

CLEVELAND-CLIFFS INC

BOARD AFFAIRS COMMITTEE CHARTER

Purposes

The purposes of the Board Affairs Committee ("Board Affairs Committee") of the Board of Directors ("Board") are to (a) assist the Board by identifying individuals qualified to become Board members and recommend to the Board the director nominees for the next annual meeting of shareholders; (b) recommend to the Board the Corporate Governance Guidelines applicable to the Company; (c) assist the Board in its annual review of the Board's performance; (d) recommend to the Board director nominees for committees; and (e) review Director compensation and benefit plans.

Composition

Size. The Board Affairs Committee shall consist of no fewer than three members.

Qualifications. Each Board Affairs Committee member must satisfy the applicable independence criteria of the rules of the New York Stock Exchange.

Appointment and Removal. The Board shall appoint and replace Board Affairs Committee members based on recommendations of the Board Affairs Committee. Board Affairs Committee members will serve in accordance with the Board Corporate Governance Guidelines..

Duties and Responsibilities

The duties and responsibilities of the Board Affairs Committee shall include the following:

1. Identify Director Candidates. The Board Affairs Committee shall identify individuals believed to be qualified to become Board members and recommend candidates to the Board to fill new or vacant positions in accordance with the Company's Corporate Governance Guidelines. In recommending candidates, the Board Affairs Committee shall consider such factors as it deems appropriate, consistent with the factors in the Corporate Governance Guidelines. These factors may include judgment, skill, diversity, integrity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The Board Affairs Committee shall also review the qualifications of, and make recommendations to the Board regarding, any director nominations submitted to the Company in accordance with the Company's by-laws or otherwise. The Board Affairs Committee shall annually solicit suggestions of the Directors regarding possible nominees, consider any nominees suggested by shareholders, and guide the recruitment of new Directors. The Board Affairs Committee shall also evaluate whether incumbent directors should be nominated for reelection to the Board.

2. Recommend Number of Directors. The Board Affairs Committee shall recommend the number of directors to serve on the Board for each ensuing year and assess the need for a non-executive Chairman of the Board.
3. Recommend Committee Members. The Board Affairs Committee shall recommend candidates for appointment to the Company's standing committees and the Chairs of such committees, in accordance with the policies and principles in the committees' charters, after considering the recommendation of the Chairman Chief Executive Officer of the Company. The Board Affairs Committee shall periodically consider changes in membership and responsibilities of each committee.
4. Develop Corporate Governance Guidelines. The Board Affairs Committee shall develop and recommend to the Board the Corporate Governance Guidelines of the Company. At least annually, the Board Affairs Committee shall review those guidelines and recommend changes, if appropriate. The Board Affairs Committee shall monitor the Board governance process and counsel the Board Chairman and Chief Executive Officer on board governance and other matters.
5. Administer Business Ethics Policy. The Board Affairs Committee shall administer the Company's Business Ethics Policy in regard to the Board.
6. Self-Assessment. The Board Affairs Committee shall receive comments from all directors periodically and assess the Board's performance and effectiveness.
7. Director Compensation and Benefits Plans. In accordance with the Company's Corporate Governance Guidelines, the Board Affairs Committee will periodically review director compensation in relation to other comparable companies and in the light of such other factors as Board Affairs Committee shall discuss this review with the Board.
8. Proxy Committee. The Board Affairs Committee shall function as or recommend the Proxy Committee for the election of Directors.
9. Other Delegated Duties or Responsibilities. The Board Affairs Committee shall perform any other duties or responsibilities delegated to the Board Affairs Committee by the Board from time to time.

Meetings

The Board Affairs Committee shall meet as frequently as necessary to carry out its responsibilities under this Charter. In accordance with the Corporate Government Guidelines, the Board Affairs Committee shall normally meet at least twice annually based on a schedule established at the beginning of each year. The Board Affairs Committee Chair shall, in consultation with the other members of the Committee and appropriate officers of the Company, establish the agenda for each Board Affairs Committee meeting. Any Board Affairs Committee member may submit items to be included on the agenda. Board Affairs Committee members may also raise subjects that are not on the agenda at any meeting. A majority of the number of Board Affairs Committee members selected by the Board shall constitute a quorum for conducting business at a meeting of the Board

Affairs Committee. The act of a majority of Board Affairs Committee members present at a Board Affairs Committee meeting at which a quorum is in attendance shall be the act of the Board Affairs Committee, unless a greater number is required by law, the Company's articles of incorporation or its regulations. The Board Affairs Committee Chair shall supervise the conduct of the meetings and shall have other responsibilities which the Board Affairs Committee may designate from time to time.

Delegation

The Board Affairs Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee when appropriate.

Resources and Authority

The Board Affairs Committee shall have appropriate resources and authority to discharge its responsibilities, including, without limitation, appropriate funding in such amount as the Board Affairs Committee deems necessary to compensate any consultants and any independent advisors retained by the Board Affairs Committee. The Board Affairs Committee shall have the sole authority to retain and terminate any search firms used to identify director candidates and the sole authority to approve the fees and other retention terms of such search firms. The Board Affairs Committee may also retain independent legal counsel and other advisors to assist it in carrying out its responsibilities.

Annual Review of Charter

The Board Affairs Committee shall conduct and review with the Board annually an evaluation of this Charter and recommend any changes to the Board. The Charter evaluation shall be conducted by the Board Affairs Committee in such manner as the Board Affairs Committee, in its business judgment, deems appropriate.

Consistent with New York Stock Exchange listing requirements, this Charter will be included on the Company's website and will be made available upon request sent to the Company's Secretary. The Company's annual report to shareholders will state that this Charter is available on the Company's website and will be available upon request sent to the Company's Secretary.

Annual Performance Evaluation

The Board Affairs Committee shall conduct and review with the Board annually an evaluation of the Board Affairs Committee's performance with respect to the requirements of this Charter. This evaluation shall also set forth the goals and objectives of the Board Affairs Committee for the upcoming year. The performance evaluation shall be conducted by the Board Affairs Committee in such manner as the Board Affairs Committee, in its business judgment, deems appropriate.