

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

THE DEPARTMENT OF THE TREASURY OF  
THE STATE OF NEW JERSEY AND ITS  
DIVISION OF INVESTMENT, on behalf of itself  
and all others similarly situated,

Plaintiff,

v.

CLIFFS NATURAL RESOURCES INC.,  
JOSEPH CARRABBA, LAURIE BRLAS,  
TERRY PARADIE, and DAVID B. BLAKE,

Defendants.

Case No. 1:14-cv-1031

Judge Dan Aaron Polster

Magistrate Judge Greg White

**STIPULATION AND AGREEMENT OF SETTLEMENT  
WITH INDIVIDUAL DEFENDANTS**

This Stipulation and Agreement of Settlement, dated as of March 10, 2016 (the “Stipulation”) is entered into between (i) Lead Plaintiff, The Department of the Treasury of the State of New Jersey and its Division of Investment (“New Jersey”), on behalf of itself and the other members of the Settlement Class (defined below); and (ii) defendants Terrance Paradie, Joseph Carrabba, Laurie Brlas, and David Blake (collectively, the “Individual Defendants” or the “Settling Defendants,” and together with New Jersey, the “Settling Parties”), by and through their respective undersigned counsel, and embodies the terms and conditions of the proposed Settlement between the Settling Parties reached in the above-captioned action (the “Action”).<sup>1</sup> Subject to the

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<sup>1</sup> Defendant Cliffs Natural Resources Inc. (“Cliffs” or the “Company”) is a signatory to this Stipulation and a participant in the proposed Settlement only for the limited purposes of: (i) exchanging Releases with New Jersey and the Settlement Class pursuant to ¶¶ 5 and 6 herein; (ii) making certain representations concerning the events and conduct of the parties and their counsel in connection with and related to the Action pursuant to ¶¶ 43-45 herein; (iii) providing

approval of the Court and the terms and conditions expressly provided herein, this Stipulation is intended to fully, finally and forever compromise, settle, release, resolve, and dismiss with prejudice all claims asserted in the Action.<sup>2</sup>

WHEREAS:

A. On May 12, 2014, the Action was commenced with the filing of a securities class action complaint in the United States District Court for the Northern District of Ohio, styled *The Department of the Treasury of the State of New Jersey and its Division of Investment v. Cliffs Natural Resources Inc., et al.*, Case No. 1:14-cv-1031.

B. By Order dated July 23, 2014, the Court appointed The Department of the Treasury of the State of New Jersey and its Division of Investment as Lead Plaintiff for the Action and approved New Jersey's selection of Bernstein Litowitz Berger & Grossmann LLP and Lowenstein Sandler LLP as Lead Counsel, and Climaco Wilcox Peca Tarantino & Garofoli Co., LPA as Local Counsel.

C. On August 22, 2014, New Jersey filed and served its Amended Complaint for Violations of the Federal Securities Laws (the "Amended Complaint") asserting claims against all Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act. The Amended Complaint alleges, among other things, that Defendants made materially false and misleading statements and omitted material information regarding Cliffs'

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shareholder records to New Jersey pursuant to ¶ 21 herein; and (iv) providing CAFA notice pursuant to ¶ 22 herein. Cliffs shall fully cooperate with the Settling Parties with respect to those limited terms and otherwise to the extent necessary to obtain the Judgment (see, *e.g.*, ¶ 3 herein).

<sup>2</sup> All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in ¶ 1 herein.

acquisition of a controlling interest in Consolidated Thompson Iron Mines Limited, including the Bloom Lake mine. New Jersey alleged in the Amended Complaint that Defendants fraudulently misled investors into believing that the acquisition and integration of Bloom Lake would enable a 123% increase in the Company's dividend, while also paying for an expansion that would triple the mine's production volume. The Amended Complaint further alleged that the price of Cliffs common stock was artificially inflated as a result of Defendants' allegedly false and misleading statements and omissions, and declined when the truth was revealed.

D. On October 21, 2014, Defendants moved to dismiss the Amended Complaint for failure to state a claim. New Jersey opposed that motion on December 5, 2014, and Defendants filed a reply in support of their motion on January 7, 2015.

E. On January 23, 2015, Defendants filed a motion to strike certain paragraphs from the Amended Complaint. New Jersey opposed that motion on February 6, 2015, and Defendants filed a reply in support of their motion on February 13, 2015.

F. On March 5, 2015, the Court denied as moot Defendants' motion to dismiss the Amended Complaint and motion to strike, and instructed New Jersey to file a second amended complaint.

G. On March 31, 2015, New Jersey filed its Second Amended Complaint for Violations of the Federal Securities Laws (the "Second Amended Complaint" or "Complaint"), which again alleged, among other things, that Defendants defrauded investors and caused artificial inflation in the price of Cliffs common stock by misrepresenting that the acquisition and integration of Bloom Lake would enable a significant increase in the Company's dividend and production volumes.

H. On May 5, 2015, the parties filed initial disclosures, and the Court held a case management conference. Pursuant to the Court's instructions at that conference, New Jersey provided Defendants with its initial damages calculation and analysis on May 14, 2015, and Defendants provided New Jersey with their response to that calculation on June 4, 2015.

I. On May 15, 2015, Defendants filed a motion to dismiss the Second Amended Complaint, as well as a motion to strike certain allegations from the Second Amended Complaint. New Jersey opposed Defendants' motion to strike on June 1, 2015, Defendants filed a reply in further support of that motion on June 11, 2015, and with leave of court New Jersey filed a sur-reply in further opposition to the motion to strike on June 22, 2015. New Jersey opposed Defendants' motion to dismiss on June 12, 2015.

J. On June 22, 2015, the Court inquired whether the parties had agreed to use a private mediator in an attempt to settle the Action. On June 25, 2015, the parties notified the Court that they agreed to use a private mediator, former United States District Judge Layn Phillips. After mediation briefing was exchanged by the parties and submissions were made to the mediator, Judge Phillips held a mediation on September 21, 2015, but the parties could not resolve the litigation.

K. Defendants filed a reply in further support of their motion to dismiss the Second Amended Complaint on October 6, 2015, and New Jersey filed a sur-reply in further opposition to that motion on October 22, 2015.

L. On November 6, 2015, the Court issued an Opinion and Order denying Defendants' pending motions to dismiss and to strike, and instructed the parties to meet and confer on a discovery schedule.

M. New Jersey and Defendants served discovery requests on November 18, 2015, and the Court entered an order governing the discovery schedule on November 19, 2015. On December 22, 2015, the parties served objections and responses to the discovery requests. On January 8, 2016, Defendants produced certain documents responsive to New Jersey's discovery requests, and New Jersey produced certain documents responsive to Defendants' requests.

N. After continued arm's-length negotiations and discussions with mediator Judge Phillips, and based on a proposal by Judge Phillips, the Settling Parties reached an agreement in principle to settle the Action that was memorialized in a term sheet (the "Term Sheet") executed on January 22, 2016. The Term Sheet set forth, among other things, the Settling Parties' agreement to settle and release all claims asserted in the Action in return for a cash payment of \$84,000,000 to be paid by the Settling Defendants' insurance carriers for the benefit of the Settlement Class.

O. This Stipulation (together with the exhibits hereto) reflects the final and binding agreement between the Settling Parties.

P. Based upon their investigation, prosecution and mediation of the case, New Jersey and Lead Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable and adequate to New Jersey and the other members of the Settlement Class, and in their best interests. Based on New Jersey's direct oversight of the prosecution of this matter and with the advice of its counsel, New Jersey has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of this Stipulation, after considering, among other things: (a) the substantial financial benefit that New Jersey and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

Q. This Stipulation constitutes a compromise of matters that are in dispute between the Settling Parties. The Settling Defendants are entering into this Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Settling Defendants denies any wrongdoing, and this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. The Settling Defendants expressly deny that New Jersey has asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever. Similarly, this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of New Jersey of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit. Each of the Settling Parties recognizes and acknowledges, however, that the Action has been initiated, filed and prosecuted by New Jersey in good faith and defended by the Defendants in good faith, that the Action is being voluntarily settled with the advice of counsel, and that the terms of the Settlement are fair, adequate and reasonable.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among New Jersey (individually and on behalf of all other members of the Settlement Class) and the Settling Defendants, by and through their respective undersigned attorneys and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Settling Parties from the Settlement, all Released Plaintiff's Claims as against the Defendants' Releasees and all Released Defendants' Claims as against the Plaintiff's

Releasees shall be settled and released, upon and subject to the terms and conditions set forth below.

### **DEFINITIONS**

1. As used in this Stipulation and any exhibits attached hereto and made a part hereof, the following capitalized terms shall have the following meanings:

(a) “Action” means the securities class action in the matter styled *The Department of the Treasury of the State of New Jersey and its Division of Investment v. Cliffs Natural Resources Inc., et al.*, Case No. 1:14-cv-1031 (N.D. Ohio).

(b) “Alternate Judgment” means a form of final judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in this Stipulation.

(c) “Authorized Claimant” means a Settlement Class Member who submits a Proof of Claim Form to the Claims Administrator that is approved by the Court for payment from the Net Settlement Fund.

(d) “Claim” means a Proof of Claim Form submitted to the Claims Administrator.

(e) “Claim Form” or “Proof of Claim Form” means the form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, that a Claimant or Settlement Class Member must complete and submit should that Claimant or Settlement Class Member seek to share in a distribution of the Net Settlement Fund.

(f) “Claimant” means a person or entity who or which submits a Claim Form to the Claims Administrator seeking to be eligible to share in the proceeds of the Settlement Fund.

(g) “Claims Administrator” means the firm retained by New Jersey and Lead Counsel, subject to approval of the Court, to provide all notices approved by the Court to potential Settlement Class Members and to administer the Settlement.

(h) “Class Distribution Order” means an order entered by the Court authorizing and directing that the Net Settlement Fund be distributed, in whole or in part, to Authorized Claimants.

(i) “Cliffs” or the “Company” means Cliffs Natural Resources Inc. Cliffs is a signatory to this Stipulation and a participant in the proposed Settlement only for the limited purposes of: (i) exchanging Releases with New Jersey and the Settlement Class pursuant to ¶¶ 5 and 6 herein; (ii) making certain representations concerning the events and conduct of the parties and their counsel in connection with and related to the Action pursuant to ¶¶ 43-45 herein; (iii) providing shareholder records to New Jersey pursuant to ¶ 21 herein; and (iv) providing CAFA notice pursuant to ¶ 22 herein. Cliffs shall fully cooperate with the Settling Parties with respect to those limited terms and otherwise to the extent necessary to obtain the Judgment (see, *e.g.*, ¶ 3 herein).

(j) “Complaint” or “Second Amended Complaint” means the Second Amended Complaint for Violations of the Federal Securities Laws filed by New Jersey in the Action on March 31, 2015.

(k) “Court” means the United States District Court for the Northern District of Ohio.

(l) “Defendants” means the Settling Defendants and Cliffs.

(m) “Defendants’ Counsel” means the law firm Jones Day.



(n) “Defendants’ Releasees” means the Defendants and their respective current and former Officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, Immediate Family members, insurers and reinsurers, and attorneys, in their capacities as such.

(o) “Effective Date” with respect to the Settlement means the first date by which all of the events and conditions subsequent specified in ¶ 34 of this Stipulation have been met and have occurred or have been waived.

(p) “Escrow Account” means an account maintained at Valley National Bank wherein the Settlement Amount shall be deposited and held in escrow under the control of Lead Counsel.

(q) “Escrow Agent” means Valley National Bank.

(r) “Escrow Agreement” means the agreement between Lead Counsel and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

(s) “Excluded Claims” means (i) the claims asserted in *Rosenberg v. Cliffs Natural Resources Inc., et al.*, No. CV-14-828140 (Cuyahoga County Common Pleas, Ohio); (ii) the claims asserted under the Employee Retirement Income Security Act of 1974 in *Saumer et al. v. Cliffs Natural Resources Inc., et al.*, No. 1:15-cv-00954-DAP (N.D. Ohio); (iii) any claims asserted in any pending derivative action; (iv) any claims relating to the enforcement of the Settlement; or (v) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court as valid.

(t) “Final,” with respect to the Judgment or, if applicable, the Alternate Judgment, or any other court order, means: (i) if no appeal is filed, the expiration date of the time

provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (i) attorneys' fees, costs or expenses, or (ii) the plan of allocation of Settlement proceeds (as submitted or subsequently modified), shall not in any way delay or preclude a judgment from becoming Final.

(u) "Immediate Family" means children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law. As used in this paragraph, "spouse" shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

(v) "Judgment" means the final judgment, substantially in the form attached hereto as Exhibit B, to be entered by the Court approving the Settlement.

(w) "Lead Counsel" means the law firms Bernstein Litowitz Berger & Grossmann LLP and Lowenstein Sandler LLP.

(x) "Litigation Expenses" means costs and expenses incurred in connection with commencing, prosecuting and settling the Action (which may include the costs and expenses of New Jersey directly related to its representation of the Settlement Class), for which Lead Counsel intend to apply to the Court for reimbursement from the Settlement Fund.

(y) “Local Counsel” means Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A.

(z) “Net Settlement Fund” means the Settlement Fund less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; and (iv) any attorneys’ fees awarded by the Court.

(aa) “New Jersey” means The Department of the Treasury of the State of New Jersey and its Division of Investment.

(bb) “Notice” means the Notice of (I) Pendency of Class Action and Certification of Settlement Class; (II) Proposed Settlement with Individual Defendants; (III) Settlement Hearing; and (IV) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit 1 to Exhibit A, which is to be mailed to Settlement Class Members.

(cc) “Notice and Administration Costs” means the costs, fees and expenses that are incurred by the Claims Administrator and/or Lead Counsel in connection with: (i) providing notices to the Settlement Class; and (ii) administering the Settlement, including but not limited to the Claims process, as well as the costs, fees and expenses incurred in connection with the Escrow Account.

(dd) “Officer” means any officer as that term is defined in Securities and Exchange Act Rule 16a-1(f).

(ee) “Plaintiff’s Counsel” means Lead Counsel and Local Counsel.

(ff) “Plaintiff’s Releasees” means New Jersey and its attorneys, including Plaintiff’s Counsel, and all other Settlement Class Members, and their respective current and former Officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors,

assigns, assignees, employees, Immediate Family members, insurers and reinsurers, and attorneys, in their capacities as such.

(gg) “Plan of Allocation” means the proposed plan of allocation of the Net Settlement Fund set forth in the Notice.

(hh) “Preliminary Approval Order” means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the Settlement and directing that notice of the Settlement be provided to the Settlement Class.

(ii) “Released Claims” means all Released Defendants’ Claims and all Released Plaintiff’s Claims.

(jj) “Released Defendants’ Claims” means any and all claims, rights, causes of action and liabilities of every nature and description, whether known claims or Unknown Claims, whether arising under any federal, state, foreign, statutory or common law, or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, matured or unmatured, liquidated or unliquidated, at law or in equity, that arise out of, are based upon, are related to, or are in consequence of the institution, prosecution, or settlement of the claims against the Defendants, except for claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion that is accepted by the Court as valid.

(kk) “Released Plaintiff’s Claims” means any and all claims, rights, causes of action and liabilities of every nature and description, whether known claims or Unknown Claims, whether arising under any federal, state, foreign, statutory or common law, or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, matured or unmatured, liquidated or unliquidated, at law or in equity, whether class or individual in nature, that New Jersey or any other member of the Settlement Class: (a) asserted in the Complaint, or (b) could have asserted in

the Action or in any other action or in any other forum and that arise out of, are based upon, are related to, or are in consequence of any of the allegations, transactions, facts, matters, occurrences, events, disclosures, statements, representations, or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase of Cliffs common stock during the Settlement Class Period, or that otherwise would have been barred by *res judicata* had the Complaint been litigated to a final judgment. Released Plaintiff's Claims do not include any of the Excluded Claims.

(ll) "Releasee(s)" means each and any of the Defendants' Releasees and each and any of the Plaintiff's Releasees.

(mm) "Releases" means the releases set forth in ¶¶ 5-6 of this Stipulation.

(nn) "Settlement" means the settlement between New Jersey and the Settling Defendants on the terms and conditions set forth in this Stipulation.

(oo) "Settlement Amount" means \$84,000,000 in cash, to be paid exclusively by the Settling Defendants' insurance carriers on behalf of the Settling Defendants.

(pp) "Settlement Class" means all persons and entities who or which purchased Cliffs common stock from March 14, 2012 through March 26, 2013, inclusive (the "Settlement Class Period") and were damaged thereby. Excluded from the Settlement Class are Defendants; members of the Immediate Family of each of the Individual Defendants; the Officers and/or directors of Cliffs during the Settlement Class Period; any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest; and any persons or entities that exclude themselves by submitting a request for exclusion that is accepted by the Court as valid.

(qq) "Settlement Class Member" means each person and entity who or which is a member of the Settlement Class.

(rr) “Settlement Class Period” means the period from March 14, 2012 through March 26, 2013, inclusive.

(ss) “Settlement Fund” means the Settlement Amount plus any and all interest earned thereon.

(tt) “Settlement Hearing” means the hearing set by the Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlement.

(uu) “Settling Parties” means the Settling Defendants and New Jersey, on behalf of itself and the Settlement Class.

(vv) “Summary Notice” means the Summary Notice of (I) Pendency of Class Action and Certification of Settlement Class; (II) Proposed Settlement with Individual Defendants; (III) Settlement Hearing; and (IV) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit 3 to Exhibit A, to be published as set forth in the Preliminary Approval Order.

(ww) “Taxes” means: (i) all federal, state and/or local taxes of any kind (including any interest or penalties thereon) on any income earned by the Settlement Fund; (ii) the expenses and costs incurred by Lead Counsel in connection with determining the amount of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants); and (iii) all taxes imposed on payments by the Settlement Fund, including withholding taxes.

(xx) “Unknown Claims” means any Released Plaintiff’s Claims which New Jersey or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of

such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, New Jersey and the Defendants stipulate and agree that, upon the Effective Date of the Settlement, New Jersey and the Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

New Jersey and the Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

### **CLASS CERTIFICATION**

2. Solely for purposes of the Settlement and for no other purpose, the Settling Defendants stipulate and agree to: (a) certification of the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class; (b) certification of New Jersey as the Class Representative for the Settlement Class; and (c) appointment of Lead Counsel as Class Counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

### **PRELIMINARY APPROVAL OF SETTLEMENT**

3. Within ten (10) business days following the execution of this Stipulation, New Jersey will move for preliminary approval of the Settlement, certification of the Settlement Class

for settlement purposes only, and the scheduling of a hearing for consideration of final approval of the Settlement, which motion shall be unopposed by Defendants. Concurrently with the motion for preliminary approval, New Jersey shall apply to the Court for, and Defendants shall agree to, entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A.

### **RELEASE OF CLAIMS**

4. The obligations incurred pursuant to this Stipulation are in consideration of: (i) the full and final disposition of the Action; and (ii) the Releases provided for herein.

5. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement, New Jersey and each of the other Settlement Class Members, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff's Claim against the Defendants and the other Defendants' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiff's Claims against any of the Defendants' Releasees. This release shall not apply to any of the Excluded Claims.

6. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim against New Jersey and the other



Plaintiff's Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Plaintiff's Releasees. This release shall not apply to any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

7. Notwithstanding ¶¶ 5-6 above, nothing in the Judgment, or the Alternate Judgment, if applicable, shall bar any action by any of the Settling Parties or Cliffs to enforce or effectuate the terms of this Stipulation or the Judgment, or Alternate Judgment, if applicable.

### **THE SETTLEMENT CONSIDERATION**

8. In consideration of the settlement of the Released Plaintiff's Claims against the Settling Defendants and the other Defendants' Releasees, the Settling Defendants' insurance carriers shall deliver by wire or check the Settlement Amount for deposit into the Escrow Account within fifteen (15) business days following the later of (i) the date of entry by the Court of an order preliminarily approving this Settlement; or (ii) receipt by pertinent insurance carriers of each of (a) a copy of the preliminary approval order as entered by the Court (which shall be transmitted to them by Defendants' Counsel within no more than one business day of receipt), (b) a W-9 for the Escrow Account, and (c) wire or check mailing instructions for payment to the Escrow Account. If the Settlement Amount, or any portion thereof, is not deposited into the Escrow Account by the time specified in this paragraph, the Settling Defendants will not be obligated to pay the Settlement Amount or any portion thereof, and the sole remedy of New Jersey, Lead Counsel, any member of the Settlement Class, and/or any other applicable person or entity against the Settling Defendants shall be to terminate the Settlement. In no event may New Jersey, Lead Counsel, any member of the Settlement Class, or any other applicable person or entity seek to compel the Settling Defendants to pay, or make any claim against the Settling Defendants regarding the paying of, the

Settlement Amount or any portion thereof. As of the time that the Settlement Amount is deposited into the Escrow Account, the Settling Defendants and the Settling Defendants' insurance carriers shall no longer have any interest in the Escrow Account except for a contingent interest in the event that the condition subsequent of the occurrence of the Effective Date of the Settlement does not occur. It is expressly understood and acknowledged that neither the Settling Defendants nor Cliffs is funding any portion of the Settlement Amount and that the Settlement Fund will at no time be considered to be property of the estate of any Defendant pursuant to 11 U.S.C. § 541.

9. Upon the payment of the Settlement Amount in accordance with ¶ 8 above and the entry of the Judgment or Alternate Judgment, if applicable, all material obligations under the Stipulation of New Jersey, on the one hand, and the Defendants, on the other hand, shall be deemed performed. Any further effort or responsibility pursuant to the Stipulation to defend against any appeal or proceeding seeking judicial review of the Judgment or Alternate Judgment, if applicable, shall not render this Settlement executory as that term is interpreted to mean under 11 U.S.C. § 365. Immediately following the entry of the Judgment or Alternate Judgment, if applicable, the Settlement Fund in the Escrow Account shall vest in the Settlement Class. The Settlement Fund in the Escrow Account: (i) shall not be further depleted or transferred pending the condition subsequent of the occurrence of the Effective Date, except as provided herein to pay Notice and Administration Costs, Taxes, and Court-ordered attorneys' fees and Litigation Expenses; and (ii) shall be subject to return only if the condition subsequent of the Effective Date occurring does not occur. The Settling Defendants and the Settling Defendants' insurance carriers shall have no other interest in the Escrow Account except for the reversionary interest described above in the event that the Effective Date does not subsequently occur. Cliffs shall have no interest in the Settlement Fund at any time.

### **USE OF SETTLEMENT FUND**

10. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice and Administration Costs; (c) any Litigation Expenses awarded by the Court; and (d) any attorneys' fees awarded by the Court. The balance remaining in the Settlement Fund, that is, the Net Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 20-32 below.

11. Except as provided herein or pursuant to orders of the Court, the Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds in the Escrow Account exclusively in United States Treasury Bills (or a mutual fund invested solely in such instruments) and shall collect and reinvest all interest accrued thereon, except that any residual cash balances up to the amount that is insured by the FDIC may be deposited in any account that is fully insured by the FDIC. In the event that the yield on United States Treasury Bills is negative, in lieu of purchasing such Treasury Bills, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or backed by the full faith and credit of the United States. Additionally, if short-term placement of the funds is necessary, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or backed by the full faith and credit of the United States.

12. The Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that Lead Counsel, as administrators of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing to be filed all informational and other tax

returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund. Lead Counsel shall also be responsible for causing payment to be made from the Settlement Fund of any Taxes owed with respect to the Settlement Fund. The Defendants' Releasees shall not have any liability or responsibility for any such Taxes. Upon written request, the Settling Defendants will provide to Lead Counsel the statement described in Treasury Regulation § 1.468B-3(e). Lead Counsel, as administrators of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a "relation back election," as described in Treasury Regulation § 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

13. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid by the Escrow Agent pursuant to the disbursement instructions to be set forth in the Escrow Agreement, and without further order of the Court. Any tax returns prepared for the Settlement Fund (as well as the election set forth therein) shall be consistent with the previous paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. The Defendants' Releasees shall have no responsibility or liability for the acts or omissions of Lead Counsel or its agents with respect to the payment of Taxes, as described herein. The Settlement Fund shall indemnify and hold each of the Defendants' Releasees harmless for Taxes (including, without limitation, Taxes payable by reason of any such indemnification).

14. The Settlement is not a claims-made settlement. Upon the occurrence of the Effective Date, no Settling Defendant, Defendants' Releasee, insurance carrier, or any other person or entity who or which paid any portion of the Settlement Amount shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever, including without limitation, the number of Claim Forms submitted, the collective amount of Recognized Claims of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

15. Notwithstanding the fact that the Effective Date of the Settlement has not yet occurred, Lead Counsel may pay from the Settlement Fund, without further approval from the Settling Defendants or further order of the Court, all Notice and Administration Costs actually incurred up to the sum of \$300,000. Such costs and expenses shall include, without limitation, the actual costs of printing and mailing the Notice, publishing the Summary Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing notice, administering the Settlement (including processing the submitted Claims), and the fees, if any, of the Escrow Agent. Prior to the Effective Date, all such Notice and Administration Costs in excess of \$300,000 shall be paid from the Settlement Fund subject to prior approval of the Court. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, all Notice and Administration Costs incurred, paid or payable, including any related fees, shall not be returned or repaid to the Settling Defendants, their insurance carriers, any of the other Defendants' Releasees, or any other person or entity who or which paid any portion of the Settlement Amount.

### **ATTORNEYS' FEES AND LITIGATION EXPENSES**

16. Lead Counsel will apply to the Court for a collective award of attorneys' fees to Plaintiff's Counsel to be paid from (and out of) the Settlement Fund. Lead Counsel also will apply to the Court for reimbursement of Litigation Expenses, which may include a request for reimbursement of New Jersey's costs and expenses directly related to its representation of the Settlement Class, to be paid from (and out of) the Settlement Fund. Lead Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not the subject of any agreement between the Settling Defendants and New Jersey other than what is set forth in this Stipulation.

17. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be paid to Lead Counsel immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Lead Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed and such order reducing or reversing the award has become Final. Lead Counsel shall make the appropriate refund or repayment in full no later than thirty (30) days after: (a) receiving from Defendants' Counsel notice of the termination of the Settlement; or (b) any order reducing or reversing the award of attorneys' fees and/or Litigation Expenses has become Final. An award of attorneys' fees and/or Litigation Expenses to Plaintiff's Counsel is not a necessary term of this Stipulation and is not a condition of the Settlement embodied herein. Neither New Jersey nor Lead Counsel may cancel or terminate the

Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses.

18. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiff's Counsel in a manner which they, in good faith, believe reflects the contributions of such counsel to the institution, prosecution and settlement of the Action. Defendants' Releasees shall have no responsibility for or liability whatsoever with respect to the allocation or award of attorneys' fees or Litigation Expenses.

19. The attorneys' fees and Litigation Expenses that are awarded to Plaintiff's Counsel shall be payable solely from the Escrow Account. The Settling Defendants shall have no responsibility for the payment of attorneys' fees or Litigation Expenses to Plaintiff's Counsel beyond the obligation of the Settling Defendants' insurance carriers to pay the Settlement Amount as set forth in ¶ 8 above.

#### **NOTICE AND SETTLEMENT ADMINISTRATION**

20. As part of the Preliminary Approval Order, New Jersey shall seek appointment of a Claims Administrator. The Claims Administrator shall administer the Settlement, including but not limited to the process of receiving, reviewing and approving or denying Claims, under Lead Counsel's supervision and subject to the jurisdiction of the Court. Other than Cliffs' obligation to provide its shareholder records as provided in ¶ 21 below, none of Cliffs, the Settling Defendants, or any other Defendants' Releasees, shall have any involvement in or any responsibility, authority or liability whatsoever for the selection of the Claims Administrator, the Plan of Allocation, the administration of the Settlement, the Claims process, or disbursement of the Net Settlement Fund, and shall have no liability whatsoever to any person or entity, including, but not limited to, New Jersey, any other Settlement Class Members or Lead Counsel in connection with the foregoing.

Defendants and Defendants' Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

21. In accordance with the terms of the Preliminary Approval Order to be entered by the Court, Lead Counsel shall cause the Claims Administrator to mail the Notice and Proof of Claim Form to those members of the Settlement Class as may be identified through reasonable effort. Lead Counsel shall also cause the Claims Administrator to have the Summary Notice published in accordance with the terms of the Preliminary Approval Order to be entered by the Court. For the purposes of identifying and providing notice to the Settlement Class, within five (5) business days of the date of entry of the Preliminary Approval Order, Cliffs shall provide or cause to be provided to the Claims Administrator in electronic searchable form, such as Excel (at no cost to the Settlement Fund, Lead Counsel or the Claims Administrator), data from shareholder transfer records containing the names and addresses of record holders who purchased Cliffs common stock during the Settlement Class Period.

22. Defendants shall no later than ten (10) calendar days following the filing of this Stipulation with the Court serve upon the appropriate state official of each state in which a Class Member resides and the Attorney General of the United States a notice of the proposed Settlement in compliance with the requirements of the Class Action Fairness Act, 28 U.S.C. § 1715 *et seq.* ("CAFA"). Defendants are solely responsible for the costs of the CAFA notice and administering the CAFA notice. At least fourteen (14) calendar days before the Settlement Hearing, Settling Defendants shall cause to be served on Lead Counsel and filed with the Court proof, by affidavit or declaration, regarding compliance with CAFA § 1715(b).

23. The Claims Administrator shall receive Claims and determine first, whether the Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share



of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim compared to the total Recognized Claims of all Authorized Claimants (as set forth in the Plan of Allocation set forth in the Notice attached hereto as Exhibit 1 to Exhibit A, or in such other plan of allocation as the Court approves).

24. The Plan of Allocation proposed in the Notice is not a necessary term of the Settlement or of this Stipulation, and it is not a condition of the Settlement or of this Stipulation that any particular plan of allocation be approved by the Court. New Jersey and Lead Counsel may not cancel or terminate the Settlement (or this Stipulation) based on this Court's or any appellate court's ruling with respect to the Plan of Allocation or any other plan of allocation in this Action. The Settling Defendants and the other Defendants' Releasees shall not object in any way to the Plan of Allocation or any other plan of allocation in this Action. No Settling Defendant, or any other Defendants' Releasees, shall have any involvement with or liability, obligation or responsibility whatsoever for the application of the Court-approved plan of allocation.

25. Any Settlement Class Member who does not submit a valid Claim Form will not be entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by all of the terms of this Stipulation and Settlement, including the terms of the Judgment or the Alternate Judgment, if applicable, to be entered in the Action and the releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind against the Defendants' Releasees with respect to the Released Plaintiff's Claims in the event that the Effective Date occurs with respect to the Settlement.

26. Lead Counsel shall be responsible for supervising the administration of the Settlement and the disbursement of the Net Settlement Fund subject to Court approval. No Settling Defendant, or any other Defendants' Releasees, shall be permitted to review, contest or object to

any Claim Form, or any decision of the Claims Administrator or Lead Counsel with respect to accepting or rejecting any Claim for payment by a Settlement Class Member. Lead Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

27. For purposes of determining the extent, if any, to which a Settlement Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(a) Each Settlement Class Member shall be required to submit a Claim Form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, supported by such documents as are designated therein, including proof of the Claimant's loss, or such other documents or proof as the Claims Administrator or Lead Counsel, in their discretion, may deem acceptable;

(b) All Claim Forms must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice. Any Settlement Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless by Order of the Court such Settlement Class Member's Claim Form is accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Defendants' Releasees with respect to any Released Plaintiff's Claim. Provided that it is mailed by the claim-submission deadline, a Claim Form shall be deemed to be submitted when postmarked, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted on the date when actually received by the Claims Administrator;

(c) Each Claim Form shall be submitted to and reviewed by the Claims Administrator who shall determine in accordance with this Stipulation and the plan of allocation the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below as necessary;

(d) Claim Forms that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the Claim Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing, all Claimants whose Claim the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose Claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below; and

(e) If any Claimant whose Claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court.

28. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided, however, that such investigation and discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity

and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action or of the Settlement in connection with the processing of Claim Forms.

29. Lead Counsel will apply to the Court, on notice to Defendants' Counsel, for a Class Distribution Order: (a) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; (b) approving payment of any administration fees and expenses associated with the administration of the Settlement from the Escrow Account; and (c) if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants from the Escrow Account.

30. Payment pursuant to the Class Distribution Order shall be final and conclusive against all Settlement Class Members. All Settlement Class Members whose Claims are not approved by the Court for payment shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, to be entered in this Action and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action against any and all Defendants' Releasees with respect to any and all of the Released Plaintiff's Claims.

31. No person or entity shall have any claim against New Jersey, Lead Counsel, the Claims Administrator or any other agent designated by Lead Counsel, or the Defendants' Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or any order of the Court. New Jersey and the Settling Defendants, and their respective counsel, and New Jersey's damages expert and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation, or the

determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

32. All proceedings with respect to the administration, processing and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court. All Settlement Class Members and Settling Parties expressly waive trial by jury (to the extent any such right may exist) and any right of appeal or review with respect to such determinations.

### **TERMS OF THE JUDGMENT**

33. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Defendants' Counsel shall request that the Court enter a Judgment, substantially in the form attached hereto as Exhibit B.

### **CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL, CANCELLATION OR TERMINATION**

34. The Effective Date of the Settlement shall be deemed to occur on the occurrence or waiver of all of the following events:

(a) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A attached hereto, as required by ¶ 3 above;

(b) the Settlement Amount has been deposited into the Escrow Account in accordance with the provisions of ¶ 8 above;

(c) the Settling Defendants have not exercised their option to terminate the Settlement pursuant to the provisions of this Stipulation (including the Supplemental Agreement described in ¶ 38 below);

(d) New Jersey has not exercised its option to terminate the Settlement pursuant to the provisions of this Stipulation (including ¶ 8 above); and

(e) the Court has approved the Settlement as described herein, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and entered the Judgment and the Judgment has become Final, or the Court has entered an Alternate Judgment and none of the Settling Parties seeks to terminate the Settlement and the Alternate Judgment has become Final.

35. Upon the occurrence of all of the events referenced in ¶ 34 above, any and all remaining interest or right, if any, of any Settling Defendant, Defendants' Releasee, insurance carrier, or any other person or entity who or which funded the Settlement Amount in or to the Settlement Fund, shall be absolutely and forever extinguished and the Releases herein shall be automatically effective and no further action need be taken by any such parties.

36. If (i) the Settling Defendants exercise their right to terminate the Settlement as provided in this Stipulation; (ii) New Jersey exercises its right to terminate the Settlement as provided in this Stipulation; (iii) the Court disapproves the Settlement; or (iv) the Effective Date as to the Settlement otherwise fails to occur, then:

(a) The Settlement and the relevant portions of this Stipulation shall be canceled and terminated.

(b) The Settling Parties and Cliffs shall revert to their respective litigation positions in the Action as of immediately prior to the execution of the Term Sheet on January 22, 2016, and the Settlement Class will be decertified.

(c) The terms and provisions of this Stipulation, with the exception of this ¶ 35 and ¶¶ 15, 17, 39 and 60, shall have no further force and effect with respect to the Settling Parties

and shall not be used in the Action or in any other proceeding for any purpose, and any Judgment, or Alternate Judgment, if applicable, or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

(d) Within five (5) business days after joint written notification of termination is sent by Defendants' Counsel and Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest thereon and any funds received by Lead Counsel consistent with ¶ 17 above), less any Notice and Administration Costs actually incurred, paid or payable and less any Taxes paid, due or owing, shall be refunded by the Escrow Agent to the Settling Defendants' insurance carriers in accordance with their respective payments into the Settlement Fund as respects exhaustion requirements among them, the instructions regarding same to be communicated to the Escrow Agent in writing by Defendants' Counsel. In the event that the funds received by Lead Counsel consistent with ¶ 17 above have not been refunded to the Settlement Fund within the five (5) business days specified in this paragraph, those funds shall be refunded by the Escrow Agent to the Settling Defendants' insurance carriers immediately upon their deposit into the Escrow Account consistent with ¶ 17 above. At the request of Defendants' Counsel, Lead Counsel or its designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds within five (5) business days of receipt of such proceeds, after deduction of any fees or expenses incurred in connection with such application for a tax refund, to the Settling Defendants' insurance carriers in accordance with written instructions from Defendants' Counsel. Notwithstanding any of the foregoing in this ¶ 36(d), the repayment obligations of the Escrow Agent and Lead Counsel pursuant to this paragraph shall not be triggered until receipt of the written repayment instructions from Defendants' Counsel.

37. It is further stipulated and agreed that the Settling Defendants, provided they unanimously agree amongst themselves, and New Jersey shall each have, in their respective sole and absolute discretion, the right to terminate the Settlement and this Stipulation, by providing written notice of their election to do so (“Termination Notice”) to the other Settling Parties within thirty (30) days of: (a) the Court’s final refusal to enter the Preliminary Approval Order in any material respect; (b) the Court’s final refusal to approve the Settlement or any material part thereof; (c) the Court’s final refusal to enter the Judgment in any material respect as to the Settlement; (d) the date upon which the Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Sixth Circuit or the United States Supreme Court; or (e) the date upon which an Alternate Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Sixth Circuit or the United States Supreme Court, and the provisions of ¶ 36 above shall apply. However, any decision or proceeding, whether in this Court or any appellate court, with respect to an application for attorneys’ fees or reimbursement of Litigation Expenses or with respect to any plan of allocation shall not be considered material to the Settlement, shall not affect the finality of any Judgment or Alternate Judgment, if applicable, and shall not be grounds for termination of the Settlement.

38. In addition to the grounds set forth in ¶ 37 above, the Settling Defendants, provided they unanimously agree amongst themselves, shall have, in their sole and absolute discretion, the unilateral right to terminate the Settlement in the event that Settlement Class Members timely and validly requesting exclusion from the Settlement Class meet the conditions set forth in the Settling Defendants’ confidential supplemental agreement with New Jersey (the “Supplemental Agreement”), in accordance with the terms of that agreement. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall



not be disclosed in any other manner (other than the statements herein and in the Notice, to the extent necessary, or as otherwise provided in the Supplemental Agreement) unless and until the Court otherwise directs or a dispute arises between New Jersey and the Settling Defendants concerning its interpretation or application, in which event the Parties shall submit the Supplemental Agreement to the Court in camera and request that the Court afford it confidential treatment.

### **NO ADMISSION OF WRONGDOING**

39. Neither the Term Sheet, this Stipulation (whether or not consummated), including the exhibits hereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Term Sheet and this Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, this Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by New Jersey or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(b) shall be offered against any of the Plaintiff's Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiff's Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiff's Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(c) shall be offered or construed as evidence that a class should or should not be certified in the Action if the Settlement is not consummated; or

(d) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial;

*provided, however*, that if this Stipulation is approved by the Court, the Settling Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement.

#### **MISCELLANEOUS PROVISIONS**

40. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

41. The Settling Defendants warrant that, as to the payments made or to be made by their insurance carriers on behalf of them, at the time of entering into this Stipulation and at the

time of such payment they, or to their knowledge any persons or entities contributing to the payment of the Settlement Amount, were not insolvent, nor will the payment required to be made by or on behalf of them render them insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof. This representation is made by each of the Settling Defendants and not by their counsel.

42. In the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by any persons or entities to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited into the Settlement Fund by the Settling Defendants or others, then, at the election of New Jersey, New Jersey and the Settling Defendants shall jointly move the Court to vacate and set aside the Releases given and the Judgment or Alternate Judgment, if applicable, entered in favor of the Settling Defendants and the other Releasees pursuant to this Stipulation, in which event the releases and Judgment, or Alternate Judgment, if applicable, shall be null and void, and the Settling Parties and Cliffs shall revert to their respective litigation positions in the Action as provided in ¶ 36 above and any cash amounts in the Settlement Fund (less any Taxes paid, due or owing with respect to the Settlement Fund and less any Notice and Administration Costs actually incurred, paid or payable) shall be returned as provided in ¶ 36 above.

43. The Settling Parties intend this Stipulation and the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by New Jersey and any other Settlement Class Members against the Defendants' Releasees with respect to the Released Plaintiff's Claims. Accordingly, the Settling Parties, Cliffs and their respective counsel agree not to assert in any forum that this Action was brought by New Jersey or defended by the Defendants

in bad faith or without a reasonable basis. The Settling Parties, Cliffs and their respective counsel confirm that all parties and their counsel have complied in all respects with Rule 11 of the Federal Rules of Civil Procedure relating to the institution, prosecution, defense, or settlement of this Action, and no party or their counsel shall assert any claims of any violation of Rule 11 in connection therewith. The Settling Parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Settling Parties, including through a mediation process supervised and conducted by Judge Phillips, and reflect the Settlement that was reached voluntarily after extensive negotiations and consultation with experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.

44. While retaining their right to deny that the claims asserted in the Action were meritorious, the Settling Defendants, Cliffs and their counsel, in any statement made to any media representative (whether or not for attribution), will not assert that the Action was commenced or prosecuted in bad faith, nor will they deny that the Action was commenced and prosecuted in good faith and is being settled voluntarily after consultation with competent legal counsel. In all events, the Settling Parties, Cliffs and their respective counsel shall not make any accusations of wrongful or actionable conduct by any party concerning the prosecution, defense, and resolution of the Action, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged.

45. The Settling Parties and Cliffs agree that there will be no public announcements regarding this Settlement until: (a) Cliffs, on behalf of all Defendants, has announced or disclosed it; or (b) three (3) days after the filing of this Stipulation with the Court, whichever comes first. New Jersey and the Defendants agree that, other than disclosures required by law, any public

comments from New Jersey or any of the Defendants regarding this resolution will not substantially deviate from words to the effect that the Settling Parties have reached a mutually acceptable Settlement by way of a mediated settlement, and that both sides are satisfied with this resolution. For the avoidance of doubt, however, nothing herein shall be construed to apply to comments and related arguments provided by any party to the Court (including in Court filings) in the context of seeking preliminary and/or final approval of the Settlement.

46. The terms of the Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of New Jersey (or its successor(s)-in-interest), the Settling Defendants (or their successor(s)-in-interest) and, solely with respect to any modifications or amendments to ¶¶ 3, 5, 6, 21, 22, 43, 44, or 45 of this Stipulation, Cliffs (or its successor(s)-in-interest).

47. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

48. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Plaintiff's Counsel and enforcing the terms of this Stipulation, including the Plan of Allocation (or such other plan of allocation as may be approved by the Court) and the distribution of the Net Settlement Fund to Settlement Class Members.

49. The waiver by one party of any breach of this Stipulation by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

50. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement among New Jersey and the Defendants concerning the Settlement and this

Stipulation and its exhibits. All parties hereto acknowledge that no other agreements, representations, warranties, or inducements have been made by any party concerning this Stipulation, its exhibits or the Supplemental Agreement other than those contained and memorialized in such documents.

51. This Stipulation may be executed in one or more counterparts, including by signature transmitted via facsimile, or by a .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of them shall be deemed to be one and the same instrument.

52. This Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the Settling Parties, including any and all Releasees, and any corporation, partnership, or other entity into or with which any Settling Party or Releasee may merge, consolidate or reorganize.

53. The construction, interpretation, operation, effect and validity of this Stipulation, the Supplemental Agreement and all documents necessary to effectuate it shall be governed by the internal laws of the State of Ohio without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

54. Any action arising under or to enforce this Stipulation or any portion thereof, shall be commenced and maintained only in the Court.

55. This Stipulation and/or any term(s) hereof shall not be construed more strictly against one Settling Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations between the Settling Parties and all Settling Parties have contributed substantially and materially to the preparation of this Stipulation.

56. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

57. Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in this Stipulation, and to use best efforts to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

58. If any Settling Party is required to give notice to another Settling Party under this Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery or email transmission. Notice shall be provided as follows:

If to New Jersey or Lead Counsel: Bernstein Litowitz Berger & Grossmann LLP  
Attn: James A. Harrod, Esq.  
1251 Avenue of the Americas  
New York, New York 10020  
Telephone: (212) 554-1400  
Email: jim.harrod@blbglaw.com

Lowenstein Sandler LLP  
Attn: Michael T.G. Long, Esq.  
65 Livingston Avenue  
Roseland, New Jersey 07068  
Telephone: (973) 597-2500  
Email: mlong@lowenstein.com

If to the Settling Defendants: Jones Day  
Attn: John M. Newman, Jr., Esq.  
901 Lakeside Avenue  
Cleveland, Ohio 44114-1190  
Telephone: (216) 586-7207  
Email: jmnewman@jonesday.com

59. Except as otherwise provided herein, each Settling Party shall bear its own costs.

60. Whether or not the Stipulation is approved by the Court and whether or not the Stipulation is consummated, or the Effective Date occurs, the Settling Parties and their counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed and proceedings in connection with the Stipulation confidential.

61. All agreements made and orders entered during the course of this Action relating to the confidentiality of information shall survive this Settlement.

62. No opinion or advice concerning the tax consequences of the proposed Settlement to individual Settlement Class Members is being given or will be given by the Settling Parties or their counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Settlement Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Settlement Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Settlement Class Member.

**IN WITNESS WHEREOF**, the parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, as of March 10, 2016.

**BERNSTEIN LITOWITZ BERGER &  
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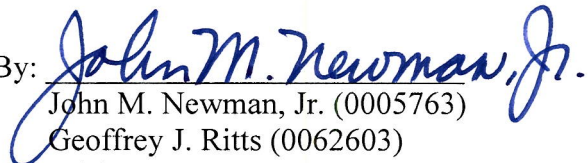
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*Local Counsel for Lead Plaintiff, The  
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**JONES DAY**

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David Blake***

**JONES DAY**

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***As Counsel for Defendant Cliffs Natural  
Resources Inc. solely for the limited purposes of  
paragraphs 3, 5, 6, 21, 22, 43, 44, and 45 of  
this Stipulation***

# 956996

# **Exhibit A**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

THE DEPARTMENT OF THE TREASURY OF  
THE STATE OF NEW JERSEY AND ITS  
DIVISION OF INVESTMENT, on behalf of itself  
and all others similarly situated,

Plaintiff,

v.

CLIFFS NATURAL RESOURCES INC.,  
JOSEPH CARRABBA, LAURIE BRLAS,  
TERRY PARADIE, and DAVID B. BLAKE,

Defendants.

Case No. 1:14-cv-1031

Judge Dan Aaron Polster

Magistrate Judge Greg White

**[PROPOSED] ORDER PRELIMINARILY APPROVING PROPOSED  
SETTLEMENT WITH INDIVIDUAL DEFENDANTS AND PROVIDING FOR NOTICE**

WHEREAS, a securities class action is pending in this Court entitled *The Department of the Treasury of the State of New Jersey and its Division of Investment v. Cliffs Natural Resources Inc., et al.*, Case No. 1:14-cv-1031 (the “Action”);

WHEREAS, (a) Lead Plaintiff, The Department of the Treasury of the State of New Jersey and its Division of Investment (“New Jersey”), on behalf of itself and the other members of the Settlement Class (defined below); and (b) defendants Terrance Paradie, Joseph Carrabba, Laurie Brlas, and David Blake (collectively, the “Individual Defendants” or the “Settling Defendants,” and together with New Jersey, the “Settling Parties”) have determined to settle all claims asserted in the Action with prejudice on the terms and conditions set forth in the Stipulation and Agreement of Settlement with Individual Defendants dated March 10, 2016 (the “Stipulation”), subject to approval of this Court (the “Settlement”);

WHEREAS, Defendant Cliffs Natural Resources Inc. (“Cliffs” or the “Company”) is a signatory to the Stipulation and is a participant in the proposed Settlement only for the limited purposes of: (a) exchanging Releases with New Jersey and the Settlement Class; (b) making certain representations concerning the events and conduct of the parties and their counsel in connection with and related to the Action; (c) providing shareholder records to New Jersey; and (d) providing notice pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715 *et seq.*;

WHEREAS, New Jersey has made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the Stipulation, certifying the Settlement Class for purposes of the Settlement only, and allowing notice to Settlement Class Members as more fully described herein;

WHEREAS, the Court has read and considered: (a) New Jersey’s motion for preliminary approval of the Settlement, and the papers filed and arguments made in connection therewith; and (b) the Stipulation and the exhibits attached thereto; and

WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall have the same meanings as they have in the Stipulation;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of effectuating the proposed Settlement, a Settlement Class consisting of all persons and entities who or which purchased Cliffs common stock from March 14, 2012 through March 26, 2013, inclusive (the “Settlement Class Period”) and were damaged thereby. Excluded from the Settlement Class are Defendants; members of the Immediate Family of each of the Individual Defendants; the Officers and/or directors of Cliffs during the Settlement Class Period; any firm, trust,

corporation, or other entity in which any Defendant has or had a controlling interest; and any persons or entities that exclude themselves by submitting a request for exclusion that is accepted by the Court as valid.

2. **Class Findings** – Solely for purposes of the proposed Settlement of this Action, the Court finds that each element required for certification of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class are so numerous that their joinder in the Action would be impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any individual questions; (c) the claims of New Jersey in the Action are typical of the claims of the Settlement Class; (d) New Jersey and Lead Counsel have fairly and adequately represented and protected the interests of the Settlement Class and will continue to do so; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Action.

3. The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiff, The Department of the Treasury of the State of New Jersey and its Division of Investment, is an adequate class representative and certifies New Jersey as the Class Representative for the Settlement Class. The Court also appoints Lead Counsel as Class Counsel for the Settlement Class, pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

4. **Preliminary Approval of the Settlement** – The Court hereby preliminarily approves the Settlement, as embodied in the Stipulation, as being fair, reasonable and adequate to the Settlement Class, subject to further consideration at the Settlement Hearing to be conducted as described below.

5.     **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement Hearing”) on June 30, 2016 at 12:00 p.m. in Courtroom 18B of the Carl B. Stokes United States Court House, 801 West Superior Avenue, Cleveland, Ohio 44113-1837, for the following purposes: (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate to the Settlement Class, and should be approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation should be entered dismissing the Action with prejudice against Defendants; (c) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved; (d) to determine whether the motion by Lead Counsel for an award of attorneys’ fees and reimbursement of Litigation Expenses should be approved; and (e) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Settlement Class Members as set forth in paragraph 8 of this Order.

6.     The Court may adjourn the Settlement Hearing without further notice to the Settlement Class; may approve the proposed Settlement with such modifications as the Settling Parties may agree to, if appropriate, without further notice to the Settlement Class; and may enter the Judgment or Alternate Judgment, if applicable, regardless of whether it has approved the Plan of Allocation and/or Lead Counsel’s motion for attorneys’ fees or reimbursement of Litigation Expenses.

7.     **CAFA Notice** – Defendants shall no later than ten (10) calendar days following the filing of the Stipulation with the Court serve upon the appropriate state official of each state in which a Class Member resides and the Attorney General of the United States a notice of the proposed Settlement in compliance with the requirements of the Class Action Fairness Act, 28

U.S.C. § 1715 et seq. (“CAFA”). Defendants are solely responsible for the costs of the CAFA notice and administering the CAFA notice. At least fourteen (14) calendar days before the Settlement Hearing, Settling Defendants shall cause to be served on Lead Counsel and filed with the Court proof, by affidavit or declaration, regarding compliance with CAFA § 1715(b).

8. **Retention of Claims Administrator and Manner of Giving Notice** – Lead Counsel are hereby authorized to retain A.B. Data, Ltd. (the “Claims Administrator”) to supervise and administer the notice procedure in connection with the proposed Settlement as well as the processing of Claims as more fully set forth below. Notice of the Settlement and the Settlement Hearing shall be given by Lead Counsel as follows:

(a) within five (5) business days of the date of entry of this Order, Cliffs shall provide or cause to be provided to the Claims Administrator in electronic searchable form, such as Excel (at no cost to the Settlement Fund, Lead Counsel or the Claims Administrator), data from shareholder transfer records containing the names and addresses of record holders who purchased Cliffs common stock during the Settlement Class Period;

(b) not later than twenty (20) business days after the date of entry of this Order (the “Notice Date”), the Claims Administrator shall cause a copy of the Notice and the Claim Form, substantially in the forms attached hereto as Exhibits 1 and 2, respectively (the “Notice Packet”), to be mailed by first-class mail to potential Settlement Class Members at the addresses set forth in the records provided or caused to be provided by Cliffs, or who otherwise may be identified through further reasonable effort;

(c) contemporaneously with the mailing of the Notice Packet, the Claims Administrator shall cause copies of the Notice and the Claim Form to be posted on a website to



be developed for the Settlement, from which copies of the Notice and Claim Form can be downloaded;

(d) not later than ten (10) business days after the Notice Date, the Claims Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit 3, to be published once in *The Wall Street Journal* and to be transmitted once over the *PR Newswire*; and

(e) not later than seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

9. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and content, the Notice, the Claim Form, and the Summary Notice, attached hereto as Exhibits 1, 2, and 3, respectively; and (b) finds that the mailing and distribution of the Notice and Claim Form and the publication of the Summary Notice in the manner and form set forth in paragraph 8 of this Order: (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, of the effect of the proposed Settlement (including the Releases to be provided thereunder), of Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, of their right to object to the Settlement, the Plan of Allocation and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses, of their right to exclude themselves from the Settlement Class, and of their right to appear at the Settlement Hearing; (iii) constitutes due, adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution

(including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, *et seq.*, as amended, and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before they are mailed and published, respectively.

10. **Nominee Procedures** – Brokers and other nominees that purchased Cliffs common stock during the Settlement Class Period for the benefit of another person or entity shall (a) within seven (7) calendar days of receipt of the Notice, request from the Claims Administrator sufficient copies of the Notice Packet to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Notice, send a list of the names and addresses of all such beneficial owners to the Claims Administrator in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. Upon full compliance with this Order, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to review by the Court.

11. **Participation in the Settlement** – Settlement Class Members who wish to participate in the Settlement and to be eligible to receive a distribution from the Net Settlement Fund must complete and submit a Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked no later than one hundred twenty (120) calendar days after the Notice Date. Notwithstanding the foregoing,

Lead Counsel may, at their discretion, accept for processing late Claims provided such acceptance does not delay the distribution of the Net Settlement Fund to the Settlement Class. By submitting a Claim, a person or entity shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim and the subject matter of the Settlement.

12. Each Claim Form submitted must satisfy the following conditions: (a) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for the transactions and holdings reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional and holding information found in a broker confirmation slip or account statement, or such other documentation as is deemed adequate by Lead Counsel or the Claims Administrator; (c) if the person executing the Claim Form is acting in a representative capacity, a certification of his, her or its current authority to act on behalf of the Settlement Class Member must be included in the Claim Form to the satisfaction of Lead Counsel or the Claims Administrator; and (d) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

13. Any Settlement Class Member that does not timely and validly submit a Claim Form or whose Claim is not otherwise approved by the Court: (a) shall be deemed to have waived his, her or its right to share in the Net Settlement Fund; (b) shall be forever barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlement and all proceedings, determinations, orders and judgments in the Action relating thereto, including, without limitation, the Judgment or Alternate Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the

Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Plaintiff's Claims against each and all of the Defendants' Releasees, as more fully described in the Stipulation and Notice. Notwithstanding the foregoing, late Claim Forms may be accepted for processing as set forth in paragraph 11 above.

14. **Exclusion From the Settlement Class** – Any member of the Settlement Class who wishes to exclude himself, herself or itself from the Settlement Class must request exclusion in writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any such request for exclusion from the Settlement Class must be mailed or delivered such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, to: Cliffs Securities Litigation, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173003, Milwaukee, WI 53217; and (b) each request for exclusion must (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *The Department of the Treasury of the State of New Jersey and its Division of Investment v. Cliffs Natural Resources Inc., et al.*, Case No. 1:14-cv-1031"; (iii) state the number of shares of Cliffs common stock that the person or entity requesting exclusion (x) owned as of the close of trading on March 13, 2012, and (y) purchased and/or sold during the Settlement Class Period, as well as the number of shares, dates and prices for each such purchase and/or sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court in a manner and with timing not inconsistent with the right of the Settling Defendants to terminate the Settlement pursuant to the Stipulation. Lead Counsel are authorized

to request from any person or entity requesting exclusion documentation sufficient to prove his, her or its purchases and/or sales of Cliffs common stock during the Settlement Class Period. Copies of all requests for exclusion shall be provided to counsel for Settling Defendants on a weekly basis, but in no event later than fourteen (14) calendar days prior to the Settlement Hearing.

15. Any person or entity that timely and validly requests exclusion in compliance with the terms stated in this Order and is excluded from the Settlement Class shall not be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or judgments in the Action, and shall not receive any payment out of the Net Settlement Fund.

16. Any Settlement Class Member that does not timely and validly request exclusion from the Settlement Class in the manner stated in this Order: (a) shall be deemed to have waived his, her or its right to be excluded from the Settlement Class; (b) shall be forever barred from requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be bound by the provisions of the Stipulation and Settlement and all proceedings, determinations, orders and judgments in the Action, including, but not limited to, the Judgment or Alternate Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Plaintiff's Claims against any of the Defendants' Releasees, as more fully described in the Stipulation and Notice.

17. **Appearance and Objections at Settlement Hearing** – Any Settlement Class Member that does not request exclusion from the Settlement Class may enter an appearance in the Action, at his, her or its own expense, individually or through counsel of his, her or its own choice, by filing with the Clerk of Court and delivering a notice of appearance to both Lead

Counsel and counsel for the Settling Defendants, at the addresses set forth in paragraph 18 below, such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Settlement Class Member that does not enter an appearance will be represented by Lead Counsel.

18. Any Settlement Class Member that does not request exclusion from the Settlement Class may file a written objection to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and appear and show cause, if he, she or it has any cause, why the proposed Settlement, the proposed Plan of Allocation and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses should not be approved; *provided, however*, that no Settlement Class Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, the proposed Plan of Allocation and/or the motion for attorneys' fees and reimbursement of Litigation Expenses unless that person or entity has filed a written objection with the Court and served copies of such objection on Lead Counsel and counsel for the Settling Defendants at the addresses set forth below such that they are received no later than twenty-one (21) calendar days prior to the Settlement Hearing.

**Lead Counsel**

Bernstein Litowitz Berger &  
Grossmann LLP  
James A. Harrod, Esq.  
1251 Avenue of the Americas, 44th Floor  
New York, New York 10020

and

Lowenstein Sandler LLP  
Michael T.G. Long, Esq.  
65 Livingston Avenue  
Roseland, New Jersey 07068

**Counsel for the Settling Defendants**

Jones Day  
John M. Newman, Jr., Esq.  
901 Lakeside Avenue  
Cleveland, Ohio 44114-1190

Lead Counsel and counsel for the Settling Defendants shall promptly furnish each other with copies of any and all objections that come into their possession.

19. Any objections, filings and other submissions by the objecting Settlement Class Member: (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Cliffs common stock that the objecting Settlement Class Member purchased and/or sold during the Settlement Class Period, as well as the dates and prices of each such purchase and sale. Objectors that enter an appearance and desire to present evidence at the Settlement Hearing in support of their objection must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing.

20. Any Settlement Class Member that does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the proposed Settlement, the Judgment or Alternate Judgment, if applicable, the proposed Plan of Allocation, and Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and shall be forever barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, the Judgment or Alternate Judgment, if applicable, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses, and from otherwise being heard concerning the Settlement, the Judgment or

Alternative Judgment, if applicable, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses in this or any other proceeding.

21. **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court bars and enjoins New Jersey and all other members of the Settlement Class from commencing or prosecuting any and all of the Released Plaintiff's Claims against each and all of the Defendants' Releasees.

22. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in identifying Settlement Class Members and notifying them of the Settlement as well as in administering the Settlement shall be paid as set forth in the Stipulation.

23. **Settlement Fund** – The contents of the Settlement Fund held by Valley National Bank (which the Court approves as the Escrow Agent), shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as they shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

24. **Taxes** – Lead Counsel are authorized and directed to prepare any tax returns and any other tax reporting form for or in respect to the Settlement Fund, to pay from the Settlement Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

25. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails to occur, this Order shall be vacated, rendered null and void and be of no further force and



effect, except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the rights of New Jersey, the other Settlement Class Members, the Settling Defendants and Cliffs, and the Settling Parties and Cliffs shall revert to their respective litigation positions in the Action as of immediately prior to the execution of the Term Sheet on January 22, 2016, as provided in the Stipulation.

26. **Use of this Order** – Neither this Order, the Term Sheet, the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Term Sheet and the Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith): (a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by New Jersey or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; (b) shall be offered against any of the Plaintiff's Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiff's Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the

Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiff's Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; (c) shall be offered or construed as evidence that a class should or should not be certified in the Action if the Settlement is not consummated; or (d) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Settlement represents the amount that could be or would have been recovered after trial; *provided, however*, that if the Stipulation is approved by the Court, the Settling Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement.

27. **Supporting Papers** – Lead Counsel shall file and serve the opening papers in support of the proposed Settlement, the Plan of Allocation, and Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses no later than thirty-five (35) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

28. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

SO ORDERED this 11<sup>th</sup> day of March, 2016.

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The Honorable Dan Aaron Polster  
United States District Judge

# **Exhibit A-1**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

THE DEPARTMENT OF THE TREASURY OF  
THE STATE OF NEW JERSEY AND ITS  
DIVISION OF INVESTMENT, on behalf of itself  
and all others similarly situated,

Plaintiff,

v.

CLIFFS NATURAL RESOURCES INC.,  
JOSEPH CARRABBA, LAURIE BRLAS,  
TERRY PARADIE, and DAVID B. BLAKE,

Defendants.

Case No. 1:14-cv-1031

Judge Dan Aaron Polster

Magistrate Judge Greg White

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND CERTIFICATION OF  
SETTLEMENT CLASS; (II) PROPOSED SETTLEMENT WITH INDIVIDUAL  
DEFENDANTS; (III) SETTLEMENT HEARING; AND (IV) MOTION FOR AN AWARD  
OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO:** All persons and entities who or which purchased the common stock of Cliffs Natural Resources Inc. ("Cliffs") during the period from March 14, 2012 through March 26, 2013, inclusive (the "Settlement Class Period") and were damaged thereby.<sup>1</sup>

***A Federal Court authorized this Notice. This is not a solicitation from a lawyer.***

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the Northern District of Ohio (the "Court").

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed Lead Plaintiff, The Department of the Treasury of the State of New Jersey and its Division of Investment ("New Jersey"), on behalf of itself and the other members of the Settlement Class (as defined in ¶ 29 below), has reached a proposed settlement of the Action with defendants Terrance Paradie, Joseph Carrabba, Laurie Brlas, and David Blake (collectively, the "Individual Defendants" or the

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<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement with Individual Defendants dated March 10, 2016 (the "Stipulation"), which is available at [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com).

“Settling Defendants,” and together with New Jersey, the “Settling Parties”) for \$84,000,000 in cash (the “Settlement”).<sup>2</sup> If approved, the Settlement will resolve all claims asserted in the Action.

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Settling Defendants, Cliffs, their counsel, or New Jersey. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 85 below).**

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that defendants Terrance Paradie, Joseph Carrabba, Laurie Brlas, David Blake, and Cliffs (collectively, the “Defendants”) violated the federal securities laws by making false and misleading statements regarding Cliffs during the Settlement Class Period. A more detailed description of the Action is set forth in ¶¶ 11-28 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in ¶ 29 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, New Jersey, on behalf of itself and the other members of the Settlement Class, has agreed to settle with the Individual Defendants in exchange for a settlement payment of \$84,000,000 in cash (the “Settlement Amount”), which has been deposited into an escrow account controlled by Lead Counsel. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys’ fees awarded by the Court) will be distributed to Settlement Class Members in accordance with a plan of allocation that is approved by the Court. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages \_\_\_\_-\_\_\_\_ below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on New Jersey’s damages expert’s estimate of the number of shares of Cliffs common stock purchased during the Settlement Class Period that may have been affected by the conduct at issue in the Action, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) is \$0.42 per affected share of Cliffs common stock. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased or sold their shares and the total number of shares for which valid Claim Forms are submitted.

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<sup>2</sup> Defendant Cliffs is a signatory to the Stipulation and a participant in the proposed Settlement only for limited purposes, including: (i) exchanging Releases with New Jersey and the Settlement Class, as more fully described in ¶¶ 35-41 below; (ii) making certain representations concerning the events in and conduct of the parties and their counsel in connection with and related to the Action; (iii) providing shareholder records to New Jersey for purposes of providing notice to the Settlement Class; and (iv) providing notice pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715 *et seq.*

4. **Average Amount of Damages Per Share:** The Settling Parties do not agree on the average amount of damages per share that would be recoverable if New Jersey were to prevail in the Action. Among other things, the Settling Defendants do not agree that they violated the federal securities laws or that damages were suffered (at all, or in the amount contended by New Jersey) by any members of the Settlement Class as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Plaintiff's Counsel, which have been prosecuting this Action on a wholly contingent basis since its inception in 2014, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP and Lowenstein Sandler LLP, will apply to the Court for an award of attorneys' fees for all Plaintiff's Counsel in an amount not to exceed 16% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution, and resolution of the Action, in an amount not to exceed \$600,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by New Jersey directly related to its representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Court approves Lead Counsel's fee and expense application, the estimated average cost per affected share of Cliffs common stock will be approximately \$0.07.

6. **Identification of Attorneys' Representatives:** New Jersey and the Settlement Class are represented by James A. Harrod, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, New York 10020, (800) 380-8496, and Michael T.G. Long, Esq. of Lowenstein Sandler LLP, 65 Livingston Avenue, Roseland, New Jersey 07068, (973) 597-2500.

7. **Reasons for the Settlement:** New Jersey's principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after further contested motions, a trial of the Action and the likely appeals that would follow a trial. This process could be expected to last several years. The Settling Defendants and Cliffs, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

| YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:                            |   |
|---|---|
| <b>SUBMIT A CLAIM FORM<br/>POSTMARKED NO LATER<br/>THAN AUGUST 8, 2016.</b> | This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiff's Claims (defined in ¶ 36 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 37 below), so it is in your interest to submit a Claim Form. |

|   |   |
|---|---|
| <b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN JUNE 9, 2016.</b> | If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiff's Claims.  |
| <b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN JUNE 9, 2016.</b>                               | If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.   |
| <b>GO TO A HEARING ON JUNE 30, 2016 AT 12:00 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <i>RECEIVED</i> NO LATER THAN JUNE 9, 2016.</b> | Any Settlement Class Member may attend the Settlement Hearing. Filing a written objection and notice of intention to appear by June 9, 2016 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, if you also file a notice of intention to appear, speak to the Court about your objection at the discretion of the Court. |
| <b>DO NOTHING.</b>  | If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.  |

#### WHAT THIS NOTICE CONTAINS

|   |         |
|---|---------|
| Why Did I Get This Notice?                                    | Page __ |
| What Is This Case About?                                      | Page __ |
| How Do I Know If I Am Affected By The Settlement?             |         |
| Who Is Included In The Settlement Class?                      | Page __ |
| What Are the Lead Plaintiff's Reasons For The Settlement?     | Page __ |
| What Might Happen If There Were No Settlement?                | Page __ |
| How Are Settlement Class Members Affected By The Action       |         |
| And The Settlement?   | Page __ |
| How Do I Participate In The Settlement? What Do I Need To Do? | Page __ |

|   |         |
|---|---------|
| How Much Will My Payment Be?  | Page __ |
| What Payment Are The Attorneys For The Settlement Class Seeking?        |         |
| How Will The Lawyers Be Paid?   | Page __ |
| What If I Do Not Want To Be A Member Of The Settlement Class?           |         |
| How Do I Exclude Myself?  | Page __ |
| When And Where Will The Court Decide Whether To Approve The Settlement? |         |
| Do I Have To Come To The Hearing? May I Speak At The Hearing If I       |         |
| Don't Like The Settlement?  | Page __ |
| What If I Bought Shares On Someone Else's Behalf?                       | Page __ |
| Can I See The Court File? Whom Should I Contact If I Have Questions?    | Page __ |

#### WHY DID I GET THIS NOTICE?

8. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See ¶ 75 below for details about the Settlement Hearing, including the date and location of the hearing.

9. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased Cliffs common stock during the Settlement Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court has not yet decided whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

#### WHAT IS THIS CASE ABOUT?

11. This case is a securities class action and is known as *Department of the Treasury of the State of New Jersey and its Division of Investment v. Cliffs Natural Resources Inc., et al.*, Civil Action No. 1:14-cv-1031-DAP. The Court in charge of the case is the United States District Court for the Northern District of Ohio, and the presiding judge is the Honorable Dan Aaron Polster.

12. On May 12, 2014, a putative securities class action complaint was filed with the Court. In accordance with the Private Securities Litigation Reform Act of 1995, 15 U.S.C. §§ 77z-1, 78u-4, notice to the public was issued stating the deadline by which putative class members could move the Court for appointment as lead plaintiff.

13. By Order dated July 23, 2014, the Court appointed New Jersey as Lead Plaintiff for the Action, and approved New Jersey's selection of Bernstein Litowitz Berger & Grossmann LLP



and Lowenstein Sandler LLP as Lead Counsel, and Climaco Wilcox Peca Tarantino & Garofoli Co., LPA as Local Counsel.

14. On August 22, 2014, New Jersey filed and served its Amended Complaint for Violations of the Federal Securities Laws (the “Amended Complaint”) asserting claims against all Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act. The Amended Complaint alleges, among other things, that Defendants made materially false and misleading statements and omitted material information regarding the impact of Cliffs’ acquisition of a controlling interest in Consolidated Thompson Iron Mines Limited, including the Bloom Lake iron ore mine located in Quebec, Canada. New Jersey alleged in the Amended Complaint that Defendants fraudulently misled investors into believing that the acquisition and integration of Bloom Lake would sustainably fund the 123% increase in the Company’s dividend (announced on the first day of the Settlement Class Period), while also paying for an expansion that would triple the mine’s production volume. The Amended Complaint further alleged that the price of Cliffs common stock was artificially inflated as a result of Defendants’ allegedly false and misleading statements and omissions, and declined when the truth was revealed.

15. On October 21, 2014, Defendants moved to dismiss the Amended Complaint for failure to state a claim. New Jersey opposed that motion on December 5, 2014, and Defendants filed a reply in support of their motion on January 7, 2015.

16. On January 23, 2015, Defendants filed a motion to strike certain paragraphs from the Amended Complaint. New Jersey opposed that motion on February 6, 2015, and Defendants filed a reply in support of their motion on February 13, 2015.

17. On March 5, 2015, the Court denied as moot Defendants’ motion to dismiss the Amended Complaint and motion to strike, and instructed New Jersey to file a second amended complaint.

18. On March 31, 2015, New Jersey filed a Second Amended Complaint for Violations of the Federal Securities Laws (the “Second Amended Complaint” or “Complaint”), which again alleged, among other things, that Defendants defrauded investors and caused artificial inflation in the price of Cliffs common stock by misrepresenting that the acquisition and integration of Bloom Lake would sustain the significant increase in the Company’s dividend.

19. On April 1, 2015, the Court entered an Order scheduling a case management conference. That conference was held, with counsel for the parties and the parties or their representatives present, in Cleveland, Ohio on May 7, 2015. During the May 7, 2015 conference, the parties discussed potential discovery issues and schedules. The Court also inquired as to the parties’ interest in settlement of the Action and, to that end, requested that they exchange information concerning the estimated damages to the putative class. Subsequent to the May 7, 2015 conference, New Jersey and Defendants exchanged correspondence reflecting their views regarding the estimated damages to the class.

20. On May 15, 2015, Defendants filed a motion to dismiss the Second Amended Complaint, as well as a motion to strike certain allegations from the Second Amended Complaint. New Jersey opposed Defendants’ motion to strike on June 1, 2015, Defendants filed a reply in further support of that motion on June 11, 2015, and with leave of court New Jersey filed a sur-reply in

further opposition to the motion to strike on June 22, 2015. New Jersey opposed Defendants' motion to dismiss on June 12, 2015.

21. On June 22, 2015, the Court followed up on its May 7 inquiry by asking whether the parties had agreed to use a private mediator in an attempt to settle the Action. On June 25, 2015, the parties notified the Court that they agreed to use former United States District Judge Layn Phillips as a private mediator. After mediation briefing was exchanged by the parties and submissions were made to the mediator, Judge Phillips held a mediation on September 21, 2015, but the parties could not resolve the litigation.

22. Defendants filed a reply in further support of their motion to dismiss the Second Amended Complaint on October 6, 2015, and New Jersey filed a sur-reply in further opposition to that motion on October 22, 2015.

23. On November 6, 2015, the Court issued an Opinion and Order denying Defendants' pending motions to dismiss and to strike, and instructed the parties to meet and confer on a discovery schedule.

24. New Jersey and Defendants served discovery requests on November 18, 2015, and the Court entered an order governing the discovery schedule on November 19, 2015. On December 22, 2015, the parties served objections and responses to the discovery requests. On January 8, 2016, Defendants produced certain documents responsive to New Jersey's requests, and New Jersey produced certain documents responsive to Defendants' discovery requests.

25. On January 12, 2016, following continued arm's-length negotiations and discussions with Judge Phillips, and based on a mediator's recommendation by Judge Phillips, the Settling Parties reached an agreement in principle to settle the Action.

26. On March 10, 2016, the Settling Parties entered into a Stipulation and Agreement of Settlement with Individual Defendants (the "Stipulation"), which sets forth the terms and conditions of the Settlement. The Stipulation can be viewed at [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com).

27. On March 11, 2016, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement.

28. Defendants deny that they have violated the federal securities laws or any other laws. Defendants also have denied and continue to deny specifically each and all of the claims and contentions alleged in the Action.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

29. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all persons and entities who or which purchased Cliffs common stock from March 14, 2012 through March 26, 2013, inclusive (the "Settlement Class Period") and were damaged thereby.

Excluded from the Settlement Class are Defendants; members of the Immediate Family of each of the Individual Defendants; the Officers and/or directors of Cliffs during the Settlement Class Period; and any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest. Also excluded from the Settlement Class are any persons or entities that exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. See “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?” on page [ ] below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE MONEY FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN AUGUST 8, 2016.**

#### **WHAT ARE THE LEAD PLAINTIFF’S REASONS FOR THE SETTLEMENT?**

30. New Jersey and Lead Counsel believe that the claims asserted in the Action have merit. New Jersey and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue the claims asserted in the Action through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. In particular, New Jersey recognizes that Defendants have significant arguments that their alleged misstatements were not materially misleading and that, even if they made materially misleading statements, they did not do so intentionally or recklessly. New Jersey also would face challenges with respect to establishing loss causation and class-wide damages. New Jersey recognizes that Defendants have substantial arguments that the decline in Cliffs’ stock price during the Settlement Class Period was not caused by revelations concerning the problems alleged at the Bloom Lake mine or Cliffs’ decision to cut its dividend, and that even if some portion of the decline in Cliffs’ stock price was caused by these revelations, damages were minimal. Had any of these arguments been accepted in whole or part, they could have eliminated or, at a minimum, dramatically limited any potential recovery. Further, New Jersey would have had to prevail at several stages – class certification, motion for summary judgment and trial – and if it prevailed at those stages, the appeals that were likely to follow. Moreover, there were also very real risks to recovering a judgment substantially larger than the Settlement in light of Cliffs’ financial condition and limited officers’ and directors’ insurance. Thus, there were significant risks attendant to the continued prosecution of the Action.

31. In light of these risks and the immediacy of the \$84,000,000 cash recovery, New Jersey and Lead Counsel believe that the proposed Settlement is an excellent result, and is in the best interests of the Settlement Class.

32. The Settling Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. The Settling Defendants and Cliffs deny the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever.

### **WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

33. If there were no Settlement and New Jersey failed to establish any essential legal or factual element of their claims against Defendants, neither New Jersey nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all. Finally, if the Defendants' applicable insurance coverage were depleted and Cliffs' financial condition further deteriorated, it would have likely reduced or eliminated the possibility of an equivalent recovery, or any substantial recovery, for the Settlement Class regardless of the merits of the claims.

### **HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?**

34. As a Settlement Class Member, you are represented by New Jersey and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel. Class Members may enter an appearance through an attorney if they so desire, but such counsel must file and serve a notice of appearance as provided in ¶ 81 below and will be retained at the individual Class Member's expense.

35. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the Action and will provide that, upon the Effective Date of the Settlement, New Jersey and each of the other Settlement Class Members, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff's Claim (as defined in ¶ 36 below) against the Defendants and the other Defendants' Releasees (as defined in ¶ 37 below), and will forever be barred and enjoined from prosecuting any or all of the Released Plaintiff's Claims against any of the Defendants' Releasees.

36. "Released Plaintiff's Claims" means any and all claims, rights, causes of action and liabilities of every nature and description, whether known claims or Unknown Claims (as defined in ¶ 38 below), whether arising under any federal, state, foreign, statutory or common law, or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, matured or unmatured, liquidated or unliquidated, at law or in equity, whether class or individual in nature, that New Jersey or any other member of the Settlement Class: (a) asserted in the Complaint, or (b) could have asserted in the Action or in any other action or in any other forum and that arise out of, are based upon, are related to, or are in consequence of any of the allegations, transactions, facts, matters, occurrences, events, disclosures, statements, representations, or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase of Cliffs common stock during the Settlement Class Period, or that otherwise would have been barred by *res judicata* had the Complaint been litigated to a final judgment. Released Plaintiff's Claims do not include: (i) the claims asserted in *Rosenberg v. Cliffs Natural Resources Inc., et al.*, No. CV-14-828140 (Cuyahoga County Common Pleas, Ohio); (ii) the claims asserted under

the Employee Retirement Income Security Act of 1974 in *Saumer et al. v. Cliffs Natural Resources Inc., et al.*, No. 1:15-cv-00954-DAP (N.D. Ohio); (iii) any claims asserted in any pending derivative action; (iv) any claims relating to the enforcement of the Settlement; or (v) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court as valid.

37. “Defendants’ Releasees” means the Defendants and their respective current and former Officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, Immediate Family members, insurers and reinsurers, and attorneys, in their capacities as such.

38. “Unknown Claims” means any Released Plaintiff’s Claims which New Jersey or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, New Jersey and the Defendants stipulate and agree that, upon the Effective Date of the Settlement, New Jersey and the Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

New Jersey and the Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

39. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants’ Claim (as defined in ¶ 40 below) against New Jersey and the other Plaintiff’s Releasees (as defined in ¶ 41 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiff’s Releasees.

40. “Released Defendants’ Claims” means any and all claims, rights, causes of action and liabilities of every nature and description, whether known claims or Unknown Claims, whether arising under any federal, state, foreign, statutory or common law, or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, matured or unmatured, liquidated or unliquidated, at law or in equity, that arise out of, are based upon, are related to, or are in consequence of the institution, prosecution, or settlement of the claims against the Defendants,

except for claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion that is accepted by the Court as valid.

41. “Plaintiff’s Releasees” means New Jersey and its attorneys, including Plaintiff’s Counsel, and all other Settlement Class Members, and their respective current and former Officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, Immediate Family members, insurers and reinsurers, and attorneys, in their capacities as such.

#### **HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?**

42. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than August 8, 2016**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at (866) 778-1167 or by emailing the Claims Administrator at [info@CliffsSecuritiesLitigation.com](mailto:info@CliffsSecuritiesLitigation.com). Please retain all records of your ownership of and transactions in Cliffs common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

#### **HOW MUCH WILL MY PAYMENT BE?**

43. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement. A Claimant’s recovery will depend upon several factors, including when and at what prices he, she, or it purchased or sold the shares, and the total number of shares for which valid Claim Forms are submitted.

44. Pursuant to the Settlement, the Individual Defendants’ insurance carriers have deposited \$84 million into an escrow account controlled by Lead Counsel. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the Net Settlement Fund will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

45. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

46. Neither the Settling Defendants, the Settling Defendants’ insurance carriers, nor any other person or entity that paid any portion of the Settlement Amount on behalf of the Settling Defendants is entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

47. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

48. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form **postmarked on or before August 8, 2016** shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiff's Claims (as defined in ¶ 36 above) against the Defendants' Releasees (as defined in ¶ 37 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiff's Claims against any of the Defendants' Releasees whether or not such Settlement Class Member submits a Claim Form.

49. Participants in and beneficiaries of a plan covered by the Employee Retirement Income Security Act of 1974 ("ERISA Plan") should NOT include any information relating to their transactions in Cliffs common stock held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased outside of the ERISA Plan. Claims based on any ERISA Plan's purchases of Cliffs common stock during the Settlement Class Period may be made by the plan's trustees.

50. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

51. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

52. Only Settlement Class Members, *i.e.*, persons and entities who or which purchased Cliffs common stock during the Settlement Class Period and were damaged as a result of such purchases, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only security that is included in the Settlement is Cliffs common stock.

### **PROPOSED PLAN OF ALLOCATION**

53. The objective of the Plan of Allocation is to distribute the Settlement proceeds equitably among those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The Plan of Allocation is not a formal damage analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations in accordance with the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants under the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Fund.

54. In developing the Plan of Allocation, New Jersey's damages expert calculated the estimated amount of artificial inflation in the per share closing prices of Cliffs common stock that was allegedly proximately caused by Defendants' alleged false and misleading statements and material omissions. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, New Jersey's damages expert considered price changes in Cliffs common stock in reaction to certain public announcements allegedly

revealing the truth concerning Defendants' alleged misrepresentations and material omissions, adjusting for price changes that were attributable to market or industry forces. The estimated artificial inflation in Cliffs common stock is shown in Table A set forth at the end of this Notice.

55. In order to have recoverable damages, disclosure of the alleged misrepresentations or omissions must be the cause of the decline in the price of Cliffs common stock. In this case, New Jersey alleges that Defendants made false statements and omitted material facts during the period from March 14, 2012 through and including March 26, 2013, which had the effect of artificially inflating the prices of Cliffs common stock. New Jersey further alleges that corrective disclosures removed artificial inflation from the price of Cliffs common stock on April 26, 2012, July 26, 2012, October 25, 2012, November 19, 2012, November 20, 2012, February 13, 2013, and March 27, 2013.

### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

56. Based on the formula stated below, a "Recognized Loss Amount" will be calculated for each purchase of Cliffs common stock during the Settlement Class Period that is listed on the Proof of Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

57. For each share of Cliffs common stock purchased during the period from March 14, 2012 through and including the close of trading on March 26, 2013, and:

(a) Sold prior to the close of trading on April 25, 2012, the Recognized Loss Amount will be \$0.00.

(b) Sold during the period from April 26, 2012 through and including the close of trading on March 26, 2013, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share stated in Table A on the date of purchase minus the amount of artificial inflation per share stated in Table A on the date of sale; or (ii) the purchase price minus the sale price.

(c) Sold during the period from March 27, 2013 through and including the close of trading on June 24, 2013, the Recognized Loss Amount will be *the least of*: (i) the amount of artificial inflation per share stated in Table A on the date of purchase; (ii) the purchase price minus the sale price; or (iii) the purchase price minus the average closing price between March 27, 2013 and the date of sale stated in Table B at the end of this Notice.

(d) Held as of the close of trading on June 24, 2013, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share stated in Table A on the date of purchase; or (ii) the purchase price minus \$19.34, the average closing price for Cliffs common stock between March 27, 2013 and June 24, 2013 (the last entry on Table B).<sup>3</sup>

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<sup>3</sup> Under Section 21(D)(e)(1) of the Exchange Act, "in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of



## **ADDITIONAL PROVISIONS**

58. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 61 below) is \$10.00 or greater.

59. If a Settlement Class Member has more than one purchase or sale of Cliffs common stock, purchases and sales will be matched on a First In, First Out (“FIFO”) basis. Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Settlement Class Period.

60. A Claimant’s “Recognized Claim” under the Plan of Allocation will be the sum of his, her, or its Recognized Loss Amounts.

61. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

62. Purchases and sales of Cliffs common stock will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of Cliffs common stock during the Settlement Class Period will not be deemed a purchase or sale of Cliffs common stock for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor will the receipt or grant be deemed an assignment of any claim relating to the purchase of Cliffs common stock unless (i) the donor or decedent purchased the shares during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

63. The date of covering a “short sale” is deemed to be the date of purchase of the Cliffs common stock. The date of a “short sale” is deemed to be the date of sale of Cliffs common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in Cliffs common stock, his, her, or its earliest Settlement Class Period purchases of Cliffs common stock will be matched against the opening short position, and not be entitled to a recovery, until that short position is fully covered.

64. Option contracts are not securities eligible to participate in the Settlement. With respect to shares of Cliffs common stock purchased or sold through the exercise of an option, the

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damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Cliffs common stock during the 90-day look-back period. The mean (average) closing price for Cliffs common stock during this 90-day look-back period was \$19.34.

purchase/sale date of the Cliffs common stock is the exercise date of the option and the purchase/sale price of the Cliffs common stock is the exercise price of the option.

65. If a Claimant had a market gain with respect to his, her, or its overall transactions in Cliffs common stock during the Settlement Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in Cliffs common stock during the Settlement Class Period but that market loss was less than the Claimant's total Recognized Claim calculated above, then the Claimant's Recognized Claim will be limited to the amount of the actual market loss.

66. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in Cliffs common stock during the Settlement Class Period or suffered a market loss, the Claims Administrator will determine the difference between (i) the Total Purchase Amount<sup>4</sup> and (ii) the sum of the Total Sales Proceeds<sup>5</sup> and Holding Value.<sup>6</sup> This difference will be deemed a Claimant's market gain or loss with respect to his, her, or its overall transactions in Cliffs common stock during the Settlement Class Period.

67. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

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<sup>4</sup> The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for Cliffs common stock purchased during the Settlement Class Period.

<sup>5</sup> The Claims Administrator will match any sales of Cliffs common stock during the Settlement Class Period first against the Claimant's opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of Cliffs common stock sold during the Settlement Class Period will be the "Total Sales Proceeds".

<sup>6</sup> The Claims Administrator will ascribe a value of \$18.46 per share for Cliffs common stock purchased during the Settlement Class Period and still held as of the close of trading on March 26, 2013 (the "Holding Value"). The Holding Value is based on the closing price of Cliffs common stock on March 27, 2013, the day after the last day of the Settlement Class Period.

68. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against New Jersey, Plaintiff's Counsel, New Jersey's damages expert, the Settling Defendants, Cliffs, Defendants' Counsel, or any of the other Plaintiff's Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further orders of the Court. New Jersey, the Settling Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for: the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

69. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by New Jersey after consultation with its damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com).

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

70. Plaintiff's Counsel have not received any payment for their services in pursuing claims asserted in the Action on behalf of the Settlement Class, nor have Plaintiff's Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiff's Counsel in an amount not to exceed 16% of the Settlement Fund. At the same time, Lead Counsel also intend to apply for reimbursement of Litigation Expenses in an amount not to exceed \$600,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by New Jersey directly related to its representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?  
HOW DO I EXCLUDE MYSELF?**

71. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to Cliffs Securities Litigation, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173003, Milwaukee, WI 53217. The exclusion request must be **received no later than June 9, 2016**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *The Department of the Treasury of the State of New Jersey and its Division of Investment v. Cliffs Natural Resources*

*Inc., et al.*, Case No. 1:14-cv-1031”; (c) state the number of shares of Cliffs common stock that the person or entity requesting exclusion (x) owned as of the close of trading on March 13, 2012, and (y) purchased and/or sold during the Settlement Class Period (*i.e.*, from March 14, 2012 through March 26, 2013, inclusive), as well as the number of shares, dates and prices for each such purchase and/or sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court. Co-Lead Counsel may, at their discretion, request from any person or entity requesting exclusion documentation sufficient to prove his, her or its purchases and/or sales of Cliffs common stock during the Settlement Class Period.

72. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiff’s Claim against any of the Defendants’ Releasees.

73. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment from the Net Settlement Fund.

74. The Settling Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by New Jersey and the Settling Defendants.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE  
SETTLEMENT? DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

75. The Settlement Hearing will be held on June 30, 2016 at 12:00 p.m., before the Honorable Dan Aaron Polster at the United States District Court for the Northern District of Ohio, Carl B. Stokes United States Court House, Courtroom 18B, 801 West Superior Avenue, Cleveland, Ohio 44113-1837. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

**76. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. Participation in the Settlement is not conditioned on attendance at the Settlement Hearing.**

77. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the Northern District of Ohio at the address set forth below **on or before June 9, 2016**. You must also serve the papers on Lead Counsel and on Defendants’ Counsel at the addresses set forth below so that the papers are *received on or before June 9, 2016*.

**Clerk's Office**

United States District Court  
Northern District of Ohio  
Clerk of the Court  
Carl B. Stokes United States  
Court House  
801 West Superior Avenue  
Cleveland, Ohio 44113-1837

**Lead Counsel**

**Bernstein Litowitz Berger &  
Grossmann LLP**  
James A. Harrod, Esq.  
1251 Avenue of the Americas,  
44th Floor  
New York, New York 10020  
and

**Lowenstein Sandler LLP**  
Michael T.G. Long, Esq.  
65 Livingston Avenue  
Roseland, New Jersey 07068

**Defendants' Counsel**

**Jones Day**  
John M. Newman, Jr., Esq.  
901 Lakeside Avenue  
Cleveland, Ohio 44114-1190

78. Any objection: (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Cliffs common stock that the objecting Settlement Class Member purchased and/or sold during the Settlement Class Period (*i.e.*, from March 14, 2012 through March 26, 2013, inclusive), as well as the dates and prices of each such purchase and sale. Documents sufficient to prove membership in the Settlement Class include brokerage statements, confirmation slips, or authorized statements from a broker containing the transaction and holding information found in a confirmation slip or account statement. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

79. You may file a written objection without appearing at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

80. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is ***received on or before June 9, 2016***. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

81. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at

your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 77 above so that the notice is ***received on or before June 9, 2016***.

82. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

**83. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

#### **WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?**

84. If you purchased Cliffs common stock from March 14, 2012 through March 26, 2013, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either: (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to Cliffs Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173003, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com), by calling the Claims Administrator toll-free at (866) 778-1167, or by emailing the Claims Administrator at [info@CliffsSecuritiesLitigation.com](mailto:info@CliffsSecuritiesLitigation.com).

#### **CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

85. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Northern District of Ohio, Carl B. Stokes United States Court House, 801 West Superior Avenue, Cleveland, Ohio 44113-1837. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com).

All inquiries concerning this Notice and the Claim Form should be directed to:

Cliffs Securities Litigation  
c/o A.B. Data, Ltd.  
P.O. Box 173003  
Milwaukee, WI 53217  
(866) 778-1167  
info@CliffsSecuritiesLitigation.com  
www.CliffsSecuritiesLitigation.com

and/or

James A. Harrod, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
1251 Avenue of the Americas, 44th Floor  
New York, NY 10020  
(800) 380-8496  
blbg@blbglaw.com

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE  
CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL  
REGARDING THIS NOTICE.**

Dated: \_\_\_\_\_, 2016

By Order of the Court  
United States District Court  
Northern District of Ohio

**TABLE A**

**Estimated Artificial Inflation from March 14, 2012  
through and including March 26, 2013**

| <b>Transaction Date</b>               | <b>Inflation Per Share</b> |
|---------------------------------------|----------------------------|
| March 14, 2012 – April 25, 2012       | \$29.33                    |
| April 26, 2012 – July 25, 2012        | \$25.01                    |
| July 26, 2012 – October 24, 2012      | \$21.15                    |
| October 25, 2012 – November 18, 2012  | \$16.25                    |
| November 19, 2012                     | \$14.66                    |
| November 20, 2012 – February 12, 2013 | \$10.60                    |
| February 13, 2013 – March 26, 2013    | \$3.33                     |



**TABLE B**

**Cliffs Closing Price and Average Closing Price  
March 27, 2013 – June 24, 2013**

| <b>Date</b> | <b>Closing Price</b> | <b>Average Closing Price Between March 27, 2013 and Date Shown</b> | <b>Date</b> | <b>Closing Price</b> | <b>Average Closing Price Between March 27, 2013 and Date Shown</b> |
|-------------|----------------------|--|-------------|----------------------|--|
| 3/27/2013   | \$18.46              | \$18.46  | 5/10/2013   | \$23.53              | \$19.52  |
| 3/28/2013   | \$19.01              | \$18.74  | 5/13/2013   | \$22.90              | \$19.62  |
| 4/1/2013    | \$18.95              | \$18.81  | 5/14/2013   | \$22.29              | \$19.70  |
| 4/2/2013    | \$18.18              | \$18.65  | 5/15/2013   | \$21.00              | \$19.74  |
| 4/3/2013    | \$18.73              | \$18.67  | 5/16/2013   | \$20.42              | \$19.76  |
| 4/4/2013    | \$18.75              | \$18.68  | 5/17/2013   | \$20.69              | \$19.78  |
| 4/5/2013    | \$18.45              | \$18.65  | 5/20/2013   | \$21.17              | \$19.82  |
| 4/8/2013    | \$18.79              | \$18.67  | 5/21/2013   | \$21.25              | \$19.85  |
| 4/9/2013    | \$20.45              | \$18.86  | 5/22/2013   | \$21.40              | \$19.89  |
| 4/10/2013   | \$20.35              | \$19.01  | 5/23/2013   | \$20.62              | \$19.91  |
| 4/11/2013   | \$19.92              | \$19.09  | 5/24/2013   | \$20.37              | \$19.92  |
| 4/12/2013   | \$19.20              | \$19.10  | 5/28/2013   | \$20.08              | \$19.93  |
| 4/15/2013   | \$17.61              | \$18.99  | 5/29/2013   | \$18.92              | \$19.90  |
| 4/16/2013   | \$17.50              | \$18.88  | 5/30/2013   | \$18.73              | \$19.88  |
| 4/17/2013   | \$17.50              | \$18.79  | 5/31/2013   | \$18.04              | \$19.84  |
| 4/18/2013   | \$17.53              | \$18.71  | 6/3/2013    | \$18.09              | \$19.80  |
| 4/19/2013   | \$17.63              | \$18.65  | 6/4/2013    | \$19.19              | \$19.79  |
| 4/22/2013   | \$17.65              | \$18.59  | 6/5/2013    | \$18.23              | \$19.76  |
| 4/23/2013   | \$17.32              | \$18.53  | 6/6/2013    | \$18.55              | \$19.73  |
| 4/24/2013   | \$18.22              | \$18.51  | 6/7/2013    | \$17.94              | \$19.70  |
| 4/25/2013   | \$20.95              | \$18.63  | 6/10/2013   | \$17.83              | \$19.66  |
| 4/26/2013   | \$20.17              | \$18.70  | 6/11/2013   | \$17.50              | \$19.62  |
| 4/29/2013   | \$20.87              | \$18.79  | 6/12/2013   | \$17.37              | \$19.58  |
| 4/30/2013   | \$21.34              | \$18.90  | 6/13/2013   | \$18.70              | \$19.56  |
| 5/1/2013    | \$20.33              | \$18.95  | 6/14/2013   | \$17.74              | \$19.53  |
| 5/2/2013    | \$19.17              | \$18.96  | 6/17/2013   | \$17.69              | \$19.50  |
| 5/3/2013    | \$19.91              | \$19.00  | 6/18/2013   | \$18.59              | \$19.48  |
| 5/6/2013    | \$21.01              | \$19.07  | 6/19/2013   | \$18.45              | \$19.46  |
| 5/7/2013    | \$21.33              | \$19.15  | 6/20/2013   | \$17.55              | \$19.43  |
| 5/8/2013    | \$23.15              | \$19.28  | 6/21/2013   | \$17.19              | \$19.40  |
| 5/9/2013    | \$22.66              | \$19.39  | 6/24/2013   | \$15.88              | \$19.34  |

# **Exhibit A-2**

**Cliffs Securities Litigation**  
**c/o A.B. Data, Ltd.**  
**P.O. Box 173003**  
**Milwaukee, WI 53217**  
**Toll-Free Number: (866) 778-1167**  
**Email: [info@CliffsSecuritiesLitigation.com](mailto:info@CliffsSecuritiesLitigation.com)**  
**Settlement Website: [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com)**

## **PROOF OF CLAIM AND RELEASE FORM**

To be eligible to receive a share of the Net Settlement Fund in connection with the Settlement of this Action, you must complete and sign this Proof of Claim and Release Form ("Claim Form") and mail it by first-class mail to the above address, **postmarked no later than August 8, 2016.**

Failure to submit your Claim Form by the date specified will subject your claim to rejection and may preclude you from being eligible to receive any money in connection with the Settlement.

**Do not mail or deliver your Claim Form to the Court, the parties to the Action, or their counsel. Submit your Claim Form only to the Claims Administrator at the address set forth above.**

| <b><u>TABLE OF CONTENTS</u></b>                                   | <b><u>PAGE #</u></b> |
|---|----------------------|
| <b>PART I – CLAIMANT INFORMATION</b>                              | —                    |
| <b>PART II – GENERAL INSTRUCTIONS</b>                             | —                    |
| <b>PART III – SCHEDULE OF TRANSACTIONS IN CLIFFS COMMON STOCK</b> | —                    |
| <b>PART IV – RELEASE OF CLAIMS AND SIGNATURE</b>                  | —                    |

## PART I – CLAIMANT INFORMATION

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you **MUST** notify the Claims Administrator in writing at the address above.

Claimant Names(s) (as the name(s) should appear on check, if eligible for payment; if the shares are jointly owned, the names of all beneficial owners must be provided):

Name of Person the Claims Administrator Should Contact Regarding this Claim Form (Must Be Provided):

Mailing Address – Line 1: Street Address/P.O. Box:

Mailing Address – Line 2 (If Applicable): Apartment/Suite/Floor Number:

City:

State/Province:

Zip Code:

Country:

Last 4 digits of Claimant Social Security/Taxpayer Identification Number:<sup>1</sup>

Daytime Telephone Number:

Evening Telephone Number:

Email address (E-mail address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.):

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<sup>1</sup> The last four digits of the taxpayer identification number (TIN), consisting of a valid Social Security Number (SSN) for individuals or Employer Identification Number (EIN) for business entities, trusts, estates, etc., and the telephone number of the beneficial owner(s) may be used in verifying this claim.

## PART II – GENERAL INSTRUCTIONS

1. It is important that you completely read and understand the Notice of (I) Pendency of Class Action and Certification of Settlement Class; (II) Proposed Settlement with Individual Defendants; (III) Settlement Hearing; and (IV) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice") that accompanies this Claim Form, including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlement, how Settlement Class Members are affected by the Settlement, and the manner in which the Net Settlement Fund will be distributed if the Settlement and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the releases described therein and provided for herein.

2. By submitting this Claim Form, you will be making a request to share in the proceeds of the Settlement described in the Notice. **IF YOU ARE NOT A SETTLEMENT CLASS MEMBER** (see the definition of the Settlement Class on page \_\_ of the Notice, which sets forth who is included in and who is excluded from the Settlement Class), **OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, SUBMITTED A REQUEST FOR EXCLUSION FROM THE SETTLEMENT CLASS, DO NOT SUBMIT A CLAIM FORM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT IF YOU ARE NOT A SETTLEMENT CLASS MEMBER.** **THUS, IF YOU ARE EXCLUDED FROM THE SETTLEMENT CLASS, ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.**

3. **Submission of this Claim Form does not guarantee that you will share in the proceeds of the Settlement. The distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Notice, if it is approved by the Court, or by such other plan of allocation as the Court approves.**

4. Use the Schedule of Transactions in Part III of this Claim Form to supply all required details of your transaction(s) (including free transfers and deliveries) in and holdings of Cliffs common stock. On this schedule, please provide all of the requested information with respect to your holdings, purchases, acquisitions, and sales of Cliffs common stock, whether such transactions resulted in a profit or a loss. **Failure to report all transaction and holding information during the requested time period may result in the rejection of your claim.**

5. Please note: Only Cliffs common stock purchased during the Settlement Class Period (*i.e.*, from March 14, 2012 through March 26, 2013, inclusive) is eligible under the Settlement. However, under the "90-day look-back period" (described in the Plan of Allocation set forth in the Notice), your sales of Cliffs common stock during the period from March 27, 2013 through June 24, 2013, inclusive, will be used for purposes of calculating your claim under the Plan of Allocation. Therefore, in order for the Claims Administrator to be able to balance your claim, the requested purchase information during the 90-day look-back period must also be provided.

6. You are required to submit genuine and sufficient documentation for all of your transactions in and holdings of Cliffs common stock set forth in the Schedule of Transactions in Part III of this Claim Form. Documentation may consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from your broker containing the transactional and holding information found in a

broker confirmation slip or account statement. The Settling Parties, Cliffs, and the Claims Administrator do not independently have information about your investments in Cliffs common stock. **IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Claims Administrator. Also, please do not highlight any portion of the Claim Form or any supporting documents.**

7. Separate Claim Forms should be submitted for each separate legal entity (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual's name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity on one Claim Form, no matter how many separate accounts that entity has (*e.g.*, a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).

8. All joint beneficial owners must each sign this Claim Form and their names must appear as "Claimants" in Part I of this Claim Form. If you purchased Cliffs common stock during the Settlement Class Period and held the shares in your name, you are the beneficial owner as well as the record owner and you must sign this Claim Form to participate in the Settlement. If, however, you purchased Cliffs common stock during the relevant time period and the securities were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of these shares, but the third party is the record owner. The beneficial owner, not the record owner, must sign this Claim Form to be eligible to participate in the Settlement.

9. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

- (a) expressly state the capacity in which they are acting;
- (b) identify the name, account number, Social Security Number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Cliffs common stock; and
- (c) furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade securities in another person's accounts.)

10. By submitting a signed Claim Form, you will be swearing that you:

- (a) own(ed) the Cliffs common stock you have listed in the Claim Form; or
- (b) are expressly authorized to act on behalf of the owner thereof.

11. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

12. If the Court approves the Settlement, payments to eligible Authorized Claimants pursuant to the

Plan of Allocation (or such other plan of allocation as the Court approves) will be made after any appeals are resolved, and after the completion of all claims processing. The claims process will take substantial time to complete fully and fairly. Please be patient.

13. **PLEASE NOTE:** As set forth in the Plan of Allocation, each Authorized Claimant shall receive his, her or its *pro rata* share of the Net Settlement Fund. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

14. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Notice, you may contact the Claims Administrator, A.B. Data, Ltd., at the above address, by email at [info@CliffsSecuritiesLitigation.com](mailto:info@CliffsSecuritiesLitigation.com), or by toll-free phone at (866) 778-1167, or you can visit the Settlement website, [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com), where copies of the Claim Form and Notice are available for downloading.

15. **NOTICE REGARDING ELECTRONIC FILES:** Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, you may visit the settlement website at [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com) or you may email the Claims Administrator's electronic filing department at [info@CliffsSecuritiesLitigation.com](mailto:info@CliffsSecuritiesLitigation.com). Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email to that effect after processing your file with your claim numbers and respective account information. **Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at [info@CliffsSecuritiesLitigation.com](mailto:info@CliffsSecuritiesLitigation.com) to inquire about your file and confirm it was received and acceptable.**

#### **IMPORTANT: PLEASE NOTE**

**YOUR CLAIM IS NOT DEEMED FILED UNTIL YOU RECEIVE AN ACKNOWLEDGEMENT POSTCARD. THE CLAIMS ADMINISTRATOR WILL ACKNOWLEDGE RECEIPT OF YOUR CLAIM FORM BY MAIL, WITHIN 60 DAYS. IF YOU DO NOT RECEIVE AN ACKNOWLEDGEMENT POSTCARD WITHIN 60 DAYS, PLEASE CALL THE CLAIMS ADMINISTRATOR TOLL FREE AT (866) 778-1167.**

### PART III – SCHEDULE OF TRANSACTIONS IN CLIFFS COMMON STOCK

Please be sure to include proper documentation with your Claim Form as described in detail in Part II – General Instructions, Paragraph 6, above. Do not include information regarding securities other than Cliffs common stock.

| <b>1. HOLDINGS AS OF MARCH 14, 2012</b> – State the total number of shares of Cliffs common stock held as of the opening of trading on March 14, 2012. (Must be documented.) If none, write “zero” or “0.” _____  |  |   |   | Confirm Proof of Position Enclosed<br><input type="radio"/> |
|---|--|---|---|---|
| <b>2. PURCHASES/ACQUISITIONS FROM MARCH 14, 2012 THROUGH MARCH 26, 2013</b> – Separately list each and every purchase/acquisition (including free receipts) of Cliffs common stock from after the opening of trading on March 14, 2012 through and including the close of trading on March 26, 2013. (Must be documented.)                          |  |   |   |   |
| Date of Purchase/<br>Acquisition<br>(List Chronologically)<br>(Month/Day/Year)  | Number of Shares<br>Purchased/Acquired | Purchase/Acquisition<br>Price Per Share | Total Purchase/<br>Acquisition Price<br>(excluding taxes,<br>commissions, and fees) | Confirm Proof of<br>Purchase Enclosed                       |
| / /   |  | \$                                      | \$  | <input type="radio"/>                                       |
| / /   |  | \$                                      | \$  | <input type="radio"/>                                       |
| / /   |  | \$                                      | \$  | <input type="radio"/>                                       |
| / /   |  | \$                                      | \$  | <input type="radio"/>                                       |
| <b>3. PURCHASES/ACQUISITIONS FROM MARCH 27, 2013 THROUGH JUNE 24, 2013</b> – State the total number of shares of Cliffs common stock purchased/acquired (including free receipts) from after the opening of trading on March 27, 2013 through and including the close of trading on June 24, 2013. If none, write “zero” or “0.” <sup>2</sup> _____ |  |   |   |   |
| <b>4. SALES FROM MARCH 14, 2012 THROUGH JUNE 24, 2013</b> – Separately list each and every sale/disposition (including free deliveries) of Cliffs common stock from after the opening of trading on March 14, 2012 through and including the close of trading on June 24, 2013. (Must be documented.)   |  |   |   | <b>IF NONE, CHECK<br/>HERE</b><br><input type="radio"/>     |
| Date of Sale<br>(List Chronologically)<br>(Month/Day/Year)  | Number of<br>Shares Sold               | Sale Price<br>Per Share                 | Total Sale Price<br>(excluding taxes,<br>commissions, and fees)                     | Confirm Proof<br>of Sale Enclosed                           |
| / /   |  | \$                                      | \$  | <input type="radio"/>                                       |
| / /   |  | \$                                      | \$  | <input type="radio"/>                                       |
| / /   |  | \$                                      | \$  | <input type="radio"/>                                       |
| / /   |  | \$                                      | \$  | <input type="radio"/>                                       |

<sup>2</sup> **Please note:** Information requested with respect to your purchases/acquisitions of Cliffs common stock from after the opening of trading on March 27, 2013 through and including the close of trading on June 24, 2013 is needed in order to balance your claim; purchases during this period, however, are not eligible under the Settlement and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.



**5. HOLDINGS AS OF JUNE 24, 2013** – State the total number of shares of Cliffs common stock held as of the close of trading on June 24, 2013. (Must be documented.) If none, write “zero” or “0.”  
\_\_\_\_\_

Confirm Proof of  
Position Enclosed  
○

**IF YOU REQUIRE ADDITIONAL SPACE FOR THE SCHEDULE ABOVE, ATTACH EXTRA SCHEDULES IN THE SAME FORMAT. PRINT THE BENEFICIAL OWNER’S FULL NAME AND LAST FOUR DIGITS OF SOCIAL SECURITY/TAXPAYER IDENTIFICATION NUMBER ON EACH ADDITIONAL PAGE. IF YOU DO ATTACH EXTRA SCHEDULES, CHECK THIS BOX** ☐

## **PART IV - RELEASE OF CLAIMS AND SIGNATURE**

**YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE \_\_\_\_ OF THIS CLAIM FORM.**

I (we) hereby acknowledge that, pursuant to the terms set forth in the Stipulation, without further action by anyone, upon the Effective Date of the Settlement, I (we), on behalf of myself (ourselves) and my (our) heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff's Claim (including, without limitation, any Unknown Claims) against the Defendants and the other Defendants' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiff's Claims against any of the Defendants' Releasees.

### **CERTIFICATION**

By signing and submitting this Claim Form, the claimant(s) or the person(s) who represent(s) the claimant(s) agree(s) to the release above and certifies (certify) as follows:

1. that I (we) have read and understand the contents of the Notice and this Claim Form, including the releases provided for in the Settlement and the terms of the Plan of Allocation;
2. that the claimant(s) is a (are) Settlement Class Member(s), as defined in the Notice, and is (are) not excluded by definition from the Settlement Class as set forth in the Notice;
3. that the claimant has **not** submitted a request for exclusion from the Settlement Class;
4. that I (we) own(ed) the Cliffs common stock identified in the Claim Form and have not assigned the claim against any of the Defendants or any of the other Defendants' Releasees to another, or that, in signing and submitting this Claim Form, I (we) have the authority to act on behalf of the owner(s) thereof;
5. that the claimant(s) has (have) not submitted any other claim covering the same purchases of Cliffs common stock and knows (know) of no other person having done so on the claimant's (claimants') behalf;
6. that the claimant(s) submit(s) to the jurisdiction of the Court with respect to claimant's (claimants') claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Claim Form as Lead Counsel, the Claims Administrator or the Court may require;
8. that the claimant(s) waive(s) the right to trial by jury, to the extent it exists, and agree(s) to the Court's summary disposition of the determination of the validity or amount of the claim made by this Claim Form;
9. that I (we) acknowledge that the claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and

10. that the claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (a) the claimant(s) is (are) exempt from backup withholding or (b) the claimant(s) has (have) not been notified by the IRS that he/she/it is subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified the claimant(s) that he/she/it is no longer subject to backup withholding. **If the IRS has notified the claimant(s) that he/she/it is subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.**

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS CLAIM FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HERewith ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

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Signature of claimant Date

---

Print your name here

---

Signature of joint claimant, if any Date

---

Print your name here

***If the claimant is other than an individual, or is not the person completing this form, the following also must be provided:***

---

Signature of person signing on behalf of claimant Date

---

Print your name here

---

Capacity of person signing on behalf of claimant, if other than an individual, *e.g.*, executor, president, trustee, custodian, etc. (Must provide evidence of authority to act on behalf of claimant – see paragraph 9 on page \_\_ of this Claim Form.)

**REMINDER CHECKLIST:**

1. Please sign the above release and certification. If this Claim Form is being made on behalf of joint claimants, then both must sign.
2. Remember to attach only **copies** of acceptable supporting documentation as these documents will not be returned to you.
3. Please do not highlight any portion of the Claim Form or any supporting documents.
4. Keep copies of the completed Claim Form and documentation for your own records.
5. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. **If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at (866) 778-1167.**
6. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.
7. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the address below, by email at [info@CliffsSecuritiesLitigation.com](mailto:info@CliffsSecuritiesLitigation.com), or by toll-free phone at (866) 778-1167, or you may visit [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com). Please DO NOT call Cliffs or any of the other Defendants or their counsel with questions regarding your claim.

**THIS CLAIM FORM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTMARKED NO LATER THAN AUGUST 8, 2016, ADDRESSED AS FOLLOWS:**

Cliffs Securities Litigation  
c/o A.B. Data, Ltd.  
P.O. Box 173003  
Milwaukee, WI 53217  
(866) 778-1167  
[www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com)

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if a postmark date on or before August 8, 2016 is indicated on the envelope and it is mailed First Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to fully process all of the Claim Forms. Please be patient and notify the Claims Administrator of any change of address.

# **Exhibit A-3**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

THE DEPARTMENT OF THE TREASURY OF  
THE STATE OF NEW JERSEY AND ITS  
DIVISION OF INVESTMENT, on behalf of itself  
and all others similarly situated,

Plaintiff,

v.

CLIFFS NATURAL RESOURCES INC.,  
JOSEPH CARRABBA, LAURIE BRLAS,  
TERRY PARADIE, and DAVID B. BLAKE,

Defendants.

Case No. 1:14-cv-1031

Judge Dan Aaron Polster

Magistrate Judge Greg White

**SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION AND CERTIFICATION  
OF SETTLEMENT CLASS; (II) PROPOSED SETTLEMENT WITH INDIVIDUAL  
DEFENDANTS; (III) SETTLEMENT HEARING; AND (IV) MOTION FOR AN AWARD  
OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO: All persons and entities who or which purchased Cliffs Natural Resources Inc.  
("Cliffs") common stock from March 14, 2012 through March 26, 2013, inclusive (the  
"Settlement Class Period") and were damaged thereby (the "Settlement Class"):**

**PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS WILL BE AFFECTED  
BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of Ohio, that the above-captioned litigation (the "Action") has been certified as a class action on behalf of the Settlement Class, except for certain persons and entities who are excluded from the Settlement Class by definition as set forth in the full printed Notice of (I) Pendency of Class Action and Certification of Settlement Class; (II) Proposed Settlement with Individual Defendants; (III) Settlement Hearing; and (IV) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice").

YOU ARE ALSO NOTIFIED that the Lead Plaintiff in the Action, The Department of the Treasury of the State of New Jersey and its Division of Investment, on behalf of itself and the other members of the Settlement Class, has reached a proposed settlement of the Action with

defendants Terrance Paradie, Joseph Carrabba, Laurie Brlas, and David Blake (the “Settling Defendants”) for \$84,000,000 in cash (the “Settlement”). If the Settlement is approved by the Court, it will resolve all claims in the Action.

A hearing will be held on June 30, 2016 at 12:00 p.m., before the Honorable Dan Aaron Polster at the United States District Court for the Northern District of Ohio, Carl B. Stokes United States Court House, Courtroom 18B, 801 West Superior Avenue, Cleveland, Ohio 44113-1837, to determine (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against the Settling Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement with Individual Defendants dated March 10, 2016 (and in the Notice) should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Lead Counsel’s application for an award of attorneys’ fees and reimbursement of Litigation Expenses should be approved.

**If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund.** If you have not yet received the Notice and Claim Form, you may obtain copies of these documents by contacting the Claims Administrator at Cliffs Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173003, Milwaukee, WI 53217, by toll-free phone at (866) 778-1167, or by email at [info@CliffsSecuritiesLitigation.com](mailto:info@CliffsSecuritiesLitigation.com). Copies of the Notice and Claim Form can also be downloaded from the website maintained by the Claims Administrator, [www.CliffsSecuritiesLitigation.com](http://www.CliffsSecuritiesLitigation.com).

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form *postmarked* no later than August 8, 2016. If you are a member of the Settlement Class and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement, but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is *received* no later than June 9, 2016, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel’s motion for attorneys’ fees and reimbursement of Litigation Expenses, must be filed with the Court and delivered to Lead Counsel and counsel for the Settling Defendants such that they are *received* no later than June 9, 2016, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk’s office, Cliffs, or Defendants’ Counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to Lead Counsel or the Claims Administrator.**

Requests for the Notice and Claim Form should be made to:

Cliffs Securities Litigation  
c/o A.B. Data, Ltd.  
P.O. Box 173003  
Milwaukee, WI 53217  
(866) 778-1167  
info@CliffsSecuritiesLitigation.com  
www.CliffsSecuritiesLitigation.com

Inquiries, other than requests for the Notice and Claim Form, should be made to Lead Counsel:

BERNSTEIN LITOWITZ BERGER &  
GROSSMANN LLP  
James A. Harrod, Esq.  
1251 Avenue of the Americas, 44th Floor  
New York, NY 10020  
(800) 380-8496

or

LOWENSTEIN SANDLER LLP  
Michael T.G. Long, Esq.  
65 Livingston Avenue  
Roseland, NJ 07068  
(973) 597-250

Dated: \_\_\_\_\_, 2016

By Order of the Court

# 958582



# **Exhibit B**

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

THE DEPARTMENT OF THE TREASURY OF  
THE STATE OF NEW JERSEY AND ITS  
DIVISION OF INVESTMENT, on behalf of itself  
and all others similarly situated,

Plaintiff,

v.

CLIFFS NATURAL RESOURCES INC.,  
JOSEPH CARRABBA, LAURIE BRLAS,  
TERRY PARADIE, and DAVID B. BLAKE,

Defendants.

Case No. 1:14-cv-1031

Judge Dan Aaron Polster

Magistrate Judge Greg White

**[PROPOSED] ORDER AND FINAL JUDGMENT**

WHEREAS, a securities class action is pending in this Court entitled *The Department of the Treasury of the State of New Jersey and its Division of Investment v. Cliffs Natural Resources Inc., et al.*, Case No. 1:14-cv-1031 (the “Action”);

WHEREAS, (a) Lead Plaintiff, The Department of the Treasury of the State of New Jersey and its Division of Investment (“New Jersey”), on behalf of itself and the other members of the Settlement Class (defined below), and (b) defendants Terrance Paradie, Joseph Carrabba, Laurie Brlas, and David Blake (collectively, the “Individual Defendants” or the “Settling Defendants,” and together with New Jersey, the “Settling Parties”) have entered into a Stipulation and Agreement of Settlement with Individual Defendants dated March 10, 2016 (the “Stipulation”), that provides for a complete dismissal with prejudice of the claims asserted in the Action on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the “Settlement”);

WHEREAS, Defendant Cliffs Natural Resources Inc. (“Cliffs” or the “Company”) executed the Stipulation and is a participant in the Settlement only for the limited purposes of: (a) exchanging Releases with New Jersey and the Settlement Class; (b) making certain representations concerning the events and conduct of the parties and their counsel in connection with and related to the Action; (c) providing shareholder records to New Jersey; and (d) providing notice pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715 *et seq.*;

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, by Order dated \_\_\_\_\_, 2016 (the “Preliminary Approval Order”), this Court: (a) preliminarily approved the Settlement; (b) certified the Settlement Class solely for purposes of effectuating the Settlement; (c) ordered that notice of the proposed Settlement be provided to potential Settlement Class Members; (d) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the Settlement Class;

WHEREAS, the Court conducted a hearing on \_\_\_\_\_, 2016 (the “Settlement Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement are fair, reasonable and adequate to the Settlement Class, and should therefore be approved; and (b) whether a judgment should be entered dismissing the Action with prejudice; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, and the record in the Action, and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action and all matters relating to the Settlement, as well as personal jurisdiction over New Jersey, the Defendants, and each of the Settlement Class Members.

2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on \_\_\_\_\_, 2016; and (b) the Notice and the Summary Notice, both of which were filed with the Court on \_\_\_\_\_, 2016.

3. **Class Certification for Settlement Purposes** – The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for Settlement purposes only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of a Settlement Class consisting of all persons and entities who or which purchased Cliffs common stock from March 14, 2012 through March 26, 2013, inclusive (the “Settlement Class Period”) and were damaged thereby. Excluded from the Settlement Class are Defendants; members of the Immediate Family of each of the Individual Defendants; the Officers and/or directors of Cliffs during the Settlement Class Period; and any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest. [Also excluded from the Settlement Class are the persons and entities listed on Exhibit 1 hereto that are excluded from the Settlement Class pursuant to request.]

4. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for Settlement purposes only, the Court hereby affirms its determinations in the Preliminary Approval Order certifying New Jersey as the Class Representative for the Settlement Class and appointing Lead Counsel as Class Counsel for the Settlement Class. New Jersey and Lead Counsel have fairly and adequately represented the Settlement Class both in terms of

litigating the Action and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

5.     **Notice** – The Court finds that the dissemination of the Notice and the publication of the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases to be provided thereunder); (iii) Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of Allocation and/or Lead Counsel’s motion for attorneys’ fees and reimbursement of Litigation Expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their right to appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, *et seq.*, as amended, and all other applicable law and rules.

6.     Defendants have filed a Declaration Regarding Compliance with the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715. Defendants timely mailed notice of the Stipulation pursuant to 28 U.S.C. § 1715(b), including notices to the Attorney General of the United States of America, and the Attorneys General of all states in which members of the Settlement Class reside. The notice contains the documents and information required by 28 U.S.C. § 1715(b)(1)-(8). The Court finds that Defendants have complied in all respects with the requirements of 28 U.S.C. § 1715.

7. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the amount of the Settlement; the Releases provided for therein; and the dismissal with prejudice of the claims asserted in the Action), and finds that the Settlement is, in all respects, fair, reasonable and adequate to the Settlement Class. The Settling Parties and Cliffs are directed to implement, perform and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

8. All of the claims asserted in the Action by New Jersey and the other Settlement Class Members are hereby dismissed with prejudice. The Settling Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

9. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever binding on the Settling Defendants, Cliffs, New Jersey and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective successors and assigns. [The persons and entities listed on Exhibit 1 hereto are excluded from the Settlement Class pursuant to request and are not bound by the terms of the Stipulation or this Judgment.]

10. **Releases** – The Releases set forth in paragraphs 5 and 6 of the Stipulation, together with the definitions contained in paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to paragraph 11 below, upon the Effective Date of the Settlement, New Jersey and each of the other Settlement Class Members,

on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff's Claim against the Defendants and the other Defendants' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiff's Claims against any of the Defendants' Releasees. This Release shall not apply to any of the Excluded Claims (as that term is defined in paragraph 1(s) of the Stipulation).

(b) Without further action by anyone, and subject to paragraph 11 below, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim against New Jersey and the other Plaintiff's Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Plaintiff's Releasees. [This Release shall not apply to any claims against any person or entity listed on Exhibit 1 hereto.]

11. Notwithstanding paragraphs 10(a) – (b) above, nothing in this Judgment shall bar any action by any of the Settling Parties or Cliffs to enforce or effectuate the terms of the Stipulation or this Judgment.

12. **Rule 11 Findings** – The Court finds and concludes that New Jersey and the Defendants and their respective counsel have complied in all respects with the requirements of

Rule 11 of the Federal Rules of Civil Procedure in connection with institution, prosecution, defense and/or settlement of this Action.

13. **No Admissions** – Neither this Judgment, the Term Sheet, the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Term Sheet and the Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by New Jersey or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation or this Judgment;

(b) shall be offered against any of the Plaintiff's Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiff's Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the



Plaintiff's Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation or this Judgment;

(c) shall be offered or construed as evidence that a class should or should not be certified in the Action if the Settlement is not consummated; or

(d) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Stipulation represents the amount that could be or would have been recovered after trial;

*provided, however,* that the Settling Parties and the Releasees and their respective counsel may refer to this Judgment and the Stipulation to effectuate the protections from liability granted hereunder and thereunder or otherwise to enforce the terms of the Settlement.

14. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) New Jersey, the Settling Defendants, and Cliffs (to the extent necessary as set forth herein) for purposes of the administration, interpretation, implementation and enforcement of the Settlement; (b) the disposition of the Settlement Fund; (c) any motion for an award of attorneys' fees and/or Litigation Expenses by Lead Counsel in the Action that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the Class Distribution Order; and (f) the Settlement Class Members for all matters relating to the Action.

15. Separate orders shall be entered regarding approval of a plan of allocation and the motion of Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses. Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Effective Date of the Settlement.

16. **Modification of the Agreement of Settlement** – Without further approval from the Court, the parties to the Stipulation are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of Settlement Class Members in connection with the Settlement. Without further order of the Court, the parties to the Stipulation may agree to reasonable extensions of time to carry out any provisions of the Settlement.

17. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of New Jersey, the other Settlement Class Members, the Settling Defendants and Cliffs, and the Settling Parties and Cliffs shall revert to their respective litigation positions in the Action as of immediately prior to the execution of the Term Sheet on January 22, 2016, as provided in the Stipulation.

18. **Entry of Final Judgment** – There is no just reason to delay the entry of this Judgment as a final judgment in this Action. Accordingly, the Clerk of the Court is expressly directed to immediately enter this final judgment in this Action.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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The Honorable Dan Aaron Polster  
United States District Judge

**Exhibit 1**

**[List of Persons and Entities Excluded from the Settlement Class Pursuant to Request]**