



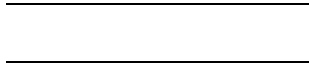
CLIFFS NATURAL RESOURCES INC.
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March 26, 2009

To the Shareholders of
CLIFFS NATURAL RESOUR[s0



CLIFFS



BOARD OF DIRECTORS AND BOARD COMMITTEES

The members and nominees for Cliffs' Board have diversified professional experience in general management, steel manufacturing, mining, finance, labor, law, education, natural resource reserve exploration, and other fields. There is no family relationship among any of our directors.

As noted above, the Board Affairs Com



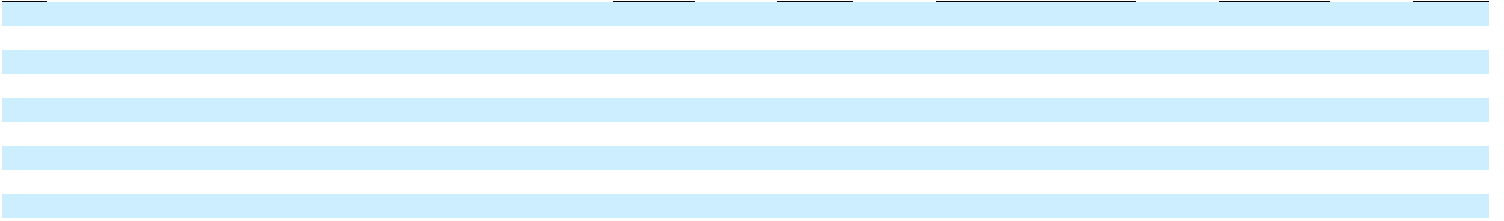
CONSIDERATION OF DIRECTOR NOMINEES

Shareholder Nominees

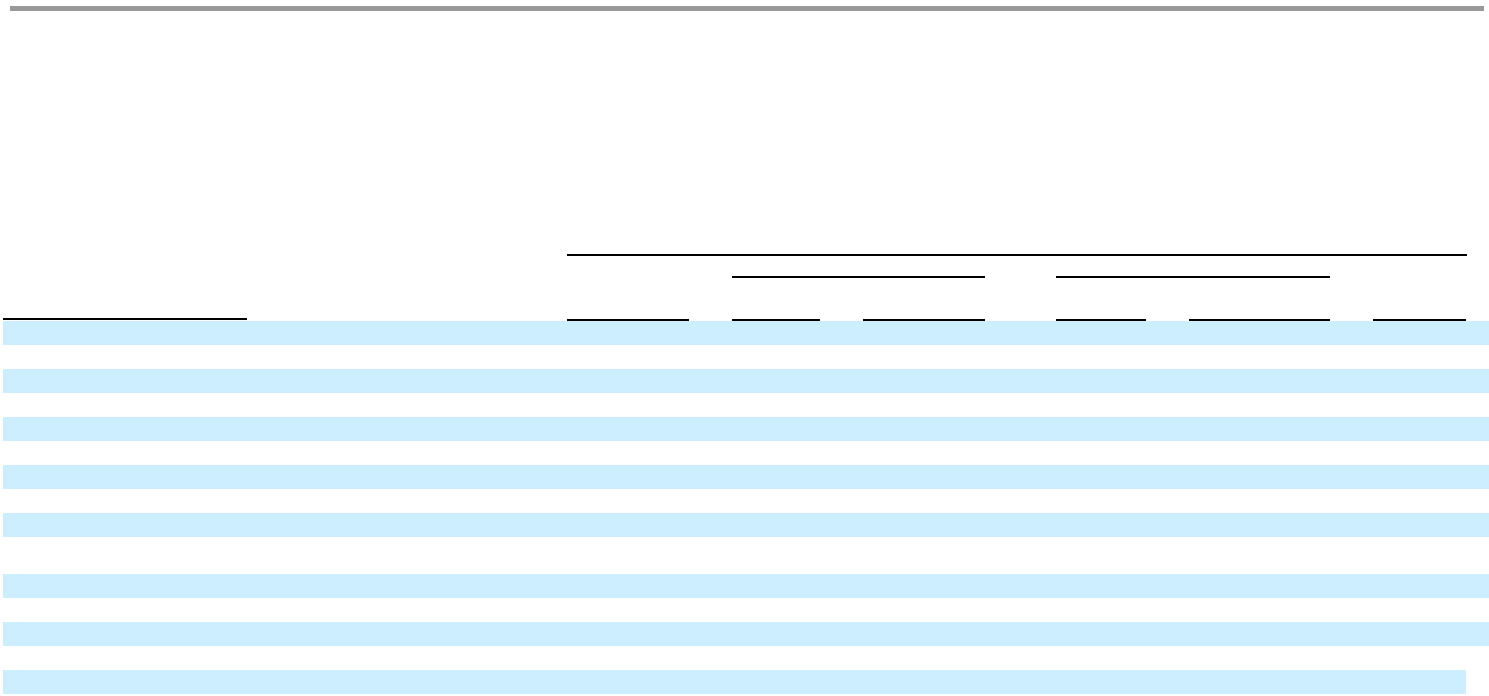
The policy of the Board Affairs Committee is to consider properly submitted shareholder nominations for candidates for membership on the Board as described below under "Identifying and Evaluating Nominees for Directors." In evaluating such nominations, the Board Affairs Committee seeks to achieve a balance of knowledge, experience and capability on Cliffs' Board and to address the membership criteria set forth below under "Director ng

DIRECTORS' COMPENSATION

Prior to May 1, 2008, Cliffs' Directors who are not Cliffs' employees received an annual retainer fee of \$32,500 and an annual equity award of \$32,500. Effective May 1, 2008, the annual retainer fee was reduced to \$25,000 and the annual equity award was increased to \$37,500.



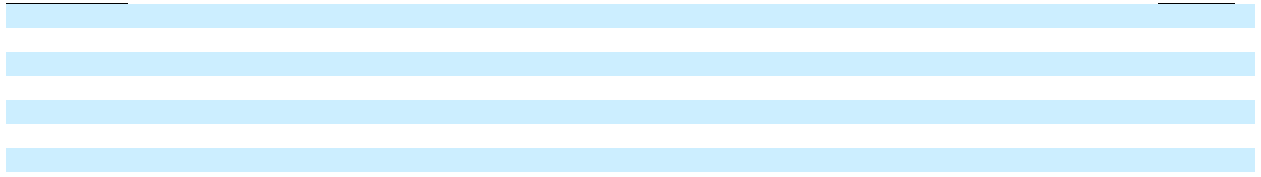
(3) Mr. Ireland is th¾-



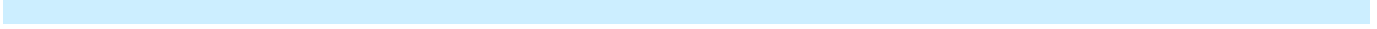
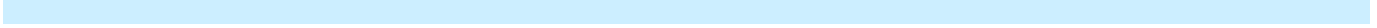
The Compensation Committee uses specialized executive compensation consultants st

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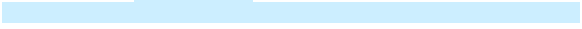
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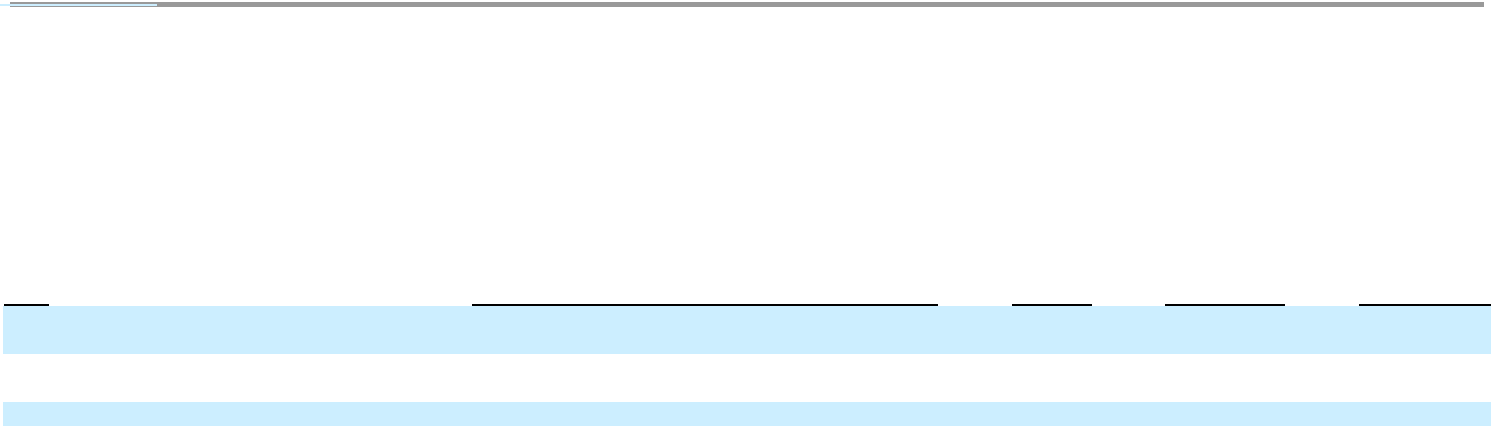
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- Adjusted cost for North American Iron Ore was better than minimum threshold but not as good as target. This factor was weighted 15 percent and resulted in funding of 5.85 percent.
 - A







7) The salary of of yo



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

2008 Nonqualified Deferred Compensation Table

(a)

(b)

(c)

(d)

(3) A majority of members of Cliff

entity resulting from such business transaction), beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the individuals who served as mem

AUDIT COMMITTEE REPORT

The Audit Committee of Cliffs' Board ("Committee") is composed of four independent directors, three of whom are independent non-executive directors.



INDEPENDENCE STANDARDS FOR DIRECTORS

The following will be effective from the date of the meeting of the Board of Directors.



