

## Cliffs Michigan Operations

### Scrap Program Policy

#### I. POLICY

To make available to Cliffs Michigan Operations employees certain scrap materials normally disposed of or having minimal resale scrap value (Approximately ten (\$10.00) dollars or less). This program is being implemented on a one-year trial basis and will be reviewed at the end of this period.

#### II. PURPOSE

As a privilege, this policy is intended to benefit the employees who have a use for scrap materials generated through the operation of Cliffs Michigan Operations. The "creation" of scrap or the fabrication of items for personal use is not authorized under this policy and will be considered theft. Further, any abuse will result in the immediate loss of such employees scrap program privileges and / or termination of the entire scrap program.

#### III. GENERAL POLICY PROVISIONS

##### A. Scrap Removal Authorization

An employee intending to remove scrap material from the plant site must first obtain authorization, by the use of the Authorization to Remove Scrap Materials (Exhibit I), from their department Area Manager or Section Manager. The employee must sign the form to disclaim material warranty and to assume liability. A picture of the scrap material, provided by the employee, is required to obtain authorization. A copy of the submitted picture will be sent to security.

##### B. Scrap Transporting

Employees shall adhere to all site, Company and regulatory safety, health and environmental standards. The signed authorization, original picture of the scrap material and the scrap material must be presented to one of the main gate security guards who will compare it with their documentation. The transporting is to be done during a time period that is not part of the employee's working shift. Non-employees, including family members, will not be permitted on the property to aid in the removal of scrap.

##### C. Scrap Preparation

Scrap preparation, (to make material safe to transport, ex: nails bent over), is to be done during a time period that is not part of the employee's working shift. Company equipment (i.e. power tools, forklifts, cranes, etc.) is not to be used to prep or transport scrap to employee vehicles.

##### D. Scrap Material normally not allowed for Removal (Not All Inclusive)

1. Ladders

10. Drill bits

- |                                 |  |
|---------------------------------|--|
| 2. Slings                       | 11. PPE (i.e. hard hat, welding helmet)  |
| 3. Lifting devices              | 12. Used grinding wheels                 |
| 4. Electric cable               | 13. Stainless Steel                      |
| 5. Electrical powered equipment | 14. Brass and Copper                     |
| 6. Chemical containers          | 15. Tools of any kind                    |
| 7. Air powered equipment        | 16. Safety harness/belts/lanyards        |
| 8. Tires                        | 17. Enclosed drums (Non-detachable Tops) |
| 9. Respirators                  | 18. Batteries                            |

Scrap iron and steel is limited in size to 4' in length or less or what can be hand loaded by an employee.

Any material that has been deemed scrap and disposed of for safety considerations will not be eligible for employee removal.

#### E. Dumpsters

1. The large outside dumpsters will be off limits except for special circumstances in which salvageable material large in quantity or size may become available. Employees will be notified through a posting on bulletin boards. Unauthorized "dumpster diving" may result in discipline of such employees and / or discontinuance of the scrap program.

#### F. Crushed Road Gravel

1. When available, a stock pile will be maintained of clean road gravel for employees to hand load into their personal vehicle.
2. Stockpiles of the above gravel will be at a location chosen by management within the security gates of the Mine.
3. Employees must have an authorization form, stop at guard shack and notify security of such gravel removal.
4. Employees are limited to one (1) pickup load or equivalent per year.

#### G. Scrap Monitoring Responsibilities

1. Human Resources / Labor Relations:
  - a. Human Resources / Labor Relations is responsible for the interpretation of this procedure.
2. Security:
  - a. Security will verify that the quantity and description of scrap materials being removed

by an employee matches the authorization. If any discrepancy is found, the scrap is not to be removed. Major discrepancies or items not listed on the authorization may lead to discipline up to and including discharge.

- b. Shall take a Polaroid / Digital photo of the employee and the scrap being removed and attach photo to scrap slip.

#### Exhibits

Exhibit 1- Cliffs Michigan Operations Authorization From Remove of Scrap Material

Cliffs Michigan Operations  
Authorization For Remove of Scrap Material

Security Gate Pass

Date Issued \_\_\_\_\_ Location \_\_\_\_\_

This is to certify that \_\_\_\_\_.  
Employee No. \_\_\_\_\_, who is an employee of Cliffs Michigan Operations, has been given permission to remove the following items from the company property at the above location.

DESCRIPTION OF SCRAP MATERIAL TO BE REMOVED

*Scrap having minimal resale scrap value (Approximately \$10.00 dollars or less).*

**QUANTITY**

_____	_____
_____	_____
_____	_____
_____	_____

The company expressly disclaims all warranties of merchantability and fitness for a particular purpose on any material identified on the Gate Pass hereunder, and specifically does not warrant that the material meets OSHA or MSHA standards. The recipient assumes all risk and liability for results obtained by use of the materials delivered hereunder in processes of the recipient or of any subsequent recipient. The company shall not be liable for incidental or consequential damages or personal injury while preparing, loading or transporting scrap.

All Cliffs Michigan Operations safety rules and procedures are to be followed while preparing, loading or transporting scrap.

Employees removing scrap materials are required to stop one of the Main Gate Security Buildings for visual inspection of the material to be removed and turn in the original copy of the Gate Pass to the Security Guard.

I HEREBY ACKNOWLEDGE THAT I HAVE READ  
THE PROVISIONS HEREOF BEFORE SIGNING \_\_\_\_\_  
Employee

Authorized By \_\_\_\_\_ Date \_\_\_\_\_  
Employee Supervisor

Authorized By \_\_\_\_\_ Date \_\_\_\_\_  
Department Area Manager

Date Material Passed Through Gate \_\_\_\_\_

Signed/Security Guard on Duty \_\_\_\_\_

Note: Material must be removed within three days after receipt of Gate Pass

- Original - Human Resources via Plant Security
- Copy - Employee
- Copy - Authorizing Department
- Copy - Human Resources