 120 months preceding the applicable date. The benefit is subject to an offset of 50 percent of Social Security benefits through the applicable date. Benefits are payable as an annuity, unreduced for early commencement, upon the attainment of normal retirement at age 65, or at 30 years of service. None of the named executive officers were eligible for an accrued benefit under the Final Average Pay Formula on December 31, 2010 other than Mr. Gallagher. Benefits are payable as an annuity reduced for early commencement upon the attainment of age 55 with 15 years of service.

The Cash Balance Formula provides a benefit payable at any time equal to the value of a notional cash balance account. For each calendar quarter, after the applicable date a credit is made to the account equal to a percentage of his or her pay ranging from four percent to ten percent based upon his or her age and service with transitional pay credits up to 13 percent during the transition period from June 30, 2003 to June 30, 2008. Interest is credited to the account balance on a quarterly basis. At retirement or termination of employment, the accumulated account balance can be paid as either a lump sum or actuarially equivalent annuity.

The compensation used to determine benefits under the Pension Plan is the sum of salary and annual incentive compensation paid under the EMPI Plan to a participant during a calendar year. Pensionable earnings for each of Cliffs' named executive officers during 2010 include the amount shown for 2010 in column (c) of the 2010 Summary Compensation Table above, plus the amount of incentive compensation earned in 2010 and paid in 2011, respectively.

The SERP generally provides the named executive officers with the benefits which would have been payable under the Pension Plan if certain Internal Revenue Code limitations did not apply to the Pension Plan. The SERP was amended effective for 2006 and future accruals to eliminate the payment of annual accruals and to provide that SERP accruals will instead be paid at retirement.

2010 Pension Benefits Table

Name(a)	Plan Name(b)	Number of Years Credited Service (#)(c)	Present Value of Accumulated Benefit \$(d)	Payments During Last Fiscal Year \$(e)
Joseph A. Carrabba	Salaried Pension Plan	5.7	113,900	
	SERP	5.7	1,906,700	
Laurie Brlas	Salaried Pension Plan	4.1	74,600	
	SERP	4.1	179,100	
Donald J. Gallagher	Salaried Pension Plan	29.4	1,074,700	
	SERP	29.4	1,685,100	
William A. Brake(1)	Salaried Pension Plan	3.8	68,400	
	SERP	23.8	170,700	
Richard Mehan	Salaried Pension Plan			
	SERP			
George W. Hawk	Salaried Pension Plan	7.3	135,300	
	SERP	7.3		216,000

(1) For purposes of calculating the SERP benefit for Mr. Brake, the Compensation Committee approved a hire date of 1987 or 20 additional years of credited service.

Non-Qualified Deferred Compensation

Pursuant to the VNQDC Plan, the named executive officers are permitted to defer, on a pre-tax basis, up to 50 percent of their base salary, all or a portion of their annual incentive under the EMPI Plan, and their stock award or cash award that may be payable under the Long-Term Incentive Plan. Cash compensation awards deferred into stock units will be matched with a 25 percent match by Cliffs.

Cash deferrals earn interest at the Moody's Corporate Average Bond Yield rate. Stock awards, which can only be deferred into stock units, are denominated in Cliffs Common Shares and vary with Cliffs' share price performance.

Additionally, the VNQDC Plan provides that if a participant is entitled to receive a discretionary performance-based contribution under the 401(k) Savings Plan but is limited in the amounts which can be contributed to the 401(k) Savings Plan by certain Internal Revenue Code limitations, then the balance of such performance-based contribution will be credited to the participant's account under the VNQDC Plan. Similarly, if a named executive officer's salary reduction contributions to the 401(k) Savings Plan are limited by Internal Revenue Code limitations, the amount that exceeds the limit will be credited to the executive's account under the VNQDC Plan together with the Cliffs match he or she would have had under the 401(k) Savings Plan.

This table discloses in column (b), Executive Contributions in Last Fiscal Year, the contributions by each named executive officer to the VNQDC Plan. The contributions include pre-tax contributions of salary, incentive bonuses, stock awards, and cash awards.

Column (c) of the table below, Registrant Contributions in Last Fiscal Year, includes matching contributions Cliffs made on behalf of the named executive officers to the VNQDC Plan and performance-based contributions authorized under the 401(k) Savings Plan that were credited to the VNQDC Plan.

Column (d) of the table below, Aggregate Earnings in Last Fiscal Year, includes interest earned on cash deferrals and dividends earned on deferred shares.

2010 Non-Qualified Deferred Compensation Table

Name(a)	Executive Contributions in Last Fiscal	Registrant Contributions in Last Fiscal	Aggregate Earnings in Last Fiscal	Aggregate Withdrawals / Distributions	Aggregate Balance at Last Fiscal Year-End
	Year (\$)(b)(1)	Year (\$)(c)(2)	Year (\$)(d)(3)	Year (\$)(e)	Year (\$)(f)(4)
Joseph A. Carrabba	180,867	104,960	175,138		1,232,582
Laurie Brlas	1,516,051	53,302	10,722		253,799
Donald J. Gallagher		43,975	84,057		7,911,953
William A. Brake	84,867	61,360	2,256		74,159
Richard Mehan					
George W Hawk			2,238	43,834	

- (1) The amounts disclosed in column (b) are also included in the Salary and Non-Equity Incentive Plan Compensation columns for 2010 in the Summary Compensation Table.
- (2) The amount shown in column (c) includes registrant contributions disclosed in the All Other Compensation column in the Summary Compensation Table.
- (3) The amounts shown in column (d) include above-market earnings disclosed in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column in the Summary Compensation Table.
- (4) The aggregate balances in column (f) include compensation earned in prior years that was previously reported in prior Summary Compensation Tables as follows:

	2006 (\$)	2007 (\$)	2008 (\$)	2009 (\$)
Joseph A. Carrabba	36,667	68,750	137,673	214,054
Laurie Brlas		26,337	41,075	40,627
Donald J. Gallagher	222,392			
William A. Brake		3,047	2,155	
Richard Mehan				
George W Hawk				

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The tables below reflect the compensation payable to each of the named executive officers in the event of termination of such executive's employment under a variety of different circumstances, including the named executive officer's voluntary termination, involuntary not-for-cause termination, and termination following a change in control. The amounts shown assume in all cases that such termination was effective as of December 31, 2010. All amounts shown are estimates of the amounts that would be paid out to the executives upon their termination. The actual amounts to be paid out can only be determined at the time of such executive's separation from Cliffs.

Payments Made Upon All Terminations

If a named executive officer's employment terminates, he or she is entitled to receive certain amounts earned during his or her term of employment no matter the cause of termination. Such amounts may include:

Salary through the date of termination;

Unused vacation pay;

Accrued and vested benefits under the Pension Plan, SERP, 401(k) Savings Plan, and VNQDC Plan; and

Undistributed performance shares, restricted share and retention units for periods which have been completed.

Additional Payments Upon Involuntary Termination Without Cause

In the event that a named executive officer is terminated involuntarily without cause, he or she would typically receive the following additional payments or benefits in the sole discretionary judgment of the Compensation Committee, taking into account the nature of the termination, the length of the executive's service with Cliffs, and the executive's grade level. There is no legally binding agreement requiring that any such payments or benefits be paid to any named executive officer except in the case of a change in control prior to the termination:

Severance payments;

Continued health insurance benefits;

Outplacement services; and

Financial services.

Since all such benefits are at the discretion of the Compensation Committee in each instance, it is impossible to estimate the amount that would be paid in such circumstances.

Additional Payments Upon Retirement

None of the named executive officers were eligible to retire on December 31, 2010 other than Mr. Gallagher. In the event of any named executive officer's retirement, the following additional amounts will be paid and additional benefits will be provided, in addition to the amounts payable to all terminated salaried employees:

A pro-rata portion of the annual incentive award under the EMPI Plan for the year in which he or she retires;

Any unpaid annual incentive award under the EMPI Plan for the year prior to the year of retirement;

A pro-rata portion, subject to the Compensation Committee's discretion from time to time, of his or her performance shares, retention units and restricted share units will be paid when such shares and units would otherwise be paid;

A pro-rata portion of any performance-based contribution to the 401(k) Savings Plan and the VNQDC Plan for the year of retirement;

He or she will keep his or her restricted shares and the restrictions on sale of the shares will lapse at the end of the restriction period;

If the employee was hired prior to 1993, he or she will be entitled to retiree medical and life insurance for the rest of his or her life and the life of his or her spouse on the same terms as any other salaried employee hired prior to 1993; and

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He or she will become vested in certain matching contributions under the VNQDC Plan provided that the amounts are not withdrawn until the end of the five year vesting period.

Additional Payments Because of Change in Control Without Termination

Under the terms of the Participant Long-Term Incentive Grant Agreements, the named executive officers are entitled to the following benefits upon the occurrence of a change in control, regardless of whether the employment of the named executive officer is terminated:

The restrictions on the restricted shares lapse immediately; and

The performance shares, retention units and restricted share units vest immediately,
For this purpose, a change in control generally means the occurrence of any of the following events:

- (1) Any one person, or more than one person acting as a group acquires ownership of stock of Cliffs that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of Cliffs (subject to certain exceptions);
- (2) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of Cliffs possessing 35 percent or more of the total voting power of the stock of Cliffs;
- (3) A majority of members of Cliffs Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of Cliffs Board prior to the date of the appointment or election; or
- (4) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from Cliffs that have a total gross fair market value equal to or more than 40 percent of the total gross fair market value of all of the assets of Cliffs immediately prior to such acquisition or acquisitions. Acquisitions of Cliffs stock pursuant to certain business combination or similar transactions described in Cliffs relevant equity incentive plans, however, will not constitute a change in control if, generally speaking, in each case, immediately after such business transaction:

Owners of Cliffs stock immediately prior to the business transaction own more than 55 percent of the entity resulting from the business transaction in substantially the same proportions as their pre-business transaction ownership of Cliffs stock;

No one person, or more than one person acting as a group (subject to certain exceptions), owns 30 percent or more of the combined voting power of the entity resulting from the business transaction; and

At least a majority of the members of the board of directors of the entity resulting from the business transaction were members of the incumbent Board of Cliffs when the business transaction agreement was signed or approved by Cliffs Board. For purposes of this exception, the incumbent board of directors of Cliffs generally means those directors who were serving as of August 11, 2008 (or a prior date in the case of certain pre-2007 equity awards) or whose appointment or election was endorsed by a majority of the incumbent members prior to the date of such appointment or election.

Except as it pertains to the definition of business combination or similar transactions, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger,

consolidation, purchase or acquisition of stock, or similar business transaction with Cliffs. Additionally, for certain equity awards made prior to the Amended and Restated Cliffs 2007 Incentive Equity Plan, issuances of Cliffs stock approved by the incumbent board of directors of Cliffs, acquisitions by Cliffs of its own stock and acquisitions of Cliffs stock by Cliffs' employee benefit plans or related trusts also will not constitute a change in control.

The Amended and Restated Cliffs 2007 Incentive Equity Plan also clarifies that the following two plan provisions do not apply to the definition of "Business Combination": (a) persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with Cliffs; and (b) if a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

Additional Payments Upon Termination Without Cause after Change in Control

Each of the named executive officers, with the exception of Mr. Mehan, has a written severance agreement which applies only in the event of termination during the two years after a change in control. If one of the named executive officers is involuntarily terminated during the two years after a change in control, for a reason other than cause, he or she will be entitled to the following additional benefits:

- (1) A lump sum payment in an amount equal to three times the sum of (A) base salary (at the highest rate in effect for any period prior to the termination date), plus (B) annual incentive pay at the target level for the current year or prior year whichever is greater.
- (2) Coverage for a period of 36 months following the termination date, by health, life insurance and disability benefits.
- (3) A lump sum payment in an amount equal to the sum of the additional future pension benefits which the executive would have been entitled to receive three years following the termination date under the SERP.
- (4) Pro-rata incentive pay at target levels for the year in which the termination date occurs.
- (5) Outplacement services in an amount up to 15 percent of the executive's base salary.
- (6) Post-retirement medical, hospital, surgical and prescription drug coverage for the lifetime of the executive, his or her spouse and any eligible dependents at the normal participant cost based on the executive's age at retirement.
- (7) A gross-up payment for any taxes imposed on the executive under Internal Revenue Code Section 4999 relating to excess parachute payments.
- (8) He or she will become vested in certain matching contributions under the VNQDC Plan provided that the amounts are not withdrawn until the end of the five-year vesting period.
- (9) He or she will be provided perquisites for a period of 36 months comparable to the perquisites he or she was receiving before the termination of his employment or the change in control whichever was greater.

Similar benefits are paid if the executive voluntarily terminates his or her employment during the two years following a change in control by reason of any one of the following happening:

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- (1) Failure to maintain the executive in the office or position, or a substantially equivalent office or position, which the executive held immediately prior to a change in control;

- (2) (A) A significant adverse change in the nature or scope of the executive's authorities, powers, functions, responsibilities or duties, (B) a reduction in the executive's base salary, (C) a reduction in the executive's opportunity to receive incentive pay, or (D) the termination or denial of the executive's rights to employee benefits or a reduction in the scope or value thereof;
- (3) A change in circumstances which has substantially hindered executive's performance of his or her job;
- (4) Certain corporate transactions;
- (5) Cliffs relocates its principal executive offices in excess of 25 miles from the prior location; or
- (6) Breach of the severance agreement.

For purposes of the severance agreements, cause generally means termination of an executive for the following acts: (1) conviction of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with Cliffs or any subsidiary of Cliffs; (2) intentional wrongful damage to property of Cliffs or any subsidiary of Cliffs; (3) intentional wrongful disclosure of secret processes or confidential information of Cliffs or any subsidiary of Cliffs; or (4) intentional wrongful engagement in any competitive activity.

In order to receive benefits under the severance agreements, the named executive officers may not disclose Cliffs' confidential and proprietary information, may not go into competition with Cliffs, and may not solicit Cliffs' employees to leave Cliffs' employment.

Potential Termination Payments to Named Executive Officers

The following tables show the benefits payable to the named executive officers serving Cliffs at December 31, 2010 upon various types of terminations of employment and change in control assuming an effective date of December 31, 2010. For information regarding Mr. Hawk, please see Compensation Discussion and Analysis Separation Agreement.

Joseph A. Carrabba

<i>Benefit</i>	<i>Voluntary Termination or For Cause Termination</i>	<i>Retirement</i>	<i>Involuntary Termination</i>	<i>Change in Control Without Termination</i>	<i>Termination Without Cause after Change in Control</i>	<i>Death</i>	<i>Disability</i>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<i>Cash Severance</i>					5,918,400		
<i>Bonus</i>					1,150,800		
<i>Equity</i>							
<i>Restricted Stock Grants</i>							
<i>Performance Shares</i>			5,145,486	9,289,821	9,289,821	5,145,486	5,145,486
<i>Retention Units</i>			1,715,162	3,096,607	3,096,607	1,715,162	1,715,162
<i>Total</i>			6,860,648	12,386,428	12,386,428	6,860,648	6,860,648
<i>Retirement Benefits</i>							
<i>Pension</i>	2,314,276		2,314,276		3,216,968	1,556,729	1,556,729
<i>Retiree Welfare</i>					163,079		
<i>Total</i>	2,314,276		2,314,276		3,380,047	1,556,729	1,556,729
<i>Nonqualified Deferred Compensation</i>	1,232,582		1,232,582	1,232,582	1,232,582	1,232,582	1,232,582
<i>Other Benefits</i>							
<i>Health & Welfare</i>					35,728		
<i>Outplacement</i>					123,300		
<i>Perquisites</i>					36,076		
<i>Tax Gross-Ups</i>					7,727,618		
<i>Total</i>					7,922,722		
Total	3,546,858		10,407,506	13,619,010	31,990,979	9,649,959	9,649,959

Laurie Brlas

<i>Benefit</i>	<i>Voluntary Termination or For Cause Termination</i>	<i>Retirement</i>	<i>Involuntary Termination</i>	<i>Change in Control Without Termination</i>	<i>Termination Without Cause after Change in Control</i>	<i>Death</i>	<i>Disability</i>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<i>Cash Severance</i>					2,592,000		
<i>Bonus</i>					384,000		
<i>Equity</i>							
<i>Restricted Stock Grants</i>							
<i>Performance Shares</i>			1,857,071	3,311,914	3,311,914	1,857,071	1,857,071
<i>Retention Units</i>			618,852	1,103,452	1,103,452	618,852	618,852
<i>Total</i>			2,475,923	4,415,366	4,415,366	2,475,923	2,475,923
<i>Retirement Benefits</i>							
<i>Pension</i>	303,426		303,426	303,426	616,477	152,154	152,154
<i>Retiree Welfare</i>					60,777		
<i>Total</i>	303,426		303,426	303,426	677,254	152,154	152,154
<i>Nonqualified Deferred Compensation</i>	253,799		253,799	253,799	253,799	253,799	253,799
<i>Other Benefits</i>							
<i>Health & Welfare</i>					35,728		
<i>Outplacement</i>					72,000		
<i>Perquisites</i>					39,241		
<i>Tax Gross-Ups</i>					3,043,714		
<i>Total</i>					3,190,683		
Total	557,225		3,033,148	4,972,591	11,513,102	2,881,876	2,881,876

Donald J. Gallagher

<i>Benefit</i>	<i>Voluntary Termination or For Cause Termination</i>	<i>Retirement</i>	<i>Involuntary Termination</i>	<i>Change in Control Without Termination</i>	<i>Termination Without Cause after Change in Control</i>	<i>Death</i>	<i>Disability</i>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<i>Cash Severance</i>					2,397,600		
<i>Bonus</i>		426,240			355,200		
<i>Equity</i>							
<i>Restricted Stock Grants</i>							
<i>Performance Shares</i>			1,667,099	3,010,796	3,010,796	1,667,464	1,667,464
<i>Retention Units</i>			555,699	1,003,598	1,003,598	555,821	555,821
<i>Total</i>			2,222,798	4,014,394	4,014,394	2,223,285	2,223,285
<i>Retirement Benefits</i>							
<i>Pension</i>	3,048,273	3,048,273	3,048,273		3,379,322	1,779,117	3,054,678
<i>Retiree Welfare</i>	79,749	79,749	79,749		108,959	232,885	79,749
<i>Total</i>	3,128,022	3,128,022	3,128,022		3,488,281	2,012,002	3,134,427
<i>Nonqualified Deferred Compensation</i>	7,911,953	7,911,953	7,911,953	7,911,953	7,911,953	7,911,953	7,911,953
<i>Other Benefits</i>							
<i>Health & Welfare</i>					35,728		
<i>Outplacement</i>					66,600		
<i>Perquisites</i>					34,948		
<i>Tax Gross-Ups</i>					2,285,377		
<i>Total</i>					2,422,653		
Total	11,039,975	11,466,215	13,262,773	11,926,347	20,590,081	12,147,240	13,269,665

William Brake

<i>Benefit</i>	<i>Voluntary Termination or For Cause Termination(\$)</i>	<i>Retirement(\$)</i>	<i>Involuntary Termination(\$)</i>	<i>Change in Control Without Termination(\$)</i>	<i>Termination Without Cause after Change in Control(\$)</i>	<i>Death(\$)</i>	<i>Disability(\$)</i>
<i>Cash Severance</i>					2,332,800		
<i>Bonus</i>					345,600		
<i>Equity</i>							
<i>Restricted Stock Grants</i>							
<i>Performance Shares</i>			1,803,294	3,214,792	3,214,792	1,803,294	1,803,294
<i>Retention Units</i>			600,925	1,071,077	1,071,077	600,925	600,925
<i>Total</i>			2,404,219	4,285,869	4,285,869	2,404,219	2,404,219
<i>Retirement Benefits</i>							
<i>Pension</i>	292,654		292,654		641,375	125,525	125,525
<i>Retiree Welfare</i>							
<i>Total</i>	292,654		292,654		641,375	125,525	125,525
<i>Nonqualified Deferred Compensation</i>	74,159		74,159	74,159	74,159	74,159	74,159
<i>Other Benefits</i>							
<i>Health & Welfare</i>					35,728		
<i>Outplacement</i>					64,800		
<i>Perquisites</i>					36,428		
<i>Tax Gross-Ups</i>					2,949,246		
<i>Total</i>					3,086,201		
Total	366,813		2,771,032	4,360,028	10,766,004	2,603,903	2,603,903

Richard Mehan

<i>Benefit</i>	<i>Voluntary Termination or For Cause Termination(\$)</i>	<i>Retirement(\$)</i>	<i>Involuntary Termination(\$)</i>	<i>Change in Control Without Termination(\$)</i>	<i>Termination Without Cause after Change in Control(\$)</i>	<i>Death(\$)</i>	<i>Disability(\$)</i>
<i>Cash Severance</i>			928,050		1,392,075		
<i>Bonus</i>	618,700		618,700		618,700		
<i>Equity</i>							
<i>Restricted Stock Grants</i>							
<i>Performance Shares</i>			550,445	1,032,853	1,032,853	550,445	550,445
<i>Retention Units</i>			183,396	344,025	344,025	183,396	183,396
<i>Total</i>			733,841	1,376,878	1,376,878	733,841	733,841
<i>Retirement Benefits</i>							
<i>Pension</i>							
<i>Retiree Welfare</i>							
<i>Total</i>							
<i>Nonqualified Deferred Compensation</i>							
<i>Other Benefits</i>							
<i>Health & Welfare</i>							
<i>Outplacement</i>							
<i>Perquisites</i>							
<i>Tax Gross-Ups</i>							
<i>Total</i>							
Total	618,700		2,280,591	1,376,878	3,387,653	733,841	733,841

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the individuals who served as members of the Compensation and Organization Committee in 2010 were or have been an officer or employee of ours or engaged in transactions with us (other than in his or her capacity as Director).

None of our executive officers serves as a director or member of the compensation committee of another organization, whose executive officers serve as a member of either our Board of Directors or our Compensation and Organization Committee.

AGREEMENTS AND TRANSACTIONS

We have entered into indemnification agreements with each current member of the Board of Directors. The form and execution of the indemnification agreements were approved by our shareholders at the Annual Meeting convened on April 29, 1987. The indemnification agreements essentially provide that, to the extent permitted by Ohio law, we will indemnify the indemnitee against all expenses, costs, liabilities and losses (including attorneys' fees, judgments, fines or settlements) incurred or suffered by the indemnitee in connection with any suit in which the indemnitee is a party or otherwise involved as a result of his or her service as a member of the Board. In connection with the indemnification agreements, we have a trust agreement with KeyBank National Association pursuant to which the parties to the indemnification agreements may be reimbursed with respect to enforcing their respective rights under the indemnification agreements.

In 2004, we and the USW reached an agreement pursuant to which the USW may designate a member to the Board of Directors provided that the individual is acceptable to the Chairman, is recommended by the Board Affairs Committee (now known as the Governance and Nominating Committee), and is then approved by the full Board to be considered a Director nominee. In 2007, Susan Green was first proposed by the USW, elected to the Board of Directors by Cliffs' shareholders in July 2007, and re-elected in May of 2008, 2009 and 2010.

We recognize that transactions between us and any of our Directors or executive officers can present potential or actual conflicts of interest and create the appearance that our decisions are based on considerations other than the best interests of our shareholders.

Pursuant to our Related Party Transactions Policy (available on our website at <http://www.cliffsnaturalresources.com>), we will only enter into related party transactions if our CEO and General Counsel determine that the transaction is comparable to those that could be obtained in arm's length dealings with an unrelated third party. If the transaction is approved by our CEO and General Counsel, then the transaction must also be approved by the disinterested members of our Audit Committee. For purposes of our policy, we define a related person as any person who is a Director, executive officer, nominee for Director or an immediate family member of a Director, an executive officer, or a nominee for Director. We define a related party transaction as a transaction, agreement or relationship in which Cliffs was, is or will be a participant, the amount of the transaction exceeds \$120,000, and any related person who has or will have a direct or indirect material interest. Under our policy, any related party transactions are reviewed by the Audit Committee at each quarterly committee meeting. Our policy also requires that all related party transactions must be disclosed in our filings as required by the Securities Act of 1933, which we refer to as the Securities Act, and the Exchange Act, such as our Annual Report on Form 10-K and Quarterly Reports on Form 10-Qs.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our Directors and officers and persons who own ten percent or more of a registered class of our equity securities to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. Directors, officers and ten percent or greater shareholders are required by SEC regulations to furnish us with copies of all Forms 3, 4 and 5 they file.

Based solely on our review of the copies of such forms we have received, and written representations by such persons, we believe that, except as otherwise noted below, all of our Directors, officers and ten percent or greater shareholders complied with all filing requirements applicable to them with respect to transactions in our equity securities during the fiscal year ended December 31, 2010. On March 16, 2010, a Form 4 reporting a sale of securities on March 12, 2010 for Mr. Mehan was filed late due to an administrative oversight.

AMENDMENT OF SECOND AMENDED ARTICLES OF INCORPORATION TO INCREASE NUMBER OF AUTHORIZED COMMON SHARES

(Proposal No. 2)

Our Board has unanimously approved and recommended that our shareholders approve an amendment to our Second Amended Articles of Incorporation to increase the number of authorized Common Shares from 224,000,000 to 400,000,000, which will result in an increase in the total number of authorized shares from 231,000,000 to 407,000,000. Currently, we have 224,000,000 authorized Common Shares. As of March 25, 2011, there were 135,643,222 Common Shares issued and outstanding and 3,202,247 Common Shares held as treasury shares. As of March 25, 2011, we also had 6,890,895 Common Shares reserved for future issuance under our equity-based compensation plans.

Our Board believes that the proposed increase in authorized Common Shares is desirable to enhance our flexibility in taking possible future actions, such as financings, corporate mergers, acquisitions, stock splits, stock dividends, equity compensation awards or other corporate purposes. The proposed amendment will enable us to accomplish these objectives in a timely manner. Our Board determines whether, when and on what terms to issue authorized Common Shares, without further shareholder approval except as may be required by law, regulation or the rules of any national securities exchange on which the Common Shares are then traded.

The full text of Article Fourth of the Second Amended Articles, as it is proposed to be amended, is set forth below:

FOURTH: The maximum number of shares the Corporation is authorized to have outstanding is Four Hundred Seven Million (407,000,000) shares, consisting of the following:

- (a) Three Million (3,000,000) shares of Serial Preferred Stock, Class A, without par value (Class A Preferred Stock);
- (b) Four Million (4,000,000) shares of Serial Preferred Stock, Class B, without par value (Class B Preferred Stock); and
- (c) Four Hundred Million (400,000,000) Common Shares, par value \$0.125 per share (Common Shares).

The additional Common Shares to be authorized will have rights identical to our currently outstanding Common Shares.

Our Second Amended Articles provide that shareholders do not have preemptive rights to subscribe to additional securities which we may issue. If we issue additional Common Shares or other securities convertible into Common Shares in the future, it could dilute the voting rights, equity, earnings per share and book value per share attributable to present shareholders. The increase in authorized Common Shares could also discourage or hinder efforts by other parties to obtain control of us, thereby having an anti-takeover effect. The increase in authorized Common Shares is not proposed in response to any known attempt to acquire control of us.

The approval of Proposal No. 2 requires the affirmative vote of the holders of Common Shares entitling them to exercise a majority of our voting power on the proposal.

The Board of Directors unanimously recommends a vote FOR Proposal No. 2 relating to the amendment of our Second Amended Articles of Incorporation to increase the number of authorized Common Shares from 224,000,000 to 400,000,000.

ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

(Proposal No. 3)

The Board of Directors is committed to excellence in governance. As part of that commitment, and as required by Section 14A(a)(1) of the Exchange Act, the Board of Directors is providing our shareholders with an opportunity to provide an advisory vote related to named executive officer compensation, which is commonly known as Say-on-Pay. Say-on-Pay gives our shareholders an opportunity to vote on an advisory, non-binding basis to approve the compensation of our named executive officers as disclosed in this proxy statement pursuant to SEC rules.

We are asking our shareholders to indicate their support for the compensation of our named executive officers as described in this proxy statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the executive compensation program and practices described in this proxy statement. Please read the Compensation Discussion and Analysis and the executive compensation tables and narrative disclosure for a detailed explanation of our executive compensation program and practices. Accordingly, we are asking our shareholders to vote **FOR** the following resolution:

RESOLVED, that the compensation of the named executive officers as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables and any related material disclosed in this proxy statement, is hereby approved.

As an advisory vote, this proposal is not binding on Cliffs. However, the Compensation and Organization Committee of our Board, which is responsible for designing and administering our executive compensation program and practices, values the opinions expressed by shareholders in their vote on this proposal, and will consider the outcome of the vote when making future compensation decisions for named executive officers.

The approval of Proposal No. 3 requires the affirmative vote of a majority of the Common Shares present, in person or represented by proxy, at the 2011 Annual Meeting and entitled to vote on the proposal.

The Board of Directors unanimously recommends a vote **FOR Proposal No. 3 relating to the advisory vote on named executive officer compensation.**

**ADVISORY VOTE ON THE FREQUENCY OF SHAREHOLDER VOTES ON OUR NAMED EXECUTIVE OFFICER
COMPENSATION**

(Proposal No. 4)

As part of Cliffs' Board's commitment to excellence in corporate governance, and as required by Section 14A(a)(2) of the Exchange Act, the Board of Directors is providing our shareholders with an opportunity to provide an advisory vote to determine whether the shareholder vote on named executive officer compensation, or the Say-on-Pay vote, should occur every one, two or three years.

After careful consideration, the Board of Directors has determined that a Say-on-Pay vote that occurs every year is the most appropriate alternative for Cliffs. Therefore, Cliffs' Board recommends that you vote for a frequency of **EVERY YEAR** on holding future Say-on-Pay votes. In reaching its recommendation, the Board of Directors believes that an annual Say-on-Pay vote will allow our shareholders to provide us with more meaningful and direct input on our executive compensation philosophy, policies and programs. An annual advisory vote will also foster more useful communication with our shareholders by providing our shareholders with a clear and timely means to express any concerns and questions.

You may cast your vote on your preferred voting frequency by choosing the option of every year, every two years, every three years or abstain from voting. Although this vote is advisory and not binding, the Board of Directors and Cliffs highly value the opinions of our shareholders and will consider the outcome of this vote when determining the frequency of future shareholder votes on our named executive officer compensation.

The frequency of the advisory vote on named executive compensation receiving the greatest number of votes (every year, every two years or every three years) will be considered the frequency recommended by shareholders.

The Board of Directors unanimously recommends a vote of **EVERY YEAR on Proposal No. 4 relating to the advisory vote on the frequency of shareholder votes on our named executive officer compensation.**

Shareholders are not voting to approve or disapprove the Board's recommendation. Shareholders may choose among the four choices (every year, every two years, every three years or abstain) set forth above.

SHAREHOLDER PROPOSAL REGARDING MAJORITY VOTING IN DIRECTOR ELECTIONS

(Proposal No. 5)

The following shareholder proposal has been submitted to Cliffs on behalf of the United Association S&P Index Fund, 901 Massachusetts Avenue, NW, Washington, DC 20001. The Board of Directors unanimously recommends a vote **AGAINST** this shareholder proposal.

Director Election Majority Vote Standard Proposal

Resolved: That the shareholders of Cliffs Natural Resources Inc. (Company) hereby request that the Board of Directors initiate the appropriate process to amend the Company s articles of incorporation to provide that director nominees shall be elected by the affirmative vote of the majority of votes cast at an annual meeting of shareholders, with a plurality vote standard retained for contested director elections, that is, when the number of director nominees exceeds the number of board seats.

Supporting Statement: In order to provide shareholders a meaningful role in director elections, the Company s director election vote standard should be changed to a majority vote standard. A majority vote standard would require that a nominee receive a majority of the votes cast in order to be elected. The standard is particularly well-suited for the vast majority of director elections in which only board nominated candidates are on the ballot. We believe that a majority vote standard in board elections would establish a challenging vote standard for board nominees and improve the performance of individual directors and entire boards. The Company presently uses a plurality vote standard in all director elections. Under the plurality standard, a board nominee can be elected with as little as a single affirmative vote, even if a substantial majority of the votes cast are withheld from the nominee.

In response to strong shareholder support for a majority vote standard, over 70% of companies in the S&P 500 have adopted a majority vote standard in company bylaws or articles of incorporation. Additionally, these companies have adopted director resignation policies in their bylaws or corporate governance policies to address post-election issues related to the status of director nominees that fail to win election. Other companies have responded only partially to the call for change by simply adopting post-election director resignation policies that set procedures for addressing the status of director nominees that receive more withhold votes than for votes. At the time of this proposal submission, our Company and its board had not taken either action.

We believe that a post election director resignation policy without a majority vote standard in company governance documents is an inadequate reform. The critical first step in establishing a meaningful majority vote policy is the adoption of a majority vote standard. With a majority vote standard in place, the board can then take action to develop a post election procedure to address the status of directors that fail to win election. A majority vote standard combined with a post election director resignation policy would establish a meaningful right for shareholders to elect directors, and reserve for the board an important post election role in determining the continued status of an unelected director. We urge the Board to take this important step of establishing a majority vote standard in the Company s governance documents.

Cliffs Response to the Shareholder Proposal

Cliffs Board has carefully reviewed and considered this proposal, and believes that the proposal is not in the best interests of our shareholders at this time. Like many other public companies, Cliffs uses

a plurality voting standard in the election of directors, which is the default standard under Ohio law. Under a plurality voting standard, the director nominees who receive the most affirmative votes are elected to the Board. Plurality voting ensures that all open positions are filled at each election of directors, and has historically been effective in electing strong, independent directors to Cliffs' Board. Under majority voting, a failed election may occur when a director nominee does not receive a majority of the votes cast in an uncontested election. Such a result could not only cause Cliffs to lose experienced and knowledgeable directors, but also disrupt the orderly function of the Board and adversely affect Cliffs' ability to comply with applicable NYSE or SEC requirements.

Cliffs' Board is, however, cognizant of recent developments relating to majority voting in director elections. In 2010, after careful consideration, the Board amended Cliffs' Corporate Governance Guidelines to include a resignation policy for directors who fail to receive the vote of a majority of the votes cast in an uncontested election of directors. Under that policy, the Board of Directors will determine whether to accept or reject the resignation of a director that fails to receive a majority of the votes cast. We believe that our plurality voting standard, coupled with our director resignation policy, continues to promote the best interests of Cliffs' shareholders and strikes the right balance between ensuring that shareholders have a meaningful role in electing directors and preserving the ability of the Board to exercise independent judgment when considering a director's tendered resignation. In addition, we believe that our voting system effectively addresses the concerns expressed in the proposal.

Cliffs and its management team firmly believe that sound principles of corporate governance are critical to obtaining and retaining the trust of investors. Those principles are also vital in securing the respect of its employees, customers, suppliers, the communities in which Cliffs operates and the public at large. Cliffs has a strong, knowledgeable Board and an active group of independent Directors who interact frequently with the management team. There is a constructive working relationship between the Board and management, and the Board provides valuable advice and counsel to management. The Directors have the skills, competencies and experience that allow the Board to oversee and monitor critical activities and results of the Company. Cliffs is committed to maintaining high standards of corporate governance, as evidenced by the following:

Eleven of the twelve Board nominees for 2011 are independent.

There is no family relationship among any of Cliffs' Directors and officers.

All Directors are elected annually, and shareholders have cumulative voting rights.

Independent Directors have designated a Lead Director and meet at regularly scheduled executive sessions without management.

Audit, Compensation and Organization, and Governance and Nominating committees are composed entirely of independent Directors.

Independent Directors must take a portion of their annual retainer in Cliffs shares in accordance with share ownership guidelines.

There is no retirement plan for independent Directors elected to the Board subsequent to 1998.

A formal code of ethics provides guidance to Cliffs' Directors and employees. Approval of Proposal No. 5 requires the affirmative vote of a majority of the Common Shares present, in person or represented by proxy, at the 2011 Annual Meeting and entitled to vote on the proposal.

The Board of Directors unanimously recommends a vote AGAINST Proposal No. 5.

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**(Proposal No. 6)**

It is proposed that our shareholders ratify the appointment by the Audit Committee of Deloitte & Touche LLP, or Deloitte, as Cliffs' independent registered public accounting firm, for the year ending December 31, 2011. We expect representatives of Deloitte to be present at the 2011 Annual Meeting and available to respond to appropriate questions submitted by shareholders. Such representatives will also be afforded an opportunity at such time to make such statements as they may desire.

Approval by the shareholders of the appointment of our independent registered public accounting firm is not required by law, any applicable stock exchange regulation or by our organizational documents, but the Audit Committee is submitting this matter to shareholders for ratification as a corporate governance practice. Ultimately, the Audit Committee retains full discretion and will make all determinations with respect to the appointment of the independent registered public accounting firm.

Independent Registered Public Accounting Firm Fees and Services

Fees for professional services provided by our independent registered public accounting firm in each of the last two fiscal years, in each of the following categories (in thousands) are as follows:

	2010	2009
Audit Fees(1)	\$ 2,848	\$ 2,827
Audit-Related Fees(2)	423	258
Tax Fees(3)	97	150
All Other Fees(4)	596	25
Total	\$ 3,964	\$ 3,260

- (1) Audit fees consist of fees billed, or to be billed, for professional services rendered for the audit of our annual consolidated financial statements and internal control over financial reporting as of and for the years ended December 31, 2010 and 2009 and reviews of our interim financial statements included in quarterly reports and services normally provided by our independent registered public accounting firm in connection with statutory filings.
- (2) Audit-related fees consist of fees billed, or to be billed, related to agreed upon procedures and services normally provided by our independent registered public accounting firm in connection with regulatory filings.
- (3) Tax fees consist of fees billed, or to be billed, related to tax consulting services.
- (4) Other fees in 2010 and 2009 consist of fees billed, or to be billed, related to a strategic leadership project.

The Audit Committee's policy is to pre-approve all audit and non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The Audit Committee has delegated pre-approval authority to the Audit Committee Chairman, or any Audit Committee Member in his absence, when services are required on an expedited basis, with such pre-approval disclosed to the full Audit Committee at its next scheduled meeting. None of the fees paid to the independent registered public accounting firm under the categories Audit Fees, Audit-Related Fees, Tax Fees and All Other Fees described above were approved by the Audit Committee after services were rendered pursuant to the de minimis exception established by the SEC.

The Board of Directors unanimously recommends that you vote FOR Proposal No. 6 for the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011.

AUDIT COMMITTEE REPORT

The Audit Committee of Cliffs Board is composed of five independent directors and operates under a written charter adopted by the Board of Directors. The charter is reviewed and reassessed for adequacy annually by the Audit Committee and reviewed by the Audit Committee with the Board of Directors. The Audit Committee reviewed the existing charter on November 8, 2010 and recommended to the Board of Directors on November 9, 2010 that certain modifications be made to address the Audit Committee's responsibility for monitoring risks as a part Cliffs' risk oversight model. A copy of the charter, which the Board of Directors has adopted, is available at <http://www.cliffsnaturalresources.com>.

The members of the Audit Committee are Richard K. Riederer (Chairman), Susan M. Green, Janice K. Henry, James F. Kirsch and Alan Schwartz, all of whom are independent of the Company in accordance with the listing standards of the NYSE and have the financial literacy and accounting or financial management expertise necessary to effectively discharge their responsibilities. The Audit Committee retains the Company's independent auditors.

Management is responsible for the Company's financial statements, systems of internal control and the financial reporting processes. Management is also responsible to attest, as of December 31, 2010, to the effectiveness of the Company's system of internal control over financial reporting in compliance with Sarbanes-Oxley Section 404.

The independent auditors are responsible for performing an audit of the Company's consolidated financial statements in accordance with Public Company Accounting Oversight Board, or PCAOB, standards and to issue a report thereon. The independent auditors are also responsible for performing an audit of the Company's system of internal control over financial reporting and to provide an independent attestation as of December 31, 2010.

The Audit Committee's responsibility is to monitor and oversee these financial reporting processes on behalf of the Board of Directors. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the Annual Report with management and the independent auditors, including a discussion of the quality, not just the acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements. The Audit Committee also reviewed management's report on their review of the system of internal control over financial reporting.

In this context, the Audit Committee met 10 times in 2010 and held discussions with management and the independent auditors. The Audit Committee also regularly met in separate executive sessions with the independent auditors, the Company's Chief Internal Auditor, management, and with Audit Committee members only. Furthermore, the Audit Committee has regularly reviewed the results of its executive sessions with the Chief Executive Officer, as appropriate.

Management has represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles. The Audit Committee has reviewed and discussed the consolidated financial statements and critical accounting policies with management and the independent auditors. The Audit Committee discussed with the independent auditors matters required to be discussed under PCAOB standards and any other matters required to be discussed under applicable standards, including the Statement on Auditing Standard No. 61, as amended by Auditing Standard No. 114 (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the PCAOB in Rule 3200T.

The Audit Committee has received the written disclosures and the letter from the Company's independent auditors required by applicable requirements of the PCAOB regarding the independent

auditors' communications with the Audit Committee concerning independence and the Audit Committee discussed with the independent auditors that firm's independence, including consideration of the compatibility of non-audit services with the auditors' independence.

Based on the Audit Committee's discussion with management and the independent auditors and the Audit Committee's review of the representation of management and the report of the independent auditors to the Audit Committee, the Audit Committee approved the audited consolidated financial statements for inclusion in the Company's Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC.

R. K. Riederer, *Chairman*

S. M. Green

J. K. Henry

J. F. Kirsch

A. Schwartz

ANNUAL REPORT

Cliffs' 2010 Annual Report to Shareholders, including financial statements, is being distributed to all shareholders together with this proxy statement, in satisfaction of the requirements of the SEC. Additional copies of this report are available upon request. To obtain additional copies of the 2010 Annual Report, please contact our Investor Relations Department at (800) 214-0739, or by email at ir@cliffsnaturalresources.com or visit our website at <http://www.cliffsnaturalresources.com>, investor relations section, to submit your request.

GENERAL INFORMATION

The cost of soliciting proxies will be paid by us. In addition to solicitation by mail, solicitations may also be made by personal interview, facsimile and telephone. Arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy material to their principals, and we will reimburse them for their expenses in so doing. Our officers and other employees, as yet undesignated, may also request the return of proxies by telephone, facsimile, or in person. Finally, our Company has retained MacKenzie Partners, Inc., New York, New York to assist in the solicitation of proxies using the means referred to above, at an anticipated cost of \$15,000 plus reasonable expenses.

Pursuant to regulations of the SEC, the material appearing under the captions "Audit Committee Report" and "Compensation Committee Report" are not deemed to be soliciting material or to be filed with the SEC or subject to Regulation 14A (other than provided therein) promulgated by the SEC or Section 18 of the Exchange Act except to the extent that we specifically incorporate this information by reference into any filing under the Securities Act or the Exchange Act.

The Common Shares represented by properly authorized proxies will be voted as specified. It is intended that the Common Shares represented by proxies on which no specification has been made will be voted **FOR** the election of the nominees for Director named herein or such substitute nominees as the Board of Directors may designate, **FOR** the amendment of our Second Amended Articles of Incorporation to increase the number of authorized common shares from 224,000,000 to 400,000,000, **FOR** the resolution approving the compensation of our named executive officers, for a frequency of **EVERY YEAR** with respect to the frequency of shareholder votes on our named executive officer compensation, **AGAINST** the shareholder proposal regarding majority voting for

Directors and **FOR** the ratification of Deloitte as our independent registered public accounting firm and at the discretion of the persons named as proxies on all other matters that may properly come before the 2011 Annual Meeting. At the 2011 Annual Meeting, the results of shareholder voting will be tabulated by the inspector of elections appointed for the 2011 Annual Meeting. We intend to treat properly authorized proxies as present for purposes of determining whether a quorum has been achieved at the 2011 Annual Meeting.

If your Common Shares are held in the name of a brokerage firm, your Common Shares may be voted even if you do not provide the brokerage firm with voting instructions. Brokerage firms have the authority under applicable rules to vote Common Shares for which their customers do not provide voting instructions on certain routine matters. When a proposal is not a routine matter and the brokerage firm has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the brokerage firm cannot vote the shares on that proposal. This is referred to as a broker non-vote. The ratification of Deloitte as our registered independent public accounting firm is the only routine matter for which the brokerage firm that holds your Common Shares can vote your Common Shares without your instructions.

Abstentions and broker non-votes will have no effect with respect to the election of Directors and advisory vote regarding the frequency of shareholder votes on our named executive officer compensation. Abstentions will have the effect of votes against, and broker non-votes will have no effect, with respect to the advisory vote regarding the compensation of our named executive officers and the shareholder proposal regarding majority voting for Directors. Abstentions will have no effect on the ratification of Deloitte as our independent registered public accounting firm. Abstentions and broker non-votes will have the effect of a vote against the proposal to amend our Second Amended Articles of Incorporation to increase the number of authorized common shares from 224,000,000 to 400,000,000.

If notice in writing shall be given by any shareholder to the President, a Vice President or the Secretary, not less than 48 hours before the time fixed for the holding of the 2011 Annual Meeting, that such shareholder desires that the voting for the election of Directors shall be cumulative, and if an announcement of the giving of such notice is made upon the convening of the 2011 Annual Meeting by the chairman or secretary or by or on behalf of the shareholder giving such notice, each shareholder shall have the right to cumulate such voting power as he or she possesses at such election. Under cumulative voting a shareholder may cast for any one nominee as many votes as shall equal the number of Directors to be elected, multiplied by the number of his or her Common Shares. All of such votes may be cast for a single nominee or may be distributed among any two or more nominees as he or she may desire. If cumulative voting is invoked, and unless contrary instructions are given by a shareholder who signs a proxy, all votes represented by such proxy will be cast in such manner and in accordance with the discretion of the person acting as proxy as will result in the election of as many of Cliffs Board s nominees as is possible.

OTHER BUSINESS

It is not anticipated that any other matters will be brought before the 2011 Annual Meeting for action; however, if any such other matters shall properly come before the 2011 Annual Meeting, it is intended that the persons authorized under proxies may, in the absence of instructions to the contrary, vote or act thereon in accordance with their best judgment.

SHAREHOLDER PROPOSALS

Deadline for Inclusion in Proxy Materials

Any proposal by a shareholder intended to be presented at the year 2012 Annual Meeting of Shareholders must be received by us on or before December 6, 2011 (or, if the date of the 2012 Annual Meeting is more than 30 days before or after the date of the 2011 Annual Meeting, a reasonable time before we begin to print and send our proxy materials) to be included in our proxy materials relating to such meeting.

Discretionary Voting of Proxies

In accordance with Rule 14a-4 under the Exchange Act, if notice of a proposal by a shareholder intended to be presented at the year 2012 Annual Meeting is received by us after February 19, 2012 (or, if the date of the 2012 Annual Meeting is more than 30 days before or after the date of the 2011 Annual Meeting, a reasonable time before we begin to print and send our proxy materials), the persons authorized under our management proxies may exercise discretionary authority to vote or act on such proposal if the proposal is raised at our 2012 Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for the 2011 Annual Meeting of Shareholders to be held on May 17, 2011

This proxy statement, along with our 2010 Annual Report, which includes our Form 10-K for the fiscal year ended December 31, 2010, and form of proxy are available upon request free of charge at (800) 322-2885. The documents are also available upon request at (800) 214-0739, by email at ir@cliffsnaturalresources.com, or visit our website at <http://www.cliffsnaturalresources.com> under Investor Relations. You may also call this number to obtain directions to attend the meeting and vote in person.

CLIFFS NATURAL RESOURCES INC.

200 Public Square, Suite 3300, Cleveland, OH 44114

P 216.694.5700 cliffsnaturalresources.com

**Notice of
Annual Meeting
of Shareholders
to be held on
May 17, 2011
and
Proxy Statement**

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

CLIFFS NATURAL RESOURCES INC.

ATTN: SECRETARY

200 PUBLIC SQUARE, SUITE 3300

CLEVELAND, OH 44114-2315

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M31096-P07011

KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

CLIFFS NATURAL RESOURCES INC.

The Board of Directors recommends you vote FOR the following nominees:

1. Election of Directors

Nominees:	For	Against	Abstain
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1a. J.A. Carrabba
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The Board of Directors recommends you vote FOR the following proposals:

1b. S.M. Cunningham
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2. A proposal to amend the Second Amended Articles of Incorporation to increase the number of authorized Common Shares;

For	Against	Abstain
..

1c. B.J. Eldridge
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1d. A.R. Gluski
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3. Advisory vote on named executive officer compensation, commonly known as Say on

Explanation of Responses:

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				Pay ;	
1e. S.M. Green					
1f. J.K. Henry	The Board of Directors recommends you vote EVERY YEAR on the following proposal:	Every Year	Every 2 Years	Every 3 Years	Abstain
1g. J.F. Kirsch	..	..	..		..	..	..	..
1h. F.R. McAllister	..	..	..	4. Advisory vote on the frequency of shareholder votes on our named executive officer compensation;				
1i. R. Phillips	..	..	..		
1j. R.K. Riederer	..	..	..	The Board of Directors recommends you vote AGAINST the following proposal:	For	Against	Abstain	
1k. R.A. Ross	..	..	..	5. A shareholder proposal regarding majority voting in Director elections;				
1l. A. Schwartz	..	..	..	The Board of Directors recommends you vote FOR the following proposal:				
				6. Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2011 fiscal year.	..	..	..

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN ~~BOX~~]

Signature (Joint Owners)

Date

We encourage you to take advantage of convenient ways to vote the common shares. You may appoint your proxies to vote these common shares electronically through the Internet or via toll-free telephone, 24 hours a day, 7 days a week. Please note that all proxy appointments through the Internet or by telephone must be received by 11:59 p.m., May 16, 2011.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Combined Document are available at www.proxyvote.com.

M31097-P07011

Proxy Cliffs Natural Resources Inc.

Notice of 2011 Annual Meeting of Shareholders

Proxy Solicited by Board of Directors for Annual Meeting

Susan M. Cunningham, Susan M. Green, James F. Kirsch, Roger Phillips, and Alan Schwartz, or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Shareholders of Cliffs Natural Resources Inc. to be held on May 17, 2011 or at any postponement or adjournment thereof.

In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

(Items to be voted appear on reverse side.)

