



STELCO INC.

**PURCHASE ORDER
GENERAL TERMS AND CONDITIONS**



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1. GENERAL

- 1.1. STELCO Inc.'s ("STELCO") Purchase Order General Terms and Conditions ("this document") shall govern the purchase of all Goods and/or Services (collectively the "Deliverables") provided to STELCO by a supplier or contractor (each a "Vendor") pursuant to which STELCO has issued a Purchase Order, unless STELCO and Vendor have executed a written agreement for the provision of Deliverables by the Vendor, in which case the terms of such agreement will prevail over the terms of this document.
- 1.2. "Goods" means tangible items including equipment, machinery, hardware, software, materials, supplies, tools, spare parts, components, ingredients, scrap and inputs, directly or indirectly purchased by STELCO from Vendor, and as more fully described in the Purchase Order.
- 1.3. "Purchase Order" means STELCO's form of purchase order issued by STELCO to the Vendor setting out the type, quantity and specifications relating to Deliverables to be provided by the Vendor to STELCO, and unless otherwise amended on the face thereof, shall be subject to the terms and conditions of this document.
- 1.4. "Purchase Order Revision" means an amendment to a Purchase Order issued by STELCO to the Vendor which amends and supersedes a prior dated Purchase Order.
- 1.5. "Services" means services directly or indirectly purchased by STELCO from Vendor, and as more fully described in the Purchase Order.
- 1.6. Subject to Article 1.1 hereof, a Purchase Order is the only document which confirms STELCO's commitment to purchase any Deliverables from Vendor, and is the only document which imposes any obligations on STELCO.
- 1.7. The Purchase Order consists only of the terms contained:
 - i. on the Purchase Order form;
 - ii. this document;
 - iii. in any subsequent Purchase Order Revisions;
 - iv. on any supplements, specifications, drawings or other documents expressly incorporated by reference in the Purchase Order.
- 1.8. Any reference in the Purchase Order to any offer, proposal, response to a request for quotation or request for proposals of Vendor is solely for the purpose of incorporating the descriptions and specifications of the Deliverables contained therein, to the extent that those descriptions and specifications do not conflict with the descriptions and specifications contained in or referred to in the Purchase Order. In no event shall such offer, proposal, response to a request for quotation or request for proposal be binding on STELCO or otherwise amend, alter or supplement the terms of the Purchase Order.
- 1.9. In case of any discrepancies among the provisions of a Purchase Order provisions, the provisions shall take precedence in the following order:
 - i. Purchase Order Revisions
 - ii. Purchase Order;

- iii. this document;
- iv. Technical documentation (e.g., specifications, drawings, data sheets) expressly referred to and described in the Purchase Order;
- v. any other documents forming part of the Purchase Order.

In addition, later dated documents shall govern over earlier documents of the same type.

- 1.10. If Vendor, within five (5) business days from the date of the Purchase Order, does not in writing reject the Purchase Order and/or commences fulfilling the Deliverables under the Purchase Order, such Purchase Order shall be considered acknowledged and accepted by Vendor, including Vendor's acceptance to all terms and conditions of the Purchase Order, including the terms of this document.
- 1.11. 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 STELCO and the Vendor unless expressly agreed by an authorized representative of STELCO in writing.
- 1.12. STELCO's acceptance of, or payment for, Deliverables shall not constitute STELCO's acceptance of any counter-proposal submitted by Vendor unless otherwise specifically agreed by an authorized representative of STELCO in writing.
- 1.13. If the Purchase Order is deemed to be an acceptance of a prior offer by Vendor, such acceptance is limited to the express terms contained herein and on the Purchase Order form. Additional or different terms or any attempt by Vendor to vary in any degree any terms of the Purchase Order shall be deemed material and are hereby rejected.

2. PURCHASE ORDER

- 2.1. Unless otherwise specified in the Purchase Order, the total price listed in the Purchase Order (the "Total Price") is a fixed amount) which is not subject to any increase or any other costs, expenses, fees or otherwise unless expressly agreed upon by an authorized representative of STELCO in writing.
- 2.2. In the event the Vendor is requested to provide any Deliverables that are not specified in the Purchase Order, Vendor shall immediately advise the STELCO representative specified in the Purchase Order and proceed with the work only after the Purchase Order Revision is received by Vendor from STELCO.
- 2.3. No obligation to purchase any minimum quantity of Deliverables shall arise from STELCO's issuance of a Purchase Order except as expressly stated on the face of the Purchase Order or any Purchase Order Revisions.
- 2.4. All Deliverables shall be billed at the designated unit price and quantity included in the Purchase Order. There shall be no additional cost, fee or expense, increase in any price, reduction of any discount or rebate, or change in the applicable price list indicated on the Purchase Order without the prior written approval from an authorized representative of STELCO as evidenced by the issuance of Purchase Order Revision.

- 2.5. All requests by Vendor for price changes (including discounts and rebates) shall be made in writing at least thirty (30) days prior to their proposed effective date and shall include: (1) dollar effect of price increase or decrease; (2) date of Vendor's last increase or decrease, and the percentage amount thereof; (3) new list prices, if any; and (4) provisions for firm pricing on new prices for a stated time period.
- 2.6. The Vendor shall supply the Deliverables in accordance with the Purchase Order. Except as expressly provided for in the Purchase Order, the Deliverables shall include the provision of all raw materials, goods, facilities and services which are necessary for the performance of the Deliverables. At no additional cost to STELCO, the Vendor shall take all measures necessary to protect the Deliverables and STELCO's property from damage that may arise in connection with Vendor's performance in connection with the Purchase Order.
- 2.7. Vendor shall (i) ensure that all employees, subcontractors, agents and/or representatives of Vendor that are working to fulfill the Deliverables under a Purchase Order have all qualifications necessary to perform any work in accordance with industry best practices, including all qualifications as may be required by applicable governmental and regulatory agencies, trade and professional organizations, and STELCO or any entity having oversight over Vendor's performance of work to satisfy the fulfillment of the Deliverables; (ii) maintain written evidence of such qualifications; and (iii) promptly provide such evidence to STELCO upon request.

3. PURCHASE ORDER CHANGES

- 3.1. STELCO reserves the right, in its sole discretion, to modify the Purchase Order with respect to quantities, delivery schedules and/or specifications by issuing one or more Purchase Order Revisions to Vendor which may include STELCO's adjustment to the Total Price.
- 3.2. If a Purchase Order Revision is issued in connection with common Goods that were manufactured without any particular specifications unique to STELCO's requirements, then STELCO's sole liability shall be limited to reasonable and documented restocking charges.
- 3.3. If Vendor's costs are reduced at any time, Vendor shall promptly notify STELCO and reduce the Purchase Order Total Price to reflect all such cost savings, whether direct or indirect.
- 3.4. If Vendor's costs are increased because of changes specified in a Purchase Order Revision, STELCO will consider Vendor's request for a reasonable adjustment to the Total Price for the additional direct costs associated with such change; provided, however that if Vendor does not notify STELCO of an adverse cost impact on Vendor resulting from such changes within five (5) days of the date of a Purchase Order Revision, then Vendor shall be deemed to waive any claim for an increase to the Total Price due to such changes; and provided further, if Vendor provides notice of an adverse cost impact and the parties cannot agree upon a reasonable adjustment to the Total Price within ten (10) days of such notice, the Purchase Order Revision will not become effective and Vendor shall not be entitled to any additional compensation or changes to the Total Price.
- 3.5. Written or oral acceptance of a Purchase Order Revision and/or the fulfilling of Deliverables corresponding to a Purchase Order Revision to STELCO by Vendor shall constitute Vendor's

express acceptance of the modifications in the Purchase Order Revision including STELCO's adjustment to the Total Price. STELCO hereby expressly objects to and rejects any and all additional or different terms (including changes to the Total Price) proposed by Vendor in any manner, except those accepted by an authorized representative of STELCO in writing.

- 3.6. If a Purchase Order Revision results in a decrease in the work to be performed by Vendor or a decrease in the costs incurred by the Vendor to satisfy the Deliverables, STELCO shall not be liable to the Vendor 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.
- 3.7. Extra or additional work performed by the Vendor in respect of which a Purchase Order Revision has not been issued by STELCO shall be at the Vendor's sole cost and expense.

4. SHIPPING AND DELIVERY

- 4.1. Vendor, at its sole cost and expense, agrees to properly pack, load and ship Goods in accordance with the requirements of STELCO in a manner that secures safe transportation at the lowest transportation cost and to route shipments in accordance with STELCO's instructions. Unless otherwise stated in the applicable Purchase Order, the Total Price shall include all charges for handling, packaging, storage, transportation or drayage of Goods. STELCO shall pay the Vendor the Total Price in accordance with the Purchase Order, subject always to STELCO's rights and remedies hereunder and otherwise available to STELCO at law, in equity or otherwise.
- 4.2. All shipping documents issued by Vendor shall show Purchase Order number, Purchase Order line number, and, if applicable, STELCO Item Number and Item Description.
- 4.3. Deliveries under the Purchase Order shall be made in accordance with the Purchase Order including, without limitation, quantities, delivery dates and delivery location, as set out in the Purchase Order, and the Vendor shall deliver the Goods at such location(s) in accordance with the Incoterms specified on the applicable Purchase Order.
- 4.4. If, without written authorization from STELCO, Vendor ships Goods so as to arrive more than five (5) days in advance of schedule, STELCO may return the Goods to Vendor, and Vendor shall be liable for transportation and/or storage charges, and risk of loss for the return of the Goods.
- 4.5. The Vendor shall schedule and co-ordinate all deliveries with STELCO. The Vendor shall remove all waste products and debris from STELCO's property resulting from the Vendor's performance of its obligations under the Purchase Order and the delivery, unloading and unpacking of Deliverables.
- 4.6. For orders of Goods where quantities and/or delivery schedules are not specified, Vendor shall deliver Goods in such quantities and times as STELCO may direct in written releases issued by STELCO to Vendor from time to time. STELCO shall not be required to make payment for Goods delivered to STELCO that are in excess of quantities specified in STELCO's delivery schedules.

- 4.7. Notwithstanding any other provision in the Purchase Order, STELCO may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Vendor to a modification of the price for Deliverables covered by the Purchase Order or any other extra compensation.

5. INVOICING, PAYMENTS, AND TRANSFER OF TITLE AND RISK

- 5.1. Vendor shall submit the invoice only after the completion of deliveries in accordance with the Purchase Order.
- 5.2. Invoices covering Goods shipped in advance of the delivery schedule may be rejected.
- 5.3. Unless the Purchase Order specifies otherwise, payment will be made sixty (60) days from the later of: the date STELCO receives Vendor's correct and complete invoice or the receiving documents, as the case may be (except for transactions where STELCO 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 Vendor's cash discount privileges to STELCO shall apply to all such payments.
- 5.4. Neither the making of any payment nor use of the Deliverables shall constitute acceptance of Deliverables which is not in compliance with the Purchase Order. STELCO may withhold payment pending receipt of evidence, in such form and detail as STELCO may direct, of the absence of any liens, encumbrances and claims on the Deliverables covered by the Purchase Order.
- 5.5. All right, title and ownership to the Deliverables (and all portions thereof) shall transfer to STELCO immediately upon the delivery in accordance with the Purchase Order and acceptance of the Deliverables (or portion thereof) by STELCO, free and clear of all liens, claims and encumbrances, and the Vendor shall bear all risk of loss or damage until the delivery is completed and accepted by STELCO.

6. INSPECTION

- 6.1. Notwithstanding payment, passage of title or prior inspection, all Deliverables are subject to final acceptance by STELCO.
- 6.2. Vendor agrees that STELCO or STELCO's representatives shall have the right to enter Vendor's and subcontractors' facilities utilized to fulfill the Deliverables under a Purchase Order at any time during normal business hours to conduct reviews, monitor, coordinate, or expedite performance and to secure necessary information for such purposes
- 6.3. Vendor will provide STELCO or STELCO's representatives with all reasonable facilities, tools, and assistance reasonably required to perform any such inspection.
- 6.4. If, following any such inspection or testing, STELCO is not satisfied that the Deliverables will comply with specifications set out in the Purchase Order, Vendor shall promptly take all steps necessary to ensure compliance with such specifications is achieved.
- 6.5. The Vendor shall not substitute items and manufacturing sources identified or referenced in

the Purchase Order without the prior written approval of an authorized representative of STELCO.

- 6.6. Defective and non-conforming Deliverables shall be held by STELCO for disposal by Vendor at Vendor's risk and expense.
- 6.7. Such inspection, acceptance, or other review of the Goods, whether during manufacture prior to delivery or within a reasonable period of time after delivery shall not constitute acceptance by STELCO of any work-in-progress or finished Deliverables, whether or not a breach of warranty or other defect had become evident during such period of time, and shall not limit or reduce Vendor's obligations and liabilities set forth in the Purchase Order or at law.

7. CYBER SECURITY

- 7.1. Vendor shall maintain and follow electronic, physical and organizational security procedures, measures and controls sufficient to protect against loss or unauthorized or unlawful access, modification, use or disclosure of any STELCO confidential information, or personal information relating to STELCO or its employees.
- 7.2. Vendor shall regularly, and in any event at least once per year, review and update its security procedures, measures and controls, including to address changing standards and anticipated threats and hazards. Upon request, Vendor shall provide STELCO with evidence and details of its reviews and updates, and a copy of its current security procedures, measures and controls.
- 7.3. STELCO may, from time to time, request that Vendor complete a questionnaire describing the privacy and security measures used to protect STELCO confidential information, or personal information relating to STELCO or its employees.
- 7.4. In the event of any loss or unauthorized or unlawful access, modification, use or disclosure of any STELCO confidential information, or personal information relating to STELCO or its employees that is under the direction or control of Vendor (including any subcontractor) (each a "Security Incident"), Vendor shall:
 - i. immediately notify STELCO by telephone of the Security Incident upon its occurrence and provide STELCO, in writing within 1 (one) business day, any details of the Security Incident that it is aware of at such time;
 - ii. promptly investigate the Security Incident and, as soon as feasible after it determines the Security Incident has occurred, provide STELCO with detailed information about the Security Incident, including sufficient information to: (i) allow individuals who may be affected by the Security Incident to understand the significance to them of the breach and to take steps, if any are possible, to reduce the risk of harm that could result from it or to mitigate that harm, and any other any other information required by applicable law, and (ii) enable STELCO to determine if notice must be given to the Office of the Privacy Commissioner (Canada) or other privacy or data commissioner or to other organizations or to individuals (including to determine if the breach creates a real risk of significant harm to an individual who may be affected);
 - iii. promptly: (A) provide STELCO with full details of the Security Incident as and when they

- become available and any other information STELCO reasonably requests about the Security Incident, (B) take all actions necessary or reasonably requested by STELCO to assist STELCO in investigating the Security Incident, (C) take all actions necessary or reasonably requested by STELCO to mitigate the effects and to minimize any damage resulting from the Security Incident (including taking all commercially reasonable steps to enforce against any person that is or may be engaging in activities relating to the Security Incident any rights Vendor has to require such person to comply with any obligation of confidence or to cease such activities relating to the Security Incident), and (D) use all commercially reasonable efforts to prevent a recurrence; and
- iv. promptly cooperate with STELCO in providing information to governmental or regulatory authorities or notices regarding the Security Incident that STELCO deems appropriate.

8. STELCO PROPERTY

- 8.1. Vendor shall promptly repair, restore or replace, at STELCO's option, any real or personal property, including tools and equipment, belonging to STELCO or any of its other vendors, which Vendor or its subcontractors or suppliers, or its or their respective employees, invitees, agents or representatives, may damage and/or destroy while on STELCO's premises, including, without limitation, sites on STELCO's premises that are under the care, custody and control of another party, including, but not limited to, the Vendor itself.
- 8.2. All patterns, dies, molds or other tools or materials, supplied by STELCO or prepared or obtained by the Vendor for STELCO and at STELCO cost ("Tooling"), will be marked with STELCO's name or as otherwise specified by STELCO, and will be and remain STELCO's exclusive property returnable in good condition on demand.
- 8.3. Vendor shall not dispose of any Tooling other than in accordance with STELCO's prior written instructions. Vendor will not, at any time, use Tooling, nor allow Tooling to be used by the Vendor or any third party for any purpose other than the supply of the Deliverables to STELCO unless otherwise agreed by STELCO in writing.
- 8.4. STELCO will have the right to enter Vendor's premises and remove Tooling at any time without being liable for trespass or for damages of any sort.

9. WARRANTIES

- 9.1. Vendor represents and warrants that:
- 9.1.1. Deliverables that are furnished by the Vendor, and also materials, facilities, equipment and machinery furnished by Vendor in relation to any Deliverables provided, shall be merchantable, new and genuine (unless agreed otherwise by STELCO in advance), of good workmanship and quality, free of all defects and fit for the ordinary purposes for which they are to be used;
- 9.1.2. Deliverables shall meet all applicable specifications and comply with any and all applicable laws, codes, permits, licenses, regulations and standards;
- 9.1.3. Any Deliverables which, in the sole determination of STELCO, prove to be non-

conforming and/or defective, or not as warranted or guaranteed hereunder or which fail to adequately perform the required function(s) during the warranty period provided hereunder, normal wear and tear excepted, shall be, at STELCO's sole discretion, acting reasonably, repaired or replaced by Vendor at no additional cost to Stelco, including transportation, or credited to STELCO by Vendor.

- 9.1.4. Any software forming part of the Deliverables 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.
- 9.2. The warranty as specified in Article 9.1 shall expire on the later of: (a) a period of one (1) year from the date that the entirety of the Deliverables have been delivered to STELCO in accordance with the terms of the Purchase Order, (b) a period of one (1) year from the date that the Deliverables are initially placed into regular production operation and use by STELCO; or (c) at the end of the warranty period provided by the manufacturer of the applicable Deliverable.
- 9.3. Should Vendor fail to replace any defective or non-conforming Deliverables or remedy such defect or non-conformance within a period specified by Stelco, in its sole discretion, from receipt of written notice from STELCO in regard thereto, STELCO shall have the right to replace such Deliverables from other sources and all costs incurred in relation thereto shall be for Vendor's account. STELCO may withhold the costs thereof from moneys otherwise due from STELCO to Vendor under the Purchase Order and/or any other agreement between STELCO and Vendor. Notwithstanding the foregoing, STELCO shall retain all other rights and remedies available to it under the Purchase Order and at law.
- 9.4. If any of the foregoing warranties are breached, STELCO may, at its election, and in addition to any rights or remedies it may have,
 - 9.4.1. return such Deliverables to Vendor, at Vendor's risk and expense,
 - 9.4.2. require Vendor, at Vendor's risk and expense, to promptly replace or correct such Deliverables,
 - 9.4.3. pending re-delivery, require repayment of any amounts paid for returned Deliverables,
 - 9.4.4. purchase or manufacture similar Deliverables or repair such Deliverables at Vendor's risk and expense, and/or
 - 9.4.5. accept or retain non-conforming Deliverables and equitably reduce the price paid by STELCO for them.
- 9.5. The carrying out of such replacement or corrective work by the Vendor must at all times be acceptable to STELCO in its sole discretion. The remedies set out in this Article 9 are not exclusive, and STELCO hereby reserves all of its rights and remedies under the Purchase Order, this document and in contract, tort, law, equity and otherwise.

10. IMPORTED GOODS

- 10.1. Unless otherwise expressly stated on the Purchase Order or release issued by STELCO to the Vendor, or otherwise agreed to in writing by STELCO, all Goods purchased hereunder that originate from sources or suppliers based outside Canada shall be shipped to STELCO's receiving location (or other delivery point as designated by STELCO) with the Vendor acting as the importer of record.
- 10.2. If STELCO agrees in writing to act as the importer of record in Canada for any Goods that originate from sources or suppliers based outside Canada, the Vendor shall provide STELCO 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 in Canada at the most preferential duty and tax rates available.
- 10.3. Without limiting the foregoing, the Vendor shall provide to STELCO with respect to Goods that originate from a USMCA country, true, accurate and valid Certificates of Origin and furthermore shall promptly and fully cooperate with the relevant government authorities and with STELCO on any inquiries, audits or reviews concerning the validity and accuracy of the Certificates of Origin.
- 10.4. The Vendor shall indemnify and hold harmless STELCO for any customs duties, taxes, interest and penalties (including administrative monetary penalties) that may become payable by STELCO acting as the importer of record attributable to any failure of Vendor 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.

11. REMEDIES

- 11.1. STELCO may withhold, out of amounts otherwise due to Vendor (or its affiliates, as the term "affiliate" is defined in the *Canada Business Corporations Act*) under a Purchase Order or any other agreement with Vendor or its affiliates, such sums sufficient to compensate itself for any amount at any time that may be owed, or which STELCO in good faith believes may become owing, from Vendor to STELCO in connection with a Purchase Order or such other agreement, and may set off the amounts so withheld against the amounts otherwise owed or which STELCO believes may become owing as aforesaid. In addition, STELCO hereby reserves all other rights and remedies provided hereunder, at law, in equity or otherwise. The exercise of any right or remedy pursuant to a Purchase Order is without prejudice to any other right or remedy which may be or become available to STELCO.

12. SUSPENSION

- 12.1. STELCO may, from time to time and at its sole discretion and convenience, order the Vendor, in writing, to suspend all or any part of Vendor's performance under a Purchase Order for such period of time that STELCO determines appropriate. Vendor's sole remedy in the event of any such suspension by STELCO shall be an extension of the applicable delivery time for a period equivalent to such suspension, subject to Article 12.2 below.

- 12.2. If the performance under a Purchase Order in whole or in part is so suspended by STELCO for a period in excess of ninety (90) consecutive days, Vendor, as the sole remedy for any such suspension, may request an extension of the delivery schedule for the period equivalent to such suspension and/or an adjustment of the Total Price for the additional reasonable and documented direct costs associated therewith, in accordance with the requirements of Article 3.
- 12.3. No adjustment to the Total Price and/or schedule included in a Purchase Order and/or Purchase Order Revision shall be made under Articles 12.1 and/or Article 12.2 in connection with any suspension, if Vendor's performance could have been, directly or indirectly, suspended, delayed or interrupted by any other cause, including the fault or negligence of the Vendor, or for which an equitable adjustment is otherwise provided for or excluded under any other term or condition of the applicable Purchase Order or Purchase Order Revision.

13. TERMINATION

- 13.1. STELCO may terminate, in whole or in part, Vendor's further performance and STELCO's obligations under a Purchase Order or Purchase Order Revision at any time by notice to Vendor confirmed in writing and specifying therein whether such termination is for Vendor's default or for STELCO's convenience, and the effective date thereof.
- 13.2. STELCO may immediately terminate the Purchase Order for Vendor's default, without any liability to STELCO, in the event of any of the following, or any similar, events:
- 13.2.1. insolvency of the Vendor;
 - 13.2.2. filing of a voluntary petition in bankruptcy by Vendor;
 - 13.2.3. filing of any involuntary petition in bankruptcy against the Vendor;
 - 13.2.4. appointment of a receiver or trustee in respect of Vendor or its assets;
 - 13.2.5. Vendor making an assignment for the benefit of its creditors generally;
 - 13.2.6. Vendor repudiates or breaches any of the terms of this document, the Purchase Order, including Vendor's warranties under Article 9, above;
 - 13.2.7. Vendor fails to provide Deliverables in accordance with the Purchase Order; or
 - 13.2.8. Vendor fails to make progress and thereby endangers the timely and proper completion of fulfilment of the Deliverables and fails to correct such failure within a period specified by Stelco at its sole discretion, acting reasonably, after receipt of notice from STELCO specifying such failure or breach.
- 13.3. If STELCO's termination hereunder is for STELCO's convenience, Vendor shall be entitled only to an equitable amount to cover (i) its direct and documented costs reasonably expended to third parties; and (ii) Vendor's direct and out of pocket costs for effecting a prompt, orderly termination of the affected work (less salvage value and amounts recoverable by Vendor). Vendor agrees that the remedy provided under this Article 13.3 shall be the sole and exclusive remedy of Vendor for any termination by STELCO for its convenience hereunder, and Vendor waives any and all other claims, damages or remedies whatsoever relating thereto.
- 13.4. The payment required by the foregoing sentence shall constitute STELCO's sole liability in the

event of termination for STELCO's convenience and STELCO shall not be liable to the Vendor 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.

- 13.5. For clarity, in no event shall STELCO be liable for any cancellation fees or breakage fees of Vendor and/or its subcontractors, suppliers, representatives and agents.
- 13.6. In case of termination, either for cause or convenience, all work-in-progress is to be disposed of as per STELCO's instructions only (e.g., scrap, ship to STELCO, ship to third party). If Vendor disposes of the said work-in-progress without STELCO's prior approval, STELCO reserves the right to exercise its rights as specified in Article 11 for the cost of disposed work-in-progress.
- 13.7. Notwithstanding anything to the contrary herein, Vendor shall use its best efforts to minimize and mitigate any costs which may be payable by STELCO under Article 13.3.

14. AUDIT

- 14.1. Vendor shall maintain, in accurate and complete order, all books and records (whether in printed, electronic or other format) associated with the Vendor's performance and charges invoiced to and paid by STELCO pursuant to Purchase Order. Such books and records shall also include (without limitation) all records relating to any (i) changes or extra work, (ii) claim(s) for allowable adjustment of the contract price or schedule, (iii) entertainment, gifts and/or business, financial or other transactions between Vendor and any STELCO employees, (iv) allowable termination costs and (v) any other allowable charges covered under Purchase Order. Such books and records, and all other books and records of Vendor relating to Purchase Order or Deliverables, shall be open to inspection and/or audit by representatives of STELCO during reasonable business hours during the life of Purchase Order and for a period of three (3) years thereafter.
- 14.2. Vendor, through appropriate provision in its subcontracts and purchase orders, shall require its subcontractor(s) and/or supplier(s) to (i) similarly maintain and preserve accurate and complete books and records (as described under Article 14.1) relating to each subcontract and/or purchase order awarded or issued by Vendor in connection with Purchase Order, and (ii) permit the inspection and/or audit thereof by STELCO upon the conditions and time period as provided in Article 14.1.
- 14.3. Any failure by Vendor to cooperate fully in producing or making available all books and records covered by a STELCO audit request hereunder, so as to permit a timely and complete inspection and audit thereof by STELCO, shall constitute a material breach of the terms hereof.

15. FORCE MAJEURE

- 15.1. Other than as expressly provided elsewhere in the Purchase Order, neither party shall have any liability for delays in performance to the extent caused by acts of God, acts of war, insurrection, pandemic or disease outbreak, or the public enemy, acts of government, embargoes, strikes, picketing, lockouts or other labor 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. 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 of Article 15.4 below. The foregoing notwithstanding, Vendor shall take all reasonable steps to mitigate the impact which any force majeure occurrence may have on the schedule for the affected Deliverables involved.

- 15.2. Notwithstanding the foregoing, the Vendor acknowledges that it is entering into this document with STELCO with full knowledge that, among other things, on March 11, 2020, the World Health Organization declared COVID-19 (coronavirus) a pandemic, and various local, provincial, federal, state and national governments have declared states of emergencies and implemented certain public health restrictions (the COVID-19 pandemic and the response of various governmental authorities and health authorities, domestic, foreign and multinational, is referred to herein as the "COVID 19 Event"). Vendor hereby represents and warrants that, based on the COVID 19 Event and the current restrictions and limitations imposed by applicable federal, state, provincial, and local governmental authorities in each of Canada and the United States as of the date of the Purchase Order, it can perform in accordance with these terms and conditions and the Purchase Order and any contract documents issued hereunder and meet any applicable guaranteed delivery dates that may be applicable.
- 15.3. If adverse weather conditions not reasonably anticipated are the basis for a claim by Vendor 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 Deliverables.
- 15.4. As soon as reasonably possible after the 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, and in any event within forty-eight (48) hours, such party shall advise the other by written notice of the date when such delay commenced, and the reasons therefore as enumerated in this Article 15. Likewise, as soon as reasonably possible after the delay ends, and in any event within seventy-two (72) hours, 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.

16. LIMITATION OF LIABILITY

- 16.1. Except for a breach of Article 27 or Vendor's obligations under Article 20 or where Vendor has acted with recklessness, negligence, fraud or has willfully misconducted itself, Vendor's liability shall not exceed the greater of (a) three times the amount of the Purchase Order and

(b) the amount of any insurance coverage in place by the Vendor in respect of any such claim or loss.

17. LIEN WAIVERS; OWNERSHIP:

- 17.1. If goods covered by the Purchase Order are to be fabricated, assembled or installed in whole or in part upon STELCO's premises, Vendor shall keep such premises free of all liens arising in connection with Deliverables and shall execute or cause to be executed and submit with each invoice such waivers, statutory declarations, sworn statements and related forms as STELCO shall request, subject to any applicable rights or remedies under the *Construction Act* (Ontario). Vendor shall execute such documents as STELCO may reasonably require as evidence of STELCO's interest in any equipment or property owned by STELCO in the possession of Vendor.
- 17.2. If a lien arising from the Vendor's performance under Purchase Order is registered against title to STELCO's property, the Vendor shall, within ten (10) days, at Vendor's sole expense, vacate or discharge any such lien. If the Vendor fails to vacate or discharge the lien within such time period, STELCO, at its option and at the expense of the Vendor, may vacate or discharge the lien and withhold amounts otherwise due to Vendor for the purpose of so doing. This Article 17.2 does not apply to any construction liens claimed by the Vendor.

18. RESPONSIBILITY FOR SAFETY OF PERSONS AND PROPERTY

- 18.1. The safety of all persons employed by Vendor while on STELCO's premises, and/or any other person who enters upon STELCO's premises for reasons relating to Vendor's performance of its obligations under the term of and governed by the Purchase Order shall, as between STELCO and Vendor, and to the maximum extent permitted by applicable law, be the sole responsibility of Vendor. Vendor shall at all times maintain good order among its employees and shall not involve any unfit person or anyone not skilled in the work obligations assigned to them.
- 18.2. Vendor shall take all reasonable measures and precautions at all times to prevent injuries to or the death of any of its employees or any other person who enters upon STELCO's premises. Such measures and precautions shall include, but shall not be limited to, all safeguards and warnings necessary to protect against any conditions on STELCO's premises which could be dangerous and to prevent accidents of any kind in proximity of any moving or operating machinery, equipment or facilities, whether such machinery, equipment or facilities are the property of or are being operated by the Vendor, its agents, or employees or by STELCO or other persons.
- 18.3. Vendor shall adhere to all applicable occupational health and safety legislation, as well as all plant specific safety requirements of STELCO. All delivery drivers, sales and service personnel, sub-suppliers and general visitors shall comply with all applicable occupational health and safety legislation, plant specific safety requirements, and plant visitor rules and other applicable safety and security requirements of STELCO.
- 18.4. Vendor, in connection with the fulfillment of the Deliverables, agrees to be bound by and

comply fully with all STELCO safety requirements as are effective and made applicable by STELCO, during the term of the Purchase Order, to Vendor's fulfillment of the Deliverables on STELCO's premises (hereinafter called "Safety Requirements"). VENDOR UNDERSTANDS THAT ANY SAID SAFETY REQUIREMENTS AS MAY BE PROVIDED BY STELCO TO VENDOR ARE PROVIDED FOR INFORMATION PURPOSES ONLY AND ARE NOT INTENDED TO (AND DO NOT) PROVIDE LEGAL OR OTHER PROFESSIONAL ADVICE AND STELCO MAKES NO REPRESENTATIONS OR WARRANTIES THAT THE INFORMATION CONTAINED THEREIN SATISFIES REQUIREMENTS OF FEDERAL, OR PROVINCIAL LAWS OR MUNICIPAL BY-LAWS. VENDOR AGREES THAT IT SHALL CONSULT WITH AND RELY SOLELY UPON ITS OWN LEGAL COUNSEL OR OTHER QUALIFIED PERSONS WITH RESPECT TO SATISFYING REQUIREMENTS OF ANY SUCH LAWS AS ARE APPLICABLE TO THE SUPPLY OF GOODS. VENDOR ACKNOWLEDGES AND AGREES THAT (I) IT IS NOT RELYING ON ANY CLAIM OR REPRESENTATION OF STELCO RELATIVE TO ANY SAID SAFETY REQUIREMENTS, (II) STELCO EXPRESSLY DISCLAIMS ANY CLAIM OR REPRESENTATION THAT THE INFORMATION CONTAINED IN ANY STELCO SAFETY REQUIREMENTS WILL PRODUCE ANY PARTICULAR RESULTS, AND (III) STELCO SHALL NOT BE RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN THE DESIGN, IMPLEMENTATION AND/OR ENFORCEMENT OF ANY STELCO SAFETY REQUIREMENTS.

- 18.5. Vendor, for itself, its successors and assigns, agrees to defend, indemnify and hold harmless STELCO and its directors, agents, contractors and employees from and against any and all claims, demands, damages, actions or causes of action at law or in equity, together with any and all losses, costs, or expenses and legal fees, in connection therewith or related thereto, asserted by any person or persons, including Vendor and/or employees of Vendor, for disease, bodily injuries, death or property damage arising or in any manner growing out of the performance of Vendor's obligations governed by the Purchase Order to the extent such claims allege errors or omissions in the design, implementation or enforcement of Safety Requirements.

19. ENVIRONMENTAL COMPLIANCE

- 19.1. Vendor must comply with all applicable STELCO, federal, provincial and local environmental control rules and regulations. Vendor is required to adhere to spill prevention regulations and shall immediately notify STELCO's Health & Safety Department of any spill or release on STELCO's premises.
- 19.2. Vendor shall be solely responsible for the proper handling and storage of all materials used by Vendor or its subcontractors in the performance under the Purchase Order covered hereunder. Any such materials stored on STELCO's premises shall be stored by Vendor in full compliance with STELCO's established safety requirements and all governing laws, rules and regulations as applicable to the type of materials involved or to the storage thereof. Vendor shall not store, or permit to be stored, on STELCO's premises any materials not used in the performance under the Purchase Order hereunder.
- 19.3. The Vendor shall not bring onto, or otherwise cause the delivery or supply to, STELCO's

premises any toxic or hazardous materials without the prior written consent of STELCO. 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).

- 19.4. 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 Health and Safety Department at STELCO's location of use with the initial shipment and first shipment after revisions for all hazardous materials that are the subject of the Purchase Order.
- 19.5. 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 the Vendor.

20. INDEMNITY

- 20.1. Vendor shall indemnify and hold harmless STELCO and its agents, employees, representatives, officers and directors and their respective successors and assigns from and against any and all claims, threatened 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 Vendor of any of the warranties, covenants, terms or conditions of the Purchase Order, including this document or any negligent act or omission by the Vendor or its employees, agents, representatives, invitees, subcontractors or suppliers, including, without limitation, such claims or costs relating to property damage, personal injury, illness, diseases or death. Vendor agrees to indemnify and hold harmless STELCO as set forth above regardless of whether such claims, threatened 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 STELCO. STELCO 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 Vendor for lawyers' fees and disbursements as set out above in this Article 20.

21. TAXES

- 21.1. Except for (i) duties relating to Goods that originate from sources or suppliers based outside Canada for which STELCO acts as the importer of record, (ii) value-added taxes payable by STELCO (including federal goods and services tax (GST) and in certain provinces where there are harmonized federal and provincial goods and services tax (HST)) and (iii) provincial retail sales taxes (PST) payable by STELCO, the charges, fees or prices of Vendor shall include, and the Vendor 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 the delivery of Goods under this Purchase Order. If applicable, Vendor is responsible for collecting and remitting PST and value-added taxes, including GST and HST, from STELCO. STELCO will provide Vendor with a valid purchase exemption certificate or provincial sales tax registration number, as applicable. Vendor will indemnify STELCO against any claims against STELCO resulting from Vendor's failure to properly and timely collect and remit GST, HST or PST.

- 21.2. Notwithstanding anything herein to the contrary, should any payments made by or on behalf of STELCO hereunder be subject to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or by any authority or agency therein or thereof having power to tax, STELCO will not be obligated to pay any additional amounts as a consequence of any applicable tax withholding or deduction.

22. NOTICES

- 22.1. All notices required by the Purchase Order shall be in writing and shall be considered to have been validly given when delivered by hand, or deposited for mailing by Canada Post, registered mail service, or by email or other means of written communication, to the address of the party to whom such notice is directed as specified on Purchase Order.

23. OWNERSHIP AND INTELLECTUAL PROPERTY RIGHTS

- 23.1. Vendor 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 STELCO or that are unique to the subject matter of the Purchase Order or derived from any information or materials or intellectual property of STELCO ("Work Product") shall be the exclusive personal property of STELCO.
- 23.2. Vendor hereby assigns all rights, title and interest, including copyrights and all other intellectual property rights for all Work Product and Deliverables to STELCO. STELCO 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 STELCO or not derived from any information or materials or intellectual property of STELCO or not unique to the subject matter of the Purchase Order ("Background Documents"), for any purpose pertaining to STELCO'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.
- 23.3. Vendor shall grant to STELCO a non-exclusive, non-transferable and permanent license to use any part of the supplied Deliverables, including software (if applicable).
- 23.4. STELCO's failure to take possession of any Deliverables, Work Product or Background Documents at the time the Deliverables are supplied by Vendor shall not be construed as a

waiver of any of STELCO's rights under this Article 23. In the event of any termination of the Purchase Order or as requested by STELCO at any time(s), the Vendor shall promptly deliver to STELCO at Vendor's expense the Work Product and Background Documents in both electronic and printed forms.

24. PATENTS

- 24.1. Vendor is solely responsible for the selection of the methods or processes by which it carries out the work to provide the Deliverables covered by the Purchase Order. Vendor 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.
- 24.2. Vendor will indemnify and hold harmless STELCO 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 Deliverables covered by the Purchase Order or connected with the use thereof by STELCO and its customers. STELCO 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 Vendor for lawyers' fees and disbursements as described in this Article 24.
- 24.3. In the event such Deliverables, or any part thereof, is or are held to constitute infringement and the use of such Deliverables is enjoined, the Vendor shall, at Vendor's expense and STELCO's election, either (i) procure for STELCO and its customers the right to continue using such Deliverables, 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 STELCO's intended purpose and having, as compared with the original goods or services, equivalent or superior functionality or utility as determined by STELCO in its sole discretion and shall remain subject to the warranties as specified in Article 9.

25. INSURANCE

- 25.1. Vendor shall comply with Attachment "I", as posted on Stelco.com (<https://www.stelco.com/doing-business/terms-and-conditions>) and which may be updated from time-to-time.

26. WORKPLACE SAFETY INSURANCE

- 26.1. Vendor shall be, and shall ensure that its subcontractors are, at all times registered with the Workplace Safety and Insurance Board (WSIB) under the WSIA (Ontario Workplace Safety and Insurance Act) and that it and they maintain workers' compensation accounts in good standing, whether or not mandatory under the WSIA.
- 26.2. The workers' compensation accounts shall include personal coverage for all employees,

partners, proprietors, directors and officers of the Vendor or its subcontractors, as the case may be, involved in any aspects of the Vendor's performance. Vendor 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.

- 26.3. Vendor shall, if requested by STELCO at any time and from time to time, submit to STELCO, 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.
- 26.4. If at any time for any reason Vendor or its subcontractors are not insured under the WSIA, the Vendor shall indemnify and hold harmless STELCO 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 relating to the Deliverables.
- 26.5. Vendor agrees to indemnify and hold harmless STELCO 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 STELCO.
- 26.6. STELCO 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 Vendor for lawyers' fees and disbursements as described in this Article 26.

27. CONFIDENTIALITY

- 27.1. All materials, documents, drawings, specifications and all other information given to Vendor, directly or indirectly, by STELCO in connection with the Purchase Order are the property of STELCO and shall be treated as confidential by Vendor and shall not be used by Vendor for any purpose other than the fulfillment of the Purchase Order and shall be immediately returned to STELCO upon request.
- 27.2. The obligations and restrictions stipulated in this Article 27 shall survive any termination or expiry of the Purchase Order.

28. PUBLICITY

- 28.1. Vendor shall not publicly disclose the award of or any other information respecting Purchase Order without the prior written authorization of STELCO. Requests by Vendor for such disclosure, whether by publicity releases, advertisements, association papers, internal publications, video presentations and/or other types of disclosure likely to become public information shall be submitted to STELCO for prior approval.

29. SUBCONTRACTING AND ASSIGNING

- 29.1. Vendor shall not assign or subcontract any part of the fulfillment of the Deliverables under a Purchase Order without STELCO's prior written consent. In the event that any such consent is given, it shall not relieve Vendor from any of the obligations under the applicable Purchase Order, and any transferee shall be considered the agent of Vendor and, as between the parties hereto, Vendor shall be and remain liable as if no such transfer or subletting had been made.
- 29.2. This Article 29 does not limit Vendor's ability to purchase standard commercial supplies or raw materials.

30. MISCELLANEOUS

- 30.1. Vendor and STELCO are independent contracting parties and nothing in the Purchase Order, including this document, 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.
- 30.2. In no event shall either party be liable to the other party for any special, consequential or contingent damages resulting from any breach of warranty, delay of performance or any other default in connection with the Purchase Order.
- 30.3. No action or failure to act by STELCO or Vendor 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 this document, 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 this document, constitute a waiver of any succeeding breach of the same or any other provision.
- 30.4. If any term of the Purchase Order, including this document, 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.
- 30.5. The Purchase Order constitutes the entire agreement between Vendor and STELCO and supersedes all prior oral or written representations, proposals and agreements.
- 30.6. All headings in the Purchase Order and/or this document are for convenience of reference only and shall not be used in the interpretation of any provision in the Purchase Order.
- 30.7. 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.

31. COMPLIANCE WITH LAWS

- 31.1. Vendor will comply with all applicable government requirements including those relating to the performing its obligations under the Purchase Order. A government requirement includes any law, order, rule, policy, guideline, 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 Vendor's activity related to the Purchase Order.

- 31.2. Vendor shall not, in connection with its obligations under the Purchase Order: (a) use forced labour, regardless of its form; (b) employ any person below the age of 15, unless it is part of a government-approved job training, apprenticeship or other program that would be clearly beneficial to its employee participants; or (c) engage in physically abusive disciplinary practices.
- 31.3. Vendor shall maintain and pay for all permits, licenses and other authorizations required for and/or in connection with the performance of Vendor's obligations under the Purchase Order and any matter that is reasonably ancillary thereto.
- 31.4. Any provisions required to be included in an agreement of this type by any applicable and valid federal, provincial or municipal law, ordinance, rule or regulation shall be deemed to be incorporated herein.

32. GOVERNING LAW

- 32.1. Purchase Order shall be governed by the laws of the Province of Ontario, excluding Ontario conflict of laws rules.
- 32.2. Any provisions required to be included in a contract of this type by any applicable and valid Federal law, Provincial law or municipal by-law, ordinance, rule or regulation shall be deemed to be incorporated herein.