



The Steel Company of Canada

PURCHASE ORDER GENERAL TERMS AND CONDITIONS

1. AGREEMENT: (A) The agreement between Purchaser and Seller is this purchase order ("Purchase Order"). This Purchase Order consists only of the terms contained (i) in these Purchase Order General Terms and Conditions (ii) on the purchase order form and (iii) on any supplements, specifications, drawings or other documents expressly incorporated by reference on the purchase order form. Any reference in the Purchase Order to any offer to sell or proposal of Seller is solely for the purpose of incorporating the descriptions and specifications of the goods and/or services contained in the offer or proposal to the extent that those descriptions and specifications do not conflict with the descriptions and specifications contained in or referred to on the purchase order form. (B) If the Purchase Order is deemed to be an acceptance of a prior offer by Seller, such acceptance is limited to the express terms contained herein and on the purchase order form. Additional or different terms or any attempt by Seller to vary in any degree any terms of the Purchase Order shall be deemed material and are hereby rejected. (C) The Seller shall complete the Work in accordance with the Purchase Order. Except as expressly provided for on the purchase order form, the Work shall include the provision of all raw materials, goods, facilities and services which are necessary for the performance of the Work. The Seller shall protect the Work and the Purchaser's property and property adjacent to the Site from damage that may arise as the result of performance of the Work. (D) Subject to adjustment of the Total Price as expressly provided for in the Purchase Order, the Total Price is a fixed, lump sum amount which is not subject to increase due to surcharges (including fuel surcharges and raw material surcharges) or escalation. (E) No terms or conditions, other than those stated or incorporated by reference herein, and no agreement or understanding in any way modifying the terms and conditions stated or incorporated by reference herein, shall be binding upon the Purchaser unless made in writing and signed by the Purchaser. Written or verbal acceptance of the Purchase Order (as hereinafter defined) and/or the provision of goods or services to Purchaser by Seller shall constitute Seller's assent to the terms and conditions of this Purchase Order. Purchaser hereby expressly objects to and rejects any and all additional or different terms proposed by Seller (including any attempted disclaimer or limitation of warranties or liability), irrespective of where contained, and no such different or additional terms shall form part of the Purchase Order or be binding on Purchaser. Purchaser's acceptance of, or payment for, goods or services shall not constitute Purchaser's acceptance of any counter-proposal submitted by Seller unless otherwise specifically accepted in a writing signed by a person designated as Purchaser's buyer under Section 28 of these Purchase Order General Terms and Conditions.

2. PURCHASE ORDERS; BLANKET PURCHASE ORDERS: These Purchase Order General Terms and Conditions govern all purchase orders issued by Purchaser that incorporate these terms and conditions by reference. The term "Purchase Order" (PO), as used in these Purchase Order General Terms and Conditions includes a BPO unless otherwise expressly noted. All shipping notices and invoices issued by Seller pursuant to Purchaser's Releases shall show the full Purchase Order number. In the event Seller finds any material specified on a Release that does not fall within the scope of the PO, Seller shall delete such material and immediately advise Purchaser by telephone followed by written confirmation. All goods and services shall be billed at the designated unit price shown on the PO. There shall be no increases in any prices, reduction of any discounts or rebates, or changes in the price list dates indicated on the PO without prior written approval from Purchaser as evidenced by the issuance of a written revision or other formal change order to the PO. All requests by Seller for price changes (including discounts and rebates) shall be made in writing at least 30 days prior to their proposed effective date and shall include: (1) dollar effect of price increase or decrease; (2) date of Seller's last increase or decrease, and the percentage amount thereof; (3) new list prices, if any; (4) provisions for firm pricing on new prices for a stated time period. No obligation to purchase any minimum quantity of goods or services shall arise from Purchaser's issuance of a PO except as otherwise expressly stated on the face of the PO or any subsequent Revision. Purchaser is not required to accept any such request by Seller, and any such request shall be deemed to be denied, if Purchaser does not accept the request by a written revision or other formal change order (a "Revision") signed by Purchaser prior to the end of such 30-day period. Purchaser reserves the right to cancel a PO at any time upon completion of the purchase of all goods and services covered by any outstanding Releases (subject always to Purchaser's right to terminate for convenience as provided in Section 17). Seller shall (i) ensure that all employees and/or subcontractors of Seller performing Work under a Purchase Order or Revision thereof have all qualifications necessary to perform such Work, including all qualifications as may be required by a Government, the Purchaser or any entity having oversight over Work of that kind or persons performing such Work (ii) maintain evidence of such qualifications and (iii) provide such evidence to Purchaser upon request.

3. PURCHASE ORDER CHANGES: Purchaser reserves the right to modify the Purchase Order with respect to quantities, delivery schedules and/or specifications as desired by Purchaser by issuing one or more Revisions to Seller which may include Purchaser's proposed adjustment to the Total Price. If Seller's costs are reduced because of any such changes, Seller shall reduce the Purchase Order price to reflect all such cost savings, whether direct or indirect. If Seller's costs are increased because of such changes, Purchaser will consider Seller's request for a reasonable adjustment to the Total Price for the additional direct costs associated with such change (plus any mark-up for overhead and profit set out on the purchase order form, and if such mark-up is not set out thereon, then any amount agreed to in writing by the Purchaser and the Seller); provided, however that if Seller does not notify Purchaser of an adverse cost impact on Seller resulting from such changes within 10 days of the issuance of the Revision/Release, then Seller shall be deemed to waive any claim for a price increase due to those modifications; and provided further, however, that if Seller provides notice of an adverse cost impact and the parties cannot agree upon a price adjustment within 10 days of such notice, the Revision will not become effective and Seller shall not be entitled to any additional compensation or price changes. Written or verbal acceptance of a Revision or Release and/or the provision of goods or services to Purchaser by Seller shall constitute Seller's assent to the modifications including Purchaser's proposed adjustment to the Total Price. Purchaser hereby expressly objects to and rejects any and all additional or different terms (including price changes) proposed by Seller in any manner,

except any that are expressly accepted in writing and reflected in a Revision issued by Purchaser. If the Revision results in a decrease in the Work, the Purchaser shall not be liable to the Seller for any costs or damages whatsoever arising from such decrease in the Work including any indirect, consequential or special damages, such as loss of profits, loss of opportunity or loss of productivity. Extra or additional work performed by the Seller without the prior written agreement of the Purchaser shall be at the Seller's sole cost and expense.

- 4. SHIPPING AND BILLING:** Seller, at its expense, agrees to properly pack, load and ship goods in accordance with the requirements of Purchaser and involved carriers in a manner that secures safe transportation at the lowest transportation cost and to route shipments in accordance with Purchaser's instructions. The Total Price shall include all charges for handling, packaging, storage, transportation or drayage of goods unless otherwise stated in the Purchase Order. As full consideration for the Work, the Purchaser shall pay the Seller the Total Price in accordance with the Purchase Order, subject always to Purchaser's rights and remedies hereunder and otherwise available to Purchaser at law, in equity or otherwise. Time for payment shall not begin until correct and complete invoices are received (except for transactions where Purchaser has specified that no invoice is required and payment will be issued against the receiving documents) and proper documentation of all freight charges has been provided, and Seller's cash discount privileges to Purchaser shall apply to all such payments. Unless the purchase order form specifies otherwise, payment will be made Sixty (60) days from the date Purchase receives Seller's correct and complete invoice or the receiving documents, as the case may be. Neither the making of any payment nor use of the Work shall constitute acceptance of Work which is not in compliance with the Purchase Order. Purchaser may withhold payment pending receipt of evidence, in such form and detail as Purchaser may direct, of the absence of any liens, encumbrances and claims on the goods or services covered by the Purchase Order, subject to any rights and remedies provided by the Lien Act. All right, title and ownership to the Work (and all portions thereof) shall transfer to the Purchaser immediately upon the delivery and acceptance of the Work (or portion thereof) by the Purchaser, free and clear of all liens, claims and encumbrances, subject to any applicable rights or remedies under the Lien Act, and the Seller shall bear all risk of loss or damage to the Work until the Work has been delivered to and accepted by the Purchaser.
- 5. DELIVERY SCHEDULES:** Deliveries of goods and services under the Purchase Order shall be made in accordance with the Purchase Order and both in quantities and at times stated in Purchaser's schedules as set out in the purchase order form, to a specific location, or locations, at the Site to be determined by the Purchaser; and the Seller shall unload the goods at such location(s). The Seller shall schedule and co-ordinate all deliveries to the Site with the Purchaser. The Seller shall remove all waste products and debris from the Site resulting from the performance of the Work and the delivery, unloading and unpacking of goods. Purchaser shall not be required to make payment for goods delivered to Purchaser that are in excess of quantities specified in Purchaser's delivery schedules. Notwithstanding any other provision in the Purchase Order, Purchaser may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by the Purchase Order or any other extra compensation. For orders of goods where quantities and/or delivery schedules are not specified, Seller shall deliver goods in such quantities and times as Purchaser may direct in its Releases. Time is of the essence in Seller's performance hereunder.

6. REQUIREMENTS: If this Purchase Order is to cover Purchaser's requirements as specifically set out in the Purchase Order, then "Buyer's Requirements" or words of similar intent in the Purchase Order shall mean Purchaser's requirements with respect to the consuming location(s) designated on the Purchase Order (after adjustments for Purchaser's existing inventories) for the goods or services which are the subject of the Purchase Order, and such other requirements Purchaser determines subjectively from time to time in its sole discretion to be in its best interests, economic or otherwise, without regard to estimates by Purchaser or Seller, historical levels of usage, or any course of performance or dealing. Any specific quantity or range of quantities set forth in the Purchase Order which refers to Purchaser's requirements is merely an estimate of Purchaser's expected requirements for the specified time period, based upon Purchaser's then-existing or anticipated business conditions, including the market for Purchaser's products, the level of operations at the consuming location(s), and other changeable factors and circumstances, many of which are beyond the Purchaser's ability to foresee or control. Other than for the amounts specifically set out on the purchase order form, the Seller acknowledges that no agreement to purchase any minimum quantity is expressed or implied, and the Purchaser is not required to pay any amount to the Seller if the Seller does not provide any goods or service to the Purchaser.

7. FORCE MAJURE: Other than as expressly provided elsewhere in this Agreement, neither party shall have any liability for delays in performance to the extent caused by acts of God, acts of war, insurrection, or the public enemy, acts of government, shortage of cars, embargoes or delays in transportation, strikes, picketing, lockouts or other labour disturbances, fires, floods, earthquake or other force or violence of the elements (including adverse weather), compliance with or other action taken to carry out the intent or purpose of any law or administrative regulation having the effect of law now or hereafter enacted, or any other contingency beyond the reasonable control of the party affected thereby. The foregoing notwithstanding, Contractor shall take all reasonable steps to mitigate the impact which any force majeure occurrence affecting it may have on the contract schedule for the affected Work involved. If adverse weather conditions not reasonably anticipated are the basis for a claim by Contractor for additional time, such claim shall be documented by data substantiating that (1) weather conditions were abnormal for the period of time and location based on historical data, (2) the abnormal weather could not have been reasonably anticipated, and (3) that weather conditions had an adverse effect on the critical path schedule for the affected Work. In the event of any such occurrence of force majeure, the time for the party's performance affected thereby shall be extended for such period as reasonably required under the circumstances, subject to such party's compliance with the provisions below. Within seven (7) days from the date of commencement of events or circumstances that may cause any delay by force majeure on account of which either party claims that it is entitled to any extension of time for performance of its obligations hereunder, such party shall advise the other by written notice of the date when such delay commenced, and the reasons therefore as enumerated in this section. Likewise, within seven (7) days after the delay ends the affected party shall advise the other by written notice of the date when such delay ended, and the date when the affected performance was or shall be resumed hereunder. Failure to provide the written notices within the time periods as herein provided shall constitute a waiver of the affected party's right to an extension of time as to any force majeure event or occurrence for which such notices are not provided to the other party.

8. INSPECTION: Notwithstanding payment, passage of title or prior inspection, all items are subject to final acceptance or rejection by Purchaser (or designee) at the destination specified on the purchase order form. Seller agrees that Purchaser and its customers shall have the right to enter Seller's facilities at reasonable times to inspect them and the goods, materials and any property of Purchaser covered by the Purchase Order. Such inspection, acceptance or other review of the goods, whether during manufacture prior to delivery or within a reasonable time after delivery shall not constitute acceptance of any work-in-progress or finished goods, whether or not a breach of warranty or other defect had become evident at the time, and shall not limit or reduce Seller's obligations and liabilities in the Purchase Order.

9. WARRANTIES: Seller expressly warrants to Purchaser and its customers and their respective successors and assigns that: (i) Seller has good and marketable title to all goods provided under a Purchase Order, free and clear of all liens and encumbrances of any kind; (ii) all goods and services covered by the Purchase Order will (a) strictly conform to the Purchase Order and any specifications contained or referred to therein and (b) be new, merchantable, of good material and free from defect in design, material or workmanship. In addition and without limiting the generality of the foregoing, Seller acknowledges that Seller knows of Purchaser's intended use and expressly warrants that all goods covered by the Purchase Order which have been selected, designed, manufactured or assembled by or for Seller will be fit and sufficient for the particular purposes intended by the Purchaser. The Seller warrants that any software forming part of the goods and services covered by the Purchase Order and any related hardware components will perform in accordance with their respective specifications and will operate as an integrated whole without errors or defects of any kind. If any of the foregoing warranties are breached, Purchaser may, at its election, and in addition to any rights or remedies it may have, (i) return such items to Seller, at Seller's risk and expense, (ii) require Seller, at Seller's expense, to promptly replace or correct such items, (iii) pending re-delivery, require repayment of any amounts paid for returned items, (iv) purchase or manufacture similar items or repair such items at Seller's expense, and/or (v) accept or retain non-conforming items and equitably reduce the price paid by Purchaser for them. The carrying out of such replacement or corrective work by the Seller shall be at times convenient to the Purchaser. The remedies set out in this Section 8 are not exclusive, and Purchaser hereby reserves all of its rights and remedies under this Purchase Order and in contract, tort, law, equity and otherwise.

10. INDEMNITY: Seller shall indemnify and hold harmless Purchaser and its agents, employees, representatives, officers and directors and their respective successors and assigns from and against any and all claims, actions, demands, damages or causes of action at law, in equity or otherwise and losses, costs, and expenses and lawyers' fees and disbursements (including fees of expert witnesses) relating to or arising out of any breach by Seller of any of the warranties, covenants, terms or conditions of the Purchase Order, including these Purchase Order General Terms and Conditions or any negligent act or omission by the Seller or its subcontractors or suppliers, including such claims or costs which arise from property damage, bodily injuries, diseases or death. Seller agrees to indemnify and hold harmless Purchaser as set forth above regardless of whether such claims demands, actions, causes of action, losses, damages, costs or expenses are caused or alleged to be caused in part by the conduct, fault or negligence of Purchaser. Purchaser may, at its election, be represented in any legal actions or settlement of such claims by lawyers of its own selection subject to indemnification by the Seller for lawyers' fees and disbursements as set out above in this Section 9.

11. INSURANCE: See Attachment "I" as posted on Stelco.com reference.

12. PATENTS, ETC.: Seller is solely responsible for the selection of the methods or processes by which it carries out the Work covered by the Purchase Order. Seller represents and warrants that the design, manufacture, sale and use of the articles or materials covered by the Purchase Order, whether alone, or in combination with other goods or services, do and shall not infringe, directly or indirectly, or contribute to the infringement of, any patent, copyright, trademark, industrial design or other intellectual property right. Seller will indemnify and hold harmless Purchaser and its customers against any claims, actions, demands, damages, expenses, costs, causes of action, losses and lawyers' fees and disbursements (including fees of expert witnesses) relating to or in connection with any infringement or claimed infringement of any patent, trademark, copyright, industrial design or other intellectual property right in the design, manufacture, sale and/or use of the goods and services covered by the Purchase Order or connected with the use thereof by Purchaser and its customers. Purchaser may, at its election, be represented in any legal actions or settlement of such claims by lawyers of its own selection subject to indemnification by the Seller for lawyers' fees and disbursements as described in this Section 11. In the event such goods and services, or any part thereof, is or are held to constitute infringement and the use of such goods and services is enjoined, the Seller shall, at Seller's expense and Purchaser's election, either (i) procure for the Purchaser and its customers the right to continue using such goods and services, or (ii) replace same with non-infringing goods and services, or modify it so it becomes non-infringing, and, in either such case, such articles and materials shall remain fit and sufficient for the Purchaser's intended purpose and having, as compared with the original goods or services, equivalent or superior functionality or utility as determined by the Purchaser in its sole discretion and shall remain subject to the warranties provided in Section 8, above.

13. OWNERSHIP AND USE OF DOCUMENTS: Seller agrees that all drawings, field notes, specifications, software, and any other documents, materials or work product, whether in written, audio, video or electronic form, developed for Purchaser or that are unique to the subject matter of the Purchase Order or derived from any information or materials or intellectual property of Purchaser ("Work Product") shall be the exclusive personal property of Purchaser. Seller hereby assigns all rights, title and interest, including copyrights and all other intellectual property rights for all such Work Product to Purchaser. Purchaser shall have the worldwide, perpetual, irrevocable, royalty-free and cost-free license, transferable or licensable to third parties, to reproduce and use any drawings, field notes, specifications, software, and any other documents, materials or work product relating to the subject matter of the Purchase Order but that were not developed for Purchaser or not derived from any information or materials or intellectual property of Purchaser or not unique to the subject matter of the Purchase Order ("Background Documents"), for any purpose pertaining to the Purchaser's installation, operation, maintenance, repair and other use of the goods purchased hereunder including the right to contract with others for the manufacture of replacement parts or the installation of additional or complementary equipment, software or components. Purchaser's failure to take possession of any Work Product or Background Documents at the time the goods are delivered or the services are rendered by Seller shall not be construed as a waiver of any of Purchaser's rights under this Section 12. In the event of any termination of the Purchase Order or as requested by the Purchaser (at any time(s)), the Seller shall promptly deliver to the Purchaser at Seller's expense the Work Product and Background Documents in both electronic and printed forms.

14. COMPLIANCE WITH LAWS:

General Obligations. The Seller will comply with all applicable Government Requirements including those relating to the design, production, sale, transportation, delivery, use, distribution and/or performance of the goods and/or services to be provided hereunder. A Government Requirement includes any law, order, rule, regulation or requirement of a Government. The term "Government" refers to any federal, provincial or municipal government and any governmental body or entity (at any level, whether within Canada or a foreign country) that regulates the goods and/or services provided hereunder, including any equipment or construction/installation work and/or other type of services so provided. At any time during the term of the Purchase Order, when requested by the Purchaser the Seller shall provide evidence of compliance with applicable workplace safety and insurance and workers' compensation legislation applicable at the Site, including, without limitation, payments due under it, by the Seller and its subcontractors and any other person performing Work.

Government Contract Requirements. Without limiting the generality of any provision in the Purchase Order, to the extent that any goods and/or services covered by this Purchase Order are supplied by Seller for Purchaser's use in the performance of any government contract or subcontract, Seller shall comply with all applicable Government Requirements.

Basic Working Conditions. Without limiting the generality of any provision in the Purchase Order, the Seller shall comply with all applicable Government Requirements.

Subcontractors. If the Seller uses subcontractors and/or subvendors to perform Work or supply goods hereunder, the Seller shall use only subcontractors and subvendors that adhere to the requirements of this Purchase Order and have been pre-approved in writing by the Purchaser. The Seller will monitor the subcontractor's and subvendor's compliance and shall be responsible and liable directly to Purchaser for the work and goods of the subcontractors and subvendors as if any such goods or services had been supplied directly to Purchase by Seller under these Purchase Order General Terms and Conditions.

Certification of Compliance. The Seller represents and warrants when it delivers the goods and/or performs the services hereunder that it has complied with the requirements of the Purchase Order (including this Section 13). The Purchaser may retain an independent third party, or request the Seller to retain one reasonably acceptable to the Purchaser, to: (a) audit the Seller's compliance with the requirements of this Section ; and (b) provide the Seller and the Purchaser with written certification of the Seller's compliance and/or report on areas for potential improvement.

Permits and Policies. The Seller shall maintain and pay for all permits, licenses and other authorizations required for the performance of the Work. While at the Site, the Seller shall comply with the requirements and policies of the Purchaser.

Incorporation by Reference. Any provision required to be included in a contract of the type created by the Purchase Order by any applicable and valid federal, provincial or local law, orders or rules or administrative rule or regulation having the effect of law shall be deemed to be incorporated herein.

15. GOVERNING LAW; JURISDICTION: The parties hereby exclude all parts of The United Nations Convention on Contracts for the International Sale of Goods, and its application in its entirety and, without limiting the generality of the foregoing, the parties exclude the application of its provisions relating to the formation of the contract to the Purchase Order and all its other provisions to any of these Purchase Order General Terms and Conditions. The Purchase Order and these terms and conditions shall be governed exclusively by the laws of the Province of Ontario and the federal laws of Canada applicable therein. SELLER IRREVOCABLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING SEEKING THE ENFORCEMENT OR INTERPRETATION OF THE PURCHASE ORDER OR THESE TERMS AND CONDITIONS MAY BE BROUGHT IN THE COURTS OF THE PROVINCE OF ONTARIO AND SELLER, BY ITS ACCEPTANCE OF THE PURCHASE ORDER OR THE PROVISION OF GOODS OR SERVICES HEREUNDER, IRREVOCABLY SUBMITS ITSELF TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS, AND WAIVES (A) ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE PLACING OF VENUE IN SUCH COURTS AND (B) ANY RIGHT TO REMOVE ANY SUCH ACTION OR PROCEEDING TO ANOTHER COURT. IN ADDITION, THE SELLER WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE ORDER OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS PURCHASE ORDER PRESENT OR FUTURE, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PURCHASER MAY FILE A COPY OF THIS SECTION 14 WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING VOLUNTARY AND BARGAINED FOR AGREEMENT BY THE SELLER TO IRREVOCABLY WAIVE TRIAL BY JURY.

16. IMPORTED GOODS: Unless otherwise expressly stated on the purchase order form or agreed to in writing by Purchaser, all goods purchased hereunder that originate from sources or suppliers based outside Canada shall be shipped to Purchaser's consuming location or other delivery point designated on the purchase order form with the Seller acting as the importer of record. If the Purchaser agrees by expressly stating on its purchase order to act as the importer of record into Canada for any goods that originate from sources or suppliers based outside Canada, the Seller shall provide the Purchaser with adequate and timely prior notice and true, accurate, timely and valid information and all necessary documents to permit the lawful importation of the goods into Canada at the most preferential duty and tax rates. Without limiting the foregoing, Seller shall provide to Purchaser with respect to goods that originate from a NAFTA country, true, accurate and valid NAFTA Certificates of Origin and furthermore shall promptly and fully cooperate with the relevant government authorities and also with the Purchaser on any inquiries, audits or reviews concerning the validity and accuracy of the NAFTA Certificates of Origin. Seller shall indemnify and hold harmless the Purchaser for any customs duties, taxes, interest and penalties (including Administrative Monetary Penalties) that may become payable by the Purchaser acting as the importer of record attributable to any failure of the Seller to fulfill its obligations set out herein, including to provide true, accurate, timely and valid information and documents required to permit the lawful importation of the goods at the most preferential duty and tax rates.

17. REMEDIES: Purchaser may withhold, out of amounts otherwise due Seller (or its affiliates, as the term "affiliate" is defined in the Canada Business Corporations Act) under the Purchase Order or any other agreement with Seller or its affiliates, such sums sufficient to compensate itself for any amount at any time that may be owed, or which Purchaser in good faith believes may become owing, from Seller to Purchaser in connection with the Purchase Order or such other agreement, and may set off the amounts so withheld against the

amounts otherwise owed or which Purchaser believes may become owing as aforesaid. In addition, Purchaser hereby reserves all additional rights and remedies provided hereunder, at law, in equity or otherwise. The exercise of any right or remedy pursuant to the Purchase Order is without prejudice to any other right or remedy which may be or become available to the Purchaser.

18 TERMINATION:

- (1) Termination for Cause. Purchaser may immediately terminate the Purchase Order, without liability to Seller, in the event of any of the following, or any similar, events: (i) insolvency of the Seller; (ii) filing of a voluntary petition in bankruptcy by Seller; (iii) filing of any involuntary petition in bankruptcy against the Seller; (iv) appointment of a receiver or trustee in respect of Seller or its assets; (v) Seller making an assignment for the benefit of its creditors generally; (vi) Seller repudiates or breaches any of the terms of the Purchase Order, including Seller's warranties under Section 8, above, or any other provisions of these Purchase Order General Terms and Conditions; (vii) Seller fails to perform services or deliver goods as specified by Purchaser; or (viii) Seller fails to make progress and thereby endangers the timely and proper completion of services or delivery of goods and fails to correct such failure within 3 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of notice from Purchaser specifying such failure or breach.
- (2) Termination for Convenience. Purchaser may also terminate all or any part of the Purchase Order for its own convenience, in which case Seller shall be entitled to, but only to, an amount not in excess of its verified direct costs reasonably expended or committed to third parties prior to the notice of termination (less salvage value and any other amounts recoverable by Seller). The payment required by the foregoing sentence shall constitute Purchaser's sole liability in the event of termination for Purchaser's convenience and the Purchaser shall not be liable to the Seller for any other amounts whatsoever arising from such termination including any indirect, consequential or special damages, such as loss of profits, loss of opportunity or loss of productivity. Seller shall use its best efforts to minimize any such direct costs which are payable by the Purchaser under part 2 of this Section 17.

19. SUSPENSION: Purchaser may, from time to time and at its sole discretion, order the Seller, in writing, to suspend all or any part of the Work for such period of time that Purchaser determines appropriate for the convenience of Purchaser. If the performance of all or any part of the Work is suspended by Purchaser in accordance with this Section 18 for a period of not more than 90 consecutive days, Seller, as the sole remedy for any such suspension, may request an extension by the Purchaser, in accordance with Section 3, of the delivery schedule for a period equivalent to such suspension, except as otherwise provided in this Section 18. For greater certainty, the Seller shall not be entitled to an increase in the Total Price in the event of a suspension for a period of not more than 90 consecutive days. If the performance of all or any part of the Work is suspended by Purchaser in accordance with this Section 18 for a period in excess of 90 consecutive days, Seller, as the sole remedy for any such suspension, may request an extension by the Purchaser, in accordance with Section 3, of the delivery schedule for a period equivalent to such suspension and/or an increase of the Total Price, except as otherwise provided in this Section 18. The Total Price shall not be increased and the delivery schedule shall not be extended for suspension in accordance with this Section 18, to the extent that performance would have been suspended, delayed or interrupted by any other cause, including the fault or negligence of the Seller, or for which an adjustment is otherwise provided for or excluded under any other

term or condition of this Purchase Order. If the Work is suspended by the Purchaser in accordance with this Section 18, the Seller shall not be entitled to an extension in the delivery schedule or increase in the Total Price other than as set out in this Section 18.

- 20. NON-ASSIGNMENT:** Seller may not assign or delegate its own rights or obligations under the Purchase Order without Purchaser's prior written consent. Purchaser may assign its own rights or obligations under the Purchase Order without the Seller's consent.
- 21. AUDIT:** Seller shall maintain, in accurate and complete order, all books and records (whether in printed, electronic or other format) associated with Work performed, goods or services delivered and charges invoiced to and/or paid by Purchaser under the Purchase Order. Such books and records shall also include proof of applicable insurance by the Seller under WSIA, including payments thereunder and all records relating to any (i) changes or extra work, (ii) claims for allowable adjustment of the Total Price under Section 3, (iii) entertainment, gifts and business, financial or other transactions between Seller and any Purchaser employees, (iv) allowable termination costs under Section 17 and (v) any other allowable charges covered under the Purchase Order. Such books and records, and all other books and records of Seller relating to the Purchase Order, shall be open to inspection and audit by representatives of Purchaser during reasonable business hours during the life of the Purchase Order, and for a period of not less than 4 years thereafter. Seller, through appropriate provision in subcontracts and purchase orders, shall require its subcontractors and suppliers to (i) similarly maintain and preserve accurate and complete books and records (as described above) relating to each subcontract and purchase order awarded or issued by Seller in connection with the Purchase Order, and (ii) permit the inspection and audit thereof by Purchaser upon the conditions and time period as provided herein. Without limiting the generality of the foregoing, the Seller shall, and shall cause the employees and representatives of the Seller and its subcontractors to, fully co-operate with the Purchaser and the Purchaser's representatives during such inspection and audit (including answering questions and explaining systems, books and records and otherwise co-operating with and assisting the Purchaser and the Purchaser's representatives so as to allow for an efficient and effective audit in accordance with this Section 20). Any failure by Seller to cooperate fully in producing or making available all books and records covered by a Purchaser audit request hereunder, so as to permit a timely and complete inspection and audit thereof by Purchaser, shall constitute a material breach of this Purchase Order.

22. LIEN WAIVERS; OWNERSHIP:

- (a) If goods covered by the Purchase Order are to be fabricated, assembled or installed in whole or in part upon Purchaser's premises, Seller shall keep such premises free of all liens arising in connection with Work covered by the Purchase Order and shall execute or cause to be executed and submit with each invoice such waivers, statutory declarations, sworn statements and related forms as Purchaser shall request, subject to any applicable rights or remedies under the Lien Act. Seller shall execute such documents as Purchaser may reasonably require as evidence of Purchaser's interest in any equipment or property owned by Purchaser in the possession of Seller.
- (b) If a lien arising from the performance of the Work is registered against title to the Site, the Seller shall, within ten days, at Seller's sole expense, vacate or discharge any such lien. If the Seller fails to vacate or discharge the lien within such time period, the Purchaser, at its option and at the expense of the Seller, may vacate or discharge the lien and withhold amounts otherwise due to Seller for the purpose of so doing, as

contemplated by Section 16. This Section 21(b) does not apply to any construction liens claimed by the Seller.

23. ENVIRONMENTAL; HEALTH; SDS; SAFETY: The Seller shall not bring onto the Site or use in the Work any toxic or hazardous materials without the prior written consent of the Purchaser. All materials supplied under the Purchase Order must satisfy current governmental, statutory (including applicable occupational health safety legislation) and safety considerations on restricted, toxic and hazardous materials; as well as environmental, electrical and electromagnetic considerations (applicable in the country of manufacture and sale and the Province of Ontario). A Safety Data Sheet (SDS) and subsequent revisions thereof that comply with all occupational health and safety legislative or regulatory requirements must be provided to the industrial hygiene or safety department at Purchaser's using location with the initial shipment and first shipment after revisions for all hazardous materials that are the subject of the Purchase Order. The SDS must indicate the Purchase Order number, the in-plant receiving location truck stop number and phone number shown on the purchase order form. All containers of hazardous materials must be properly labeled in accordance with applicable occupational health and safety legislation. Containers not meeting these labeling requirements shall be subject to refusal of delivery at the receiving location and will be returned at the expense of Seller. Seller shall adhere to applicable occupational health and safety legislation and all plant specific safety requirements of the Purchaser including the Purchaser's health, safety and environment rules, plant visitor rules and security requirements which are made available to the Seller from time to time, or upon request. All contractors, delivery drivers, sales and service personnel, subcontractors and general visitors shall comply with the applicable occupational health and safety legislation and all plant specific safety requirements of the Purchaser. Copies of such plant specific safety requirements of the Purchaser are available from the plant Materials Management or Safety Departments.

24. AGENT: In instances where the banner on the purchase order form shows an entity other than Stelco, such other entity shall be the "Purchaser" for all purposes hereunder and Stelco is acting as its agent only. Seller agrees that Stelco, as agent, shall have no liability whatsoever under such Purchase Order and Seller shall look solely to such other entity as the Purchaser in all respects.

25. TAX INSTRUCTIONS:

(a) Except for (i) duties relating to goods that originate from sources or suppliers based outside Canada for which the Purchaser acts as the importer of record, (ii) value-added taxes payable by the Purchaser (including federal goods and services tax ("GST") or provincial harmonized sales taxes (HST) the Total Price shall include and the Seller shall be responsible for and shall pay all taxes, duties, contributions and surcharges payable under federal, provincial and local laws, including taxes based on net or gross income, gross receipts, franchise, net worth, equity, as well as real or personal property taxes and all withholding taxes and contributions measured upon the payroll of employees engaged in the performance of Work and the delivery of goods or services under this Purchase Order. If applicable, Seller is responsible for collecting and remitting HST and/or value-added taxes, including GST, from the Purchaser. Purchaser will provide Seller with a valid purchase exemption certificate or provincial sales tax registration number, as applicable. Seller will indemnify Purchaser against any claims against Purchaser resulting from Seller's failure to properly and timely collect and remit GST or HST.

(b) Purchaser shall be entitled to withhold from any payment to Seller hereunder and remit to the authorities any withholding tax required by Canadian law without any obligation to “gross up” any such payment or otherwise compensate the Seller therefore. Payments subject to withholding tax may include payments for services (including construction services, installation services, engineering services and consulting services), rentals or leases. Seller shall diligently apply for and, if received, promptly provide to Purchaser evidence satisfactory to Purchaser of Seller having received from Canada Revenue Agency a waiver of the requirement for withholding tax.

26. MISCELLANEOUS: Seller and Purchaser are independent contracting parties and nothing in the Purchase Order, including these Purchase Order General Terms and Conditions, shall make either party the agent, partner, joint venture or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. No action or failure to act by the Purchaser or Seller shall constitute a waiver, except as may be agreed to in writing. The failure of either party at any time to require performance by the other party of any provision of the Purchase Order, including these Purchase Order General Terms and Conditions, shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of the Purchase Order, including these Purchase Order General Terms and Conditions, constitute a waiver of any succeeding breach of the same or any other provision. If any term of the Purchase Order, including these Purchase Order General Terms and Conditions, is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law or otherwise, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order, rule or circumstance and the remaining provisions of the Purchase Order shall remain in full force and effect. The Purchase Order constitutes the entire agreement between Seller and Purchaser and supersedes all prior oral or written representations, proposals and agreements. All headings in the Purchase Order are for convenience of reference only and shall not be used in the interpretation of any provision in the Purchase Order. The terms of the Purchase Order, which expressly or by their nature are intended to survive the termination of the Purchase Order, shall survive such termination. The language used in this Purchase Order is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party. The Seller and the Purchaser confirm that it is their wish that this Purchase Order, as well as any other documents relating to this Purchase Order, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les signataires confirment leur volonté que la présente convention, de même que tous les documents s’y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.

27. NOTICE: All notices and other communication pertaining to the Purchase Order shall be in writing and shall be sent by courier to the other party at the address set out in the purchase order form or sent by fax to the fax number of such party as set out in the purchase order form. Such addresses and fax numbers may be changed in accordance with this Section 26. Such notices and other communications shall be deemed to have been given on the date of the courier delivery or fax transmission unless such date is not a Working Day in which instance it will be deemed to have been given on the next Working Day following the day of courier delivery or fax transmission.

28. CONFIDENTIALITY AND PUBLICITY: All materials, documents, drawings, specifications and other information given to the Seller, directly or indirectly, by the Purchaser in connection with this Purchase Order are the property of the Purchaser and shall be treated as confidential by the Seller and shall not be used by the Seller for any purpose other than the fulfillment of the Purchase Order and shall be immediately returned to the Seller upon request. The Seller shall not issue or participate in any news release or publicity in connection with the Work or the Purchase Order without the prior written consent of the Purchaser, which consent may be withheld, conditioned or delayed in Purchaser's sole discretion.

29. PURCHASER'S REPRESENTATIVE: Notwithstanding anything herein to the contrary, only persons designated by the Purchaser in writing as the Purchaser's buyers shall have the authority to bind the Purchaser pursuant to this Purchase Order.

30. PRIORITY: In the event of a conflict or inconsistency among the Purchase Order provisions, the order of priority, from highest to lowest, shall be:

- (a) the purchase order form;
- (b) specifications expressly incorporated by reference on the purchase order form;
- (c) drawings expressly incorporated by reference on the purchase order form;
- (d) these Purchase Order General Terms and Conditions;
- (e) any other documents forming part of the Purchase Order.

In addition, later dated documents shall govern over earlier documents of the same type, drawings of larger scale govern over those of smaller scale of the same date and dimensions shown on drawings shall govern over dimensions scaled from drawings.

31. WORKPLACE SAFETY INSURANCE: Seller shall be, and shall ensure that its subcontractors are, at all times registered with the workplace safety and insurance board under the WSIA and that it and they maintain workers' compensation accounts in good standing, whether or not mandatory under the WSIA. The workers' compensation accounts shall include personal coverage for all employees, partners, proprietors, directors and officers of the Seller or its subcontractors, as the case may be, involved in any aspects of the Work. Seller or its subcontractors, as the case may be, shall pay when due all premiums, contributions or assessments in respect of any such workers' compensation account. Seller shall, if requested by Purchaser at any time and from time to time, submit to Purchaser, for itself and/or each or any of its subcontractors, a valid clearance certificate from the WSIB certifying that the workers' compensation account is in good standing and that all premiums, contributions and assessments have been paid. If at any time for any reason Seller or its subcontractors are not insured under the WSIA, the Seller shall indemnify and hold harmless Purchaser and its agents, employees, representatives, officers and directors and its and their respective successors and assigns from and against any and all claims, actions, demands, damages or causes of action at law, in equity or otherwise and losses, costs and expenses and lawyers' fees and disbursements (including fees of expert witnesses) relating to or arising out of any personal injury to, death of, or occupational disease contracted by, a person performing any part or parts of the Work. Seller agrees to indemnify and hold harmless Purchaser as set forth above regardless of whether such claims demands, actions, causes of action, losses, damages, costs or expenses are caused or alleged to be caused by the conduct, fault or negligence of Purchaser. Purchaser may, at

its election, be represented in any legal actions or settlement of such claims by lawyers of its own selection subject to indemnification by the Seller for lawyers' fees and disbursements as described in this Section 30.

32. DEFINITIONS:

- (a) "Delivery Date" has the meaning set out on the purchase order form.
- (b) "include", "includes" and "including" shall be deemed to be followed in all cases by the words ", without limiting the generality of the foregoing," unless the context requires otherwise.
- (c) "Lien Act" means the Ontario Construction Lien Act.
- (d) "Purchase Order" has the meaning set out in Article of these general terms and conditions. 1
- (e) "Purchaser" has the meaning set out in the purchase order form.
- (f) "Revision" means a revision to a Purchase Order or a revision to a Release under a Blanket Purchase Order.
- (g) "Seller" has the meaning set out in the purchase order form.
- (h) "Site" has the meaning set out on the purchase order form.
- (i) "Total Price" has the meaning set out in the purchase order form and includes amounts for which Seller is responsible under Section 24.
- (j) "Work" means the goods, services, and all other responsibilities and obligations of the Seller required by this Purchase Order.
- (k) "WSIA" means the Ontario Workplace Safety and Insurance Act.
- (l) "Working Day" means a day other than a Saturday, Sunday or statutory holiday in Hamilton, Ontario