

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

**FORM 8-K**

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 25, 2017

**Cliffs Natural Resources Inc.**  
(Exact name of registrant as specified in its charter)

Ohio  
(State or Other Jurisdiction  
of Incorporation)

1-8944  
(Commission File Number)

34-1464672  
(IRS Employer  
Identification Number)

200 Public Square, Suite 3300  
Cleveland, Ohio  
(Address of Principal Executive Offices)

44114-2315  
(Zip Code)

Registrant's telephone number, including area code: (216) 694-5700

Not Applicable

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (Section 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Section 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On April 25, 2017, at the 2017 Annual Meeting of Shareholders (the "Annual Meeting") of Cliffs Natural Resources Inc. (the "Company"), the Shareholders of the Company approved the Amended and Restated Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan (the "A&R 2015 Equity Plan") and the Company's 2017 Executive Management Performance Incentive Plan.

**Amended and Restated 2015 Equity and Incentive Compensation Plan**

The A&R 2015 Equity Plan amends and restates in its entirety the Company's 2015 Equity and Incentive Compensation Plan, as amended (the "Amended 2015 Equity Plan"). The Company's 2015 Equity and Incentive Compensation Plan (the "2015 Equity Plan") was last approved by Shareholders at the 2015 Annual Meeting. The A&R 2015 Equity Plan increases the number of common shares authorized for issuance under the Amended 2015 Equity Plan by 15,000,000 shares. The A&R 2015 Equity Plan authorizes, subject to adjustment, up to 27,900,000 of the Company's common shares to be issued pursuant to stock options, appreciation rights ("SARs"), restricted shares, restricted share units ("RSUs"), performance shares, performance units and certain other awards based on or related to the Company's common shares, plus cash incentive awards, for the purpose of providing the officers and other key employees incentives and rewards for performance. Officers and key employees of the Company and its subsidiaries, as selected by the Compensation and Organization Committee of the Board of Directors of the Company, are eligible for awards under the A&R 2015 Equity Plan. The A&R 2015 Equity Plan will be administered by the Compensation and Organization Committee.

A summary of the material changes from the 2015 Equity Plan is as follows:

- The 2015 Equity Plan did not permit common shares to be withheld and delivered under the 2015 Equity Plan in connection with benefits under the 2015 Equity Plan in excess of minimum statutory withholding requirements. The Amended 2015 Equity Plan (and the A&R 2015 Equity Plan) have changed this to allow common shares to be so withheld and delivered in excess of minimum statutory withholding requirements (but not in excess of maximum statutory withholding requirements).
- The A&R 2015 Equity Plan provides for a total of 27,900,000 common shares to be issued or transferred with respect to awards under the A&R 2015 Equity Plan (consisting of 12,900,000 common shares authorized by Shareholders in 2015 and an additional 15,000,000 common shares authorized by Shareholders at the Annual Meeting).
- The 2015 Equity Plan provided that dividends on restricted shares and dividend equivalents on RSUs must be deferred and paid contingent on the earning of the underlying award only with respect to performance-based awards. The A&R 2015 Equity Plan extends this requirement that dividends on restricted shares and dividend equivalents on RSUs must be deferred and paid contingent on the earning of the underlying award to service-based awards (including other share-based awards and not just performance-based awards).
- The 2015 Equity Plan provides for its termination on May 19, 2025. The A&R 2015 Equity Plan will terminate on April 24, 2027.

Subject to adjustment as described in the A&R 2015 Equity Plan, total awards under the A&R 2015 Equity Plan are limited to 27,900,000 shares, plus any shares returned to the A&R 2015 Equity Plan as described below. These shares may be shares of original issuance or treasury shares or a combination of the foregoing. No further awards may be made under the Company's plans preceding the 2015 Equity Plan. The A&R 2015 Equity Plan also provides that, subject to adjustment as described in the A&R 2015 Equity Plan:

- the aggregate number of common shares actually issued or transferred upon the exercise of incentive stock options will not exceed 27,900,000 common shares;
- no participant will be granted stock options and/or SARs, in the aggregate, for more than 1,000,000 common shares during any calendar year;
- no participant will be granted awards of restricted shares, RSUs, performance shares and/or other stock-based awards that are intended to qualify as "qualified performance-based compensation" under Section 162

(m) of the Internal Revenue Code of 1986, as amended (the "Code"), in the aggregate, for more than 1,000,000 common shares during any calendar year;

- no participant in any calendar year will receive an award of performance units and/or other awards payable in cash that are intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code, having an aggregate maximum value as of their respective grant dates in excess of \$20,000,000;
- no participant in any calendar year will receive a cash incentive award that are intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code having an aggregate maximum value in excess of \$10,000,000; and
- awards that do not comply with the applicable minimum vesting periods provided for in the A&R 2015 Equity Plan (as further described below) will not result in the issuance or transfer of more than 5% of the maximum number of common shares available under the A&R 2015 Equity Plan.

The A&R 2015 Equity Plan contains fungible share counting mechanics, which generally means that awards other than stock options and SARs will be counted against the aggregate share limit as two common shares for every common share that is actually issued or transferred under such awards. This means, for example, that only 13,950,000 common shares could be issued in settlement of RSU awards from the 27,900,000 common shares authorized under the A&R 2015 Equity Plan.

If any common shares issued or transferred pursuant to an award granted under the A&R 2015 Equity Plan are forfeited, or an award granted under the A&R 2015 Equity Plan is cancelled or forfeited, expires or is settled for cash (in whole or in part), the common shares issued or transferred pursuant to, or subject to, such award (as applicable) will, to the extent of such cancellation, forfeiture, expiration, or cash settlement, again be available for issuance or transfer as described in the A&R 2015 Equity Plan. The following common shares will not be added back to the aggregate share limit under the A&R 2015 Equity Plan: (1) shares tendered or otherwise used in payment of an option's exercise price; (2) shares withheld or otherwise used by us to satisfy tax withholding obligations; and (3) shares that are repurchased by us with stock option proceeds. Further, all common shares covered by SARs that are exercised and settled in shares, whether or not all common shares covered by the SARs are actually issued to the participant upon exercise, will be considered issued or transferred pursuant to the A&R 2015 Equity Plan. If a participant elects to give up the right to receive compensation in exchange for common shares based on fair market value, such common shares will not count against the aggregate share limit under the A&R 2015 Equity Plan.

The A&R 2015 Equity Plan provides that, except for awards under which up to an aggregate of 5% of the maximum number of common shares that may be issued or transferred under the A&R 2015 Equity Plan:

- Time-based restrictions on stock options, SARs, restricted shares, RSUs and other share-based awards may not lapse solely by the passage of time sooner than after one year, unless the Compensation Committee specifically provides for those restrictions to lapse sooner, including (1) by virtue of the retirement, death or disability of a participant or (2) in the event of a change in control only where either (A) within a specified period of time a participant is involuntarily terminated for reasons other than for cause or terminates his or her employment for good reason or (B) such awards are not assumed or converted into replacement awards in a manner described in the applicable award agreement (we refer to any change in control satisfying these conditions as a double-trigger change in control); and
- Restrictions on stock options, SARs, restricted shares, RSUs and other share-based awards that lapse upon the achievement of management objectives may not lapse sooner than after one year, and the performance period for performance shares and performance units must be at least one year, unless the Compensation Committee specifically provides in a grant for earlier lapse or modification, including by virtue of the retirement, death or disability of a participant or a double-trigger change in control.

The A&R 2015 Equity Plan is designed to allow awards made under the 2015 Equity Plan to potentially qualify as "qualified performance-based compensation" under Section 162(m) of the Code. In particular, the A&R 2015 Equity Plan includes a list of performance measures upon which the Compensation Committee must condition a grant or vesting of a "qualified performance-based award" pursuant to the A&R 2015 Equity Plan, which measures are as follows (including relative or growth achievement regarding such metrics): (1) Profits (e.g., operating income, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), EBIT, EBT, net income, earnings per share, residual or economic earnings, economic profit); (2) Cash Flow (e.g., free cash flow, free cash flow with or without specific capital expenditure target or range, including or excluding divestments and/or acquisitions, total cash flow, cash flow in excess of cost of capital or residual cash flow or cash flow return on investment); (3) Returns (e.g., profits or cash flow returns on: assets, invested capital, net capital employed, and equity); (4) Working Capital (e.g., working capital divided by

sales, days' sales outstanding, days' sales inventory, and days' sales in payables); (5) Profit Margins (e.g., EBITDA divided by revenues, profits divided by revenues, gross margins and material margins divided by revenues, and sales margin divided by sales tons); (6) Liquidity Measures (e.g., debt-to-capital, debt-to-EBITDA, total debt ratio); (7) Sales Growth, Gross Margin Growth, Cost Initiative and Stock Price Metrics (e.g., revenues, revenue growth, revenue growth outside the United States, gross margin and gross margin growth, material margin and material margin growth, stock price appreciation, total return to shareholders, sales and administrative costs divided by sales, and sales and administrative costs divided by profits); and (8) Strategic Initiative Key Deliverable Metrics consisting of one or more of the following: product development, strategic partnering, research and development, vitality index, market penetration, geographic business expansion goals, cost targets, customer satisfaction, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates and joint ventures.

The description of the A&R 2015 Equity Plan contained herein is qualified in its entirety by reference to the complete terms and conditions of the A&R 2015 Equity Plan, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Because the Shareholders of the Company approved the A&R 2015 Equity Plan, it became effective and replaces the Amended 2015 Equity Plan effective as of April 25, 2017, with the effect that any outstanding awards would continue in full force and effect in accordance with their terms.

#### **2017 Executive Management Performance Incentive Plan**

On April 25, 2017, the Shareholders of the Company also approved the Cliffs Natural Resources Inc. 2017 Executive Management Performance Incentive Plan (the "2017 EMPI Plan"). The 2017 EMPI Plan provides a competitive annual incentive compensation opportunity to selected executives based on achievement against one or more key objectives and thereby align actual pay results with the Company's short-term business performance. The 2017 EMPI Plan provides for payment of compensation to our chief executive officer and certain of our other most highly compensated employees in the form of awards that may qualify as "qualified performance-based compensation" for purposes of Section 162(m) of the Code. (Section 162(m) generally limits the deduction that a publicly traded company may take for compensation that it pays to such employees). The maximum annual award to any participant under the 2017 EMPI Plan is \$7,500,000 and no award payout that has been deferred will (between the date as of which the award payout is deferred and the payment date) increase by a factor greater than a reasonable rate of interest or one or more predetermined actual investments. Grants are only awarded by the Compensation Committee based on performance criteria described in the 2017 EMPI Plan and awards are subject to negative discretion on the part of the Committee to reduce final payouts. The description of the 2017 EMPI Plan contained herein is qualified in its entirety by reference to the complete terms and conditions of the 2017 EMPI Plan, which is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Because the Shareholders of the Company approved the 2017 EMPI Plan, the 2017 EMPI Plan is effective for the fiscal year that began on January 1, 2017 and for each fiscal year thereafter until terminated.

#### **Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On April 25, 2017, the Company filed a Certificate of Amendment to the Third Amended Articles of Incorporation (the "Certificate of Amendment") with the Secretary of State of the State of Ohio to increase the total number of authorized shares from 407,000,000 to 607,000,000. The Certificate of Amendment, which was effective upon filing, is attached hereto as Exhibit 3.1 and is incorporated herein by reference.

#### **Item 5.07. Submission of Matters to a Vote of Security Holders.**

The Annual Meeting of Shareholders of the Company was held on April 25, 2017. The final voting results for the proposals submitted for a vote of Shareholders at the Annual Meeting are set forth below:

As of February 24, 2017, there were 296,398,149 common shares of the Company entitled to vote at the Annual Meeting. Each such share was entitled to one vote. There were present at the Annual Meeting, in person or

by proxy, holders of 219,391,772 common shares representing more than a majority of the voting power and constituting a quorum.

At the meeting, the Shareholders voted on the following items:

Proposal No. 1 - Election of Directors

All of the Company's nominees were elected as directors by the votes indicated below for a term that will expire on the date of the 2018 annual meeting of Shareholders:

<b>NOMINEES</b>	<b>FOR</b>	<b>WITHHOLD</b>	<b>BROKER NON-VOTES</b>
John T. Baldwin	135,787,648	2,425,272	81,178,852
Robert P. Fisher, Jr.	134,282,194	3,930,726	81,178,852
Lourenco Goncalves	135,544,652	2,668,268	81,178,852
Susan M. Green	135,638,753	2,574,167	81,178,852
Joseph A. Rutkowski, Jr.	134,466,633	3,746,287	81,178,852
Eric M. Rychel	135,914,841	2,298,079	81,178,852
Michael D. Siegal	135,723,276	2,489,644	81,178,852
Gabriel Stoliar	134,408,051	3,804,869	81,178,852
Douglas C. Taylor	134,375,884	3,837,036	81,178,852

Proposal No. 2 - Approval of an amendment to the Third Amended Articles of Incorporation to increase the number of authorized Common Shares.

This proposal received an affirmative vote of the holders of a majority of the outstanding common shares. The voting results were as follows:

<b>FOR</b>	192,557,771
<b>AGAINST</b>	21,854,328
<b>ABSTAIN</b>	4,979,673
<b>BROKER NON-VOTES</b>	—

Proposal No. 3 - Approval of Amended and Restated 2015 Equity and Incentive Compensation Plan

This proposal received an affirmative vote of a majority of the shares present, in person or by proxy, and entitled to vote. The voting results were as follows:

<b>FOR</b>	128,534,722
<b>AGAINST</b>	7,750,562
<b>ABSTAIN</b>	1,927,636
<b>BROKER NON-VOTES</b>	81,178,852

Proposal No. 4 - Approval of 2017 Executive Management Performance Incentive Plan

This proposal received an affirmative vote of a majority of the shares present, in person or by proxy, and entitled to vote. The voting results were as follows:

<b>FOR</b>	129,871,198
<b>AGAINST</b>	6,542,336
<b>ABSTAIN</b>	1,799,386
<b>BROKER NON-VOTES</b>	81,178,852

Proposal No. 5 - Approval on an Advisory Basis of the Named Executive Officers' Compensation

This proposal received an affirmative vote of more than a majority of the shares present, in person or by proxy, and entitled to vote. The voting results were as follows:

<b>FOR</b>	79,310,956
<b>AGAINST</b>	57,135,598
<b>ABSTAIN</b>	1,766,366
<b>BROKER NON-VOTES</b>	81,178,852

Proposal No. 6 - Recommendation, on an Advisory Basis, of the Frequency of Shareholder Votes on Named Executive Officers' Compensation

This proposal received the greatest number of votes for EVERY YEAR for the frequency of the advisory votes on named executive officer compensation. The voting results were as follows:

<b>1 YEAR</b>	121,349,960
<b>2 YEARS</b>	1,166,727
<b>3 YEARS</b>	14,714,991
<b>ABSTAIN</b>	981,242
<b>BROKER NON-VOTES</b>	81,178,852

Proposal No. 7 - Ratification of Deloitte & Touche LLP as Independent Registered Public Accounting Firm for 2017

This proposal received an affirmative vote of more than a majority of the shares present, in person or by proxy, and entitled to vote. The voting results were as follows:

<b>FOR</b>	215,897,170
<b>AGAINST</b>	2,700,332
<b>ABSTAIN</b>	794,270

**Item 9.01. Financial Statements and Exhibits.**

(d) **Exhibits.** The following exhibits are filed herewith:

<b>Exhibit Number</b>	<b>Description</b>
3.1	Amendment to Third Amended Articles of Incorporation of Cliffs Natural Resources Inc.
10.1	Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan
10.2	Cliffs Natural Resources Inc. 2017 Executive Management Performance Incentive Plan

**SIGNATURES**

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

Cliffs Natural Resources Inc.

Date: April 27, 2017

By: /s/ James D. Graham

\_\_\_\_\_  
Name: James D. Graham

Title: Executive Vice President, Chief Legal Officer & Secretary



## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
3.1	Amendment to Third Amended Articles of Incorporation of Cliffs Natural Resources Inc.
10.1	Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan
10.2	Cliffs Natural Resources Inc. 2017 Executive Management Performance Incentive Plan



Form 540 Prescribed by:

**JON HUSTED**  
OHIO SECRETARY OF STATE

Toll Free: (877) SOS-FILE (877-767-3453)  
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Mall this form to one of the following:

Regular Filing (non expedite)  
P.O. Box 1329  
Columbus, OH 43216

Expedite Filing (Two business day processing time.  
Requires an additional \$100.00)

P.O. Box 1390  
Columbus, OH 43216

**Certificate of Amendment  
(For-Profit, Domestic Corporation)  
Filing Fee: \$50  
Form Must Be Typed**

Check appropriate box:

- Amendment to existing Articles of Incorporation (125-AMDS)
- Amended and Restated Articles (122-AMAP) - The following articles supersede the existing articles and all amendments thereto.

Complete the following information:

Name of Corporation

Charter Number

Check one box below and provide information as required:

- The articles are hereby amended by the **Incorporators**. Pursuant to Ohio Revised Code section 1701.70(A), incorporators may adopt an amendment to the articles by a writing signed by them if initial directors are not named in the articles or elected and before subscriptions to shares have been received.
- The articles are hereby amended by the **Directors**. Pursuant to Ohio Revised Code section 1701.70 (A), directors may adopt amendments if initial directors were named in articles or elected, but subscriptions to shares have not been received. Also, Ohio Revised Code section 1701.70(B) sets forth additional cases in which directors may adopt an amendment to the articles.

The resolution was adopted pursuant to Ohio Revised Code section 1701.70(B)  (In this space insert the number 1 through 10 to provide basis for adoption.)

- The articles are hereby amended by the **Shareholders** pursuant to Ohio Revised Code section 1701.71.
- The articles are hereby amended and restated pursuant to Ohio Revised Code section 1701.72.

**A copy of the resolution of amendment is attached to this document.**

Note: If amended articles were adopted, they must set forth all provisions required in original articles except that articles amended by directors or shareholders need not contain any statement with respect to initial stated capital. See Ohio Revised Code section 1701.04 for required provisions.

**Required**

Must be signed by all incorporators, if amended by incorporators, or an authorized officer if amended by directors or shareholders, pursuant to Ohio Revised Code section 1701.73(B) and (C).

If authorized representative is an individual, then they must sign in the "signature" box and print their name in the "Print Name" box.

*James D. Graham*  
Signature

By (if applicable)

If authorized representative is a business entity, not an individual, then please print the business name in the "signature" box, an authorized representative of the business entity must sign in the "By" box and print their name in the "Print Name" box.

James D. Graham, EVP, Chief Legal Officer & Secretary  
Print Name

Signature

By (if applicable)

Print Name

**ATTACHMENT TO**  
**CERTIFICATE OF AMENDMENT BY SHAREHOLDERS**  
**TO**  
**THIRD AMENDED ARTICLES OF INCORPORATION**  
**OF**  
**CLIFFS NATURAL RESOURCES INC.**

**RESOLVED**, that Article Fourth of the Corporation's Third Amended Articles of Incorporation is hereby deleted and amended and restated in its entirety as set forth below:

"FOURTH: The maximum number of shares the Corporation is authorized to have outstanding is Six Hundred Seven Million (607,000,000) shares, consisting of the following:

- (a) Three Million (3,000,000) shares of Serial Preferred Stock, Class A, without par value ("Class A Preferred Stock");
- (b) Four Million (4,000,000) shares of Serial Preferred Stock, Class B, without par value ("Class B Preferred Stock"); and
- (c) Six Hundred Million (600,000,000) Common Shares, par value \$0.125 per share ("Common Shares")."

## CLIFFS NATURAL RESOURCES INC.

## AMENDED AND RESTATED 2015 EQUITY AND INCENTIVE COMPENSATION PLAN

1. **Purpose.** The purpose of this Plan is to attract and retain officers and other key employees of the Company and its Subsidiaries and to provide to such persons incentives and rewards for service or performance.

2. **Definitions.** As used in this Plan:

- (a) "Affiliate" means any corporation, partnership, joint venture or other entity, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Company as determined by the Committee or the Board, as applicable, in its discretion.
- (b) "Appreciation Right" means a right granted pursuant to Section 5 of this Plan, and will include both Free-Standing Appreciation Rights and Tandem Appreciation Rights.
- (c) "Base Price" means the price to be used as the basis for determining the Spread upon the exercise of a Free-Standing Appreciation Right or a Tandem Appreciation Right.
- (d) "Board" means the Board of Directors of the Company.
- (e) "Cash Incentive Award" means a cash award granted pursuant to Section 8 of this Plan.
- (f) "Change in Control" has the meaning set forth in Section 12 of this Plan.
- (g) "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- (h) "Committee" means the Compensation and Organization Committee of the Board (or its successor(s)), or any other committee of the Board designated by the Board to administer this Plan pursuant to Section 10 of this Plan consisting solely of no fewer than two Nonemployee Directors.
- (i) "Common Shares" means the common shares, par value \$0.125 per share, of the Company or any security into which such common shares may be changed by reason of any transaction or event of the type referred to in Section 11 of this Plan.
- (j) "Company" means Cliffs Natural Resources Inc., an Ohio corporation, and its successors.
- (k) "Covered Employee" means a Participant who is, or is determined by the Committee to be likely to become, a "covered employee" within the meaning of Section 162(m) of the Code (or any successor provision).
- (l) "Date of Grant" means the date specified by the Committee on which a grant of Option Rights, Appreciation Rights, Performance Shares, Performance Units, Cash Incentive Awards, or other awards contemplated by Section 9 of this Plan, or a grant or sale of Restricted Shares, Restricted Stock Units, or other awards contemplated by Section 9 of this Plan, will become effective (which date will not be earlier than the date on which the Committee takes action with respect thereto).
- (m) "Director" means a member of the Board.
- (n) "Effective Date" means May 19, 2015.
- (o) "Evidence of Award" means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Committee that sets forth the terms and conditions of the awards granted under the Plan. An Evidence of Award may be in an electronic medium, may be limited to notation on the books and records of the Company and, unless otherwise determined by the Committee, need not be signed by a representative of the Company or a Participant.
- (p) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.
- (q) "Free-Standing Appreciation Right" means an Appreciation Right granted pursuant to Section 5 of this Plan that is not granted in tandem with an Option Right.
- (r) "Incentive Stock Options" means Option Rights that are intended to qualify as "incentive stock options" under Section 422 of the Code or any successor provision.
- (s) "Management Objectives" means the measurable performance objective or objectives established pursuant to this Plan for Participants who have received grants of Performance Shares, Performance Units or Cash Incentive Awards or, when so determined by the Committee, Option Rights, Appreciation Rights, Restricted Shares, Restricted Stock Units, dividend equivalents or other awards pursuant to this Plan. Management Objectives may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Participant or of one or more of the Subsidiaries, divisions, departments, regions, functions or other organizational

units within the Company or its Subsidiaries. The Management Objectives may be made relative to the performance of other companies or subsidiaries, divisions, departments, regions, functions or other organizational units within such other companies, and may be made relative to an index or one or more of the performance objectives themselves. The Committee may grant awards subject to Management Objectives that are either Qualified Performance-Based Awards or are not Qualified Performance-Based Awards. The Management Objectives applicable to any Qualified Performance-Based Award to a Covered Employee will be based on one or more, or a combination, of the following metrics (including relative or growth achievement regarding such metrics):

- (i) **Profits** (e.g., operating income, EBITDA, EBIT, EBT, net income, earnings per share, residual or economic earnings, economic profit - these profitability metrics could be measured before certain specified special items and/or subject to GAAP definition);
- (ii) **Cash Flow** (e.g., free cash flow, free cash flow with or without specific capital expenditure target or range, including or excluding divestments and/or acquisitions, total cash flow, cash flow in excess of cost of capital or residual cash flow or cash flow return on investment);
- (iii) **Returns** (e.g., profits or cash flow returns on: assets, invested capital, net capital employed, and equity);
- (iv) **Working Capital** (e.g., working capital divided by sales, days' sales outstanding, days' sales inventory, and days' sales in payables);
- (v) **Profit Margins** (e.g., EBITDA divided by revenues, profits divided by revenues, gross margins and material margins divided by revenues, and sales margin divided by sales tons);
- (vi) **Liquidity Measures** (e.g., debt-to-capital, debt-to-EBITDA, total debt ratio);
- (vii) **Sales Growth, Gross Margin Growth, Cost Initiative and Stock Price Metrics** (e.g., revenues, revenue growth, revenue growth outside the United States, gross margin and gross margin growth, material margin and material margin growth, stock price appreciation, total return to shareholders, sales and administrative costs divided by sales, and sales and administrative costs divided by profits); and
- (viii) **Strategic Initiative Key Deliverable Metrics** consisting of one or more of the following: product development, strategic partnering, research and development, vitality index, market penetration, geographic business expansion goals, cost targets, customer satisfaction, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates and joint ventures.

In the case of a Qualified Performance-Based Award, each Management Objective will be objectively determinable to the extent required under Section 162(m) of the Code, and, unless otherwise determined by the Committee and to the extent consistent with Code Section 162(m), will exclude the effects of certain designated items identified at the time of grant. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Management Objectives unsuitable, the Committee may in its discretion modify such Management Objectives or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable, except in the case of a Qualified Performance-Based Award (other than in connection with a Change in Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code. In such case, the Committee will not make any modification of the Management Objectives or minimum acceptable level of achievement with respect to such Covered Employee.

(t) "Market Value per Share" means, as of any particular date, the closing price of a Common Share as reported for that date on the New York Stock Exchange or, if the Common Shares are not then listed on the New York Stock Exchange, on any other national securities exchange on which the Common Shares are listed, or if there are no sales on such date, on the next preceding trading day during which a sale occurred. If there is no regular public trading market for the Common Shares, then the Market Value per Share shall be the fair market value as determined in good faith by the Committee. The Committee is authorized to adopt another fair market value pricing method provided such method is stated in the Evidence of Award and is in compliance with the fair market value pricing rules set forth in Section 409A of the Code.

(u) "Nonemployee Director" means a person who is a "Nonemployee Director" of the Company within the meaning of Rule 16b-3 promulgated under the Exchange Act and an "outside director" within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder by the U.S. Department of the Treasury.

- (v) "Optionee" means the optionee named in an Evidence of Award evidencing an outstanding Option Right.
- (w) "Option Price" means the purchase price payable on exercise of an Option Right.
- (x) "Option Right" means the right to purchase Common Shares upon exercise of an option granted pursuant to Section 4 of this Plan.
- (y) "Participant" means a person who is selected by the Committee to receive benefits under this Plan and who is at the time (i) an officer or other key employee of the Company or any Subsidiary, or (ii) a person who provides services to the Company or a Subsidiary that are equivalent to those typically provided by an employee (provided that such person satisfies the Form S-8 definition of an "employee").
- (z) "Performance Period" means, in respect of a Cash Incentive Award, Performance Share or Performance Unit, a period of time established pursuant to Section 8 of this Plan within which the Management Objectives relating to such Cash Incentive Award, Performance Share or Performance Unit are to be achieved.
- (aa) "Performance Share" means a bookkeeping entry that records the equivalent of one Common Share awarded pursuant to Section 8 of this Plan.
- (ab) "Performance Unit" means a bookkeeping entry awarded pursuant to Section 8 of this Plan that records a unit equivalent to \$1.00 or such other value as is determined by the Committee.
- (ac) "Plan" means this Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan, as it may be amended or amended and restated from time to time.
- (ad) "Predecessor Plan" means the Company's Amended and Restated 2012 Incentive Equity Plan.
- (ae) "Qualified Performance-Based Award" means any Cash Incentive Award or award of Performance Shares, Performance Units, Restricted Shares, Restricted Stock Units or other awards contemplated under Section 9 of this Plan, or portion of such award, to a Covered Employee that is intended to satisfy the requirements for "qualified performance-based compensation" under Section 162(m) of the Code.
- (af) "Restatement Date" means the date on which the Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan is approved by the shareholders of the Company.
- (ag) "Restricted Shares" means Common Shares granted or sold pursuant to Section 6 of this Plan as to which neither the substantial risk of forfeiture nor the prohibition on transfers has expired.
- (ah) "Restriction Period" means the period of time during which Restricted Stock Units are subject to restrictions, as provided in Section 7 of this Plan.
- (ai) "Restricted Stock Units" means an award made pursuant to Section 7 of this Plan of the right to receive Common Shares, cash or a combination thereof at the end of a specified period.
- (aj) "Shareholder" means an individual or entity that owns one or more Common Shares.
- (ak) "Spread" means the excess of the Market Value per Share on the date when an Appreciation Right is exercised over the Option Price or Base Price provided for in the related Option Right or Free-Standing Appreciation Right, respectively.
- (al) "Subsidiary" means a corporation, company or other entity (i) more than 50 percent of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture, limited liability company, or unincorporated association), but more than 50 percent of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company; provided, however, that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, "Subsidiary" means any corporation in which at the time the Company owns or controls, directly or indirectly, more than 50 percent of the total combined Voting Power represented by all classes of stock issued by such corporation.
- (am) "Tandem Appreciation Right" means an Appreciation Right granted pursuant to Section 5 of this Plan that is granted in tandem with an Option Right.
- (an) "Voting Power" means at any time, the combined voting power of the then-outstanding securities entitled to vote generally in the election of Directors in the case of the Company, or members of the board of directors or similar body in the case of another entity.

3. **Shares Available Under the Plan.**

(a) Maximum Shares Available Under Plan.

- (i) Subject to adjustment as provided in Section 11 of this Plan, the number of Common Shares that may be issued or transferred (A) upon the exercise of Option Rights or Appreciation Rights, (B) as Restricted Shares and released from substantial risks of forfeiture thereof, (C) in payment of Restricted Stock Units, (D) in payment of Performance Shares or Performance Units that have been earned, (E) as awards contemplated by Section 9 of this Plan, or (F) in payment of dividend equivalents paid with respect to awards made under the Plan will not exceed in the aggregate 27,900,000 shares (consisting of 12,900,000 shares that were approved by the Shareholders in 2015 and 15,000,000 shares to be approved by the Shareholders in 2017), plus any Common Shares that become available under this Plan as a result of forfeiture, cancellation, expiration, or cash settlement of awards, as provided in Section 3(b) below. Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.
- (ii) The aggregate number of Common Shares available for issuance or transfer under Section 3(a)(i) of this Plan will be reduced by (A) one Common Share for every one Common Share subject to an option right or stock appreciation right granted under the Predecessor Plan between February 10, 2015 and the Effective Date, (B) two Common Shares for every one Common Share subject to an award other than a stock option or stock appreciation right granted under the Predecessor Plan between February 10, 2015 and the Effective Date, (C) one Common Share for every one Common Share issued or transferred upon exercise of an Option Right or Appreciation Right granted under this Plan, and (D) two Common Shares for every one Common Share issued or transferred in connection with an award other than an Option Right or Appreciation Right granted under this Plan. Subject to the provisions of Section 3(b) of this Plan, Common Shares covered by an award granted under this Plan will not be counted as used unless and until they are actually issued or transferred.

(b) Share Counting Rules.

- (i) If any Common Shares issued or transferred pursuant to an award granted under this Plan are forfeited, or an award granted under this Plan is cancelled or forfeited, expires or is settled for cash (in whole or in part), the Common Shares issued or transferred pursuant to, or subject to, such award (as applicable) will, to the extent of such cancellation, forfeiture, expiration, or cash settlement, again be available for issuance or transfer under Section 3(a) above in accordance with Section 3(b)(iv) below.
- (ii) If after February 10, 2015, any Common Shares subject to an award granted under the Predecessor Plan are forfeited, or an award granted under the Predecessor Plan is cancelled or forfeited, expires or is settled for cash (in whole or in part), the Common Shares subject to such award will, to the extent of such cancellation, forfeiture, expiration, or cash settlement, be available for issuance or transfer under Section 3(a) above in accordance with Section 3(b)(iv) below.
- (iii) Notwithstanding anything to the contrary contained in this Section 3, the following Common Shares will not be added to the aggregate number of Common Shares available for issuance or transfer under Section 3(a) above: (A) Common Shares tendered or otherwise used in payment of the Option Price of an Option Right (or the option price of a stock option granted under the Predecessor Plan); (B) Common Shares withheld or otherwise used by the Company to satisfy a tax withholding obligation; (C) Common Shares subject to an Appreciation Right (or a stock appreciation right granted under the Predecessor Plan) that are not actually issued in connection with its Common Shares settlement on exercise thereof; and (D) Common Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Option Rights (or stock options granted under the Predecessor Plan). In addition, if, under this Plan, a Participant has elected to give up the right to receive compensation in exchange for Common Shares based on fair market value, such Common Shares will not count against the aggregate plan limit under Section 3(a) above.



- (iv) Any Common Share that becomes available for issuance or transfer under this Plan under this Section 3 will be added back as (A) one Common Share if such share was subject to an Option Right or Appreciation Right granted under this Plan or a stock option or a stock appreciation right granted under the Predecessor Plan, and (B) as two Common Share(s) if such share was issued or transferred pursuant to, or subject to, an award granted under this Plan other than an Option Right or an Appreciation Right granted under this Plan (or was subject to an award other than a stock option or a stock appreciation right granted under the Predecessor Plan).
- (c) Limit on Incentive Stock Options. Notwithstanding anything in this Section 3, or elsewhere in this Plan, to the contrary and subject to adjustment as provided in Section 11 of this Plan, the aggregate number of Common Shares actually issued or transferred by the Company upon the exercise of Incentive Stock Options will not exceed 27,900,000 Common Shares.
- (d) Individual Participant Limits. Notwithstanding anything in this Section 3, or elsewhere in this Plan, to the contrary, and subject to adjustment as provided in Section 11 of this Plan:
  - (i) No Participant will be granted Option Rights and/or Appreciation Rights, in the aggregate, for more than 1,000,000 Common Shares during any calendar year.
  - (ii) No Participant will be granted Qualified Performance-Based Awards of Restricted Shares, Restricted Stock Units, Performance Shares and/or other awards under Section 9 of this Plan, in the aggregate, for more than 1,000,000 Common Shares during any calendar year.
  - (iii) In no event will any Participant in any calendar year receive Qualified Performance-Based Awards of Performance Units and/or other awards payable in cash under Section 9 of this Plan having an aggregate maximum value as of their respective Dates of Grant in excess of \$20,000,000.
  - (iv) In no event will any Participant in any calendar year receive Qualified Performance-Based Awards that are Cash Incentive Awards having an aggregate maximum value in excess of \$10,000,000.
- (e) Notwithstanding anything in this Plan to the contrary, up to 5% of the maximum number of Common Shares that may be issued or transferred under this Plan as provided for in Section 3(a) of this Plan, as may be adjusted under Section 11 of this Plan, may be used for (i) awards granted under Section 4 through Section 9 of this Plan that do not comply with the applicable minimum vesting requirements set forth in such sections of this Plan.

4. **Option Rights.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Participants of Option Rights. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will specify the number of Common Shares to which it pertains subject to the limitations set forth in Section 3 of this Plan.

(b) Each grant will specify an Option Price per share, which (except with respect to awards under Section 22 of this Plan) may not be less than the Market Value per Share on the Date of Grant.

(c) Each grant will specify whether the Option Price will be payable (i) in cash or by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company of Common Shares owned by the Optionee (or other consideration authorized pursuant to Section 4(d) of this Plan) having a value at the time of exercise equal to the total Option Price, (iii) subject to any conditions or limitations established by the Committee, the Company's withholding of Common Shares otherwise issuable upon exercise of an Option Right pursuant to a "net exercise" arrangement (it being understood that, solely for purposes of determining the number of treasury shares held by the Company, the Common Shares so withheld will not be treated as issued and acquired by the Company upon such exercise), (iv) by a combination of such methods of payment, or (v) by such other methods as may be approved by the Committee.

(d) To the extent permitted by law, any grant may provide for deferred payment of the Option Price from the proceeds of sale through a bank or broker on a date satisfactory to the Company of some or all of the shares to which such exercise relates.

(e) Successive grants may be made to the same Participant whether or not any Option Rights previously granted to such Participant remain unexercised.

(f) Each grant will specify the period or periods of continuous service by the Optionee with the Company or any Subsidiary that is necessary before the Option Rights or installments thereof will become exercisable; provided that, except as otherwise described in this subsection, no grant of Option Rights may become exercisable sooner than after one year. Option Rights may provide for continued vesting or the earlier exercise of such Option Rights, including in the event of the retirement, death or disability of a Participant. Further, Option Rights may provide for the earlier exercise of such Option Rights in the event of a Change in Control only where either (A) within a specified period the Participant is involuntarily terminated for reasons other than for cause or terminates his or her employment for good reason or (B) such Option Rights are not assumed or converted into replacement awards in a manner described in the Evidence of Award.

(g) Any grant of Option Rights may specify Management Objectives that must be achieved as a condition to the exercise of such rights.

(h) Option Rights granted under this Plan may be (i) options, including, without limitation, Incentive Stock Options, that are intended to qualify under particular provisions of the Code, (ii) options that are not intended so to qualify, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who meet the definition of "employees" under Section 3401(c) of the Code.

(i) The exercise of an Option Right will result in the cancellation on a share-for-share basis of any Tandem Appreciation Right authorized under Section 5 of this Plan.

(j) No Option Right will be exercisable more than 10 years from the Date of Grant.

(k) Option Rights granted under this Plan may not provide for any dividends or dividend equivalents thereon.

(l) Each grant of Option Rights will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

5. **Appreciation Rights.**

(a) The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting (i) to any Optionee, of Tandem Appreciation Rights in respect of Option Rights granted hereunder, and (ii) to any Participant, of Free-Standing Appreciation Rights. A Tandem Appreciation Right will be a right of the Optionee, exercisable by surrender of the related Option Right, to receive from the Company an amount determined by the Committee, which will be expressed as a percentage of the Spread (not exceeding 100 percent) at the time of exercise. Tandem Appreciation Rights may be granted at any time prior to the exercise or termination of the related Option Rights; provided, however, that a Tandem Appreciation Right awarded in relation to an Incentive Stock Option must be granted concurrently with such Incentive Stock Option. A Free-Standing Appreciation Right will be a right of the Participant to receive from the Company an amount determined by the Committee, which will be expressed as a percentage of the Spread (not exceeding 100 percent) at the time of exercise.

(b) Each grant of Appreciation Rights may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

- (i) Each grant may specify that the amount payable on exercise of an Appreciation Right will be paid by the Company in cash, Common Shares or any combination thereof.
- (ii) Any grant may specify that the amount payable on exercise of an Appreciation Right may not exceed a maximum specified by the Committee at the Date of Grant.
- (iii) Any grant may specify waiting periods before exercise and permissible exercise dates or periods.

- (iv) Each grant may specify the period or periods of continuous service by the Participant with the Company or any Subsidiary that is necessary before the Appreciation Rights or installments thereof will become exercisable; provided that, except as otherwise described in this subsection, no grant of Appreciation Rights may become exercisable sooner than after one year. Appreciation Rights may provide for continued vesting or the earlier exercise of such Appreciation Rights, including in the event of the retirement, death or disability of a Participant. Further, Appreciation Rights may provide for the earlier exercise of such Appreciation Rights in the event of a Change in Control only where either (A) within a specified period the Participant is involuntarily terminated for reasons other than for cause or terminates his or her employment for good reason or (B) such Appreciation Rights are not assumed or converted into replacement awards in a manner described in the Evidence of Award.
  - (v) Any grant of Appreciation Rights may specify Management Objectives that must be achieved as a condition of the exercise of such Appreciation Rights.
  - (vi) Each grant of Appreciation Rights will be evidenced by an Evidence of Award, which Evidence of Award will describe such Appreciation Rights, identify the related Option Rights (if applicable), and contain such other terms and provisions, consistent with this Plan, as the Committee may approve.
- (c) Any grant of Tandem Appreciation Rights will provide that such Tandem Appreciation Rights may be exercised only at a time when the related Option Right is also exercisable and at a time when the Spread is positive, and by surrender of the related Option Right for cancellation. Successive grants of Tandem Appreciation Rights may be made to the same Participant regardless of whether any Tandem Appreciation Rights previously granted to the Participant remain unexercised.
- (d) Appreciation Rights granted under this Plan may not provide for any dividends or dividend equivalents thereon.
  - (e) Regarding Free-Standing Appreciation Rights only:
    - (i) Each grant will specify in respect of each Free-Standing Appreciation Right a Base Price, which (except with respect to awards under Section 22 of this Plan) may not be less than the Market Value per Share on the Date of Grant;
    - (ii) Successive grants may be made to the same Participant regardless of whether any Free-Standing Appreciation Rights previously granted to the Participant remain unexercised; and
    - (iii) No Free-Standing Appreciation Right granted under this Plan may be exercised more than 10 years from the Date of Grant.

6. **Restricted Shares.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the grant or sale of Restricted Shares to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

- (a) Each such grant or sale will constitute an immediate transfer of the ownership of Common Shares to the Participant in consideration of the performance of services, entitling such Participant to voting, dividend and other ownership rights, but subject to the substantial risk of forfeiture and restrictions on transfer hereinafter referred to.
- (b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share at the Date of Grant.
- (c) Each such grant or sale will provide that the Restricted Shares covered by such grant or sale will be subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code for a period to be determined by the Committee at the Date of Grant or until achievement of Management Objectives referred to in subparagraph (e) below. If the elimination of restrictions is based only on the passage of time rather than the achievement of Management Objectives, the period of time will be no shorter than one year.
- (d) Each such grant or sale will provide that during or after the period for which such substantial risk of forfeiture is to continue, the transferability of the Restricted Shares will be prohibited or restricted in the manner and to the extent prescribed by the Committee at the Date of Grant (which restrictions may include, without limitation, rights of repurchase or first refusal in the Company or provisions subjecting the Restricted Shares to a continuing substantial risk of forfeiture in the hands of any transferee).
- (e) Any grant of Restricted Shares may specify Management Objectives that, if achieved, will result in termination or early termination of the restrictions applicable to such Restricted Shares; provided, however,

that notwithstanding subparagraph (c) above, restrictions relating to Restricted Shares that vest upon the achievement of Management Objectives may not terminate sooner than after one year.

(f) Notwithstanding anything to the contrary contained in this Plan, Restricted Shares may provide for continued vesting or the earlier termination of restrictions on such Restricted Shares, including in the event of the retirement, death or disability of a Participant. Further, Restricted Shares may provide for the earlier termination of restrictions on such Restricted Shares in the event of a Change in Control only where either (A) within a specified period the Participant is involuntarily terminated for reasons other than for cause or terminates his or her employment for good reason or (B) such Restricted Shares are not assumed or converted into replacement awards in a manner described in the Evidence of Award; provided, however, that no award of Restricted Shares intended to be a Qualified Performance-Based Award will provide for such early termination of restrictions (other than in connection with the

death or disability of the Participant or a Change in Control) to the extent such provisions would cause such award to fail to be a Qualified Performance-Based Award.

(g) Any such grant or sale of Restricted Shares may require that any or all dividends or other distributions paid thereon during the period of such restrictions be automatically deferred and reinvested in additional Restricted Shares, which may be subject to the same restrictions as the underlying award; provided, however, that dividends or other distributions on Restricted Shares will be deferred until and paid contingent upon the earning of the related Restricted Shares.

(h) Each grant or sale of Restricted Shares will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with this Plan, as the Committee may approve. Unless otherwise directed by the Committee, (i) all certificates representing Restricted Shares will be held in custody by the Company until all restrictions thereon will have lapsed, together with a stock power or powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such shares or (ii) all Restricted Shares will be held at the Company's transfer agent in book entry form with appropriate restrictions relating to the transfer of such Restricted Shares.

7. **Restricted Stock Units.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting or sale of Restricted Stock Units to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each such grant or sale will constitute the agreement by the Company to deliver Common Shares or cash, or a combination thereof, to the Participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include the achievement of Management Objectives) during the Restriction Period as the Committee may specify.

(b) If a grant of Restricted Stock Units specifies that the Restriction Period will terminate only upon the achievement of Management Objectives or that the Restricted Stock Units will be earned based on the achievement of Management Objectives, then, notwithstanding anything to the contrary contained in subparagraph (c) below, the applicable Restriction Period may not be a period of less than one year.

(c) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share at the Date of Grant.

(d) If the Restriction Period lapses only by the passage of time rather than the achievement of Management Objectives as provided in subparagraph (a) above, each such grant or sale will be subject to a Restriction Period of not less than one year.

(e) Notwithstanding anything to the contrary contained in this Plan, Restricted Stock Units may provide for continued vesting or the earlier lapse or other modification of the Restriction Period, including in the event of the retirement, death or disability of a Participant. Further, Restricted Stock Units may provide for the earlier termination of restrictions on such Restricted Stock Units in the event of a Change in Control only where either (A) within a specified period the Participant is involuntarily terminated for reasons other than for cause or terminates his or her employment for good reason or (B) such Restricted Stock Units are not assumed or converted into replacement awards in a manner described in the Evidence of Award; provided, however, that no award of Restricted Stock Units intended to be a Qualified Performance-Based Award will provide for such early lapse or modification of the Restriction Period (other than in connection with the death or disability of the Participant or a Change in Control) to the extent such provisions would cause such award to fail to be a Qualified Performance-Based Award.

(f) During the Restriction Period, the Participant will have no right to transfer any rights under his or her award and will have no rights of ownership in the Common Shares deliverable upon payment of the Restricted Stock Units and will have no right to vote them, but the Committee may, at the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units on either a current or deferred or contingent basis, either in cash or in additional Common Shares; provided, however, that dividend equivalents or other distributions on Common Shares underlying Restricted Stock Units will be deferred until and paid contingent upon the earning of the related Restricted Stock Units.

(g) Each grant or sale of Restricted Stock Units will specify the time and manner of payment of the Restricted Stock Units that have been earned. Each grant or sale will specify that the amount payable with respect thereto will be paid by the Company in Common Shares or cash, or a combination thereof.

(h) Each grant or sale of Restricted Stock Units will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

8. **Cash Incentive Awards, Performance Shares and Performance Units.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting of Cash Incentive Awards,

Performance Shares and Performance Units. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will specify the number or amount of Performance Shares or Performance Units, or amount payable with respect to Cash Incentive Awards, to which it pertains, which number or amount may be subject to adjustment to reflect changes in compensation or other factors; provided, however, that no such adjustment will be made in the case of a Qualified Performance-Based Award (other than in connection with the death or disability of the Participant or a Change in Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

(b) The Performance Period with respect to each Cash Incentive Awards, Performance Share or Performance Unit will be such period of time (not less than one year) as will be determined by the Committee at the time of grant, which may be subject to earlier lapse or other modification, including in the event of the retirement, death or disability of a Participant. Further, the Performance Period may be subject to continued vesting or earlier lapse or modification in the event of a Change in Control only where either (A) within a specified period the Participant is involuntarily terminated for reasons other than for cause or terminates his or her employment for good reason or (B) such Cash Incentive Awards, Performance Shares and Performance Units are not assumed or converted into replacement awards in a manner described in the Evidence of Award; provided, however, that no such adjustment will be made in the case of a Qualified Performance-Based Award (other than in connection with the death or disability of the Participant or a Change in Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code. In such event, the Evidence of Award will specify the time and terms of delivery.

(c) Any grant of Cash Incentive Awards, Performance Shares or Performance Units will specify Management Objectives which, if achieved, will result in payment or early payment of the award, and each grant may specify in respect of such specified Management Objectives a minimum acceptable level or levels of achievement and may set forth a formula for determining the number of Performance Shares or Performance Units, or amount payable with respect to Cash Incentive Awards, that will be earned if performance is at or above the minimum or threshold level or levels, or is at or above the target level or levels, but falls short of maximum achievement of the specified Management Objectives.

(d) Each grant will specify the time and manner of payment of Cash Incentive Awards, Performance Shares or Performance Units that have been earned. Any grant may specify that the amount payable with respect thereto may be paid by the Company in cash, in Common Shares, in Restricted Shares or Restricted Stock Units or in any combination thereof.

(e) Any grant of Cash Incentive Awards, Performance Shares or Performance Units may specify that the amount payable or the number of Common Shares or Restricted Shares or Restricted Stock Units with respect thereto may not exceed a maximum specified by the Committee at the Date of Grant.

(f) The Committee may, at the Date of Grant of Performance Shares, provide for the payment of dividend equivalents to the holder thereof either in cash or in additional Common Shares, subject in all cases to deferral and payment on a contingent basis based on the Participant's earning of the Performance Shares with respect to which such dividend equivalents are paid.

(g) Each grant of Cash Incentive Awards, Performance Shares or Performance Units will be evidenced by an Evidence of Award and will contain such other terms and provisions, consistent with this Plan, as the Committee may approve.

#### 9. **Other Awards.**

(a) Subject to applicable law and the limit set forth in Section 3(d) of this Plan, the Committee may grant to any Participant such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Common Shares or factors that may influence the value of such shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Common Shares, purchase rights for Common Shares, awards with value and payment contingent upon performance of the Company or specified Subsidiaries, affiliates or other business units thereof or any other factors designated by the Committee, and awards valued by reference to the book value of the Common Shares or the value of securities of, or the performance of specified Subsidiaries or affiliates or other business units of the Company. The Committee will determine the terms and conditions of such awards. Common Shares delivered pursuant to an award in the nature of a purchase right granted under this Section 9 will be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, Common Shares, other awards, notes or other property, as the Committee determines.

(b) Cash awards, as an element of or supplement to any other award granted under this Plan, may also be granted pursuant to this Section 9.

(c) The Committee may grant Common Shares as a bonus, or may grant other awards in lieu of obligations of the Company or a Subsidiary to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as will be determined by the Committee in a manner that complies with Section 409A of the Code.

(d) If the earning or vesting of, or elimination of restrictions applicable to, an award granted under this Section 9 is based only on the passage of time rather than the achievement of Management Objectives, the period of time shall be no shorter than one year. If the earning or vesting of, or elimination of restrictions applicable to, awards granted under this Section 9 is based on the achievement of Management Objectives, the earning, vesting or restriction period may not terminate sooner than after one year. The Committee may, at or after the Date of Grant, authorize the payment of dividends or dividend equivalents on awards granted under this Section 9 on a deferred and contingent basis, either in cash or in additional shares of Common Stock; provided, however, that dividend equivalents or other distributions on shares of Common Stock underlying awards granted under this Section 9 will be deferred until and paid contingent upon the earning of such awards.

(e) Notwithstanding anything to the contrary contained in this Plan, an award under this Section 9 may provide for the earning or vesting of, or earlier elimination of restrictions applicable to, such award, including in the event of the retirement, death or disability of the Participant. Further, an award under this Section 9 may provide for the earning or vesting of, or earlier elimination of restrictions applicable, to such award in the event of a Change in Control only where either (A) within a specified period the Participant is involuntarily terminated for reasons other than for cause or terminates his or her employment for good reason or (B) such awards are not assumed or converted into replacement awards in a manner described in the Evidence of Award; provided, however, that no such adjustment will be made in the case of a Qualified Performance-Based Award (other than in connection with the death or disability of the Participant or a Change in Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code. In such event, the Evidence of Award will specify the time and terms of delivery.

10. **Administration of this Plan.**

(a) This Plan will be administered by the Committee. The Committee may from time to time delegate all or any part of its authority under this Plan to a subcommittee thereof. To the extent of any such delegation, references in this Plan to the Committee will be deemed to be references to such subcommittee.

(b) The interpretation and construction by the Committee of any provision of this Plan or of any Evidence of Award (or related documents) and any determination by the Committee pursuant to any provision of this Plan or of any such agreement, notification or document will be final and conclusive. No member of the Committee shall be liable for any such action or determination made in good faith. In addition, the Committee is authorized to take any action it determines in its sole discretion to be appropriate subject only to the express limitations contained in this Plan, and no authorization in any Plan Section or other provision of this Plan is intended or may be deemed to constitute a limitation on the authority of the Committee.

(c) To the extent permitted by law, the Committee may delegate to one or more of its members or to one or more officers of the Company, or to one or more agents or advisors, such administrative duties or powers as it may deem advisable, and the Committee, the subcommittee, or any person to whom duties or powers have been delegated as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee, the subcommittee or such person may have under the Plan. The Committee may, by resolution, authorize one or more officers of the Company to do one or both of the following on the same basis as the Committee: (i) designate employees to be recipients of awards under this Plan; and (ii) determine the size of any such awards; provided, however, that (A) the Committee will not delegate such responsibilities to any such officer for awards granted to an employee who is an officer, Director, or more than 10% beneficial owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Committee in accordance with Section 16 of the Exchange Act, or any Covered Employee; (B) the resolution providing for such authorization sets forth the total number of Common Shares such officer(s) may grant; and (C) the officer(s) will report periodically to the Committee regarding the nature and scope of the awards granted pursuant to the authority delegated.

11. **Adjustments.** The Committee shall make or provide for such adjustments in the numbers of Common Shares covered by outstanding Option Rights, Appreciation Rights, Restricted Stock Units, Performance Shares and Performance Units granted hereunder and, if applicable, in the number of Common Shares covered by other awards granted pursuant to Section 9 hereof, in the Option Price and Base Price provided in outstanding Option Rights and Appreciation Rights, in the kind of shares covered thereby, in Cash Incentive Awards, and in other award terms, as the Committee, in its sole discretion, exercised in good faith, shall determine is equitably required to prevent dilution or enlargement of the rights of Participants or Optionees that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of



assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Committee shall provide in substitution for any or all outstanding awards under this Plan such alternative consideration (including cash), if any, as it, in good faith, shall determine to be equitable in the circumstances and shall require in connection therewith the surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each Option Right or Appreciation Right with an Option Price or Base Price greater than the consideration offered in connection with any such transaction or event or Change in Control, the Committee may in its discretion elect to cancel such Option Right or Appreciation Right without any payment to the person holding such Option Right or Appreciation Right. The Committee shall also make or provide for such adjustments in the numbers of shares specified in Section 3 of this Plan as the Committee in its sole discretion, exercised in good faith, shall determine is appropriate to reflect any transaction or event described in this Section 11; provided, however, that any such adjustment to the number specified in Section 3(b) will be made only if and to the extent that such adjustment would not cause any Option Right intended to qualify as an Incentive Stock Option to fail to so qualify.

12. **Change in Control.** For purposes of this Plan, except as may be otherwise prescribed by the Committee in an Evidence of Award made under this Plan, a "Change in Control" will be deemed to have occurred upon the occurrence (after the Effective Date) of any of the following events:

(a) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (i) the then-outstanding Common Shares (the "Outstanding Company Common Shares") or (ii) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (D) any acquisition pursuant to a transaction that complies with Sections 12(c)(i), (c)(ii) and (c)(iii) below;

(b) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such individual is named as a nominee for director, without objection to such nomination) shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (as described in Rule 14a-12(c) of the Exchange Act) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Shares and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding common shares (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Shares and the Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding common shares (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(d) approval by the Shareholders of a complete liquidation or dissolution of the Company.

13. **Detrimental Activity and Recapture Provisions.** Any Evidence of Award may provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Committee from time to time, if a Participant, either (a) during employment or other service with the Company or a Subsidiary or (b) within a specified period after termination of such employment or service, shall engage in any detrimental activity. In addition, notwithstanding anything in this Plan to the contrary, any Evidence of Award may also provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be required by the Committee or under Section 10D of the Exchange Act and any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Common Shares may be traded.

14. **Non U.S. Participants.** In order to facilitate the making of any grant or combination of grants under this Plan, the Committee may provide for such special terms for awards to Participants who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States of America or who provide services to the Company under an agreement with a foreign nation or agency, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to or amendments, restatements or alternative versions of this Plan (including, without limitation, sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the shareholders of the Company.

15. **Transferability.**

(a) Except as otherwise determined by the Committee, no Option Right, Appreciation Right, Restricted Shares, Restricted Stock Unit, Performance Share, Performance Unit, Cash Incentive Award, award contemplated by Section 9 of this Plan or dividend equivalents paid with respect to awards made under this Plan will be transferable by the Participant except (i) pursuant to a domestic relations order (that contains any information required by the Company to effectuate the transfer) or (ii) if it is made by the Participant for no consideration to Immediate Family Members or to a bona fide trust, partnership or other entity controlled by and for the benefit of one or more Immediate Family Members ("Immediate Family Members" mean the Participant's spouse, children, stepchildren, parents, stepparents, siblings (including half brothers and sisters), in-laws, and other individuals who have a relationship to the Participant arising because of legal adoption; however, no transfer may be made to the extent that transferability would cause Form S-8 or any successor form thereto not to be able to register Common Shares related to an award) or (iii) by will or the laws of descent and distribution. In no event will any such award granted under the Plan be transferred for value. Except as otherwise determined by the Committee, Option Rights and Appreciation Rights will be exercisable during the Participant's lifetime only by him or her or, in the event of the Participant's legal incapacity to do so, by his or her guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law or court supervision.

(b) The Committee may specify at the Date of Grant that part or all of the Common Shares that are (i) to be issued or transferred by the Company upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock Units or upon payment under any grant of

Performance Shares or Performance Units or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in Section 6 of this Plan, will be subject to further restrictions on transfer.

16. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the taxes required to be withheld, which arrangements (in the discretion of the Committee) may include relinquishment of a portion of such benefit. If a Participant's benefit is to be received in the form of Common Shares, and such Participant fails to make arrangements for the payment of tax, then, unless otherwise determined by the Committee, the Company will withhold Common Shares having a value equal to the amount required to be withheld. Notwithstanding the foregoing, when a Participant is required to pay the Company an amount required to be withheld under applicable income and employment tax laws, the Participant may elect, unless otherwise determined by the Committee, to satisfy such payment, in whole or in part, by having withheld, from the shares required to be delivered to the Participant, Common Shares having a value equal to the amount required to be withheld or by delivering to the Company other Common Shares held by such Participant. The shares used for tax withholding will be valued at an amount equal to the market value of such Common Shares on the date the benefit is to be included in the Participant's income. In no event will the market value of the Common Shares to be withheld and delivered pursuant to this Section to satisfy applicable withholding taxes in connection with the benefit exceed the maximum amount of taxes that could be required to be withheld. Participants will also make such arrangements as the Company may require for the payment of any withholding tax obligation that may arise in connection with the disposition of Common Shares acquired upon the exercise of Option Rights.

17. **Compliance with Section 409A of the Code.**

(a) To the extent applicable, it is intended that this Plan and any grants made hereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants. This Plan and any grants made hereunder will be administered in a manner consistent with this intent. Any reference in this Plan to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under this Plan and grants hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under this Plan and grants hereunder may not be reduced by, or offset against, any amount owing by a Participant to the Company or any of its Subsidiaries.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant will be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the fifth business day of the seventh month after such separation from service.

(d) Notwithstanding any provision of this Plan and grants hereunder to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to this Plan and grants hereunder as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, a Participant will be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with this Plan and grants hereunder (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its affiliates will have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

18. **Amendments.**

(a) The Board may at any time and from time to time amend this Plan in whole or in part; provided, however, that if an amendment to this Plan (i) would materially increase the benefits accruing to participants under this Plan, (ii) would materially increase the number of securities which may be issued under this Plan, (iii) would materially modify the requirements for participation in this Plan, or (iv) must otherwise be approved by the shareholders of the Company in order to comply with applicable law or the rules of the New York Stock Exchange or, if the Common Shares are not traded on the New York Stock Exchange, the principal national securities exchange upon which the

Common Shares are traded or quoted, then, such amendment will be subject to shareholder approval and will not be effective unless and until such approval has been obtained.

(b) Except in connection with a corporate transaction or event described in Section 11 of this Plan, the terms of outstanding awards may not be amended to reduce the Option Price of outstanding Option Rights or the Base Price of outstanding Appreciation Rights, or cancel outstanding Option Rights or Appreciation Rights (including following a Participant's voluntary surrender of "underwater" Option Rights or Appreciation Rights) in exchange for cash, other awards or Option Rights or Appreciation Rights with an Option Price or Base Price, as applicable, that is less than the Option Price of the original Option Rights or Base Price of the original Appreciation Rights, as applicable, without shareholder approval. This Section 18(b) is intended to prohibit the repricing of "underwater" Option Rights and Appreciation Rights and will not be construed to prohibit the adjustments provided for in Section 11 of this Plan. Notwithstanding any provision of this Plan to the contrary, this Section 18(b) may not be amended without approval by the Company's shareholders.

(c) If permitted by Section 409A of the Code and Section 162(m) of the Code, but subject to the paragraph that follows, including in the case of termination of employment by reason of death, disability or retirement, or in the case of unforeseeable emergency or other special circumstances or in the event of a Change in Control, to the extent a Participant holds an Option Right or Appreciation Right not immediately exercisable in full, or any Restricted Shares as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Cash Incentive Awards, Performance Shares or Performance Units which have not been fully earned, or any other awards made pursuant to Section 9 subject to any vesting schedule or transfer restriction, or who holds Common Shares subject to any transfer restriction imposed pursuant to Section 15(b) of this Plan, the Committee may, in its sole discretion, provide for continued vesting or accelerate the time at which such Option Right, Appreciation Right or other award may be exercised or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse or the time when such Restriction Period will end or the time at which such Cash Incentive Awards, Performance Shares or Performance Units will be deemed to have been fully earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such award, except in the case of a Qualified Performance-Based Award where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

(d) Subject to Section 18(b) hereof, the Committee may amend the terms of any award theretofore granted under this Plan prospectively or retroactively, except in the case of a Qualified Performance-Based Award (other than in connection with the Participant's death or disability, or a Change in Control) where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code. In such case, the Committee will not make any modification of the Management Objectives or the level or levels of achievement with respect to such Qualified Performance-Based Award. Subject to Section 11 above, no such amendment will impair the rights of any Participant without his or her consent. The Board may, in its discretion, terminate this Plan at any time. Termination of this Plan will not affect the rights of Participants or their successors under any awards outstanding hereunder and not exercised in full on the date of termination.

19. **Governing Law.** This Plan and all grants and awards and actions taken hereunder will be governed by and construed in accordance with the internal substantive laws of the State of Ohio.

20. **Effective Date/Termination.** The Cliffs Natural Resources Inc. 2015 Equity and Incentive Compensation Plan was effective on the Effective Date and was amended on December 14, 2016. The Cliffs Natural Resources Inc. Amended and Restated 2015 Equity and Incentive Compensation Plan will be effective as of the Restatement Date. No grants will be made on or after the Effective Date under the Predecessor Plan, except that outstanding awards granted under the Predecessor Plan will continue unaffected following the Effective Date. No grant will be made under this Plan after April 24, 2027, but all grants made on or prior to such date will continue in effect thereafter subject to the terms thereof and of this Plan.

21. **Miscellaneous Provisions.**

(a) The Company will not be required to issue any fractional Common Shares pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement of fractions in cash.

(b) This Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time.

(c) Except with respect to Section 21(e), to the extent that any provision of this Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision will

be null and void with respect to such Option Right. Such provision, however, will remain in effect for other Option Rights and there will be no further effect on any provision of this Plan.

(d) No award under this Plan may be exercised by the holder thereof if such exercise, and the receipt of cash or stock thereunder, would be, in the opinion of counsel selected by the Company, contrary to law or the regulations of any duly constituted authority having jurisdiction over this Plan.

(e) Absence on leave approved by a duly constituted officer of the Company or any of its Subsidiaries will not be considered interruption or termination of service of any employee for any purposes of this Plan or awards granted hereunder.

(f) No Participant will have any rights as a shareholder with respect to any shares subject to awards granted to him or her under this Plan prior to the date as of which he or she is actually recorded as the holder of such shares upon the stock records of the Company.

(g) The Committee may condition the grant of any award or combination of awards authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.

(h) Except with respect to Option Rights and Appreciation Rights, the Committee may permit Participants to elect to defer the issuance of Common Share under the Plan pursuant to such rules, procedures or programs as it may establish for purposes of this Plan and which are intended to comply with the requirements of

Section 409A of the Code. The Committee also may provide that deferred issuances and settlements include the payment or crediting of dividend equivalents or interest on the deferral amounts.

(i) If any provision of this Plan is or becomes invalid, illegal or unenforceable in any jurisdiction, or would disqualify this Plan or any award under any law deemed applicable by the Committee, such provision will be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Committee, it will be stricken and the remainder of this Plan will remain in full force and effect.

22. **Stock-Based Awards in Substitution for Option Rights or Awards Granted by Other Company** . Notwithstanding anything in this Plan to the contrary:

(a) Awards may be granted under this Plan in substitution for or in conversion of, or in connection with an assumption of, stock options, stock appreciation rights, restricted stock, restricted stock units or other stock or stock-based awards held by awardees of an entity engaging in a corporate acquisition or merger transaction with the Company or any Subsidiary. Any conversion, substitution or assumption will be effective as of the close of the merger or acquisition, and, to the extent applicable, will be conducted in a manner that complies with Section 409A of the Code. The awards so granted may reflect the original terms of the awards being assumed or substituted or converted for and need not comply with other specific terms of this Plan, and may account for Common Shares substituted for the securities covered by the original awards and the number of shares subject to the original awards, as well as any exercise or purchase prices applicable to the original awards, adjusted to account for differences in stock prices in connection with the transaction.

(b) In the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary merges has shares available under a pre-existing plan previously approved by shareholders and not adopted in contemplation of such acquisition or merger, the shares available for grant pursuant to the terms of such plan (as adjusted, to the extent appropriate, to reflect such acquisition or merger) may be used for awards made after such acquisition or merger under the Plan; provided, however, that awards using such available shares may not be made after the date awards or grants could have been made under the terms of the pre-existing plan absent the acquisition or merger, and may only be made to individuals who were not employees or directors of the Company or any Subsidiary prior to such acquisition or merger.

(c) Any Common Shares that are issued or transferred by, or that are subject to any awards that are granted by, or become obligations of, the Company under Sections 22(a) or 22(b) above will not reduce the Common Shares available for issuance or transfer under the Plan or otherwise count against the limits contained in Section 3 of the Plan. In addition, no Common Shares that are issued or transferred by, or that are subject to any awards that are granted by, or become obligations of, the Company under Sections 22(a) or 22(b) above will be added to the aggregate plan limit contained in Section 3 of the Plan.

## CLIFFS NATURAL RESOURCES INC.

## 2017 EXECUTIVE MANAGEMENT PERFORMANCE AND INCENTIVE PLAN

1. **Name and Purpose.** The name of this Plan is the Cliffs Natural Resources Inc. 2017 Executive Management Performance Incentive Plan. The purpose of the Plan is to provide a competitive annual incentive compensation opportunity to selected executives based on achievement against one or more key objectives and thereby align actual pay results with the short-term business performance of the Company. The Plan is also designed to allow Qualified Performance-Based Awards made under the Plan to potentially qualify as "qualified performance-based compensation" for purposes of Section 162(m) of the Code.

2. **Certain Definitions.** For purposes of the Plan, the following terms have the meanings indicated:

(a) "Affiliate" means any corporation, partnership, joint venture or other entity, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Company as determined by the Board in its discretion.

(b) "Award" means, subject to Negative Discretion, an opportunity to receive payment under the Plan for a Plan Year based on the achievement of the performance objectives established by the Committee for the Plan Year.

(c) "Award Agreement" means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Committee that sets forth the terms and conditions of the Awards granted under the Plan. An Award Agreement may be in an electronic medium and may be limited to notation on the books and records of the Company.

(d) "Board" means the Board of Directors of the Company, as constituted from time to time.

(e) "Cause" means (unless otherwise provided in an employment agreement or Award Agreement) that, prior to any termination of employment, the Participant shall have committed: (i) and been convicted of a criminal violation involving fraud, embezzlement or theft in connection with his or her duties or in the course of his or her employment with the Company or any Affiliate; (ii) intentional wrongful damage to property of the Company or any Affiliate; (iii) intentional wrongful disclosure of secret processes or confidential information of the Company or any Affiliate; or (iv) intentional wrongful engagement in any Competitive Activity; and any such act shall have been demonstrably and materially harmful to the Company or any Affiliate. For purposes of this Plan, no act or failure to act on the part of the Participant shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Company or an Affiliate.

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and any lawful regulations or pronouncements promulgated thereunder. Whenever reference is made to a specific Code section, such reference shall be deemed to be a reference to any successor Code section or sections with the same or similar purpose.

(g) "Committee" means the Compensation and Organization Committee of the Board, so long as each member of that committee qualifies as an "outside director" within the meaning of Section 162(m)(4)(C)(i) of the Code. If and when any member of the Compensation and Organization Committee of the Board does not so qualify, the term "Committee," as used in the Plan, shall mean a subcommittee of the Compensation and Organization Committee comprised solely of all of the members of that committee who do so qualify, or such other committee of the Board as may be designated from time to time by the Board to administer this Plan.

(h) "Company" means Cliffs Natural Resources Inc., a corporation organized under the laws of the State of Ohio, and any successor corporation or business organization which shall assume the duties and obligations of Cliffs Natural Resource Inc. under this Plan.

(i) "Competitive Activity" means the Participant's participation, without the written consent of an officer of the Company, in the management of any business enterprise if such enterprise engages in substantial and direct competition with the Company and such enterprise's sales of any product or service competitive with any product or service of the Company amounted to at least 10% of the Company's net sales for its most recently completed fiscal year. "Competitive Activity" will not include (i) the ownership of less than 5% of the securities in any such enterprise and/or the exercise of rights appurtenant thereto or (ii) participation in the management of any such enterprise other than in connection with the competitive operations of such enterprise.

(j) "Negative Discretion" means the discretion applied by the Committee to eliminate or reduce the amount to be paid under an Award in accordance with Section 5 below, provided that the exercise of such discretion would

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not cause any Qualified Performance-Based Award to fail to qualify as “qualified performance-based compensation” under Section 162(m) of the Code.

(k) “Participant” means each executive of the Company or a Subsidiary who has been selected by the Committee to participate in the Plan and to whom an Award has been made pursuant to this Plan.

(l) “Plan” means this Cliffs Natural Resources Inc. 2017 Executive Management Performance Incentive Plan, as amended from time to time.

(m) “Plan Year” means the Company’s fiscal year or such shorter or longer period determined by the Committee in its discretion.

(n) “Qualified Performance-Based Award” means any Award, or portion of such Award, that is intended to satisfy the requirements for “qualified performance-based compensation” under Section 162(m) of the Code.

(o) “Subsidiary” means a corporation, company or other entity (i) more than 50 percent of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture, limited liability company, or unincorporated association), but more than 50 percent of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company.

3. **Administration.** The Plan will be administered by the Committee. Subject to Section 12 below, the Committee will have the authority to: construe and interpret the Plan and any Awards under the Plan; establish, apply, amend, and waive rules and regulations for the administration of the Plan; and make all other determinations that the Committee deems necessary or convenient for the administration of the Plan. Any determination by the Committee with respect to any matter arising under or connected with the Plan will be final, binding, and conclusive on all employees and Participants and anyone claiming under or through any of them.

4. **Participants.** The Committee will, in its sole discretion, designate the individual Participants for participation in the Plan for each Plan Year from among the executives of the Company or its Subsidiaries. With respect to Qualified Performance-Based Awards, this selection will be made no later than 90 days after the beginning of the Plan Year (or no later than such other date as may be the applicable deadline for a particular Qualified Performance-Based Award to a particular Participant for a particular Plan Year to qualify as “qualified performance-based compensation” under Section 162(m) of the Code). The determination as to whether a Participant actually becomes entitled to payment in respect of any Award shall be decided solely by the Committee in accordance with the provisions of this Plan and the applicable Award Agreement. Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Plan Year shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Plan Year and designation of one person as a Participant eligible to receive an Award hereunder shall not require designation of any other person as a Participant eligible to receive an Award hereunder in such Plan Year or in any other Plan Year.

5. **Awards.** The Committee will, in its sole discretion, designate the Plan Year and the method for computing the amount of compensation that will be payable under Awards for that Plan Year. With respect to Qualified Performance-Based Awards, no later than 90 days after the beginning of the Plan Year (or no later than such other date as may be the applicable deadline for a particular Qualified Performance-Based Award to a particular Participant for a Particular Plan Year to qualify as “qualified performance-based compensation” under Section 162 (m) of the Code), the Committee will establish in writing the method, which will be stated in terms of an objective formula or standard, for computing the amount of compensation that will be payable under such Qualified Performance-Based Award for that Plan Year if the performance objectives established by the Committee for the Qualified Performance-Based Award are achieved. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, any vesting, acceleration or waiver of forfeiture restrictions, based in each case on such factors as the Committee, in its sole discretion, shall determine. In determining the actual amount to be paid under a Qualified Performance-Based Award for a Plan Year, the Committee may reduce or eliminate the amount of payment earned under the objective formula or standard for the Plan Year through the use of Negative Discretion if, in its sole judgment, such reduction or elimination is appropriate. The Committee shall not have the discretion to (a) grant or provide payment in respect of Qualified Performance-Based Awards for a Plan Year if the performance objectives for such Qualified Performance-Based Awards have not been achieved, (b) make payment in respect of Qualified Performance-Based Awards in excess of the amount payable based on the level of achievement of the performance objectives for such Qualified Performance-Based Awards, or (c) provide payment in respect of Qualified Performance-Based Awards above the maximum amount payable under Section 7 below.

6. **Performance Objectives.** The Committee will establish one or more measurable performance objectives for each Award granted pursuant to this Plan. Performance objectives may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Participant or of one or more of the



Subsidiaries, divisions, departments, regions, functions or other organizational units within the Company or its Subsidiaries. The performance objectives may be made relative to the performance of other companies or subsidiaries, divisions, departments, regions, functions or other organizational units within such other companies, and may be made relative to an index or one or more of the performance objectives themselves. The Committee may grant Awards subject to performance objectives that are either Qualified Performance-Based Awards or are not Qualified Performance-Based Awards. The performance objectives for Qualified Performance-Based Awards must be based on one or more, or any combination, of the following performance criteria (including relative or growth achievement regarding such criteria):

- (a) net earnings or net income;
- (b) operating earnings or operating income;
- (c) pretax earnings;
- (d) earnings per share;
- (e) share price, including growth measures and total shareholder return;
- (f) earnings before interest and/or taxes;
- (g) earnings before interest, taxes, depreciation and/or amortization;
- (h) adjusted earnings before interest, taxes, depreciation and/or amortization;
- (i) sales or revenues, whether in general, by type of product or service, or by type of customer, or by growth;
- (j) production or sales volume, whether in general, by type of product or service, or by type of customer;
- (k) gross or operating margins, or gross or operating margin growth;
- (l) return measures, including pre-tax or after-tax, before or after depreciation and amortization, return on assets, capital, investment, equity, sales or revenue;
- (m) working capital;
- (n) residual economic profit, economic profit or economic value added;
- (o) cash flow, including operating cash flow, free cash flow, total cash flow, cash flow return on equity, and cash flow return on investment;
- (p) productivity ratios;
- (q) expense or cost control, including production or sales cost per unit of volume;
- (r) market share;
- (s) financial ratios as provided in credit agreements of the Company and its Affiliates;
- (t) working capital targets, including net working capital, inventory, accounts payable, and accounts receivable measured in absolute terms or as turnover metrics (e.g., relative to sales or cost of goods sold, including number of days);
- (u) completion of acquisitions of business or companies;
- (v) completion of divestitures and asset sales;
- (w) strategic partnering;
- (x) geographic expansion goals;
- (y) safety performance;
- (z) management of employee practices and employee benefits;
- (aa) research and development and product development;
- (bb) customer or employee satisfaction; and
- (cc) any combination of any of the foregoing business criteria.

In the case of Qualified Performance-Based Awards, each applicable performance objective used to qualify such Award as "qualified performance-based compensation" under Section 162(m) of the Code will be objectively determinable to the extent required under Section 16 (m) of the Code, and, unless otherwise determined by the Committee and to the extent consistent with Code Section 162(m), will exclude the effects of certain designated items identified at the time of grant. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the applicable performance objectives unsuitable, the Committee may in its discretion modify such performance objectives or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable, except in the case of a Qualified Performance-Based Award (other than in connection with

a Change in Control) where such action would result in the loss of the otherwise available exemption of the Award under Section 162(m) of the Code. The performance objectives need not be the same for each Participant or for each Award.

7. **Maximum Qualified Performance-Based Award Payout.** In no event will any Participant in any calendar year receive Qualified Performance-Based Awards under this Plan that have an aggregate maximum value in excess of \$7,500,000. Furthermore, any Award payout that has been deferred (in accordance with Section 409A of the Code) shall not (between the date as of which the Award payout is deferred and the payment date) increase by a measuring factor greater than a reasonable rate of interest or one or more predetermined actual investments.

8. **Certification and Payment of Awards.** A Participant shall be eligible to receive payment in respect of an Award only to the extent that: (a) the performance objectives and any other terms and conditions applicable to such Award for the applicable Plan Year are achieved; and (b) in the case of Qualified Performance-Based Awards, the objective formula or standard as applied against such performance objectives determines that all or some portion of such Participant's Qualified Performance-Based Award has been earned for the Plan Year. Following the end of each Plan Year, the Committee will review and certify in writing whether, and to what extent, the performance objectives and any other terms and conditions applicable to each Award were in fact satisfied for the Plan Year, including in the case of Qualified Performance-Based Awards in accordance with Section 162(m) of the Code. No Award will be paid unless and until the Committee so certifies. The Committee shall then determine the final amount of each Participant's Award payout for the Plan Year and, in so doing, may apply Negative Discretion in accordance with Section 5 above if and when it deems appropriate. Awards will be paid to Participants in cash, subject to applicable withholding, as soon as administratively practicable following certification by the Committee on such date as the Committee may specify, but in no event later than the 15<sup>th</sup> day of the third month following the end of the Plan Year.

9. **Shareholder Approval.** Payment of Qualified Performance-Based Awards under the Plan is contingent upon shareholder approval of the Plan, in accordance with Section 162(m) of the Code. Unless and until shareholder approval is obtained, no Qualified Performance-Based Awards will be paid under the Plan.

10. **Continued Employment.** Unless otherwise provided by the Committee in any particular circumstance or as provided in the last sentence of this Section 10, payment of Awards with respect to any Plan Year will be contingent on the Participant's continued employment by the Company or one of its Subsidiaries through the date on which the Awards are paid following certification by the Committee. If a Participant dies, terminates employment due to disability (as defined in Part A of the Pension Plan for Employees of Cleveland-Cliffs Inc and its Associated Employers as of the effective date hereof), retires, or is terminated by the Company or a Subsidiary without Cause after the start of a Plan Year and prior to the date of payment, the Participant (or his or her estate in the case of his or her death) will be entitled to a pro rata Award payout equal to the amount of the Award that the Participant would have earned during the entire Plan Year had the Participant continued in the active employ of the Company or a Subsidiary through the end of the Plan Year (as determined by the Committee in accordance with Section 8 above) multiplied by a fraction, the numerator of which is the number of calendar days in the Plan Year through the date of death, disability, retirement or termination without Cause and the denominator of which is the number of calendar days in the Plan Year, which pro rata Award payout will be paid at the time the Award would have otherwise been paid to the Participant but for the occurrence of such intervening event.

11. **No Assignment of Awards; No Employment Agreement.** Unless and until an Award payout is certified by the Committee, neither any Participant nor any person or entity claiming through a Participant will have any right to payment of an Award. The Plan shall be unfunded. None of the Company, the Board and the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan. Participants will not have any claim against the assets of the Company or any Subsidiary and the obligation of the Company or a Subsidiary to pay any amount with respect to any earned Award will constitute only an unsecured contractual obligation to pay the Award to the Participant subject to the terms and conditions of the Plan. Neither any provision of the Plan nor the designation of any employee as a Participant will constitute an employment agreement or affect the nature of the employment relationship between the Company (or Subsidiary) and the Participant, which relationship, if not the subject of a separate employment agreement between the Participant and the Company (or Subsidiary), will remain "employment at-will."

12. **Interpretation.** Qualified Performance-Based Awards made under the Plan are intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Code. If any provision of the Plan or an Award Agreement would prevent a Qualified Performance-Based Award from so qualifying, the Plan will be administered, interpreted, and construed to carry out that intention.

13. **Amendment of Award Agreement.** The Committee may, without shareholder or Participant approval, amend any Award Agreement retroactively or prospectively to the extent it determines necessary in order to comply with any subsequent clarification of Section 16 (m) of the Code required to preserve the Company's federal income tax deduction for compensation paid pursuant to any such Award, to comply with Section 409A of the Code or to

company with Section 10D of the Securities Exchange Act of 1934, as amended, and any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Company's securities may then be traded.

14. **Exemption From, or Compliance With, Section 409A.** The Plan and the Awards granted hereunder are intended to be either exempt from, or compliant with, Section 409A of the Code. This Plan and all Awards granted hereunder shall be interpreted in a manner consistent with these intentions. Notwithstanding anything herein or in an Award Agreement to the contrary, in the case of any Participant who is a specified employee (as defined in Section 409A of the Code) as of the date of his or her termination from employment, no payment of an Award that is subject to Section 409A of the Code shall be made under this Plan that is contrary to the six-month delay requirement of Section 409 (a)(2)(B) of the Code. Any payments of an Award that is delayed to comply with this six-month delay requirement shall be paid on the later of (a) the date such payment is to be made pursuant to Section 8 above, or (b) the first day of the seventh month following the date of termination of employment (or, if earlier, the date of the Participant's death).

15. **Amendment and Termination of Plan.** The Board at any time, and from time to time, may amend or terminate the Plan. However, no amendment shall be effective unless approved by the shareholders of the Company to the extent shareholder approval is necessary to satisfy any applicable laws and the terms of the Plan. At the time of such amendment, the Board shall determine, upon advice from counsel, whether such amendment will be contingent on shareholder approval. The Plan shall continue in full force and effect until terminated hereby.

16. **Right to Recoup.** The Committee shall have full authority to adopt and enforce any policies and procedures adopted by the Company in respect of Section 10D of the Securities Exchange Act of 1934, as amended, and such regulations as are promulgated thereunder from time to time, or in respect to any other applicable law, regulation or Company policy relating to the recoupment of amounts on account of a restatement of a financial statement that, if initially reported properly, would have resulted in a lower amount being paid to a Participant under an Award, or in respect of any other policy of the Company relating to the recoupment of amounts, including on account of the Participant's breach of a non-competition, non-solicitation, non-disparagement or confidentiality obligation, as it deems necessary or appropriate in its sole discretion.

17. **Beneficiary Designation.** Each Participant may from time to time designate in writing the person or persons to serve as his or her beneficiary in respect of Awards or, in the absence of such a designation or if the designated person or persons predecease the Participant, the person or persons who shall acquire the Participant's rights in respect of Awards by bequest or inheritance in accordance with the applicable laws of descent and distribution. In order to be effective, a Participant's designation of a beneficiary must be on file with the Company before the Participant's death. Any such designation may be revoked and a new designation substituted therefore by the Participant at any time before his or her death without the consent of the previously designated beneficiary.

18. **Severability.** If any of the provisions of the Plan or any Award Agreement are held to be invalid, illegal or unenforceable, whether in whole or in part, such provisions shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby.

19. **Plan Headings.** The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

20. **Applicable Law.** The terms of the Plan and the Award Agreements will be governed by the laws of the State of Ohio, without reference to the conflicts of laws principles of such State.

21. **Jurisdiction; Waiver of Jury Trial.** Any suit, action or proceeding with respect to this Plan or any Award Agreement, or any judgment entered by any court of competent jurisdiction in respect of any thereof, shall be resolved only in the courts of the State of Ohio or the United States District Court for the Northern District of Ohio and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, the Company and each Participant shall irrevocably and unconditionally (a) submit in any proceeding relating to this Plan or any Award Agreement, or for the recognition and enforcement of any judgment in respect thereof (a "Proceeding"), to the exclusive jurisdiction of the courts of the State of Ohio, the United States District Court for the Northern District of Ohio, and appellate courts having jurisdiction of appeals from any of the foregoing, and agree that all claims in respect of any such Proceeding shall be heard and determined in such Ohio State court or, to the extent permitted by law, in such federal court, (b) consent that any such Proceeding may and shall be brought in such courts and waives any objection that the Company and each Participant may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient forum and agree not to plead or claim the same, (c) waive all right to trial by jury in any Proceeding (whether based on contract, tort or otherwise) arising out of or relating to this Plan or any Award Agreement, (d) agree that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party, in the case of a Participant, at the Participant's address shown in the books and records of the Company or, in the case of the Company, at the Company's principal offices, attention

General Counsel, and (e) agree that nothing in this Plan shall affect the right to effect service of process in any other manner permitted by the laws of the State of Ohio.

22. **Use of Electronic Media and Written Communications** . All Plan notices and all Participant or beneficiary notices, designations, elections, consents or waivers must be in writing (which may include an electronic communication) and made in a form the Plan specifies or otherwise permits. Any person entitled to notice under the Plan may waive the notice or shorten the notice period unless such actions are contrary to applicable law. The Plan, using any electronic medium, may give or receive any Plan notice, communicate any Plan policy, conduct any written Plan communication, satisfy any Plan filing or other compliance requirement and conduct any other Plan transaction to the extent permissible under applicable law. A Participant, a Participant's spouse, or a beneficiary, may use any electronic medium to provide any beneficiary designation, election, notice, consent or waiver under the Plan, to the extent permissible under applicable law. Any reference in this Plan to a "form," a "notice," an "election," a "consent," a "waiver," a "designation," a "policy" or to any other Plan-related communication includes an electronic version thereof as permitted under applicable law.

23. **Effective Date**. Subject to the approval of the shareholders of the Company at the Annual Meeting of Shareholders held in 2017, the effective date of this Plan is the date of its adoption by the Board at its December 14, 2016 meeting. To the extent that Qualified Performance-Based Awards are made under this Plan prior to its approval by shareholders of the Company, such Qualified Performance-Based Awards shall be contingent upon shareholder approval of this Plan and subject to the provisions of Section 9 above.