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April 1, 2020

Via E-Mail

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Re: AK Steel Dearborn Works — Civil Action No. 15-cv-11804
DJ # 90-5-2-1-10702
Notice of Force Majeure

In accordance with Paragraph 57 of the Consent Decree in the above-referenced action, AK Steel is providing this notice of a Force Majeure event. Following is the information required for such notice:

(1) *An explanation and description of the reasons for the delay or interruption.*

AK Steel has idled the Dearborn Works as of Monday, March 30, 2020, due to steel market impacts from COVID-19. The idle will last for at least two weeks. During the time period of this idle, AK Steel will be unable to complete certain repairs on the BOF Electrostatic Precipitator (ESP). These repairs were identified in the *Inspection Report – BOF Electrostatic Precipitator Chambers 1-8* (ESP Inspection Report), dated August 9, 2019, and submitted to the government on October 4, 2019, in accordance with Paragraph 21 of the Consent Decree. The cover letter to the ESP Inspection Report notes that "AK Steel is planning to initiate repairs during the fourth quarter of 2019, weather permitting, and anticipates completing the work no later than the end of the second quarter, 2020."

Note that Paragraph 57 of the Consent Decree requires a notice for any event that may delay or prevent the performance of any obligation under this Consent Decree. AK Steel does not believe that the projected schedule included in the cover letter to the ESP Inspection Report is properly considered an "obligation" of the Consent Decree itself. Nonetheless, in the interest of transparency, AK Steel is providing this notice.

Two factors are contributing to AK Steel's inability to complete the ESP repairs during the idle. First, due to the COVID-19 outbreak and to protect employees and to prevent spreading the virus, AK Steel has issued a directive that there is to be no non-essential work by outside contractors while the Dearborn Works is idled. The ESP repairs are conducted by outside contractors.

Second, the State of Michigan has issued Executive Order 2020-21. This Order requires maintaining appropriate social distancing to the extent feasible under the circumstances. Likewise, the Wayne County Local Health Department has issued Order #20-02. This Order also requires that businesses implement a "social distancing" plan. There are logistical difficulties in maintaining social distancing while working inside the ESP.

(2) *The anticipated duration of the delay or interruption.*

At this time, AK Steel has identified that the idle will last a minimum of two weeks. The actual length of the delay will be based on the status of COVID-19 and the resulting government restrictions, as well as the steel market impacts from the virus. AK Steel will notify the government when it has determined the idle will end and the Dearborn Works will return to production.

(3) *All actions taken or to be taken to prevent or minimize the delay or interruption.*

As the status of COVID-19 and the resulting government restrictions, as well as the steel market impacts from the virus, are fully beyond the control of AK Steel, there is little to nothing that the Company can do to prevent or minimize the delay. However, the delay on completing the repairs to the ESP has no effect on human health or the environment due to the fact that the plant operations are idled. As such, there are no emissions from any operations controlled by the ESP.

(4) *A schedule for implementation of any measures to be taken to prevent or mitigate the delay or interruption or the effect of the delay or interruption.*

At the time that AK Steel provided EPA with the ESP Inspection Report in October 2019, the Company anticipated that it would have the repairs completed by the end of the second quarter, 2020. Currently, AK Steel has completed the repairs identified in the report on four of the eight compartments. AK Steel estimates that it is taking about three weeks per compartment to complete the repairs. Therefore, AK Steel estimates that there are 12 weeks of work remaining.

After the Dearborn Works returns to production from the idle and contractors are permitted to return to the facility, AK Steel will promptly resume the ESP repairs. As noted above, upon resumption of the repairs, AK Steel anticipates such repairs will be completed within approximately 12 weeks.

(5) *Defendant's rationale for attributing such delay or interruption to a force majeure event if it intends to assert such a claim. Defendant shall include with any notice all available documentation supporting the claim that the delay or interruption was attributable to a force majeure event.*

Paragraph 56 of the Consent Decree defines a Force Majeure event as any event arising from causes beyond the control of Defendant, of any entity controlled by Defendant, or of Defendant's contractors, that delays or prevents the performance of any obligation under this Consent Decree despite Defendant's best efforts to fulfill the obligation. The requirement that Defendant exercise "best efforts to fulfill the obligation" includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any such event (a) as it is occurring and (b) after it has occurred to prevent or minimize any resulting delay to the greatest extent possible.

As discussed above, the cause of the delay on the ESP repairs is due to COVID-19 and the resulting government restrictions, along with the steel market impacts from the virus that has resulted in the idling of the Dearborn Works. These two factors taken together has resulted in the need to delay the ESP repairs. COVID-19 and its resulting impacts is certainly beyond

the control of AK Steel. There was no ability of AK Steel to foresee this global pandemic using best efforts. As discussed elsewhere in this Notice, AK Steel will minimize the delay as much as possible by completing the ESP repairs as expeditiously as practicable as soon as the Dearborn Works returns to production.

(6) *A statement as to whether, in the opinion of Defendant, such event may cause or contribute to an endangerment to public health, welfare or the environment.*

This delay in ESP repairs based on the schedule included in the ESP Report will not cause or contribute to any endangerment to public health, welfare or the environment. The Dearborn Works will be idled during this delay, and thus there are no emissions from any operations controlled by the ESP. In addition, the repairs at issue are in general ongoing routine maintenance repairs. Even if the Dearborn Works was not idled and the ESP was operating, the ESP would continue to provide the essential function of properly controlling emissions. The identified repairs are not critical for the near-term operation of the ESP.

AK Steel trusts that the forgoing information fully substantiates this Force Majeure notice. If you have any questions regarding this report, please contact me at 313-845-3217.

Sincerely,

/s/ James E. Earl

James E. Earl
Environmental Affairs Manager
AK Steel Dearborn Works

Cc: Michael Long – Cleveland-Cliffs Inc.