Summary

of the

Proposed Agreement

between the

United Steelworkers

and

Cleveland-Cliffs Steel

—November 2026

USW Local 979

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Introduction

Cleveland Cliffs and the steel industry have changed since we last bargained a new contract for our facilities in 2022.

For several years, the company and the industry have faced the challenges of lower prices, reduced volume and decreased demand for our products.

We have faced these challenges in the past due to the cyclical nature of the steel industry, and we know from experience that both prices and demand will rebound over time.

With that in mind, our bargaining committee arrived in Pittsburgh with the main goal of reaching a fair contract that rewards our members for the good work and loyalty that we have exhibited over our careers.

During the USW bargaining committee plant tours in June, in membership meetings and through surveys, we discussed the challenges and opportunities in this round of negotiations, and we also emphasized our need to focus on the long-term success of the company and not the short-term results of a depressed market.

When we met with Cliffs CEO Lourenco Goncalves and his management team, they talked with our committee about the company's losses during the last three years, but Goncalves also shared his hope and vision to continue investing in our facilities with a focus on long-term sustainability.

However, Cliffs approached these negotiations with a desire to reduce health care costs by replacing our PPO plans with a high-deductible plan that would change the benefits that our families rely upon.



Management also proposed replacing our incentive plans with a profit-sharing plan with the potential to pay more or less than our current incentive plans.

Although we understood the rationale behind these proposals, after some very tough discussions the bargaining committee was eventually able to convince management that neither their health care proposal for USW members to pay premiums nor their changes to our incentive plan would be of interest to our members or the company, and we protected both.

We recognized Cliffs' need to reduce costs—especially during the down cycles—and the USW is committed to help achieve that goal, but not at the expense of our economic security or by sacrificing the health insurance benefits that our families need.

The USW and its members can and will play a significant role in reducing the overall cost of making steel through productivity improvements, eliminating the need for contractors and improving quality and on-time delivery.

In the tentative agreement, our committee negotiated a signing bonus along with meaningful wage increases.

These wage improvements will also "roll-up" on base wages, incentive earnings, vacation, overtime and holiday pay.

We protected our excellent health insurance benefits without premium contributions aside from some minor changes in coverage for active workers. We also negotiated additional long-term security for those who rely on the VEBA trust for benefits.

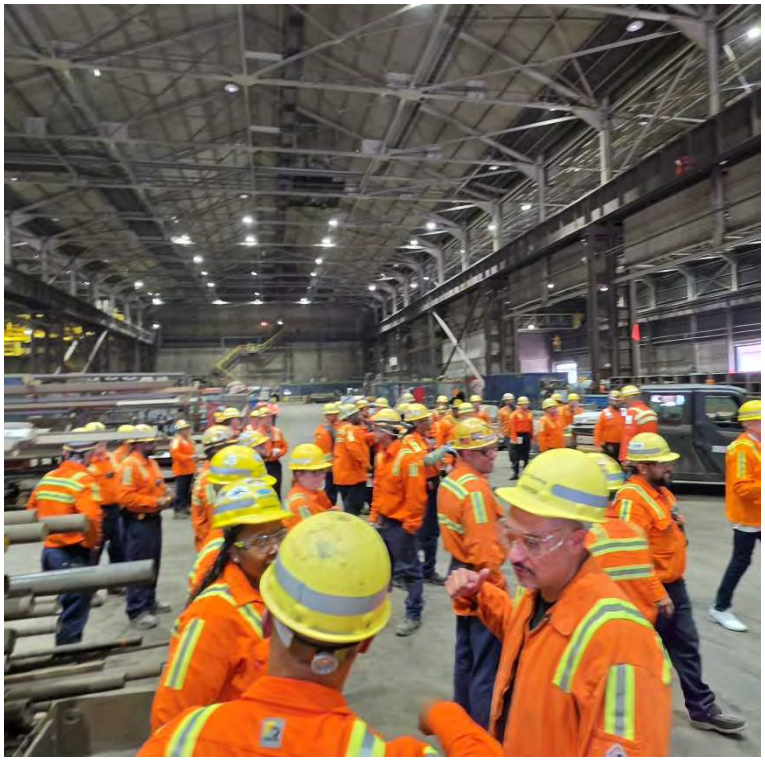
The tentative agreement includes pension improvements for defined benefit participants and Steelworkers Pension Trust participants and retains the Pension Enhancement Payment for eligible workers.

Cliffs has committed to invest $4 billion during the next four years in USW facilities to improve production and shorten supply chains in the future, and this commitment is the key to our long-term, sustainable employment and success.

We resolved local issues and worked through the articles of the labor agreement with our management counterparts through good faith collective bargaining.

The result is a fair contract that our committee is proud to submit for ratification with the bargaining committee's recommendation that it be approved.

We urge you to review this summary of changes to our contracts carefully and encourage you to ask questions at the explanation meetings that will be scheduled for each local union.



Any terms of our previous agreements that are not mentioned in this summary are unchanged.

In solidarity,

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USW International President

David McCall
USW International President Emeritus

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USW District 1 Director and Negotiating Committee Chair

Mike Millsap
USW District 7 Director and Basic Steel Industry Conference Chair

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Summary

Term:

Contingent on ratification by the USW membership, the tentative agreements will take effect retroactively to Sept. 1, 2026, and expire at 11:59 p.m. on Sept. 1, 2030, a term of four years.

Lump Sum Payments:

Employees, actively at work on Sept. 1, 2026, will receive a lump sum payment of $4,000 on or about Jan. 4, 2027. Probationary employees will be eligible to receive the lump sum after they complete their probationary period.

Employees currently on layoff, receiving sickness and accident or workers' compensation benefits or on approved leaves of absence of less than two years will be eligible to receive the lump sum if they return to active work within one year.

Wages:

Our wage improvements reflect your hard work and dedication. More importantly, over the last 20 years of bargaining the cumulative impact of our negotiated wage increases continues to outpace the ever-increasing cost of living, as illustrated by the chart below.

We believe our negotiated increases will continue to do so.



The Inflation Recognition Payments (IRP) have been renewed and will also provide additional quarterly payments in the event inflation rises above 3 percent.

The tentative agreement increases base rates of pay according to the following schedule.

Base Rates of Pay:

Labor Grade	Current	09/06/26	09/05/27	09/03/28	09/02/29
% Increase	-----	5%	4%	4%	5%
1	$28.51	$29.94	$31.13	$32.38	$34.00
2	$31.21	$32.77	$34.08	$35.44	$37.22
3	$34.32	$36.04	$37.48	$38.98	$40.93
4	$36.12	$37.93	$39.44	$41.02	$43.07
5	$38.37	$40.29	$41.90	$43.58	$45.75

Pensions:

Continuing to improve our pensions is a constant focus in bargaining. When we began this round of bargaining, the trustees of the Steelworkers Pension Trust (SPT) approved an increase in the benefit accrual rate (BAR) from 18.25% to 22%.

As a result, effective Jan. 1, 2027, the **SPT multiplier will increase by $27 per year of service, to $153** (assuming 2,080 hours worked per year).

Because this improvement does not require an additional contribution from the company, any money that otherwise might have been allocated to a pension increase could instead be directed toward other areas of the economic package.

We also needed to ensure that workers still covered by the defined benefit (DB) pension plan received a pension increase.

To address the inequity that can arise when the SPT multiplier increases based on additional hours worked, and in consultation with local leaders representing workers covered by the DB plan, we negotiated an increase to **$130 multiplier per year of service for the period from Jan. 1, 2023, through Dec. 31, 2026**. This increase will apply to retirements **after Jan. 1, 2027**.

In addition, we also ensured that the DB plan multiplier going forward would be aligned with the SPT multiplier. Again, to account for increases in the SPT multiplier, this agreement establishes **a $155 multiplier per year of service, effective Jan. 1, 2027, for all DB participants**.

Pension Enhancement Payment (PEP)

We have maintained the $10,000 Pension Enhancement Payment (PEP) for Steelworkers age 56 or older as of September 1, 2026, who were “day one employees” at former ISG locations who retire after turning 60 during the term of the proposed agreement.

Active Insurance Benefits:



Medical

We maintained premium-free health insurance for the duration of the 2026 Agreement.

Beginning in 2027, annual deductibles under the PPO will increase from $200 to $300 for individual coverage and from $400 to $600 for non-single coverage. The rollover deductible, which allows members to carry over a deductible credit, will be eliminated.

The company will continue to contribute an amount equal to your deductible to an HRA each year if you complete the Health Awareness Initiative (HAI).

However, the additional "Wellness Contribution" will be eliminated beginning in 2028. To receive HRA funding for 2027, you must complete the HAI by Dec. 31, 2026.

The emergency room copayment will increase from $50 to $100 but will continue to be waived if you are admitted to the hospital.

Out-of-pocket maximums will remain unchanged for the duration of the agreement. There will be one dependent eligibility audit during the term of the 2026 Agreement.

Prescription Drugs

Prescription drug copayments will remain unchanged for the duration of the 2026 Agreement.

GLP-1 drugs will no longer be covered when prescribed for weight loss. However, members who filled an existing prescription between Jan. 1 and Oct. 1, 2026, will be grandfathered in and retain the same coverage through the end of 2027. GLP-1 drugs will continue to be covered for other medical diagnoses with prior authorization.

Effective July 1, 2027, several drugs will be excluded from coverage under the CVS Standard and Advanced Control Specialty Formulary. If your prescription is affected, you will receive a notice from CVS. You should discuss preferred treatment alternatives with your health care provider.



Under certain circumstances, the excluded drug may continue to be covered if your provider submits a medical necessity exception request to CVS and the request is approved.

Dental

Effective Jan. 1, 2027, we expanded the dental network to include the United Concordia Elite Plus network, moving 422 providers from out-of-network to in-network coverage.

We also expanded dental implant coverage to all members. The benefit provides 60% coverage at in-network providers, subject to a $5,000 lifetime maximum.

Sickness and Accident

Sickness and accident (S&A) benefits will remain unchanged for the duration of the 2026 Agreement. However, time spent receiving S&A benefits will count toward the 12-week Family and Medical Leave Act (FMLA) entitlement.

Life Insurance

Effective Jan. 1, 2027, life insurance coverage will move to MetLife. Company-paid life insurance benefits will remain unchanged. Employee-paid optional life insurance rates will decrease for most members.

Retiree Health Care:

Retirees and future retirees eligible for retiree health care will not see premium increases for the duration of the 2026 Agreement. Monthly rates will remain $50 per Medicare-covered adult and $100 per non-Medicare-covered adult.

Members hired after June 23, 2016, will continue to receive the $0.75-per-hour RRHA contribution. They may also enroll in the group Medicare plan if they receive an unreduced SPT pension and pay the full cost of coverage.

Medical and Prescription Drug

Non-Medicare-eligible retirees will see the same changes as active members, including increased deductibles, higher emergency room copayments and GLP-1 coverage restrictions.

Benefit Trust:

We maintained VEBA benefits for legacy retirees. Medicare-eligible retirees will again have the choice of receiving a $1,000 Part B reimbursement or enrolling in one of the Medicare Advantage Prescription Drug plans.

For 2027, monthly premiums for these plans will remain unchanged. Premiums will also remain unchanged for non-Medicare-eligible legacy retirees who continue to qualify for VEBA benefits.

As was the case under the 2022 Agreement, there will be no profit-sharing payments to the Legacy VEBA. As we explained in 2022, we continue to monitor the fund's financial health. Based on market returns and other important demographic data, the fund is currently overfunded and is projected to remain so.

Under the 2022 Agreement, we also negotiated new retiree health care caps for employees who retire after Jan. 1, 2026. We established a second VEBA to provide benefits when retiree health care costs exceed those negotiated caps.

That VEBA is now established and has been receiving $500,000 in quarterly contributions from the company. Its current balance is just over $7.3 million. Under the 2026 Agreement, we maintained those quarterly contributions.

Investment Commitment:

Cliffs management understands in order to remain profitable, sustainable and viable over the long term, they must invest in our plants.

For that reason, the company has agreed to a plan calling for at least $4 billion in capital, repair and maintenance expenditures over the course of the agreement.

These investments will provide added job security for current and future USW members, help Cliffs remain competitive and keep our facilities among the most productive in the world.



Contract Language

Bargaining Unit Work:

The new agreement provides the opportunity for USW members to reclaim jobs currently being done by contractors.

If work is currently being outsourced because the existing workforce does not currently have the skills to do it, the Joint Training Committee will review whether employees can be trained to perform that work in the future.

They will evaluate how specialized the work is, how often it's needed, and any existing contractual exceptions before deciding what training opportunities should be offered.

Starter Base Rates of Pay:

As was established in the 2018 contract, new employees hired after ratification will receive 80% of the Base Rate of Pay during their probationary period.

Upon completion of their probationary period, they will move to the full Base Rate of Pay.

Training/Institute for Career Development:

The proposed contract expands the role of our Plant Training Committees in job-related testing and pursuing opportunities to receive grants to fund additional training opportunities.

Each plant will consider the assignment of a Training Resource Advocate, who will have duties such as designing, implementing and tracking adherence in areas mutually identified and agreed upon in the Training Plan. In addition, the Annual Workforce Training Plans will be required by November 15th of each year making the study timelier and more effective.

Further, the tentative agreement increases funding for the ICD from $.15 to $.20 for each hour worked by all employees while continuing to pursue additional resources available through federal, state and local programs.

Grievance and Arbitration Procedure:

The proposed agreement updates the roster of arbitrators and streamlines the process for resolving disputes in a timelier manner.

We were successful in achieving language that prevents management from issuing discipline and then delaying the investigation for an undetermined amount of time, particularly in cases of suspension and discharge.

Artificial Intelligence (AI):



Technological advancements are changing the landscape of work in every industry and sector the USW represents. The proposed agreement takes important steps to ensure that workers continue to have a strong voice in the age of AI and automation.

The union and the company agree to fully and continually discuss issues that arise during the course of the labor agreement, such as capital investments, changes in the market, new machines, devices, systems, software, artificial intelligence (AI) and generative AI, or other technologies.

We have secured provisions that require management to notify the appropriate Plant Committee and Area Committee at the earliest practical time of any plan to significantly change or modify machinery, equipment, materials, controls or software, or use AI, work organization or any other work process that could impact employees, directly or indirectly.

Public Policy Fund:

In order to advocate for a level playing field for American steel and other joint efforts that benefit our members and communities, we have bargained and increased the accrual rate for the Public Policy Fund from $.12 to $.15 per ton of steel shipped to third parties during the term of the proposed agreement.

Health and Safety:

The proposed new contract enhances our occupational health and safety language and gives us additional tools to make our jobs safer than ever.

The tentative agreement clarifies the role of a Union Safety Coordinator at each plant in working with management on safety matters affecting the plant and its employees.

Safety Starts with Preparation

Each plant specific emergency preparedness plan will include a process for notifying employees of severe weather conditions and significant environmental hazards.

Each facility will work in collaboration through the Joint Safety Committee to address the laundering of inclement weather personal protective equipment (PPE). All PPE selection shall be based on a hazard assessment and shall properly fit.

Our Jobs Can Be Safer

The proposed agreement directs the Joint Safety Committee to meet in person at least once per year.

It also frees the union safety chair to quickly investigate reports of unsafe conditions that the company disputes and also provides a reporting system to track instances of employees invoking the right to refuse unsafe work to help identify areas for improvement.

Transparency for Drug and Alcohol Testing

We have clarified and improved employee's rights when it comes to medical examination, including a drug or alcohol testing.

Management's belief must be based on observable signs, such as:

- Smelling like alcohol
- Slurred speech
- Trouble walking steadily
- Other unusual physical symptoms or behavior

Before sending the employee for testing, management must write down what they observed, and the company must then give the union a copy of that written documentation within five days.



The new provision also acknowledges that being involved in an accident or incident is not enough by itself to justify a drug or alcohol test.

Nursing Spaces:

The company has agreed to provide a clean, private place (not a bathroom) where nursing mothers can pump breast milk. The space should be easy to get to and include a chair, an electrical outlet and a flat surface for a breast pump and supplies.

When possible, the space should be located near running water and have access to a refrigerator where expressed breast milk can be stored safely.

Bereavement Leave:

We have added Great Grandparents to the list of relations eligible for bereavement leave in the proposed new contract. Employees will be eligible for three scheduled shifts off for the loss of a great-grandparent.

FMLA:

The proposed agreement protects workers' ability to take up to twelve weeks of unpaid leave under the Family and Medical Leave Act. Except for the substitution of Sickness and Accident benefits, the time off remains unpaid and will be considered as time not worked for all other purposes.

Board of Directors:

The USW has retained the right to designate an individual to the company's Board of Directors in the tentative agreement.

Minorca Mines:

One the major goals of our bargaining committee was to protect the jobs of our members at the Minorca Mines.

Over the last 18 months, our members have been laid off due to a depressed market, and they were exhausting the SUB and medical benefits due to the extended layoff.

We were able to achieve a unique settlement that recalled all the laid off workers to jobs in other Cliffs mines and also protecting our members recall rights when Minorca reopens.