

CLIFFS NATURAL RESOURCES INC.

FORM 8-K

(Current report filing)

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Address	200 PUBLIC SQUARE STE. 3300 CLEVELAND, OH 44114-2315
Telephone	216-694-5700
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Industry	Metal Mining
Sector	Basic Materials
Fiscal Year	12/31

**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): September 4, 2014

**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**

(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))
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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 September 9, 2014, the Board of Directors (the “ Board ”) of Cliffs Natural Resources Inc. (the “ Company ”) elected John T. Baldwin to the Board, effective immediately. The Board has determined that Mr. Baldwin has no material relationship with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and is independent within the Company’s director independence standards, which are consistent with the New York Stock Exchange’s director independence standards as currently in effect. Mr. Baldwin has been designated as a “financial expert” as defined by applicable Securities and Exchange Commission rules and regulations. Mr. Baldwin has been appointed as a member of the Audit Committee.

As a non-employee director, Mr. Baldwin will receive compensation in the same manner as the Company’s other non-employee directors, which compensation the Company previously disclosed under the heading “Director Compensation” in its most recent proxy statement filed with the Securities and Exchange Commission on June 10, 2014 (the “ 2014 Proxy Statement ”). Mr. Baldwin will participate in the Company’s Nonemployee Directors’ Compensation Plan, as amended (the “ Plan ”), and, following its effectiveness on December 1, 2014, the Company’s 2014 Nonemployee Directors’ Compensation Plan. Pursuant to the Plan, Mr. Baldwin is to receive a prorated annual equity grant of restricted shares as calculated using the grant date fair value and also will be entitled to quarterly and per meeting director fees.

The Company also expects to enter into an Indemnification Agreement with Mr. Baldwin, the form of which is included as Exhibit 10.1 to this Current Report on Form 8-K. The Indemnification Agreement provides that, to the extent permitted by Ohio law, the Company will indemnify Mr. Baldwin against all expenses, costs, liabilities and losses (including attorneys’ fees, judgments, fines or settlements) incurred or suffered by him in connection with any suit in which he is a party or otherwise involved as a result of his service as a member of the Board. The foregoing discussion of the terms of the form of Indemnification Agreement is qualified in its entirety by reference to the full text of the Indemnification Agreement.

A copy of the press release relating to the appointment of Mr. Baldwin as a director is attached hereto as Exhibit 99.1.

On September 4, 2014, Richard K. Riederer notified the Company of his decision to resign immediately from the Board. Mr. Riederer served as the chair of the Governance and Nominating Committee of the Board and was a member of the Strategy and Sustainability Committee.

Attached hereto as Exhibit 99.2 is a letter Mr. Riederer furnished to the Company concerning the circumstances he described surrounding his resignation. In response to Mr. Riederer’s letter, the Board stated that it is unified and excited in pursuing a new strategic direction for the Company and that it believes in and supports the changes undertaken by Mr. Goncalves and senior management of the Company.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Indemnification Agreement between Cliffs Natural Resources Inc. and Directors (filed as Exhibit 10.5 to the Cliffs Natural Resources Inc. Annual Report on Form 10-K on February 16, 2012 and incorporated by reference)
99.1	Cliffs Natural Resources Inc. published a news release on September 9, 2014 captioned, "Cliffs Natural Resources Inc. Appoints John Baldwin to Board of Directors"
99.2	Resignation letter of Richard K. Riederer, dated September 4, 2014

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: September 9, 2014

By: /s/ James D. Graham

Name: James D. Graham

Title: Vice President, Chief Legal Officer & Secretary

EXHIBIT INDEX

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NEWS RELEASE**Cliffs Natural Resources Appoints John Baldwin to Board of Directors**

CLEVELAND – Sept. 9, 2014 – Cliffs Natural Resources Inc. (NYSE: CLF) today announced that it has appointed John T. Baldwin to its Board of Directors, effective immediately.

Lourenco Goncalves, Chairman, President and Chief Executive Officer of Cliffs stated, "John is a highly experienced and respected executive who represents an outstanding addition to our Board of Directors. He brings decades of operational experience, deep strategic capabilities, and overall financial acumen, adding a unique and important perspective to our Board."

Commenting on his appointment, Mr. Baldwin said, "I am honored to have the opportunity to join the Cliffs Board. I look forward to working constructively with my fellow Directors and the Company's seasoned management team and to contributing to the future of Cliffs."

Since 2006, Mr. Baldwin has served as a Director and Chairman of the Audit Committee of Metals USA (NYSE: MUSA), which provides a wide range of products and services in the heavy carbon steel, flat-rolled steel, specialty metals, and building products markets. Previously, he was Senior Vice President and Chief Financial Officer of Graphic Packaging Corporation, and Vice President and Chief Financial Officer of Worthington Industries, Inc. Prior to Worthington, Mr. Baldwin served in various financial capacities at Tenneco Inc. in both the U.S. and the U.K.. Mr. Baldwin previously served on the Board of The Genlyte Group Incorporated, where he also was Chairman of the Audit Committee. He holds a B.S. degree from the University of Houston and a J.D. from the University of Texas School of Law.

In addition to Mr. Baldwin's appointment, Cliffs also announced that Douglas Taylor was appointed Lead Director of the Cliffs Board. Following the resignations of Timothy W. Sullivan, Gary B. Halverson and Richard K. Riederer, the Cliffs Board is now comprised of nine directors, including Mr. Goncalves as Chairman and eight independent directors.

About Cliffs Natural Resources Inc.

Cliffs Natural Resources Inc. is a leading mining and natural resources company. The Company is a major iron ore producer in the Great Lakes region and a significant producer of high- and low-volatile metallurgical coal in the U.S. Additionally, Cliffs operates iron ore mines in Eastern Canada and an iron mining complex in Western Australia. Driven by the core values of social, environmental and capital stewardship, Cliffs' employees endeavor to provide all stakeholders operating and financial transparency. News releases and other information on the Company are available at: <http://www.cliffsnaturalresources.com>.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the federal securities laws. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties relating to Cliffs' operations and business environment that are difficult to predict and may be beyond Cliffs' control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by forward-looking statements for a variety of reasons including without

limitation: trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices; our actual levels of capital spending; uncertainty or weaknesses in global economic conditions, including downward pressure on prices, reduced market demand and any slowing of the economic growth rate in China; our ability to successfully integrate acquired companies into our operations and achieve post-acquisition synergies, including without limitation, Cliffs Quebec Iron Mining Limited (formerly Consolidated Thompson Iron Mining Limited); our ability to successfully identify and consummate any strategic investments and complete planned divestitures; the outcome of any contractual disputes with our customers, joint venture partners or significant energy, material or service providers or any other litigation or arbitration; the ability of our customers and joint venture partners to meet their obligations to us on a timely basis or at all; our ability to reach agreement with our iron ore customers regarding any modifications to sales contract provisions; the impact of price-adjustment factors on our sales contracts; changes in sales volume or mix; our actual economic iron ore and coal reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve; the impact of our customers using other methods to produce steel or reducing their steel production; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; the results of prefeasibility and feasibility studies in relation to projects; impacts of existing and increasing governmental regulation and related costs and liabilities, including failure to receive or maintain required operating and environmental permits, approvals, modifications or other authorization of, or from, any governmental or regulatory entity and costs related to implementing improvements to ensure compliance with regulatory changes; our ability to cost-effectively achieve planned production rates or levels; uncertainties associated with natural disasters, weather conditions, unanticipated geological conditions, supply or price of energy, equipment failures and other unexpected events; adverse changes in currency values, currency exchange rates, interest rates and tax laws; availability of capital and our ability to maintain adequate liquidity and successfully implement our financing plans; our ability to maintain appropriate relations with unions and employees and enter into or renew collective bargaining agreements on satisfactory terms; risks related to international operations; availability of capital equipment and component parts; the potential existence of significant deficiencies or material weakness in our internal control over financial reporting; problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry; and other factors and risks that are set forth in the Company's most recently filed reports with the U.S. Securities and Exchange Commission (the "SEC"). The information contained herein speaks as of the date of this release and may be superseded by subsequent events. Except as may be required by applicable securities laws, we do not undertake any obligation to revise or update any forward-looking statements contained in this release.

Contacts:

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Director, Global Communications
(216) 694-5316

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Sard Verbinnen and Co
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September 4, 2014

Cliffs Natural Resources Inc.
200 Public Square
Suite 3300
Cleveland, OH 44114
Attention: Chairman of the Board

Dear Mr. Goncalves:

It is with deep disappointment that I tender my resignation as a director of Cliffs Natural Resources, effective immediately. This is after much reflection and consternation as to what the new direction for Cliffs really is and the Board's ability to shape that direction.

I have been a director of Cliffs for over twelve years and I find that I have a fundamental disagreement with your approach to corporate governance and the lack of director inclusion in decision-making under your leadership. This issue was highlighted at the Board meeting last week when resolutions were presented for approval with no input from the Board, there was an unwillingness to discuss options and bullying of directors who suggested considering other options. Therefore, I have concluded reluctantly that my continued membership on the Cliffs Board would not be productive as I do not believe that the best interests of the Cliffs shareholders is being served.

It is my strong belief that Cliffs was on the right path prior to your election to the Board, with significant experience

in recently added Board members and a new CEO in Gary Halverson with deep mining experience and expertise. With your appointment as CEO, you are now in a position to carry out what I believe is a short-term oriented plan to liquidate Cliffs assets in this very unfavorable pricing environment. Since I do not believe that such an approach is in the best interests of shareholders nor do I believe that I will have any ability to influence that direction, I have made the difficult decision to resign.

I have enjoyed working with the Company, its management and Board members over the last twelve years, and I wish nothing but future success for the Company and its loyal and dedicated employees.

Very truly yours,

Richard K. Riederer

cc: James D Graham
All Directors